

VILLAGE OF CARPENTERSVILLE

Carpentersville, Illinois

FINANCIAL STATEMENTS

Including Independent Auditors' Report

For the Year Ended April 30, 2010

VILLAGE OF CARPENTERSVILLE

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INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of Carpentersville
Carpentersville, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Carpentersville, Illinois, as of and for the year ended April 30, 2010 which collectively comprise the village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Carpentersville's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Carpentersville, Illinois, as of April 30, 2010, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, budgetary comparison schedules, schedule of employer's contributions and schedule of funding progress as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Carpentersville's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

To the Village Board
Village of Carpentersville
Carpentersville, Illinois

The statistical information listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Village of Carpentersville, Illinois. The information has not been audited by us and, accordingly, we express no opinion on such information.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
October 27, 2010

VILLAGE OF CARPENTERSVILLE, ILLINOIS

UNAUDITED MANAGEMENT'S DISCUSSION AND ANALYSIS April 30, 2010

The Village of Carpentersville presents this Management's Discussion and Analysis (MD&A) review to (1) assist the reader in focusing on financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position, (4) identify any material deviations from the financial plan, and (5) identify individual fund issues or concerns.

Since this narrative is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the village's financial statements.

FINANCIAL HIGHLIGHTS

- > The assets of the Village of Carpentersville exceeded its liabilities by \$112,817,856 (net assets). Of this amount, \$4,337,130 is considered unrestricted net assets, \$3,820,380 is restricted for specific purposes (restricted net assets), and \$104,660,346 is invested in capital assets, net of related debt.
- > The village's total net assets increased by \$1,927,420. Governmental activities net assets increased by \$2,491,126, while business-type net assets decreased by \$563,706.
- > On April 30, 2010, the village's governmental funds reported combined fund balances of \$5,878,122. Undesignated fund balance was \$2,334,130 at year-end.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the village's basic financial statements. These financial statements consist of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the village.

- > The first two statements are government-wide financial statements that provide both long-term and short-term information about the village's overall financial status.
- > The remaining statements are fund financial statements that focus on individual parts of village government, reporting the village's operations in more detail than the government-wide statements.

These financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

UNAUDITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2010

OVERVIEW OF FINANCIAL STATEMENTS (cont.)

Government-Wide Financial Statements

The government-wide financial statements are designed to emulate the corporate sector in that all governmental and business-type activities are consolidated into columns that add to a total for the primary government. The focus of the Statement of Net Assets (the "Unrestricted Net Assets") is designed to be similar to bottom line results for the village and its governmental and business-type activities. This statement combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus. Over time, increases or decreases in net assets may serve as a useful indicator of whether or not the financial position of the village is improving.

The two government-wide statements report the village's net assets and how they have changed. The Statement of Net Assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The Statement of Activities presents information showing how the village's net assets changed during the most recent fiscal year and is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the village's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various government services and/or subsidy to various business-type activities.

All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods.

The governmental activities reflect the village's basic services, including police, fire, public works, community development, culture/recreation and general government. Property taxes, state sales taxes, local utility taxes, state income taxes, and home rule sales taxes finance the majority of these activities. The business-type activities reflect private sector type operations (Water and Sewer Fund), where the fee for service typically covers all or most of the cost of operation, including depreciation.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith. Traditional users of governmental financial statements will find the fund financial statements' presentation more familiar. The focus is on major funds, rather than fund types. All of the funds of the village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

UNAUDITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2010

OVERVIEW OF FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

Governmental Funds

The governmental major fund presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. The focus of governmental funds is narrower than that of the government-wide financial statements. The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance both provide a reconciliation to facilitate the comparison between governmental funds and governmental activities. The governmental funds total column requires reconciliation because of the different measurement focus (current financial resources versus total economic resources), which is reflected. The flow of current financial resources reflects bond proceeds and interfund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation eliminates these transactions and incorporates the capital assets and long-term obligation (bond and others) into the governmental activities column (in the Government-Wide Statements).

The village maintains 18 individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and the Capital Improvement Projects Fund all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The village adopts an annual appropriated budget for its governmental and enterprise funds. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

Proprietary Funds – The village maintains one proprietary fund, which is an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary fund financial statements present the same type of information as the government-wide financial statements, only in more detail.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

UNAUDITED MANAGEMENT'S DISCUSSION AND ANALYSIS April 30, 2010

OVERVIEW OF FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

Other Information – In addition to the basic financial statements and accompanying notes, required supplementary information presents a detailed budgetary comparison schedule for the general fund to demonstrate compliance with the budget. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

An analysis of the village's financial position begins with a review of the Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets. These two statements report the village's net assets and changes therein. It should be noted that the financial position could also be affected by non-financial factors, including economic conditions, population growth and new regulations.

Government-wide Statements

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Village of Carpentersville, assets exceeded liabilities by \$112,817,856 as of April 30, 2010. A summary of the village's Statement of Net Assets is presented below in Table 1.

Table 1: Condensed Statements of Net Assets

	Governmental Activities 2009	Governmental Activities 2010	Business-type Activities 2009	Business- type Activities 2010	Totals 2009	Totals 2010
Assets						
Current assets	\$ 32,179,914	\$ 22,871,174	\$ 11,904,928	\$ 7,939,826	\$ 44,084,842	\$ 30,811,000
Capital assets	70,480,572	82,511,513	53,468,562	55,657,218	123,949,134	138,168,731
Total Assets	<u>102,660,486</u>	<u>105,382,687</u>	<u>65,373,490</u>	<u>63,597,044</u>	<u>168,033,976</u>	<u>168,979,731</u>
Liabilities						
Current liabilities	16,980,989	16,798,697	3,097,557	3,029,320	20,078,546	19,828,017
Long-term liabilities	15,720,935	16,134,302	21,344,059	20,199,556	37,064,994	36,333,858
Total Liabilities	<u>32,701,924</u>	<u>32,932,999</u>	<u>24,441,161</u>	<u>23,228,876</u>	<u>57,143,540</u>	<u>56,161,875</u>
Net Assets						
Invested in capital assets, net of related debt	60,725,028	69,438,643	34,664,845	35,221,703	95,389,873	104,660,346
Restricted	3,734,343	3,820,380	-	-	3,734,343	3,820,380
Unrestricted	5,499,191	(809,335)	6,267,029	5,146,465	11,766,220	4,337,130
Total Net Assets	<u>\$ 69,958,562</u>	<u>\$ 72,449,688</u>	<u>\$ 40,931,874</u>	<u>\$ 40,368,168</u>	<u>\$ 110,890,436</u>	<u>\$ 112,817,856</u>

VILLAGE OF CARPENTERSVILLE, ILLINOIS

UNAUDITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2010

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

Government-wide Statements (cont.)

The largest portion of the village's net assets (92.8%) reflects its investment in capital assets (e.g., land, buildings and improvements, machinery and equipment, and infrastructure), less any debt used to acquire those assets that is still outstanding. The village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the village's net assets (3.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (3.8%) may be used to meet the government's ongoing obligation to citizens and creditors.

At the end of the current fiscal year, the village reported a negative balance in the unrestricted net assets for governmental activities and positive balances in the net assets for the village as a whole and business-type activities.

The Statement of Net Assets shows the changes in financial position of net assets. The specific nature or source of these changes then becomes more evident in the Statement of Activities as shown below in Table 2.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

UNAUDITED MANAGEMENT'S DISCUSSION AND ANALYSIS April 30, 2010

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

Table 2: Condensed Statement of Activities

	Governmental Activities 2009	Governmental Activities 2010	Business-type Activities 2009	Business-type Activities 2010	Totals 2009	Totals 2010
Revenues						
Program revenues						
Charges for services	\$ 4,200,648	\$ 4,774,164	\$ 5,677,714	\$ 5,743,824	\$ 9,878,362	\$ 10,517,988
Operating grants & contributions	46,256	43,893	-	-	46,256	43,893
Capital grants & contributions	2,272,240	6,579,375	10,686	1,629,016	2,282,926	8,208,391
General Revenues						
Property taxes	7,643,392	7,834,711	-	-	7,643,392	7,834,711
Sales and use tax	6,155,546	5,796,490	-	-	6,155,546	5,796,490
Income tax	2,770,355	2,630,608	-	-	2,770,355	2,630,608
Utility tax	1,479,189	1,313,416	-	-	1,479,189	1,313,416
Other taxes	702,120	452,242	-	-	702,120	452,242
Other/miscellaneous	2,213,829	568,980	171,445	175,818	2,385,274	744,798
Total Revenues	<u>27,483,575</u>	<u>29,993,879</u>	<u>5,859,845</u>	<u>7,548,658</u>	<u>33,343,420</u>	<u>37,542,537</u>
Expenses						
General government	2,923,365	2,853,593	-	-	2,923,365	2,853,593
Public safety	14,820,887	15,706,172	-	-	14,820,887	15,706,172
Public works	8,098,904	6,484,488	-	-	8,098,904	6,484,488
Community development	1,848,358	1,868,828	-	-	1,848,358	1,868,828
Culture & recreation	141,630	140,459	-	-	141,630	140,459
Waterworks & sewerage	-	-	7,960,122	8,019,962	7,960,122	8,019,962
Interest & fiscal charges	460,971	541,615	-	-	460,971	541,615
Total Expenses	<u>28,294,115</u>	<u>27,595,155</u>	<u>7,960,122</u>	<u>8,019,962</u>	<u>36,254,237</u>	<u>35,615,117</u>
Increase (Decrease) in Net Assets Before Transfers	(810,540)	2,398,724	(2,100,277)	(471,304)	(2,910,817)	1,927,420
Transfers	-	92,402	-	(92,402)	-	-
Change in Net Assets	(810,540)	2,491,126	(2,100,277)	(563,706)	(2,910,817)	1,927,420
Beginning Net Assets	<u>70,769,102</u>	<u>69,958,562</u>	<u>43,032,151</u>	<u>40,931,874</u>	<u>113,801,253</u>	<u>110,890,436</u>
Ending Net Assets	<u>\$ 69,958,562</u>	<u>\$ 72,449,688</u>	<u>\$ 40,931,874</u>	<u>\$ 40,368,168</u>	<u>\$ 110,890,436</u>	<u>\$ 112,817,856</u>

VILLAGE OF CARPENTERSVILLE, ILLINOIS

UNAUDITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2010

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

Government-wide Statements (cont.)

The village's combined net assets (the village's bottom line) increased to \$112,817,856 from \$110,890,436 as a result of the governmental activities net gain of \$2,491,126 and business-type activities net loss of \$563,706.

Net assets of the village's governmental funds were \$72,449,688. The village's unrestricted net assets for governmental activities, the part of net assets that can be used to finance day-to-day operations, were (\$809,335).

The net assets of business-type activities were \$40,368,168. The village can use the unrestricted net assets of \$5,146,465 to finance the continuing operation of its water and wastewater facilities.

Current Year Impacts

Governmental Activities:

- > 2008 bond proceeds were used to continue the Infrastructure Capital Improvement Plan
- > State Income Tax distributions were delayed five months totaling over \$1.2 Million
- > Local Ordinance compliance revenue was down 25%
- > Sales and Utility tax receipts were lower than projected, 8% and 30% respectively
- > Historically low interest rates generated lower than expected investment income
- > General Fund actual expenditures were \$1.1 Million less than budget

Business-Type Activities:

- > Revenues from user charges were short by approximately \$1 million due to foreclosures and vacant homes
- > Experienced reduction in investment income due to low interest rates
- > Used 2008 bond proceeds to continue upgrade and replacement of water and sewer infrastructure according to the Capital Improvement Plan
- > Capital contributions from developers totaled \$1.6 million while depreciation expense was \$2.2 million
- > Continued long-term meter replacement program
- > Actual expenditures were approximately \$183,000 less than budget
- > New home water/sewer connections were higher than anticipated and above National trend

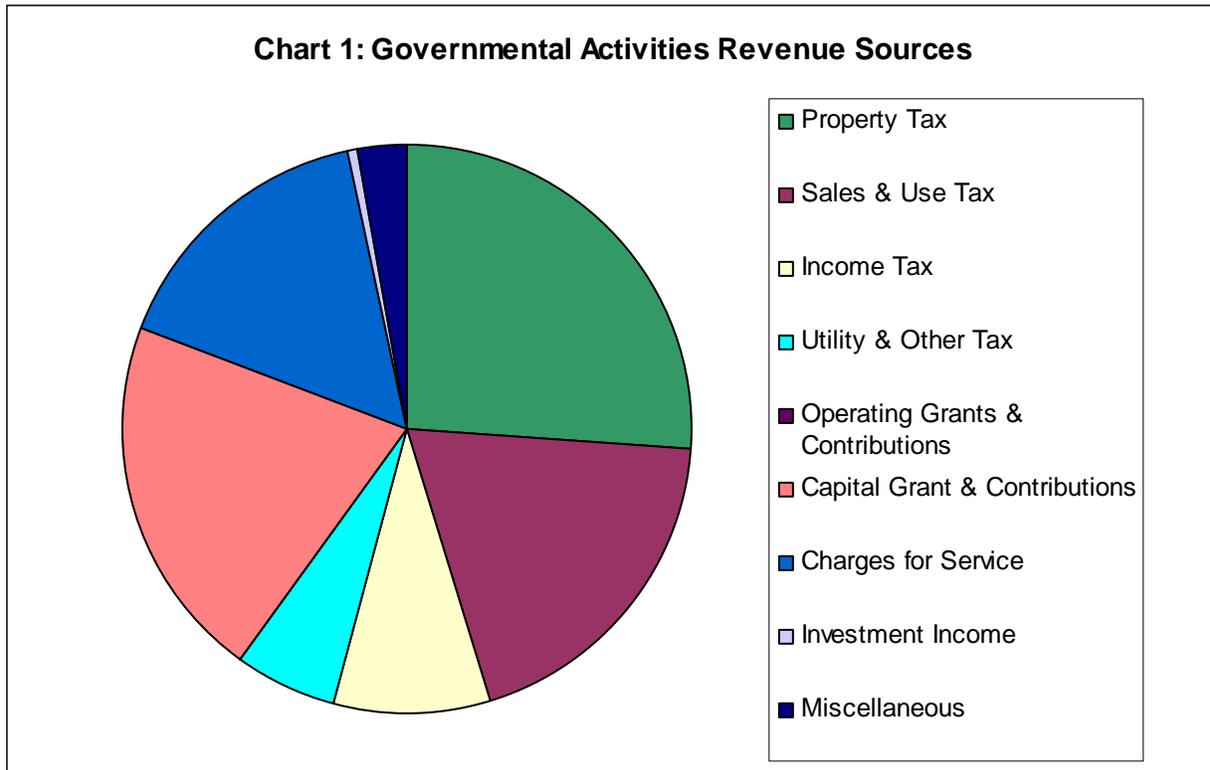
VILLAGE OF CARPENTERSVILLE, ILLINOIS

UNAUDITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2010

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

Revenues

An analysis of the village's governmental activities revenue sources is presented below in Chart 1.



For the fiscal year ended April 30, 2010, revenues from governmental activities totaled \$29,993,879. Property taxes totaled \$7,834,711 representing 26% of total governmental funds' revenue. Sales taxes account for 19% of revenue and local utility tax combined with state income tax represents 9% of total governmental activity revenue.

Property tax revenues increased from \$7,643,392 in fiscal year 2009 to \$7,834,711 in fiscal year 2010, an increase of \$191,319 or 2.5%. The village experienced a 2.47% decrease in its rate setting equalized assessed valuation (EAV) from \$720,503,163 in tax year 2008 to \$702,698,756 in tax year 2009.

Equalized Assessed Valuation

<u>Levy Year</u>	<u>Rate Setting Property in Kane County</u>
2008	\$ 720,503,163
2009	\$ 702,698,756
Decrease	\$ 17,804,419
% Decrease	2.47%

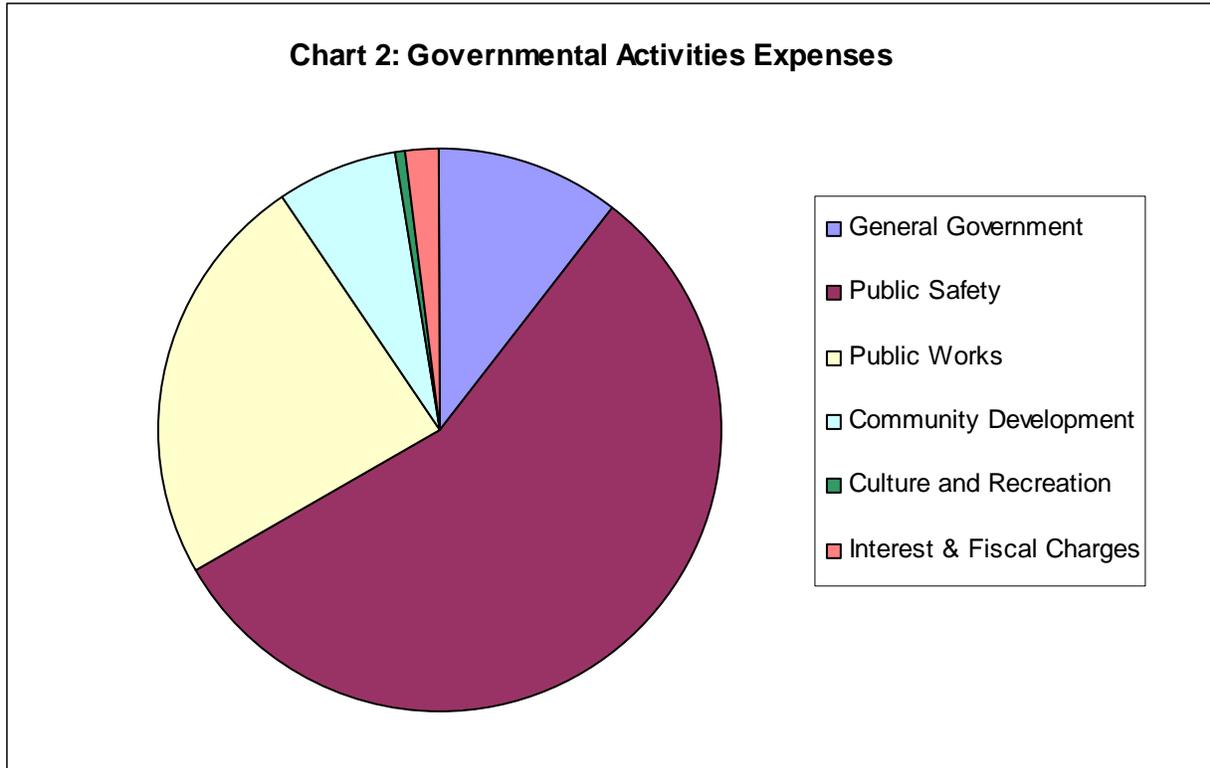
VILLAGE OF CARPENTERSVILLE, ILLINOIS

UNAUDITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2010

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

Expenses

An analysis of the village's governmental activities expenses by category is presented below in Chart 2.



For the fiscal year ended April 30, 2010 expenses from governmental activities totaled \$27,595,155. Public Safety and Public Works services account for 57% and 23% of all governmental activities expenses, respectively.

Business-Type Activities

Business-type activities decreased the village's net assets by \$563,706. This decrease is a result of lower than expected water and sewer user fees due to foreclosures and vacant homes. New housing starts were higher than expected and national trend; however, existing homes in Carpentersville suffer from one of the highest foreclosure rates in Kane County. Developer contributed assets totaled \$1.6 million while annual depreciation expense was \$2.2 million.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

UNAUDITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2010

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

Financial Analysis of the Village Funds

Governmental Funds

At April 30, 2010, the governmental funds reported a combined fund balance of \$5,878,122, which is a 63.3% decrease from the beginning of the year of \$16,024,109. The resulting \$10 million decrease in Fund Balance is due to capital expenditures and decreased revenues. The village spent over \$9 million on capital projects in fiscal year end 2010. Almost \$2 million was spent to renovate Fire Station #2 while the remainder was used for infrastructure improvements. These expenditures are capitalized in the statement of net assets; however, they are recorded as expenses in the governmental funds.

Delayed income tax payments from the State of Illinois produced a ten-fold increase in accounts receivable. Developer contributed assets of more than \$4 million and accounts receivable are reported as revenue in the government-wide statements but are not recognized in the fund financial statements. Reduced revenue coupled with depreciation expense, retirement incentives and capital outlay account for the \$10 million reduction to fund balance. A detailed reconciliation of these items is shown on page 5 of the financial statements.

Of the total governmental funds' fund balance, \$2,334,130 is unreserved and undesignated indicating availability for continuing village services. \$125,163 is designated for various police department programs that have specific restrictions regarding expenditures.

Total reserved fund balance of \$3,418,829 includes \$294,864 for prepaid insurance, debt service obligations of \$1,054,454, noncurrent interfunds of \$1,516,066 and \$553,445 that is encumbered for future capital projects.

The general fund is the village's primary operating fund and the largest source of day-to-day service delivery. The total fund balance in the general fund decreased \$2,187,594 from \$5,248,043 in fiscal year 2009 to \$3,060,449 or 41.7% in fiscal year 2010. The Government Finance Officers Association proposes best practices for municipal financial policies and further recommends that municipalities maintain a minimum unreserved, undesignated fund balance of five to fifteen percent of regular general fund operating revenues. Presently, the village's unreserved, undesignated fund balance of \$1,124,356 in the General fund is 4.6% of actual operating revenues.

The Capital Improvement Project Fund, a major governmental fund, was established when the village sold bonds in 2006. The village issued another \$10,000,000 bond in fiscal year end 2009. The bond proceeds are spent on street improvements and water and sewer infrastructure upgrades, repair and replacement. The projects are determined by the village's engineering and public works departments. The debt service is shared by the funds on a weighted basis. The Capital Improvement Project fund experienced a net decrease in fund balance of \$6,018,870 and the resulting fund balance deficit of \$1,217,490 is due to capital outlay. The village intends to use 67% of the 2008 bond proceeds on General Fund street improvement projects and 33% on Proprietary Fund water and sewer infrastructure improvements. The village sold more bonds in fiscal year end 2011 to continue the Capital Improvement Plan.

Proprietary Funds

At April 30, 2010 the proprietary funds' total net assets decreased by \$563,706 from \$40,931,874 in 2009 to \$40,368,168 in 2010 or 1.3%. The decrease is due largely in part to decreased water and sewer user fees.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

UNAUDITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2010

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

General Fund Budgetary Highlights

Table 3

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues	\$ 24,803,014	\$ 24,814,964	\$ 21,435,501
Expenditures	<u>24,735,793</u>	<u>24,753,843</u>	<u>23,637,721</u>
Excess (Deficiency) of Revenues over Expenditures	67,221	61,121	(2,202,220)
Other Financing Sources	<u>(70,972)</u>	<u>(70,972)</u>	<u>14,626</u>
Net Change in Fund Balance	<u>\$ (3,751)</u>	<u>\$ (9,851)</u>	<u>\$ (2,187,594)</u>

The above chart shows budgeted revenues and expenditures versus actual revenues and expenditures. The village's expenses were \$1.1 million lower than budget, however, that was not enough to overcome the \$3.3 million shortfall in actual revenues. The resulting \$2.2 million deficit is indicative of the struggling economy facing the entire nation.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

UNAUDITED MANAGEMENT'S DISCUSSION AND ANALYSIS April 30, 2010

CAPITAL ASSETS

The village's investment in capital assets for its governmental and business-type activities as of April 30, 2010 amounts to \$138,168,731. The investment in capital assets includes land, buildings, equipment, underground distribution and collection systems, infrastructure, and construction in progress. The village saw a net increase of capital assets (including additions, developer contributions, and retirements) of \$14,219,597.

Table 4: Capital Assets

	Governmental Activities 2009	Governmental Activities 2010	Business-type Activities 2009	Business-type Activities 2010	Totals 2009	Totals 2010
Land, CWIP, and other assets not being depreciated	\$ 19,085,038	\$ 19,959,753	\$ 3,727,263	\$ 2,523,864	\$ 22,812,301	\$ 22,483,617
Buildings and improvements	6,244,325	8,178,302	33,534,256	35,694,069	39,778,581	43,872,371
Vehicles and equipment	5,488,693	5,657,190	2,019,974	2,019,974	7,508,667	7,677,164
Infrastructure and utility plant	<u>54,442,367</u>	<u>65,169,072</u>	<u>40,217,740</u>	<u>43,628,646</u>	<u>94,660,107</u>	<u>108,797,718</u>
Total Capital Assets	85,260,423	98,964,317	79,499,233	83,866,553	164,759,656	182,830,870
Less: Accumulated Depreciation	<u>(14,779,851)</u>	<u>(16,452,804)</u>	<u>(26,030,671)</u>	<u>(28,209,335)</u>	<u>(40,810,522)</u>	<u>(44,662,139)</u>
Net Capital Assets	<u>\$ 70,480,572</u>	<u>\$ 82,511,513</u>	<u>\$ 53,468,562</u>	<u>\$ 55,657,218</u>	<u>\$ 123,949,134</u>	<u>\$ 138,168,731</u>

VILLAGE OF CARPENTERSVILLE, ILLINOIS

UNAUDITED MANAGEMENT'S DISCUSSION AND ANALYSIS April 30, 2010

DEBT OUTSTANDING

The village currently has three outstanding general obligation bond series and one Illinois EPA loan outstanding. Total general obligation debt is \$20,930,000, of which \$12,685,500 is attributed to governmental activities and \$8,244,500 is attributed to business-type activities. The village's loan from the Illinois Environmental Protection Agency for construction of the wastewater treatment plant carries an outstanding principal balance of \$12,998,429.

The village, under its home rule authority, does not have a legal debt limit and carries moderate debt burdens. The village's current bond rating is Aa2.

Additional information on the village's long-term debt can be found in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The village's composition is primarily residential with a growing commercial base. The property tax revenue derived from residential, commercial, and industrial properties has been stable. The village has been affected by the general decline in the nation's economy; however building permit revenue was stable due to one active subdivision that continues to construct homes. The State of Illinois is attempting to remedy the lag in income tax disbursements. According to the Illinois Department of Employment Security the village's unemployment rate increased from 8.4% in 2008 to 13% in 2009. Reflective of the global economy, the Village of Carpentersville is working towards a municipal structure that provides to its residents sound and reliable services with fewer resources.

The Village of Carpentersville is committed to enhancing its economic development opportunities and is actively searching for new and innovative ways to attract new business. A Business Development Commission was formed in 2010 in an effort to partner with local business owners to promote commerce retention and growth. The 2010 / 2011 budget reflects General Fund expenses that are 4.4% lower than in fiscal year 2009 / 2010. Great care and consideration was used to achieve a reduced budget and the Village Board and Department Directors worked diligently to ensure there were very few reductions in village services.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Lisa Happ, Finance Director, Village of Carpentersville, 1200 L. W. Besinger Drive, Carpentersville, Illinois 60110.

VILLAGE OF CARPENTERSVILLE

STATEMENT OF NET ASSETS April 30, 2010

	<u>Governmental</u> <u>Activities</u>	<u>Business-</u> <u>type</u> <u>Activities</u>	<u>Totals</u>
ASSETS			
Cash and investments	\$ 7,248,569	\$ 6,432,284	\$ 13,680,853
Receivables			
Taxes			
Property	11,718,894	-	11,718,894
Personal property	18,861	-	18,861
Sales	850,947	-	850,947
Utility	389,048	-	389,048
Motor fuel	75,187	-	75,187
Income	1,550,790	-	1,550,790
Other	133,313	-	133,313
Accounts	859,017	885,076	1,744,093
Accrued interest	36,574	21,268	57,842
Internal balances	(454,273)	454,273	-
Prepaid items	294,864	56,164	351,028
Other assets	149,383	90,761	240,144
Capital Assets			
Capital assets not being depreciated	19,959,753	2,523,864	22,483,617
Capital assets, net of depreciation	62,551,760	53,133,354	115,685,114
Total Assets	<u>105,382,687</u>	<u>63,597,044</u>	<u>168,979,731</u>
LIABILITIES			
Accounts payable and accrued expenses	2,749,065	611,007	3,360,072
Deposits and customer advances	679,232	1,170,693	1,849,925
Due to other governments	20,884	-	20,884
Unearned revenues	11,718,894	3,413	11,722,307
Long-Term Liabilities			
Due within one year	1,630,622	1,244,207	2,874,829
Due in more than one year	16,134,302	20,199,556	36,333,858
Total Liabilities	<u>32,932,999</u>	<u>23,228,876</u>	<u>56,161,875</u>
NET ASSETS			
Invested in capital assets, net of related debt	69,438,643	35,221,703	104,660,346
Restricted for			
Debt service	879,854	-	879,854
Motor fuel tax projects	1,634,398	-	1,634,398
TIF district purposes	1,306,128	-	1,306,128
Unrestricted (deficit)	(809,335)	5,146,465	4,337,130
TOTAL NET ASSETS	<u>\$ 72,449,688</u>	<u>\$ 40,368,168</u>	<u>\$ 112,817,856</u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE

STATEMENT OF ACTIVITIES
For the Year Ended April 30, 2010

Functions/Programs	Program Revenues				Net Expenses (Revenues) and Changes in Net Assets		
	Expenses	Charges for Services	Operating	Capital	Governmental Activities	Business-type Activities	Totals
			Grants and Contributions	Grants and Contributions			
Governmental Activities							
General government	\$ 2,853,593	\$ 761,390	\$ -	\$ -	\$ (2,092,203)	\$ -	\$ (2,092,203)
Public safety	15,706,172	2,535,773	2,310	-	(13,168,089)	-	(13,168,089)
Public works	6,484,488	1,078,688	29,633	6,579,375	1,203,208	-	1,203,208
Community development	1,868,828	398,313	11,950	-	(1,458,565)	-	(1,458,565)
Culture and recreation	140,459	-	-	-	(140,459)	-	(140,459)
Interest and fiscal charges	541,615	-	-	-	(541,615)	-	(541,615)
Total Governmental Activities	<u>27,595,155</u>	<u>4,774,164</u>	<u>43,893</u>	<u>6,579,375</u>	<u>(16,197,723)</u>	<u>-</u>	<u>(16,197,723)</u>
Business-type Activities							
Waterworks and sewerage	8,019,962	5,743,824	-	1,629,016	-	(647,122)	(647,122)
Total Business-type Activities	<u>8,019,962</u>	<u>5,743,824</u>	<u>-</u>	<u>1,629,016</u>	<u>-</u>	<u>(647,122)</u>	<u>(647,122)</u>
Totals	<u>\$ 35,615,117</u>	<u>\$ 10,517,988</u>	<u>\$ 43,893</u>	<u>\$ 8,208,391</u>	<u>(16,197,723)</u>	<u>(647,122)</u>	<u>(16,844,845)</u>
General Revenues							
Taxes							
Property					7,834,711	-	7,834,711
Sales and use					5,796,490	-	5,796,490
Income					2,630,608	-	2,630,608
Utility					1,313,416	-	1,313,416
Other					452,242	-	452,242
Public gifts					7,387	-	7,387
Investment income					178,003	116,275	294,278
Miscellaneous					383,590	59,543	443,133
Transfers					92,402	(92,402)	-
Total General Revenues and Transfers					<u>18,688,849</u>	<u>83,416</u>	<u>18,772,265</u>
Change in Net Assets					2,491,126	(563,706)	1,927,420
NET ASSETS - Beginning of Year					<u>69,958,562</u>	<u>40,931,874</u>	<u>110,890,436</u>
NET ASSETS - END OF YEAR					<u>\$ 72,449,688</u>	<u>\$ 40,368,168</u>	<u>\$112,817,856</u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE

BALANCE SHEET GOVERNMENTAL FUNDS April 30, 2010

	General	Capital Improvement Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 709,310	\$ 35,910	\$ 6,503,349	\$ 7,248,569
Receivables				
Taxes				
Property	10,165,958	-	1,552,936	11,718,894
Personal property	18,861	-	-	18,861
Sales	850,947	-	-	850,947
Utility	389,048	-	-	389,048
Motor fuel	-	-	75,187	75,187
Income	1,550,790	-	-	1,550,790
Other	133,313	-	-	133,313
Accounts	859,017	-	-	859,017
Accrued interest	-	36,574	-	36,574
Due from other funds	1,871,046	-	-	1,871,046
Prepaid items	294,864	-	-	294,864
TOTAL ASSETS	\$ 16,843,154	\$ 72,484	\$ 8,131,472	\$ 25,047,110
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 786,488	\$ 486,139	\$ 627,635	\$ 1,900,262
Accrued liabilities	455,643	-	-	455,643
Health insurance claims payable	218,559	-	-	218,559
Special deposits	312,449	-	366,783	679,232
Due to other funds	-	797,248	1,528,071	2,325,319
Due to other governments	-	-	20,884	20,884
Deferred revenues	12,009,566	6,587	1,552,936	13,569,089
Total Liabilities	<u>13,782,705</u>	<u>1,289,974</u>	<u>4,096,309</u>	<u>19,168,988</u>
Fund Balances				
Reserved				
Prepaid items	294,864	-	-	294,864
Debt service	-	-	1,054,454	1,054,454
Noncurrent interfunds	1,516,066	-	-	1,516,066
Encumbrances	-	553,445	-	553,445
Unreserved, reported in				
General fund - designated	125,163	-	-	125,163
General fund - undesignated	1,124,356	-	-	1,124,356
Special revenue funds - undesignated	-	-	3,489,563	3,489,563
Capital projects funds - undesignated (deficit)	-	(1,770,935)	(508,854)	(2,279,789)
Total Fund Balances	<u>3,060,449</u>	<u>(1,217,490)</u>	<u>4,035,163</u>	<u>5,878,122</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 16,843,154	\$ 72,484	\$ 8,131,472	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.	82,511,513
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,850,195
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. (See Note II.A.)	<u>(17,790,142)</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES **\$ 72,449,688**

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For the Year Ended April 30, 2010

	General	Capital Improvement Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 15,638,387	\$ -	\$ 1,388,429	\$ 17,026,816
Intergovernmental	2,033,750	86,901	904,400	3,025,051
Licenses and permits	1,572,549	-	-	1,572,549
Fines, forfeitures and penalties	507,637	-	-	507,637
Public charges for services	1,383,451	-	134,727	1,518,178
Investment income	80,849	108,149	70,103	259,101
Miscellaneous revenues	218,878	-	337,922	556,800
Total Revenues	<u>21,435,501</u>	<u>195,050</u>	<u>2,835,581</u>	<u>24,466,132</u>
EXPENDITURES				
Current				
General government	2,267,779	-	-	2,267,779
Public safety	14,498,478	-	-	14,498,478
Public works	4,866,637	-	378,689	5,245,326
Community development	1,865,603	-	-	1,865,603
Culture and recreation	139,224	-	2,906	142,130
Capital Outlay	-	6,156,609	3,229,764	9,386,373
Debt Service				
Principal retirement	-	57,311	718,250	775,561
Interest and fiscal charges	-	-	547,955	547,955
Total Expenditures	<u>23,637,721</u>	<u>6,213,920</u>	<u>4,877,564</u>	<u>34,729,205</u>
Deficiency of revenues over expenditures	<u>(2,202,220)</u>	<u>(6,018,870)</u>	<u>(2,041,983)</u>	<u>(10,263,073)</u>
OTHER FINANCING SOURCES (USES)				
Sale of village property	14,626	-	10,058	24,684
Transfers in	-	-	473,261	473,261
Transfers out	-	-	(380,859)	(380,859)
Total Other Financing Sources (Uses)	<u>14,626</u>	<u>-</u>	<u>102,460</u>	<u>117,086</u>
Net Change in Fund Balances	(2,187,594)	(6,018,870)	(1,939,523)	(10,145,987)
FUND BALANCES - Beginning of Year	<u>5,248,043</u>	<u>4,801,380</u>	<u>5,974,686</u>	<u>16,024,109</u>
FUND BALANCES - END OF YEAR (DEFICIT)	<u>\$ 3,060,449</u>	<u>\$ (1,217,490)</u>	<u>\$ 4,035,163</u>	<u>\$ 5,878,122</u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended April 30, 2010

Net change in fund balances - total governmental funds	\$ (10,145,987)
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Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the
statement of net assets the cost of these assets is capitalized. The assets are
depreciated over their estimated useful lives and depreciation expense is reported.
in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	9,386,373
Some items reported as capital outlay are not capitalized	(9,944)
Some items capitalized are reported as current expenditures in the funds	144,791
Depreciation reported in the government-wide statements	(1,741,975)
Net book value of assets retired	(29,339)

Contributed capital assets are reported as revenues in the government-wide statements.	4,281,035
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Receivables not currently available are reported as deferred revenue in the fund financial
statements but are recognized as revenue when earned in the government-wide
financial statements.

Accounts receivable	1,338,293
Interest receivable	(81,099)

Debt and lease issues provide current financial resources to governmental funds,
but issuing these obligations increases long-term liabilities in the statement of net
assets. Repayment of principal is an expenditure in the governmental funds, but the
repayment reduces long-term liabilities in the statement of net assets.

Promissory notes issued	(343,867)
Principal payments	775,561
Capital lease payments	1,068

Governmental funds report the effect of issuance costs, premiums, discounts, and similar
items when debt is first issued, whereas these amounts are deferred and amortized in the
statement of activities.

Amortization of premium on debt	9,380
Amortization of discount on debt issuance costs	(11,673)

Some expenses in the statement of activities do not require the use of
current financial resources and, therefore, are not reported as expenditures
in the governmental funds. The expenses that changed during the year include:

Compensated absences	(37,277)
Net pension obligation	(52,533)
Other postemployment benefits	(376,315)
Early retirement incentives	(624,000)
Accrued interest on debt	8,634

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 2,491,126</u>
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See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE

STATEMENT OF NET ASSETS ENTERPRISE FUND WATERWORKS AND SEWERAGE FUND April 30, 2010

ASSETS	
Current Assets	
Cash and investments	\$ 6,432,284
Customer accounts receivable, net	882,004
Miscellaneous accounts receivable	3,072
Accrued interest	21,268
Prepaid items	<u>56,164</u>
Total Current Assets	<u>7,394,792</u>
Noncurrent Assets	
Restricted construction fund due from other funds	797,248
Unamortized debt issuance cost	90,761
Utility Plant	
Plant in service	82,592,450
Construction in progress	1,274,103
Less: Accumulated depreciation	<u>(28,209,335)</u>
Net Utility Plant	<u>55,657,218</u>
Total Noncurrent Assets	<u>56,545,227</u>
Total Assets	<u>63,940,019</u>

LIABILITIES	
Current Liabilities	
Accounts payable	\$ 228,885
Accrued liabilities	47,809
Unearned revenue	3,413
Compensated absences	123,739
Deposits	490,106
Due to general fund	342,975
Current portion of IEPA loan	818,657
Current portion of general obligation bonds	407,550
Current portion of early retirement incentives	18,000
Accrued interest	<u>210,574</u>
Total Current Liabilities	<u>2,691,708</u>
Noncurrent Liabilities	
IEPA loan	12,179,772
General obligation bonds	7,836,950
Unamortized bond premium	80,595
Early retirement incentives	66,000
Other post employment benefits obligation	36,239
Customer advance	<u>680,587</u>
Total Noncurrent Liabilities	<u>20,880,143</u>
 Total Liabilities	 <u>23,571,851</u>
 NET ASSETS	
Invested in capital assets, net of related debt	35,221,703
Unrestricted	<u>5,146,465</u>
 TOTAL NET ASSETS	 <u>\$ 40,368,168</u>

VILLAGE OF CARPENTERSVILLE

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS -
ENTERPRISE FUND
WATERWORKS AND SEWERAGE FUND
For the Year Ended April 30, 2010

OPERATING REVENUE

Water user charges	\$ 2,175,727
Sewer user charges	2,503,217
Water connection fees	154,137
Sewer connection fees	156,447
Water availability charges	145,018
Sewer availability charges	326,757
Meter sales	15,788
Services fees and penalties	190,097
Rental Income	63,255
Miscellaneous	13,381
Total Operating Revenue	<u>5,743,824</u>

OPERATING EXPENSES

Water department	2,707,327
Sewer department	2,439,976
Depreciation - Water	773,172
Depreciation - Sewer	1,405,492
Total Operating Expenses	<u>7,325,967</u>

Operating Loss (1,582,143)

NONOPERATING REVENUES (EXPENSES)

Investment income	116,275
Interest charged to construction	58,400
Interest expense	(693,657)
Amortization of debt issuance cost and bond premium	(366)
Miscellaneous revenue	1,509
Miscellaneous expense	(338)
Total Nonoperating Revenues (Expenses)	<u>(518,177)</u>

Loss Before Transfer Out and Capital Contributions (2,100,320)

TRANSFER TO CAPITAL PROJECT FUND (92,402)
CAPITAL CONTRIBUTIONS 1,629,016

CHANGE IN NET ASSETS (563,706)

TOTAL NET ASSETS - Beginning of Year 40,931,874

TOTAL NET ASSETS - END OF YEAR \$ 40,368,168

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE

STATEMENT OF CASH FLOWS ENTERPRISE FUND WATERWORKS AND SEWERAGE FUND For the Year Ended April 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 5,787,688
Cash paid to suppliers for goods and services	(2,973,775)
Cash payments to employees for services	(2,002,673)
Customer's deposits	<u>8,031</u>
Net Cash Flows from Operating Activities	<u>819,271</u>

CASH FLOWS FROM NONCAPITAL

FINANCING ACTIVITIES

Transfer to Capital Project Fund	<u>(92,402)</u>
Net Cash Flows from Non Capital Financing Activities	<u>(92,402)</u>

CASH FLOWS FROM CAPITAL AND RELATED

FINANCING ACTIVITIES

Debt retired	(1,195,041)
Interest paid	(704,372)
Debt proceeds transferred to construction fund	2,826,474
Acquisition and construction of capital assets	(2,730,290)
Customer advances	<u>85,648</u>
Net Cash Flows from Capital and Related Financing Activities	<u>(1,717,581)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investments sold and matured	100,105
Investment income	<u>144,897</u>
Net Cash Flows from Investing Activities	<u>245,002</u>

Net Change in Cash and Cash Equivalents (745,710)

CASH AND CASH EQUIVALENTS - Beginning of Year 7,177,994

CASH AND CASH EQUIVALENTS - END OF YEAR \$ 6,432,284

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES

Capital assets acquired through contributions \$ 1,629,016

**RECONCILIATION OF OPERATING LOSS TO NET
CASH FLOWS FROM OPERATING ACTIVITIES**

Operating loss	\$ (1,582,143)
Adjustments to Reconcile Operating Loss to Net Cash Flows From Operating Activities	
Nonoperating income	1,171
Depreciation water and sewer	2,178,664
Changes in Assets and Liabilities	
Customer accounts receivable	36,402
Other accounts receivable	2,878
Prepaid items	2,530
Accounts payable	50,334
Other current liabilities	14,081
Other postemployment benefits liability	107,323
Customer deposits	<u>8,031</u>

NET CASH FLOWS FROM OPERATING ACTIVITIES \$ 819,271

**RECONCILIATION OF CASH AND CASH EQUIVALENTS
TO STATEMENT OF NET ASSETS ACCOUNTS**

Cash and investments	\$ 6,432,284
Less: Noncash equivalents	<u>-</u>

CASH AND CASH EQUIVALENTS \$ 6,432,284

VILLAGE OF CARPENTERSVILLE

STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS April 30, 2010

	Pension Trust Funds	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and investments		
Deposits	\$ 63,284	\$ 2
Money markets	524,778	-
U.S. treasuries	6,572,458	-
U.S. agencies - implicit	10,971,765	-
U.S. agencies - explicit	709,587	-
Stock	5,557,149	-
State and local bonds	656,731	-
Mutual funds	9,146,525	-
Accrued interest	175,011	-
Due from other taxing units	1,128	20,093
Prepaid items	19,601	-
Total Assets	<u>34,398,017</u>	<u>20,095</u>
LIABILITIES		
Accounts payable	<u>11,622</u>	<u>20,095</u>
Total Liabilities	<u>11,622</u>	<u>20,095</u>
NET ASSETS		
Held in trust for pension benefits	<u>\$ 34,386,395</u>	<u>\$ -</u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS FIDUCIARY FUNDS For the Year Ended April 30, 2010

	Pension Trust Funds
ADDITIONS	
Contributions	
Employer	\$ 2,374,568
Participants	<u>892,332</u>
Total Contributions	<u>3,266,900</u>
Net Investment Income	
Investment income	5,153,464
Less: investment expense	<u>(130,364)</u>
Net Investment Income	<u>5,023,100</u>
Total Additions	<u>8,290,000</u>
DEDUCTIONS	
Benefits and refunds	1,624,787
Other contractual	<u>59,632</u>
Total Deductions	<u>1,684,419</u>
CHANGE IN NET ASSETS	6,605,581
NET ASSETS - Beginning of Year	<u>27,780,814</u>
NET ASSETS - END OF YEAR	<u>\$ 34,386,395</u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE

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VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS

April 30, 2010

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Carpentersville, Illinois (the “village”) was incorporated in 1851. The village is a home-rule municipality, under the 1970 Illinois Constitution, located in Kane County, Illinois. The village operates under a President-Trustee form of government and provides services as authorized by its charter: public safety (police and fire protection), highways and streets, sanitation (water and sewer), health and social services, public improvements, planning and zoning, and general administrative services. The accounting policies of the village conform to generally accepted accounting principles as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the Village of Carpentersville. The reporting entity for the Village of Carpentersville consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. This report does not contain any component units.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Government-Wide Financial Statements (cont.)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The village does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net assets/fund equity, revenues, and expenditure/expenses.

Separate financial statements are provided for governmental funds and proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Funds are organized as major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the village or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or enterprise fund that the village believes is particularly important to financial statement users may be reported as a major fund.

The village reports the following major governmental funds:

General Fund – accounts for the village’s primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Improvement Projects – accounts for the acquisition and construction of capital projects and proceeds from related long-term borrowing.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

The village reports the following major enterprise fund:

Waterworks and Sewerage Utility – accounts for operations of the water and sewer systems

The village reports the following non-major governmental funds:

Special Revenue Funds – used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

- Motor Fuel Tax
- McNamee Memorial Park
- Veterans' Memorial Garden
- Special Service Area No. 1
- Special Service Area No. 2
- Special Service Area No. 3
- Special Service Area No. 21
- Tax Increment Financing District No. 1
- Tax Increment Financing District No. 2
- Title V Federal Grant
- Developer Activities

Debt Service Fund – accounts for resources accumulated and payments made for principal and interest on long-term debt other than enterprise fund debt.

Capital Projects Funds – used to account for financial resources to be used for the acquisition or construction of equipment and/or major capital facilities.

- Capital Improvements Public Works
- Capital Improvements Fire
- Equipment Replacement
- Street

In addition, the village reports the following fund types:

Pension (and other employee benefit) trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans.

- Police Pension Trust
- Firefighters' Pension Trust

Agency funds are used to account for assets held by the village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

- Special Service Areas 10 and 11
- Special Service Area 18

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net assets and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and unearned revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

The business-type activities follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the village's waterworks and sewerage utility and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred revenues. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the village is entitled the resources and the amounts are available. Amounts owed to the village which are not available are recorded as receivables and deferred revenues. Amounts received prior to the entitlement period are also recorded as deferred revenues.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements (cont.)

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred revenues.

Revenues susceptible to accrual include property taxes, income taxes, sales taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

The village reports deferred revenues on its governmental funds balance sheet. Deferred revenues arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received before the village has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the village has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements (other than agency funds) are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

The enterprise funds follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989. The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the waterworks and sewerage utility are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of village funds is restricted by state statutes. Available investments are limited to:

- a. Time deposits in any credit union, bank, savings bank or trust company or savings and loan association which are insured.
- b. Bonds or securities issued or guaranteed by the federal government.
- c. Illinois state investment pools.
- d. Money market mutual funds with portfolios of securities issued or guaranteed by the United States government.
- e. Short-term commercial paper rated within the three highest classifications by at least two standard rating services.
- f. Repurchase agreements with public depositories.

Pension funds may also invest in certain non-U.S. obligations, Illinois municipal corporation's tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, and the Illinois insurance company general and separate accounts, mutual funds, and equity securities. The police pension fund's investment policy allows investments in all of the above listed accounts, but does exclude any repurchase agreements. The firefighters' pension fund allows funds to be invested in any type of security authorized by the Illinois pension code.

Additional restrictions may arise from local charters, ordinances, resolutions and grant resolutions.

The village has adopted an investment policy. That policy contains the following guidelines for allowable investments:

Custodial Credit Risk

The village will not maintain funds in any financial institution that is not a member of the FDIC or SIPC system. Furthermore, the village will not maintain funds in any financial institution not willing to post, or not capable of posting, required collateral for funds in excess of the FDIC or SIPC insurable limits. The amount of collateral provided will not be less than 110% of the fair market value of the net amount of public funds secured. Pledged collateral will be held in safekeeping by a third party depository.

Credit Risk

The village will minimize credit risk by limiting investments to the safest type of securities, pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the village will do business, and diversifying the investment portfolio.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

1. Deposits and Investments (cont.)

Interest Rate Risk

The village will minimize interest rate risk by structuring the investment portfolio for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The village will also invest operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

Concentration of credit risk is not addressed by the village's investment policy.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State of Illinois to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Funds' share price, the price for which the investment could be sold.

See Note IV.A. for further information.

2. Receivables

Property taxes for the 2010 levy year attach as an enforceable lien on January 1, 2010, on property value assessed as of the same date. Taxes are levied by December 31 of the subsequent fiscal year end by passage of a Tax Levy Ordinance. Tax bills are prepared by the county and issued on or about May 1, 2010 and are payable in two installments, on or about June 1, 2010 and September 1, 2010. The county collects such taxes and remits them periodically.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

In the governmental fund financial statements, advances to other funds are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

2. Receivables (cont.)

General fund accounts receivable have been shown net of an allowance of \$189,425. Waterworks and sewerage fund customer accounts receivable have been shown net of a \$66,600 allowance for uncollectible accounts.

Billings for the utilities are rendered and recorded quarterly based on metered usage. The utilities do accrue revenues beyond the billing dates. Current rates were approved by the village board effective January 1, 2009.

3. Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year end inventory was not significant. Proprietary fund inventories are generally used for construction and/or operation and maintenance work. They are not for resale. They are valued at cost based on weighted average, and charged to construction and/or operation and maintenance expense when used. Year end proprietary fund inventory was not significant.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net assets. There were no restricted net assets at year end.

5. Capital Assets

Government-Wide Statements

Capital assets, which includes property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$20,000 for general capital assets and infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost, if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. \$58,400 of interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

5. Capital Assets (cont.)

Government-Wide Statements (cont.)

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	50 Years
Machinery and Equipment	3-25 Years
Utility System	10-100 Years
Infrastructure	50-100 Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

6. Other Assets

In governmental funds, debt issuance costs are recognized as expenditures in the current period. For the government-wide and the proprietary fund type financial statements, debt issuance costs are deferred and amortized over the term of the debt issue.

7. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable available resources.

Payments for vacation leave will be made at rates in effect when the benefits are used. Accumulated vacation liabilities at April 30, 2010 are determined on the basis of current salary rates and include salary related payments. Accumulated sick leave liabilities are not material.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

8. Long-Term Obligations/Conduit Debt

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable, and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue using the effective interest method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for both premiums/discounts and gains/losses, as applicable, is shown as an increase or decrease in the liability section of the statement of net assets.

The village may approve the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the village. There were no IRB's outstanding at year end.

9. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. The liability for claims and judgments is only reported in governmental funds if it has matured. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

10. Equity Classifications

Government-Wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

When both restricted and unrestricted resources are available for use, it is the village’s policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Reserved fund balance is the portion of fund balance that is not available for the subsequent year’s budget due to legal restrictions or resources which are not available for current spending. Unreserved fund balance includes funds set aside by management for specific uses, which are labeled “designated”. The balance of unreserved fund balance is labeled “undesignated”, which indicates it is available for appropriation. Proprietary fund equity is classified the same as in the government-wide statements.

Fiduciary fund equity is classified as held in trust for pension benefits on the statement of fiduciary net assets. Various donor restrictions apply, including authorizing and spending trust income, and the village believes it is in compliance with all significant restrictions.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET ASSETS

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “some liabilities, including long-term debt, are not due and payable in the current period, therefore, are not reported in the funds.” Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities—both current and long-term—are reported in the statement of net assets.

Bonds and notes payable	\$ 12,685,500
Promissory notes	286,556
Accrued interest	174,601
Compensated absences	887,326
Net pension obligation	2,563,661
Other postemployment benefits	616,822
Early retirement incentives	624,000
Unamortized debt issue costs	(149,383)
Unamortized debt premium	<u>101,059</u>
Combined Adjustment for Long-Term Liabilities	<u>\$ 17,790,142</u>

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I. C.

A budget has been adopted for the general fund, special revenue funds, debt service fund, and capital projects funds and waterworks and sewerage fund.

The budgeted amounts presented include any amendments made. The village may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds board action. There were no supplemental appropriations during the year.

Appropriations lapse at year end unless specifically carried over. There were no carryovers to the subsequent year. Budgets are adopted at the department level of expenditure.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

Budgeted expenditures in the Veteran's Memorial Garden fund (including amendments) were \$450. Total expenditures were \$526. This results in excess expenditures of \$76.

Budgeted expenditures in the Special Service Area No. 2 (including amendments) were \$1,100. Total expenditures were \$3,990. This results in excess expenditures of \$2,890.

Budgeted expenditures in the General Debt Service fund (including amendments) were \$884,290. Total expenditures were \$1,266,205. This results in excess expenditures of \$381,915.

Budgeted expenditures in the Equipment Replacement fund (including amendments) were \$0. Total expenditures were \$103,063. This results in excess expenditures of \$103,063.

The village controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the village's year-end budget to actual report.

C. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of April 30, 2010, the following individual fund held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Capital Improvement Projects	\$ 1,217,490	Expenditures exceeding revenues
Special Service Area No. 1	10,560	Expenditures exceeding revenues
Special Service Area No. 21	1,995	Expenditures exceeding revenues
Title V Federal Grant	40,726	Expenditures exceeding revenues
Capital Improvements Fire	1,806,204	Expenditures exceeding revenues

The Capital Improvements Projects fund deficit is anticipated to be funded by long-term debt. The Title V Federal Grant and the Capital Improvements Fire fund deficits are anticipated to be funded with transfers from the general fund. The Special Service Area No. 1 and No. 21 fund deficits are anticipated to be funded by future tax revenues.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE IV – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The village maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net assets and balance sheet as cash and investments. In addition, investments are held separately by several of the village's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

The village's cash and investments at year end were comprised of the following:

	Carrying Value	Bank and Investment Balances	Associated Risks
Demand deposits	\$ 6,445,669	\$ 7,290,095	Custodial credit
Money market mutual funds	524,778	524,778	Custodial credit, interest rate
U.S. treasuries	6,572,458	6,572,458	Custodial credit, interest rate
U.S. agencies – implicitly guaranteed	17,496,988	17,496,988	Credit, custodial credit, concentration of credit risk, interest rate
U.S. agencies – explicitly guaranteed	709,587	709,587	Custodial credit, interest rate
State and local bonds	656,731	656,731	Credit, custodial credit, concentration of credit risk, interest rate
Stocks	5,557,149	5,557,149	Custodial credit, concentration of credit risk
Mutual funds – stocks	9,146,525	9,146,525	Custodial credit
Illinois funds money market funds	771,297	771,297	Credit, interest rate
Petty cash	1,950	-	Not applicable
Total Cash and Investments	\$ 47,883,132	\$ 48,725,608	
Reconciliation to financial statements			
Per statement of net assets			
Cash and investments	\$ 13,680,853		
Per statement of net assets – Fiduciary Funds			
Pension trust	34,202,277		
Agency funds	2		
Total Cash and Investments	\$ 47,883,132		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for interest bearing accounts and unlimited amounts for noninterest bearing accounts.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, which is the price for which the investment could be sold.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government).

Charles Schwab, Mischler Financial Group, Northern Trust Securities, and TD Waterhouse's SIPC memberships provide account protection up to a maximum of \$500,000 per customer, of which \$100,000 may be in cash. Also, these financial institutions have purchased excess insurance to protect against losses.

The village maintains collateral agreements with its banks. At April 30, 2010, the banks had pledged various government securities in the amount of \$6,078,707 to secure the village's deposits.

Custodial Credit Risk

Deposits – Custodial credit risk is the risk that in the event of a financial institution failure, the village's deposits may not be returned to the village.

The village does not have any deposits exposed to custodial credit risk.

Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The village does not have any investments exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of April 30, 2010, the village's investments were rated as follows:

<u>Investment Type</u>	<u>Standard & Poor's</u>
U.S. agencies – implicitly guaranteed	AAA
State and local bonds	AAA, AA-, A, A+
Illinois funds money market funds	AAAm

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At April 30, 2010, the village's investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
FNMAN	U.S. agencies – implicitly guaranteed	14%
FHLMCN	U.S. agencies – implicitly guaranteed	14%
FHLBCB	U.S. agencies – implicitly guaranteed	55%

At April 30, 2010, the following investments of the Police Pension Fund were greater than 5% of the pension's net assets:

Issuer	Investment Type	Percentage of Portfolio
FNMA	U.S. agencies – implicitly guaranteed	19%

At April 30, 2010, the following investments of the Firefighter's Pension Fund were greater than 5% of the pension's net assets:

Issuer	Investment Type	Percentage of Portfolio
FHLB	U.S. agencies – implicitly guaranteed	29%
FFCM	U.S. agencies – implicitly guaranteed	11%

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of April 30, 2010, the village's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)		
		Less than 1	1 – 5	Over 5
U.S. agencies – implicitly guaranteed	\$ 6,525,223	\$ -	\$ 4,021,492	\$ 2,503,731
Illinois Funds money market funds	771,297	771,297	-	-
Totals	\$ 7,296,520	\$ 771,297	\$ 4,021,492	\$ 2,503,731

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk (cont.)

As of April 30, 2010, the police pension's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)		
		Less than 1	1 – 5	Over 5
Money market mutual funds	\$ 414,145	\$ 414,145	\$ -	\$ -
U.S. treasuries	4,612,342	427,901	2,791,372	1,393,069
U.S. agencies – implicitly guaranteed	5,923,767	1,031,095	2,109,944	2,782,728
U.S. agencies – explicitly guaranteed	700,830	-	-	700,830
Totals	\$ 11,651,084	\$ 1,873,141	\$ 4,901,316	\$ 4,876,627

As of April 30, 2010, the firefighter's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)		
		Less than 1	1 – 5	Over 5
Money market mutual funds	\$ 110,633	\$ 110,633	\$ -	\$ -
State and local banks	656,731	-	491,747	164,984
U.S. treasuries	1,960,116	377,911	542,905	1,039,300
U.S. agencies – implicitly guaranteed	5,047,998	1,334,976	1,454,617	2,258,405
U.S. agencies – explicitly guaranteed	8,757	-	-	8,757
Totals	\$ 7,784,235	\$ 1,823,520	\$ 2,489,269	\$ 3,471,446

B. RECEIVABLES

All receivables are expected to be collected within one year.

Revenues of the village are reported net of uncollectible amounts. Total uncollectible amounts related to customer receivables in the general fund are \$189,425.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

B. RECEIVABLES (cont.)

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned	Totals
Property taxes receivable for subsequent year	\$ -	\$ 11,718,894	\$ 11,718,894
Ambulance receivables	252,416	-	252,416
Income tax receivable	1,226,068	-	1,226,068
Receivable from developers	118,879	-	118,879
Accounts receivable	246,245	-	246,245
Interest receivable	6,587	-	6,587
Total Deferred/Unearned Revenue for Governmental Funds	\$ 1,850,195	\$ 11,718,894	\$ 13,569,089

C. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2010 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 2,727,533	\$ -	\$ -	\$ 2,727,533
Right-of-ways	11,677,170	-	-	11,677,170
Construction in progress	4,680,335	11,701,572	10,826,857	5,555,050
Total Capital Assets Not Being Depreciated	19,085,038	11,701,572	10,826,857	19,959,753
Capital assets being depreciated				
Buildings and improvements	6,244,325	1,933,977	-	8,178,302
Vehicles	3,153,709	190,544	22,047	3,322,206
Equipment	2,334,984	-	-	2,334,984
Roads	27,046,903	5,631,750	-	32,678,653
Storm sewers	26,435,808	1,780,944	-	28,216,752
Bridges	76,314	3,316,830	76,314	3,316,830
Retaining walls	52,633	-	-	52,633
Sidewalks	830,709	73,495	-	904,204
Total Capital Assets Being Depreciated	66,175,385	12,927,540	98,361	79,004,564

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities (cont.)				
Less: Accumulated depreciation for				
Buildings and improvements	\$ (2,152,822)	\$ (161,419)	\$ -	\$ (2,314,241)
Vehicles	(2,210,270)	(300,827)	11,024	(2,500,073)
Equipment	(735,388)	(130,421)	-	(865,809)
Roads	(5,824,277)	(747,113)	-	(6,571,390)
Storm sewers	(3,703,361)	(316,486)	-	(4,019,847)
Bridges	(57,235)	(67,100)	57,998	(66,337)
Retaining walls	(14,737)	(526)	-	(15,263)
Sidewalks	(81,761)	(18,083)	-	(99,844)
Total Accumulated Depreciation	(14,779,851)	(1,741,975)	69,022	(16,452,804)
 Net Capital Assets Being Depreciated	 51,395,534	 11,185,565	 29,339	 62,551,760
 Governmental Activities Capital Assets, Net of Depreciation	 \$ 70,480,572			 \$ 82,511,513

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 55,576
Public safety	397,367
Public works, which includes the depreciation of roads, storm sewers, bridges, retaining walls and sidewalks	1,285,616
Culture and recreation	3,416
 Total Governmental Activities Depreciation Expense	 \$ 1,741,975

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 1,249,761	\$ -	\$ -	\$ 1,249,761
Construction in progress	<u>2,477,502</u>	<u>1,257,607</u>	<u>2,461,006</u>	<u>1,274,103</u>
Total Capital Assets Not Being Depreciated	<u>3,727,263</u>	<u>1,257,607</u>	<u>2,461,006</u>	<u>2,523,864</u>
 Capital assets being depreciated				
Water and wastewater treatment equipment	33,534,256	2,159,813	-	35,694,069
Water distribution and sewer collection	40,217,740	3,410,906	-	43,628,646
Vehicles	1,094,815	-	-	1,094,815
Other equipment	<u>925,159</u>	<u>-</u>	<u>-</u>	<u>925,159</u>
Total Capital Assets Being Depreciated	<u>75,771,970</u>	<u>5,570,719</u>	<u>-</u>	<u>81,342,689</u>
 Less: Accumulated depreciation for				
Water and wastewater treatment equipment	(13,518,882)	(1,359,690)	-	(14,878,572)
Water distribution and sewer collection	(11,006,172)	(727,370)	-	(11,733,542)
Vehicles	(826,398)	(56,489)	-	(882,887)
Other equipment	<u>(679,219)</u>	<u>(35,115)</u>	<u>-</u>	<u>(714,334)</u>
Total Accumulated Depreciation	<u>(26,030,671)</u>	<u>(2,178,664)</u>	<u>-</u>	<u>(28,209,335)</u>
 Business-type Capital Assets, Net of Depreciation	 <u>\$ 53,468,562</u>			 <u>\$ 55,657,218</u>

Depreciation expense was charged to functions as follows:

Business-type Activities	
Waterworks	\$ 773,172
Sewerage	<u>1,405,492</u>
 Total Business-type Activities Depreciation Expense	 <u>\$ 2,178,664</u>

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Waterworks and Sewerage Utility	\$ 342,975
General	Special Service Area No. 1	10,010
General	Special Service Area No. 21	1,995
General	Title V Federal Grant	40,726
General	Capital Improvements Fire	1,475,340
Waterworks and Sewerage Utility	Capital Improvement Program	<u>797,248</u>
Subtotal – Fund financial statements		2,668,294
Less: Fund eliminations		(1,528,071)
Less: Government-wide eliminations		<u>(1,594,496)</u>
Total – Government-Wide Statement of Net Assets		<u>\$ (454,273)</u>

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Activities	Business-type Activities	\$ 342,975
Business-type Activities	Governmental Activities	<u>(797,248)</u>
Total		<u>\$ (454,273)</u>

The principal purpose of these interfunds is to record amounts paid by the general fund on behalf of other funds and record debt proceeds due to the utility. All amounts are expected to be collected within one year, except for the Title V Federal Grant Interfund and the Capital Improvements Fire Interfund.

All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

For the statement of net assets, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
Debt Service	Motor Fuel Tax	\$ 380,859	Share of debt payments
Equipment Replacement	Waterworks and Sewerage Utility	<u>92,402</u>	Transfer of net assets
Subtotal		473,261	
Less: Fund eliminations		<u>(380,859)</u>	
Total – Government-Wide Statement of Activities		<u>\$ 92,402</u>	

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (cont.)

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

E. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended April 30, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable					
General obligation debt	\$ 13,403,750	\$ -	\$ 718,250	\$ 12,685,500	\$ 737,450
Promissory note	-	343,867	57,311	286,556	57,311
Add: Deferred amount for premiums	110,439	-	9,380	101,059	-
Total Bonds and Notes Payable	<u>13,514,189</u>	<u>343,867</u>	<u>784,941</u>	<u>13,073,115</u>	<u>794,761</u>
Other Liabilities					
Vested compensated absences	850,049	717,315	680,038	887,326	709,861
Early retirement incentives	-	630,000	6,000	624,000	126,000
Net pension obligation	2,511,128	52,533	-	2,563,661	-
Other postemployment benefits	240,507	376,315	-	616,822	-
Capital leases	1,068	-	1,068	-	-
Total Other Liabilities	<u>3,602,752</u>	<u>1,776,163</u>	<u>687,106</u>	<u>4,691,809</u>	<u>835,861</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 17,116,941</u>	<u>\$ 2,120,030</u>	<u>\$ 1,472,047</u>	<u>\$ 17,764,924</u>	<u>\$ 1,630,622</u>
BUSINESS-TYPE ACTIVITIES					
Bonds and Notes Payable					
General obligation debt	\$ 8,641,250	\$ -	\$ 396,750	\$ 8,244,500	\$ 407,550
Add: Deferred amount for premiums	86,565	-	5,970	80,595	-
IEPA Loan	13,796,720	-	798,291	12,998,429	818,657
Total Bonds and Notes Payable	<u>22,524,535</u>	<u>-</u>	<u>1,201,011</u>	<u>21,323,524</u>	<u>1,226,207</u>
Other Liabilities					
Early retirement incentives	-	90,000	6,000	84,000	18,000
Other postemployment benefits	12,916	23,323	-	36,239	-
Total Other Liabilities	<u>12,916</u>	<u>113,323</u>	<u>6,000</u>	<u>120,239</u>	<u>18,000</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 22,537,451</u>	<u>\$ 113,323</u>	<u>\$ 1,207,011</u>	<u>\$ 21,443,763</u>	<u>\$ 1,244,207</u>

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the village. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 4-30-10</u>
2004 Bonds	10/27/04	12/30/15	2.50 – 4.00%	\$ 3,280,000	\$ 2,320,000
2006 Bonds	06/22/06	12/30/26	3.75 – 4.50%	10,000,000	8,960,000
2008 Bonds	09/11/08	12/30/28	3.00 – 4.60%	10,000,000	<u>9,650,000</u>
Total General Obligation Debt					20,930,000
Less: Business-type activities general obligation debt					<u>(8,244,500)</u>
Total Governmental Activities General Obligation Debt					<u>\$ 12,685,500</u>

General obligation debt service requirements to maturity are as follows:

<u>Fiscal Years</u>	<u>Governmental Activities General Obligation Debt</u>		<u>Business-type Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 737,450	\$ 523,798	\$ 407,550	\$ 346,146
2012	762,900	498,268	422,100	331,551
2013	788,350	471,038	436,650	316,157
2014	823,400	440,777	456,600	299,318
2015	848,850	409,164	471,150	281,705
2016 – 2020	2,814,650	1,660,026	2,000,350	1,158,456
2021 – 2025	3,395,950	1,017,370	2,449,050	690,574
2026 – 2029	<u>2,513,950</u>	<u>253,654</u>	<u>1,601,050</u>	<u>149,597</u>
Totals	<u>\$ 12,685,500</u>	<u>\$ 5,274,095</u>	<u>\$ 8,244,500</u>	<u>\$ 3,573,504</u>

IEPA Loan

The village has a loan from the Illinois Environmental Protection Agency. Details are as follows:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Indebtedness</u>	<u>Balance 4-30-10</u>
IEPA Loan	1/16/04	7/16/23	2.535%	\$ 17,500,000	\$ 12,998,429

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

IEPA Loan (cont.)

IEPA loan debt service requirements to maturity are as follows:

<u>Fiscal Years</u>	Business-type Activities Revenue Debt	
	Principal	Interest
2011	\$ 818,657	\$ 324,355
2012	839,541	303,470
2013	860,958	282,053
2014	882,922	260,089
2015	905,446	237,565
2016 – 2020	4,885,718	829,336
2021 – 2023	<u>3,805,187</u>	<u>195,353</u>
Totals	<u>\$ 12,998,429</u>	<u>\$ 2,432,221</u>

Promissory Notes

Promissory notes at April 30, 2010 consist of the following:

<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Indebtedness</u>	<u>Balance 4-30-10</u>
10/13/09	1/27/15	0%	\$ 343,867	\$ 286,556

Promissory debt service requirements to maturity are as follows:

<u>Fiscal Years</u>	Governmental Activities Promissory Note
	Principal
2011	\$ 57,311
2012	57,311
2013	57,311
2014	57,311
2015	<u>57,312</u>
Totals	<u>\$ 286,556</u>

Capital Leases

Refer to Note IV. F.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

Other Debt Information

Estimated payments of compensated absences are not included in the debt service requirement schedules. The compensated absences liability attributable to governmental activities will be liquidated primarily by the general fund.

There are a number of limitations and restrictions contained in the various bond indentures and loan agreements. The village believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

In prior years, the village defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the village's financial statements. At April 30, 2010, \$2,285,000 of bonds outstanding are considered defeased. The bonds are not callable.

F. LEASE DISCLOSURES

Lessor – Capital Leases

The village has no material outstanding sales-type or direct financing leases.

Lessor – Operating Leases

The village has three outstanding lease agreements for the rental of space on a village water tower. Each of the leases was entered into during fiscal year 2004. The terms of the leases are as follows:

Lease A – Twenty year lease with monthly rental payments beginning at \$1,400 in 2004 through \$2,455 in 2024.

Lease B – Five year lease with an option to extend for an additional 20 years and monthly rental payments beginning at \$1,900 in 2004 through \$3,862 in 2029.

Lease C – Twenty year lease with monthly rental payments of beginning at \$1,900 in 2004 through \$3,332 in 2024.

Lease D – Six year lease with monthly rental payments beginning at \$662 in 2006 through \$9,209 in 2011.

Lease E – Five year lease with monthly rental payments beginning at \$6,800 in 2010 through \$7,653 in 2014.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

G . NET ASSETS/FUND BALANCES

Net assets reported on the government wide statement of net assets at April 30, 2006 includes the following:

Governmental Activities

Invested in capital assets, net of related debt	
Construction in progress	\$ 5,555,050
Land and right-of-ways	14,404,703
Other capital assets, net of accumulated depreciation	62,551,760
Less: related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(13,072,870)</u>
Total Invested in Capital Assets, Net of Related Debt	<u>\$ 69,438,643</u>
Restricted	
General debt service	\$ 879,854
Motor fuel tax projects	1,634,398
Tax increment finance district No. 1	797,664
Tax increment finance district No. 2	<u>508,464</u>
Total Restricted	<u>\$ 3,820,380</u>
Unrestricted (deficit)	<u>\$ (809,335)</u>

Governmental fund balances reported on the fund financial statements at April 30, 2010 include the following:

Reserved	
Major Funds	
General Fund	
Prepaid items	\$ 294,864
Noncurrent interfunds	<u>1,516,066</u>
Total	<u>\$ 1,810,930</u>
Capital Improvements Projects	
Encumbrances	<u>\$ 553,445</u>
Non-Major Funds	
Debt Service Fund	
Reserved for debt service	<u>\$ 1,054,454</u>

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

G . NET ASSETS/FUND BALANCES (cont.)

Governmental Activities (cont.)

Unreserved, designated

General Fund	
Asset forfeiture	\$ 46,172
DUI fund	58,068
DUI enforcement	13,907
Driver's safety	5,130
Justice assistance	1,886
	<hr/>
Total	\$ 125,163

Unreserved (deficit)

Major Funds	
General fund	\$ 1,124,356
	<hr/>
Capital improvement projects	\$ (1,770,935)

Non-Major Funds

Special Revenue Funds	
Motor fuel tax	\$ 1,634,398
McNamee Memorial Park	5,409
Veterans' Memorial Garden	53,593
Special Service Area No. 1	(10,560)
Special Service Area No. 2	1,633
Special Service Area No. 3	21,500
Special Service Area No. 21	(1,995)
Tax Increment Financing District No. 1	797,664
Tax Increment Financing District No. 2	508,464
Title V Federal Grant	(40,726)
Developer Activities	520,183
	<hr/>
Total	\$ 3,489,563

Capital Project Funds

Capital Improvement Public Works	\$ 565,319
Capital Improvement Fire	(1,806,204)
Equipment Replacement	3,106
Street	728,925
	<hr/>
Total	\$ (508,854)

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

G . NET ASSETS/FUND BALANCES (cont.)

Business-type Activities

Invested in capital assets, net of related debt	
Capital assets	\$ 82,592,450
Construction in progress	1,274,103
Accumulated depreciation	<u>(28,209,335)</u>
Subtotal	<u>55,657,218</u>
Current portion of IEPA loan	(818,657)
Current portion of general obligation bonds	(407,550)
IEPA loan	(12,179,772)
General obligation bonds	(7,836,950)
Unamortized debt discount and issuance costs	90,761
Unamortized debt premium	(80,595)
Restricted construction fund due from municipality	<u>797,248</u>
Subtotal	<u>(20,435,515)</u>
Invested in Capital Assets, Net of Related Debt	<u>\$ 35,221,703</u>
Unrestricted	<u>\$ 5,146,465</u>

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Illinois Municipal Retirement Fund

The village's defined benefit pension plan, Illinois Municipal Retirement (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a financial report that includes financial statements and required supplementary information. That report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook Illinois 60523.

Regular members and Sheriff's Law Enforcement Personnel (SLEP) members participating in IMRF are required to contribute 4.50% and 7.50%, respectively, of their annual covered salary. The member rate is established by state statute. The village is required to contribute at an actuarially determined rate. The employer rate for calendar year 2009 was 8.75% of payroll for regular members and 0% for SLEP members. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The remaining amortization period at December 31, 2009 was 23 years for regular members and 27 years for SLEP members.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Illinois Municipal Retirement Fund (cont.)

For the year ended December 31, 2009, the village's annual pension cost of \$524,853 was equal to the village's required and actual contributions. The required contribution was determined as part of the December 31, 2007 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2009 actuarial valuation were based on the 2003-2005 experience study.

Plan Descriptions

The village contributes to one defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system. The benefits, benefits levels, employee contributions and employer contributions for the plan is governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Illinois Municipal Retirement Fund

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after 8 years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1 2/3% of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings for each year thereafter. IMRF provides credited service up to 15 years and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by Illinois Compiled Statutes. Participating members are required to contribute 4.5% of their annual salary to IMRF. The village is required to contribute the remaining amounts necessary to fund the coverage of its own employees in IMRF, as specified by statute. For calendar year 2009, the village's required contribution rate was 8.75%.

Police Pension

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The village accounts for the plan as a pension trust fund.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Plan Descriptions (cont.)

Police Pension (cont.)

At April 30, 2010, the Police Pension membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	37
Current Employees:	
Vested	43
Non vested	<u>23</u>
Total	<u><u>103</u></u>

The following is a summary of the Police Pension Fund as provided for in Illinois Compiled Statutes.

The police pension fund provides retirement benefits as well as death and disability benefits. Participants attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one half of the salary attached to the rank on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The village is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective July 1, 1993 the village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded by the year 2033. For the year ended April 30, 2010, the village's contribution was 31.59% of covered payroll.

Firefighters' Pension

Fire sworn personnel are covered by the Firefighters' Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 40 ILCS 5/3) and may be amended only by the Illinois legislature. The village accounts for the plan as a pension trust fund.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Plan Descriptions (cont.)

Firefighters' Pension (cont.)

At April 30, 2010, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	16
Current Employees:	
Vested	16
Non vested	22
	<hr/>
Total	54
	<hr/>

The following is a summary of the Firefighters' Pension Fund as provided for in Illinois Compiled Statutes.

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Participants attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

Participants contribute a fixed percentage of their base salary to the plans. At April 30, 2010, the contribution percentage was 9.455%. If a participant leaves covered employment with less than 20 years of service, accumulated participant contributions may be refunded without accumulated interest. The village is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective July 1, 1993, the village's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is fully funded by the year 2033. For the year ended April 30, 2010, the village's contribution was 24.36% of covered payroll.

Summary of Significant Accounting Policies

Basis of Accounting. The financial statements of the pension fund are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. The village's contributions are recognized when due and a formal commitment to provide the contributions are made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Plan Descriptions (cont.)

Summary of Significant Accounting Policies (cont.)

Method Used to Value Investments. Plan investments are reported at fair value. Short-term investments are reported at cost, which approximated fair value. Investments that do not have an established market are reported at estimated fair values.

Annual Pension Cost

The village's annual required contribution for the current year and related information for the plan is as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial valuation date	December 31, 2007	April 30, 2010	April 30, 2010
Contribution rates:			
Employer	8.75%	31.59%	24.36%
Employee	4.50%	9.91%	9.46%
Annual required contribution	\$524,853	\$1,668,121	\$721,243
Contributions made	\$524,853	\$1,671,599	\$716,781
Actuarial cost method	Entry-age normal	Entry-age normal	Entry-age normal
Asset valuation method	5 year smoothed market	Market	Market
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization period	23 years	23 years	23 years
Actuarial assumptions:			
Investment rate of return	7.50%	7.00%	7.00%
Projected salary increases	Compounded annually .4 to 10.0%	Compounded annually 5.50%	Compounded annually 5.50%
Inflation rate included	4.00%	3.00%	3.00%
Cost-of-living adjustments	3.00%	3.00%	3.00%

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Plan Descriptions (cont.)

Net Pension Obligation (Asset)

The following is the net pension obligation (asset) calculation from the actuarial report:

Net Pension Obligation (Asset):	Police Pension	Firefighters' Pension
Annual required contribution	\$ 1,668,121	\$ 721,243
Interest on net pension obligation	112,123	63,656
Adjustment to annual required contribution	(79,242)	(44,988)
Annual pension cost	1,701,002	739,911
Contributions made	1,671,599	716,781
Change in net pension obligation	29,403	23,130
Net pension obligation, beginning of year	1,601,761	909,367
 Net Pension Obligation, End of Year	 \$ 1,631,164	 \$ 932,497

Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due.

	IMRF Fiscal Year	Illinois Municipal Retirement	Pension Fiscal Year	Police Pension	Firefighters' Pension
Annual pension cost (APC)	2009	\$ 524,853	2010	\$ 1,701,002	\$ 739,911
	2008	528,000	2008	1,472,264	686,164
	2007	463,383	2006	1,182,830	592,417
Contributions made	2009	\$ 524,853	2010	\$ 1,671,599	\$ 716,781
	2008	528,000	2008	1,204,312	551,676
	2007	463,383	2006	1,023,148	421,208
Percentage of APC contributed	2009	100%	2010	98.3%	96.9%
	2008	100%	2008	81.8%	80.4%
	2007	100%	2006	86.5%	71.1%
Net pension obligation	2009	\$ -	2010	\$ 1,631,164	\$ 932,497
	2008	-	2008	1,601,761	909,367
	2007	-	2006	1,333,779	774,663

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Plan Descriptions (cont.)

Funded Status and Funding Progress

The village's actuarial value of plan assets for the current year and related information is as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial valuation date	12/31/09	4/30/10	4/30/10
Actuarial valuation of assets (a)	\$ 11,020,526	\$ 22,124,891	\$ 12,261,276
Actuarial accrued liability (AAL) –			
Entry age (b)	13,678,757	44,558,123	18,494,208
Unfunded AAL (UALL) (b-a)	2,658,231	22,433,232	6,232,932
Funded ratio (a/b)	80.6%	49.7%	66.3%
Covered payroll (c)	5,998,320	5,290,773	2,942,475
UAAL as a percentage of covered payroll ((b-a)/c)	94.3%	424.0%	211.8%

B. RISK MANAGEMENT

The village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. Until January 1, 2010, the village participated in a public entity risk pool called Intergovernmental Risk Management Association (IRMA) to provide coverage for losses from torts, theft of, damage to, or destruction of assets, errors and omission, and workers compensation. As of January 1, 2010, the village was self-insured for losses from errors and omissions, liability, and workers' compensation. These risks are accounted for and financed by the village in the general fund. Health care of its employees are also accounted for and financed by the village in the general fund.

Self Insurance

For health and dental claims, the uninsured risk of loss is \$25,000 per incident. Health and dental claims in excess of \$25,000 per incident, but under \$125,000 are covered under the IPBC risk pool. The village has purchased commercial insurance for claims in excess of those amounts. Settled claims have not exceeded the commercial coverage in any of the past three years.

For liability claims and errors and omissions, the uninsured risk of loss is \$50,000 per incident and \$200,000 in the aggregate for a policy year. The village has purchased commercial insurance for claims in excess of those amounts. Settled claims have not exceeded the commercial coverage in any of the past three years.

For workers' compensation claims, the uninsured risk of loss is \$500,000 per incident for the police and fire employees and \$450,000 for all other employees. The village have purchased commercial insurance for claims in excess of those amounts. Settled claims have not exceeded the commercial coverage in any of the past three years.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE V – OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Self Insurance (cont.)

All funds of the village participate in the risk management program. Amounts payable to the general fund are based on actuarial estimates of the amounts necessary to pay prior and current year claims. There is no reserve for catastrophic losses.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported. The village does not allocate overhead costs or other nonincremental costs to the claims liability.

Health and Dental Claims Liability

	<u>Current Year</u>	<u>Prior Year</u>
Unpaid claims – Beginning of Year	\$ 204,559	\$ 219,638
Current year claims and changes in estimates	2,700,621	2,240,630
Claim payments	<u>(2,686,621)</u>	<u>(2,255,709)</u>
Unpaid Claims – End of Year	<u>\$ 218,559</u>	<u>\$ 204,559</u>

Claims activity for liability and workers compensation is not material.

C. COMMITMENTS AND CONTINGENCIES

From time to time, the village is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the Village Attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the village's financial position or results of operations.

The village has received federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

D. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

The village's group health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in another postemployment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy.

Plan requirements are established through collective bargaining agreements and village policies and may be amended only through negotiations between the village and the union. The retirees pay 100% of the premium amounts under the plan.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE V – OTHER INFORMATION (cont.)

D. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (cont.)

The village's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the village's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the district's net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$ 494,972
Interest on net OPEB obligation	10,137
Adjustment to annual required contribution	<u>(8,448)</u>
Annual OPEB cost	496,661
Contributions made	<u>(97,023)</u>
Increase in Net OPEB Obligation	399,638
Net OPEB Obligation – Beginning of Year	<u>253,423</u>
Net OPEB Obligation – End of Year	<u>\$ 653,061</u>

The village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
4/30/10	\$ 496,661	19.54%	653,061
4/30/09	338,408	25.11%	253,423

The funded status of the plans as of May 1, 2009, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 5,105,098
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 5,105,098</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 13,919,973
UAAL as a percentage of covered payroll	36.7%

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS

April 30, 2010

NOTE V – OTHER INFORMATION (cont.)

D. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (cont.)

Actuarial valuations of an ongoing plan involve estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan is understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and actuarial value of assets, consistent with the long-term perspective of the calculations.

In the actuarial valuation, the entry age normal cost method was used. The actuarial assumptions include a 4% investment rate of return and an annual healthcare cost trend rate of 8.50% initially, reduced by decrements to an ultimate rate of 4.50% after ten years. Both rates include a 3% inflation assumption. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2010 was 30 years. The village accounts for these activities in the general fund.

E. TERMINATION BENEFITS

During the year, the village offered early retirement incentives to village workers who were of retirement age. Twelve village employees accepted the village's offer. The estimated cost of the cash payments, reported in the water and sewer utility as well as the government-wide statement of net assets by function is \$720,000 to be paid over five years.

F. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, and Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. Application of these standards may restate portions of these financial statements.

G. SUBSEQUENT EVENT

On August 9, 2010, the village issued \$20,000,000 in general obligation bonds with an interest rate of 1.120-6.350%. The bonds will be used to finance the new public works building and street, water, and sewer infrastructure construction.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF CARPENTERSVILLE

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

For the Year Ended April 30, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
REVENUES				
Taxes	\$ 18,761,225	\$ 18,761,225	\$ 15,638,387	\$ (3,122,838)
Intergovernmental	1,929,500	1,941,450	2,033,750	92,300
Licenses and permits	1,375,013	1,375,013	1,572,549	197,536
Fines, forfeitures and penalties	661,000	661,000	507,637	(153,363)
Public charges for services	1,400,600	1,400,600	1,383,451	(17,149)
Investment income	299,575	299,575	80,849	(218,726)
Miscellaneous revenues	376,101	376,101	218,878	(157,223)
Total Revenues	24,803,014	24,814,964	21,435,501	(3,379,463)
EXPENDITURES				
Current				
General government	2,495,410	2,498,610	2,267,779	230,831
Public safety	15,000,089	15,000,089	14,498,478	501,611
Public works	5,038,963	5,038,963	4,866,637	172,326
Community development	2,059,448	2,074,298	1,865,603	208,695
Culture and recreation	141,883	141,883	139,224	2,659
Total Expenditures	24,735,793	24,753,843	23,637,721	1,116,122
Excess (deficiency) of revenues over expenditures	67,221	61,121	(2,202,220)	(2,263,341)
OTHER FINANCING SOURCES				
Sale of village property	25,000	25,000	14,626	(10,374)
Transfers in	100,000	100,000	-	(100,000)
Transfers out	(195,972)	(195,972)	-	195,972
Total Other Financing Sources	(70,972)	(70,972)	14,626	85,598
Net change in fund balance	(3,751)	(9,851)	(2,187,594)	(2,177,743)
FUND BALANCE - Beginning of Year	5,248,043	5,248,043	5,248,043	-
FUND BALANCE - END OF YEAR	\$ 5,244,292	\$ 5,238,192	\$ 3,060,449	\$ (2,177,743)

See independent auditors' report and accompanying notes to required supplemental information.

VILLAGE OF CARPENTERSVILLE

DETAILED BUDGETARY COMPARISON SCHEDULE GENERAL FUND For the Year Ended April 30, 2010

REVENUES AND OTHER FINANCING SOURCES	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
TAXES				
Property taxes	\$ 6,789,225	\$ 6,789,225	\$ 6,731,492	\$ (57,733)
Sales and use	6,280,000	6,280,000	5,796,490	(483,510)
Utility tax	1,870,000	1,870,000	1,313,416	(556,584)
State income tax	3,600,000	3,600,000	1,629,957	(1,970,043)
Replacement tax	202,000	202,000	139,065	(62,935)
Foreign fire tax	14,000	14,000	27,068	13,068
Interest and penalties on taxes	6,000	6,000	899	(5,101)
TOTALS	18,761,225	18,761,225	15,638,387	(3,122,838)
INTERGOVERNMENTAL REVENUES				
Federal - energy efficiency block grant	-	-	146,344	146,344
State - transportation	935,000	935,000	814,118	(120,882)
State - other public works	12,000	12,000	39,028	27,028
State - tobacco enforcement	2,500	2,500	2,310	(190)
State - economic development	-	11,950	11,950	-
Local - fire services	980,000	980,000	1,020,000	40,000
TOTALS	1,929,500	1,941,450	2,033,750	92,300
LICENSES AND PERMITS				
Business licenses	29,000	29,000	38,295	9,295
Liquor licenses	47,000	47,000	48,250	1,250
Vending licenses	13,000	13,000	10,085	(2,915)
Rental licenses	62,000	62,000	173,600	111,600
Dog and cat licenses	2,700	2,700	2,637	(63)
Vehicle licenses	512,191	512,191	478,882	(33,309)
Cable franchise fees	285,000	285,000	277,679	(7,321)
Building permits	250,000	250,000	323,625	73,625
Electrical permits	40,000	40,000	50,336	10,336
Plumbing permits	69,722	69,722	91,327	21,605
Occupancy permits	500	500	1,000	500
Zoning permits	9,000	9,000	13,600	4,600
Stormwater permits	35,000	35,000	51,269	16,269
Other permits	19,900	19,900	11,964	(7,936)
TOTALS	1,375,013	1,375,013	1,572,549	197,536
FINES, FORFEITURES AND PENALTIES				
Circuit court fines	1,000	1,000	-	(1,000)
Local ordinance fines	660,000	660,000	505,707	(154,293)
Business penalties	-	-	1,930	1,930
TOTALS	661,000	661,000	507,637	(153,363)

See independent auditors' report and accompanying notes to required supplemental information.

VILLAGE OF CARPENTERSVILLE

DETAILED BUDGETARY COMPARISON SCHEDULE GENERAL FUND (cont.) For the Year Ended April 30, 2010

REVENUES AND OTHER FINANCING SOURCES (cont.)	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
PUBLIC CHARGES FOR SERVICES				
General government	\$ 88,200	\$ 88,200	\$ 155,116	\$ 66,916
Law enforcement	351,400	351,400	238,613	(112,787)
Fire protection	16,700	16,700	14,210	(2,490)
Ambulance	457,500	457,500	449,664	(7,836)
Public works	59,000	59,000	37,723	(21,277)
Environmental surcharge	375,000	375,000	417,584	42,584
Reinspection	1,800	1,800	4,500	2,700
Weeds	35,000	35,000	48,144	13,144
Other conservation and development	16,000	16,000	17,897	1,897
TOTALS	<u>1,400,600</u>	<u>1,400,600</u>	<u>1,383,451</u>	<u>(17,149)</u>
INVESTMENT INCOME				
Investment income	<u>299,575</u>	<u>299,575</u>	<u>80,849</u>	<u>(218,726)</u>
TOTALS	<u>299,575</u>	<u>299,575</u>	<u>80,849</u>	<u>(218,726)</u>
MISCELLANEOUS REVENUES				
Rent	69,626	69,626	65,433	(4,193)
Donations	18,375	18,375	6,447	(11,928)
Other	<u>288,100</u>	<u>288,100</u>	<u>146,998</u>	<u>(141,102)</u>
TOTALS	<u>376,101</u>	<u>376,101</u>	<u>218,878</u>	<u>(157,223)</u>
TOTAL REVENUES	<u>\$ 24,803,014</u>	<u>\$ 24,814,964</u>	<u>\$ 21,435,501</u>	<u>\$ (3,379,463)</u>

See independent auditors' report and accompanying notes to required supplemental information.

VILLAGE OF CARPENTERSVILLE

DETAILED BUDGETARY COMPARISON SCHEDULE GENERAL FUND For the Year Ended April 30, 2010

EXPENDITURES	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
GENERAL GOVERNMENT				
Legislative	\$ 161,221	\$ 161,221	\$ 161,954	\$ (733)
Administration	377,640	377,640	382,142	(4,502)
General services	1,433,647	1,436,847	1,289,973	146,874
Finance	238,280	238,280	165,298	72,982
Public buildings	284,622	284,622	268,412	16,210
TOTALS	<u>2,495,410</u>	<u>2,498,610</u>	<u>2,267,779</u>	<u>230,831</u>
PUBLIC SAFETY				
Police department	9,791,711	9,791,711	9,464,663	327,048
Fire and police commission	30,200	30,200	35,011	(4,811)
Fire department	5,178,178	5,178,178	4,998,804	179,374
TOTALS	<u>15,000,089</u>	<u>15,000,089</u>	<u>14,498,478</u>	<u>501,611</u>
PUBLIC WORKS				
Streets and related facilities	5,038,963	5,038,963	4,866,637	172,326
COMMUNITY DEVELOPMENT				
Planning and zoning	14,118	14,118	8,470	5,648
Community development	1,107,456	1,107,456	1,066,087	41,369
Economic development	108,287	126,337	123,801	2,536
Engineering	829,587	826,387	667,245	159,142
TOTALS	<u>2,059,448</u>	<u>2,074,298</u>	<u>1,865,603</u>	<u>208,695</u>
CULTURE AND RECREATION				
Parks	141,883	141,883	139,224	2,659
TOTAL EXPENDITURES	<u>\$24,735,793</u>	<u>\$24,753,843</u>	<u>\$23,637,721</u>	<u>\$ 1,116,122</u>

See independent auditors' report and accompanying notes to required supplementary information.

VILLAGE OF CARPENTERSVILLE

ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS April 30, 2010

Actuarial Valuation Date	Employer Contributions	Annual Required Contribution Cost (ARC)	Percentage of ARC Contributed	Net Pension Obligation
12/31/09	\$ 524,853	\$ 524,853	100.00%	\$ -
12/31/08	528,000	528,000	100.00%	-
12/31/07	463,383	463,383	100.00%	-
12/31/06	422,294	422,294	100.00%	-
12/31/05	370,803	370,803	100.00%	-
12/31/04	257,271	257,271	100.00%	-

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) -Entry Age	Unfunded (Overfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/09	\$ 11,020,526	\$ 13,678,757	\$ 2,658,331	80.60%	\$5,998,320	94.30%
12/31/08	10,536,185	12,965,010	2,428,825	81.26%	5,177,467	40.66%
12/31/07	10,585,573	10,942,986	356,913	96.74%	4,804,257	6.89%
12/31/06	9,308,557	9,730,789	422,232	95.66%	4,713,817	8.79%
12/31/05	9,312,726	9,702,651	389,925	95.98%	3,909,476	8.27%
12/31/04	8,545,360	8,647,464	102,104	98.82%	3,669,451	2.61%

The information presented in the above required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation can be found in the notes to basic financial statements.

Valuation date	12/31/2007
Actuarial cost method	Entry Age normal
Amortization method	Level percentage of pay, open
Remaining amortization period	23 years for village members, 27 years for SLEP members
Asset valuation method	Market, 5 year smoothed
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	.40%-10.00%
Inflation factor	4.00%
Cost of living adjustments	3.00%

See independent auditors' report and accompanying notes to required supplementary information.

VILLAGE OF CARPENTERSVILLE

POLICE PENSION FUND SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS April 30, 2010

Actuarial Valuation Date	Employer Contributions	Annual Required Contribution Cost (ARC)	Percentage of ARC Contributed	Net Pension Obligation
04/30/10	\$ 1,671,599	\$ 1,668,121	100.21%	\$ (1,631,164)
04/30/08	1,204,312	1,472,264	81.80%	(1,601,761)
04/30/06	1,023,148	1,182,830	86.50%	(1,333,779)
04/30/04	811,515	845,328	96.00%	(1,174,008)
04/30/03	345,585	834,747	41.40%	(807,649)
04/30/02	412,342	731,102	56.40%	(318,402)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) -Entry Age	Unfunded (Overfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
04/30/10	\$22,124,891	\$ 44,558,123	\$ 22,433,232	49.70%	\$5,290,773	424.00%
04/30/08	19,786,786	38,418,744	18,631,958	51.50%	5,122,002	363.80%
04/30/06	16,198,495	32,543,047	16,342,552	49.80%	4,421,974	369.60%
04/30/04	13,307,742	26,431,075	13,123,353	50.30%	3,550,228	369.60%
04/30/03	12,588,770	24,946,625	12,357,855	50.46%	3,370,768	366.62%
04/30/02	12,806,480	22,724,473	9,917,993	56.40%	3,196,152	310.30%

The information presented in the above required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation can be found in the notes to basic financial statements.

Valuation date	4/30/2010
Actuarial cost method	Entry Age normal
Amortization method	Level percentage of pay, closed
Remaining amortization period	23 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	7.00%
Projected salary increases	5.50%
Inflation factor	3.00%
Cost of living adjustments	3.00%

See independent auditors' report and accompanying notes to required supplementary information.

VILLAGE OF CARPENTERSVILLE

FIREFIGHTERS' PENSION FUND SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS April 30, 2010

Actuarial Valuation Date	Employer Contributions	Annual Required Contribution Cost (ARC)	Percentage of ARC Contributed	Net Pension Obligation
04/30/10	\$ 716,781	\$ 721,243	99.38%	\$ (932,497)
04/30/08	551,676	686,164	80.40%	(909,367)
04/30/06	421,208	592,417	77.10%	(774,663)
04/30/04	262,948	426,863	61.60%	(638,847)
04/30/03	114,893	277,519	41.40%	(320,657)
04/30/02	145,522	258,017	56.40%	(205,817)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) -Entry Age	Unfunded (Overfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
04/30/10	\$ 12,261,276	\$ 18,494,208	\$ 6,232,932	66.30%	\$2,942,475	211.80%
04/30/08	10,025,463	13,133,495	3,108,032	76.30%	2,851,584	105.00%
04/30/06	7,738,371	11,044,024	3,305,653	70.10%	2,507,146	131.80%
04/30/04	6,046,713	8,308,341	2,261,628	72.80%	2,154,190	105.00%
04/30/03	5,271,327	6,770,237	1,498,910	77.86%	1,871,471	366.62%
04/30/02	5,489,003	6,265,487	766,484	87.60%	1,703,607	310.30%

The information presented in the above required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation can be found in the notes to basic financial statements.

Valuation date	4/30/2010
Actuarial cost method	Entry Age normal
Amortization method	Level percentage of pay, closed
Remaining amortization period	23 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	7.00%
Projected salary increases	5.50%
Inflation factor	3.00%
Cost of living adjustments	3.00%

See independent auditors' report and accompanying notes to required supplementary information.

VILLAGE OF CARPENTERSVILLE

OTHER POSTEMPLOYMENT BENEFIT PLAN SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND SCHEDULE OF FUNDING PROGRESS April 30, 2010

Actuarial Valuation Date*	Employer Contributions	Annual Required Contribution Cost (ARC)	Percentage of ARC Contributed	Net Pension Obligation
05/01/09	\$ 97,023	\$ 494,972	17.58%	\$ (653,061)
05/01/08	84,985	338,408	25.11%	(253,423)

Actuarial Valuation Date*	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) -Entry Age	Unfunded (Overfunded) AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
05/01/09	\$ -	\$ 5,105,098	\$ 5,105,098	-%	\$ 13,919,973	36.70%
05/01/08	-	3,778,409	3,778,409	-%	12,126,173	31.20%

*The village implemented GASB Statement No. 45 for the fiscal year ended April 30, 2009. Information for prior years is not available.

The information presented in the above required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation can be found in the notes to basic financial statements.

Actuarial cost method	Entry Age normal
Amortization method	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	4.00%
Projected salary increases	4.00%
Inflation factor	8.50% initial, 4.50% ultimate
Cost of living adjustments	3.00%

See independent auditors' report and accompanying notes to required supplementary information.

VILLAGE OF CARPENTERSVILLE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION April 30, 2010

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

SUPPLEMENTARY INFORMATION

VILLAGE OF CARPENTERSVILLE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
April 30, 2010

	Special Revenue								
	Motor Fuel Tax	McNamee Memorial Park	Veterans' Memorial Garden	Special Service Area No. 1	Special Service Area No. 2	Special Service Area No.3	Special Service Area No. 21	Tax Increment Financing District No. 1	Tax Increment Financing District No. 2
ASSETS									
Cash and investments	\$1,679,456	\$ 5,409	\$ 53,833	\$ -	\$ 1,633	\$ 21,500	\$ -	\$ 798,234	\$ 508,464
Property taxes receivable	-	-	-	13,500	1,100	9,250	5,000	288,792	-
Due from other governments	75,187	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$1,754,643	\$ 5,409	\$ 53,833	\$ 13,500	\$ 2,733	\$ 30,750	\$ 5,000	\$ 1,087,026	\$ 508,464
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts payable	\$ 120,245	\$ -	\$ 240	\$ 550	\$ -	\$ -	\$ -	\$ 570	\$ -
Deposits	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	10,010	-	-	1,995	-	-
Due to other governments	-	-	-	-	-	-	-	-	-
Deferred revenues	-	-	-	13,500	1,100	9,250	5,000	288,792	-
Total Liabilities	120,245	-	240	24,060	1,100	9,250	6,995	289,362	-
Fund Balances									
Reserved	-	-	-	-	-	-	-	-	-
Unreserved - undesignated (deficit)	1,634,398	5,409	53,593	(10,560)	1,633	21,500	(1,995)	797,664	508,464
Total Fund Balance (Deficit)	1,634,398	5,409	53,593	(10,560)	1,633	21,500	(1,995)	797,664	508,464
TOTAL LIABILITIES AND FUND BALANCES	\$1,754,643	\$ 5,409	\$ 53,833	\$ 13,500	\$ 2,733	\$ 30,750	\$ 5,000	\$ 1,087,026	\$ 508,464

VILLAGE OF CARPENTERSVILLE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (cont.)
April 30, 2010

	Special Revenue			Capital Project				Total Nonmajor Funds
	Title V Federal Grant	Developer Activities	Debt Service	Capital Improvements Public Works	Capital Improvements Fire	Equipment Replacement	Street	
ASSETS								
Cash and investments	\$ -	\$ 907,850	\$ 1,054,454	\$ 740,485	\$ -	\$ 3,106	\$ 728,925	\$6,503,349
Property taxes receivable	-	-	1,235,294	-	-	-	-	1,552,936
Due from other governments	-	-	-	-	-	-	-	75,187
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 907,850</u>	<u>\$ 2,289,748</u>	<u>\$ 740,485</u>	<u>\$ -</u>	<u>\$ 3,106</u>	<u>\$ 728,925</u>	<u>\$8,131,472</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ 175,166	\$ 330,864	\$ -	\$ -	\$ 627,635
Deposits	-	366,783	-	-	-	-	-	366,783
Due to other funds	40,726	-	-	-	1,475,340	-	-	1,528,071
Due to other governments	-	20,884	-	-	-	-	-	20,884
Deferred revenues	-	-	1,235,294	-	-	-	-	1,552,936
Total Liabilities	<u>40,726</u>	<u>387,667</u>	<u>1,235,294</u>	<u>175,166</u>	<u>1,806,204</u>	<u>-</u>	<u>-</u>	<u>4,096,309</u>
Fund Balances								
Reserved	-	-	1,054,454	-	-	-	-	1,054,454
Unreserved - undesignated (deficit)	(40,726)	520,183	-	565,319	(1,806,204)	3,106	728,925	2,980,709
Total Fund Balance (Deficit)	<u>(40,726)</u>	<u>520,183</u>	<u>1,054,454</u>	<u>565,319</u>	<u>(1,806,204)</u>	<u>3,106</u>	<u>728,925</u>	<u>4,035,163</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 907,850</u>	<u>\$ 2,289,748</u>	<u>\$ 740,485</u>	<u>\$ -</u>	<u>\$ 3,106</u>	<u>\$ 728,925</u>	<u>\$8,131,472</u>

VILLAGE OF CARPENTERSVILLE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended April 30, 2010

	Special Revenue								
	Motor Fuel Tax	McNamee Memorial Park	Veterans' Memorial Garden	Special Service Area No. 1	Special Service Area No. 2	Special Service Area No. 3	Special Service Area No. 21	Tax Increment Financing District No. 1	Tax Increment Financing District No. 2
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ 13,488	\$ 1,099	\$ 9,227	\$ -	\$ 278,412	\$ 164,599
Intergovernmental	904,400	-	-	-	-	-	-	-	-
Public charges for services	-	-	-	-	-	-	-	-	-
Investment income	34,654	-	-	-	-	-	-	9,143	22,510
Miscellaneous income	337,182	-	740	-	-	-	-	-	-
Total Revenues	1,276,236	-	740	13,488	1,099	9,227	-	287,555	187,109
EXPENDITURES									
Current									
Public works	328,528	-	-	17,708	3,990	6,840	1,995	4,679	4,793
Culture and recreation	-	2,380	526	-	-	-	-	-	-
Capital Outlay	982,990	-	-	-	-	-	-	-	-
Debt Service									
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Total Expenditures	1,311,518	2,380	526	17,708	3,990	6,840	1,995	4,679	4,793
Excess (deficiency) of revenues over expenditures	<u>(35,282)</u>	<u>(2,380)</u>	<u>214</u>	<u>(4,220)</u>	<u>(2,891)</u>	<u>2,387</u>	<u>(1,995)</u>	<u>282,876</u>	<u>182,316</u>
OTHER FINANCING SOURCES (USES)									
Sale of village property	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(380,859)	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(380,859)	-	-	-	-	-	-	-	-
Net change in fund balances	(416,141)	(2,380)	214	(4,220)	(2,891)	2,387	(1,995)	282,876	182,316
FUND BALANCES (DEFICIT) -									
Beginning of Year	<u>2,050,539</u>	<u>7,789</u>	<u>53,379</u>	<u>(6,340)</u>	<u>4,524</u>	<u>19,113</u>	<u>-</u>	<u>514,788</u>	<u>326,148</u>
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 1,634,398	\$ 5,409	\$ 53,593	\$ (10,560)	\$ 1,633	\$ 21,500	\$ (1,995)	\$ 797,664	\$ 508,464

VILLAGE OF CARPENTERSVILLE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (cont.)
For the Year Ended April 30, 2010

	Special Revenue			Capital Projects				Totals
	Title V	Developer	Debt	Capital	Capital	Equipment	Street	
	Federal			Improvements	Improvements			
	Grant	Activities	Service	Public Works	Fire			
REVENUES								
Taxes	\$ -	\$ -	\$ 921,604	\$ -	\$ -	\$ -	\$ -	\$ 1,388,429
Intergovernmental	-	-	-	-	-	-	-	904,400
Public charges for services	-	134,727	-	-	-	-	-	134,727
Investment income	-	-	87	-	-	3,709	-	70,103
Miscellaneous income	-	-	-	-	-	-	-	337,922
Total Revenues	-	134,727	921,691	-	-	3,709	-	2,835,581
EXPENDITURES								
Current								
Public works	-	10,156	-	-	-	-	-	378,689
Culture and recreation	-	-	-	-	-	-	-	2,906
Capital Outlay	-	-	-	361,019	1,782,692	103,063	-	3,229,764
Debt Service								
Principal retirement	-	-	718,250	-	-	-	-	718,250
Interest and fiscal charges	-	-	547,955	-	-	-	-	547,955
Total Expenditures	-	10,156	1,266,205	361,019	1,782,692	103,063	-	4,877,564
Excess (deficiency) of revenues over expenditures	-	124,571	(344,514)	(361,019)	(1,782,692)	(99,354)	-	(2,041,983)
OTHER FINANCING SOURCES (USES)								
Sale of village property	-	-	-	-	-	10,058	-	10,058
Transfers in	-	-	380,859	-	-	92,402	-	473,261
Transfers out	-	-	-	-	-	-	-	(380,859)
Total Other Financing Sources (Uses)	-	-	380,859	-	-	102,460	-	102,460
Net change in fund balances	-	124,571	36,345	(361,019)	(1,782,692)	3,106	-	(1,939,523)
FUND BALANCES (DEFICIT) -								
Beginning of Year	(40,726)	395,612	1,018,109	926,338	(23,512)	-	728,925	5,974,686
FUND BALANCES (DEFICIT) - END OF YEAR	\$ (40,726)	\$ 520,183	\$ 1,054,454	\$ 565,319	\$ (1,806,204)	\$ 3,106	\$ 728,925	\$ 4,035,163

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS -
 ACTUAL AND BUDGET - ENTERPRISE FUND
 WATERWORKS AND SEWERAGE FUND
 For the Year Ended April 30, 2010

	Actual	Budget
OPERATING REVENUES		
Water user charges	\$ 2,175,727	\$ 2,720,000
Sewer user charges	2,503,217	2,989,336
Water connection fees	154,137	105,000
Sewer connection fees	156,447	155,000
Water availability charge	145,018	146,000
Sewer availability charge	326,757	330,000
Meter sales	15,788	20,000
Services fees and penalties	190,097	204,000
Rental Income	63,255	73,435
Miscellaneous	13,381	28,700
Total Operating Revenues	5,743,824	6,771,471
OPERATING EXPENSES		
Water department	2,707,327	2,799,635
Sewer department	2,439,976	2,507,545
Depreciation - Water	773,172	-
Depreciation - Sewer	1,405,492	-
Total Operating Expenses	7,325,967	5,307,180
Operating Income (Loss)	(1,582,143)	1,464,291
NONOPERATING REVENUE (EXPENSES)		
Investment income	116,275	86,500
Interest charged to construction	58,400	-
Interest expense	(693,657)	(705,476)
Amortization of debt issuance cost and bond premium	(366)	-
Miscellaneous revenue	1,509	500
Miscellaneous expense	(338)	-
Total Nonoperating Revenue (Expenses)	(518,177)	(618,476)
Income (Loss) Before Capital Contributions	(2,100,320)	845,815
TRANSFER TO CAPITAL PROJECT FUND	(92,402)	-
CAPITAL CONTRIBUTIONS	1,629,016	-
CHANGE IN NET ASSETS	(563,706)	845,815
TOTAL NET ASSETS - Beginning of Year	40,931,874	40,931,874
TOTAL NET ASSETS - END OF YEAR	\$ 40,368,168	\$ 41,777,689

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF EXPENSES - BUDGET TO ACTUAL ENTERPRISE FUND WATERWORKS AND SEWERAGE FUND For the Year Ended April 30, 2010

	Actual	Budget
WATER DEPARTMENT		
Water facilities		
Personnel services:		
Employee salaries	\$ 496,009	\$ 492,023
Employee overtime	27,404	33,600
FICA/Medicare/IMRF	89,179	90,084
Health insurance	75,569	76,764
Longevity	3,039	2,853
Sick leave incentive	1,003	2,043
Uniform allowance	2,100	2,450
Total Personnel Services	694,303	699,817
Contractual services:		
Dues and publications	846	900
Postage	70	-
Training and meeting	3,435	3,700
Other service	18,429	24,000
Liability insurance	52,281	63,749
Building grounds	2,587	3,000
Maintenance equipment	21,860	30,000
Vehicles	2,988	4,000
Electric	289,401	306,000
Heating	11,904	16,500
Telephone data	4,076	4,500
Water softener salt	236,597	242,398
Water well	26,731	40,000
Water alarm	237	800
Total Contractual Services	671,442	739,547
Commodities:		
Building	5,627	5,500
Maintenance materials	5,011	5,000
Automotive	3,136	2,500
Tools and equipment	4,242	6,000
Gas and oil	14,868	19,000
Office	1,667	1,500
Operating	12,716	11,500
Meters	286,980	282,375
Chemicals	51,690	39,820
Total Commodities	385,937	373,195
Capital outlay - miscellaneous capital	-	-
Total Water Facilities	1,751,682	1,812,559

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF EXPENSES - BUDGET TO ACTUAL
 ENTERPRISE FUND
 WATERWORKS AND SEWERAGE FUND (cont.)
 For the Year Ended April 30, 2010

	Actual	Budget
Water underground		
Personnel services:		
Employee salaries	\$ 326,446	\$ 328,329
Employee overtime	21,617	23,650
FICA/Medicare/IMRF	58,611	62,352
Insurance	62,483	75,142
Longevity	1,880	2,020
Sick leave incentive	1,125	1,375
Uniform allowance	2,188	1,925
Total Personnel Services	474,350	494,793
Contractual services:		
Dues and publications	210	250
Printing	-	100
Training and meeting	448	1,000
Other service	2,060	3,200
Building grounds	744	500
Equipment maintenance	89,521	85,000
Office equipment	666	900
Vehicles	7,124	7,500
Telephone data	1,668	1,700
Total Contractual Services	102,441	100,150
Commodities:		
Building	131	500
Street	5,874	9,000
Maintenance materials	15,794	12,500
Automotive	2,320	3,000
Tools and equipment	3,162	3,500
Gas and oil	8,942	22,500
Office	217	250
Operating	3,163	3,500
Pipes and valves	41,337	40,590
Total Commodities	80,940	95,340
Contingency	-	-
Total Water Underground	657,731	690,283

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF EXPENSES - BUDGET TO ACTUAL
ENTERPRISE FUND
WATERWORKS AND SEWERAGE FUND (cont.)
For the Year Ended April 30, 2010

	<u>Actual</u>	<u>Budget</u>
Water Administrative and General		
Personnel services:		
Employee salaries	\$ 96,751	\$ 111,230
FICA/Medicare/IMRF	16,177	19,451
Insurance	11,720	15,459
Longevity	530	740
Sick leave incentive	250	438
Other postemployment benefits	26,660	-
Total Personnel Services	<u>152,088</u>	<u>147,318</u>
Contractual services:		
Accounting Services	5,652	7,500
Dues and publications	13	-
Training and meeting	28	-
Postage and mailing	10,556	11,000
Office	2,651	3,500
Office equipment	732	1,250
Telephone data	1,194	1,225
Total Contractual Services	<u>20,826</u>	<u>24,475</u>
Administrative and general overhead	<u>125,000</u>	<u>125,000</u>
Total Water Administrative and General	<u>297,914</u>	<u>296,793</u>
TOTAL WATER DEPARTMENT	<u>2,707,327</u>	<u>2,799,635</u>

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF EXPENSES - BUDGET TO ACTUAL
 ENTERPRISE FUND
 WATERWORKS AND SEWERAGE FUND (cont.)
 For the Year Ended April 30, 2010

	Actual	Budget
SEWER DEPARTMENT		
Sewer facilities		
Personnel services:		
Employee salaries	\$ 560,623	\$ 570,620
Employee overtime	27,752	35,000
FICA/Medicare/IMRF	97,522	103,351
Other Post Employment Benefits	60,000	-
Health insurance	125,517	132,401
Longevity	3,031	3,033
Sick leave incentive	1,498	2,461
Uniform allowance	2,800	2,800
Total Personnel Services	878,743	849,666
Contractual services:		
Dues and publications	40	50
Printing	365	250
Training and meeting	474	500
Other service	27,861	22,000
Liability insurance	52,917	81,135
Building grounds	2,361	3,000
Maintenance equipment	95,046	130,000
Vehicles	4,322	3,000
Electric	297,771	275,000
Heating	11,478	15,000
Telephone data	7,261	7,500
Sludge disposal	107,503	120,000
Testing	2,875	10,000
Total Contractual Services	610,274	667,435
Commodities:		
Building	3,000	3,000
Maintenance materials	3,046	3,000
Lift station	4,510	8,000
Automotive	1,403	1,000
Tools and equipment	47,532	7,000
Gas and oil	5,643	9,000
Office	966	1,200
Operating	8,130	8,000
Chemicals	50,474	52,000
Total Commodities	124,704	92,200
Contingency		
	-	-
Total Sewer Facilities	1,613,721	1,609,301

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF EXPENSES - BUDGET TO ACTUAL ENTERPRISE FUND WATERWORKS AND SEWERAGE FUND (cont.) For the Year Ended April 30, 2010

	Actual	Budget
Sewer underground		
Personnel services:		
Employee salaries	\$ 314,376	\$ 328,329
Employee overtime	18,803	23,650
FICA/Medicare/IMRF	55,774	62,352
Health insurance	62,483	73,851
Longevity	1,880	2,020
Sick leave incentive	1,125	1,375
Uniform allowance	2,158	1,925
Total Personnel Services	456,599	493,502
Contractual services:		
Dues and publications	100	250
Printing	-	100
Training and meeting	245	1,000
Other service	2,130	3,200
Building grounds	-	500
Office equipment	708	900
Vehicles	3,446	7,500
Telephone data	1,797	1,700
Total Contractual Services	8,426	15,150
Commodities:		
Building	368	500
Street	5,508	9,000
Maintenance materials	12,116	12,500
Sanitary maintenance	7,967	8,000
Automotive	2,579	3,000
Tools and equipment	3,541	3,500
Gas and oil	8,942	22,500
Office equipment	292	300
Operating	3,333	3,500
Total Commodities	44,646	62,800
Capital outlay - miscellaneous capital	18,668	30,000
Contingency	-	-
Total Sewer Underground	528,339	601,452

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF EXPENSES - BUDGET TO ACTUAL
ENTERPRISE FUND
WATERWORKS AND SEWERAGE FUND (cont.)
For the Year Ended April 30, 2010

	<u>Actual</u>	<u>Budget</u>
Sewer Administrative and General		
Personnel services:		
Employee salaries	\$ 96,751	\$ 111,230
FICA/Medicare/IMRF	16,177	19,450
Insurance	11,719	15,460
Longevity	530	740
Sick leave incentive	250	437
Other postemployment benefits	<u>26,663</u>	<u>-</u>
Total Personnel Services	<u>152,090</u>	<u>147,317</u>
Contractual services:		
Accounting Services	5,653	7,500
Dues and publications	13	-
Training and meeting	27	-
Postage and mailing	10,556	11,000
Office	2,651	3,500
Office equipment	731	1,250
Telephone data	<u>1,195</u>	<u>1,225</u>
Total Contractual Services	<u>20,826</u>	<u>24,475</u>
Administrative and general overhead	<u>125,000</u>	<u>125,000</u>
Total Sewer Administrative and General	<u>297,916</u>	<u>296,792</u>
TOTAL SEWER DEPARTMENT	<u>2,439,976</u>	<u>2,507,545</u>
TOTAL OPERATING EXPENSES, EXCLUDING AMORTIZATION AND DEPRECIATION	<u>\$ 5,147,303</u>	<u>\$ 5,307,180</u>

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF FIDUCIARY NET ASSETS PENSION TRUST FUNDS

April 30, 2010

	Pension Trust Funds		
	Police Pension Trust	Firefighters' Pension Trust	Total Pension Trust Funds
ASSETS			
Cash and investments			
Deposits	\$ 4,704	\$ 58,580	\$ 63,284
Money market mutual funds	414,145	110,633	524,778
U.S. treasuries	4,612,342	1,960,116	6,572,458
U.S. agencies - implicit	5,923,767	5,047,998	10,971,765
U.S. agencies - explicit	700,830	8,757	709,587
Stock	5,557,149	-	5,557,149
State and local bonds	-	656,731	656,731
Mutual funds	4,805,337	4,341,188	9,146,525
Accrued interest	88,929	86,082	175,011
Due from other taxing units	-	1,128	1,128
Prepaid items	18,786	815	19,601
Total Assets	<u>22,125,989</u>	<u>12,272,028</u>	<u>34,398,017</u>
LIABILITIES			
Accounts payable	<u>870</u>	<u>10,752</u>	<u>11,622</u>
Total Liabilities	<u>870</u>	<u>10,752</u>	<u>11,622</u>
NET ASSETS			
Held in trust for pension benefits	<u>\$ 22,125,119</u>	<u>\$ 12,261,276</u>	<u>\$ 34,386,395</u>

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF CHANGES IN FIDUCIARY NET ASSETS PENSION TRUST FUNDS For the Year Ended April 30, 2010

	Police Pension Trust	Firefighters' Pension Trust	Total
ADDITIONS			
Contributions			
Employer	\$ 1,657,787	\$ 716,781	\$ 2,374,568
Participants	546,857	345,475	892,332
Total contributions	<u>2,204,644</u>	<u>1,062,256</u>	<u>3,266,900</u>
Net investment income			
Investment income	3,485,838	1,667,626	5,153,464
Less: investment expense	<u>(95,289)</u>	<u>(35,075)</u>	<u>(130,364)</u>
Net investment income	<u>3,390,549</u>	<u>1,632,551</u>	<u>5,023,100</u>
Total Additions	<u>5,595,193</u>	<u>2,694,807</u>	<u>8,290,000</u>
DEDUCTIONS			
Benefits and refunds	1,368,295	256,492	1,624,787
Other contractual	<u>30,179</u>	<u>29,453</u>	<u>59,632</u>
Total Deductions	<u>1,398,474</u>	<u>285,945</u>	<u>1,684,419</u>
CHANGE IN NET ASSETS	4,196,719	2,408,862	6,605,581
NET ASSETS - Beginning of Year	<u>17,928,400</u>	<u>9,852,414</u>	<u>27,780,814</u>
NET ASSETS - END OF YEAR	<u>\$ 22,125,119</u>	<u>\$ 12,261,276</u>	<u>\$ 34,386,395</u>

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF FIDUCIARY NET ASSETS AGENCY FUNDS April 30, 2010

	Agency Funds		Total Agency Funds
	Special Service Areas No. 10 & 11	Special Service Area No. 18	
ASSETS			
Cash	\$ 2	\$ -	\$ 2
Amounts due from others	<u>13,959</u>	<u>6,134</u>	<u>20,093</u>
TOTAL ASSETS	<u>\$ 13,961</u>	<u>\$ 6,134</u>	<u>\$ 20,095</u>
LIABILITIES			
Accounts payable	<u>\$ 13,961</u>	<u>\$ 6,134</u>	<u>\$ 20,095</u>
TOTAL LIABILITIES	<u>\$ 13,961</u>	<u>\$ 6,134</u>	<u>\$ 20,095</u>

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF GENERAL OBLIGATION LONG-TERM DEBT PRINCIPAL PAYMENTS April 30, 2010

Year	Totals	2008 G.O. Bonds	2006 G.O. Bonds	2004 G.O. Refunding Bonds
2011	\$ 1,145,000	\$ 360,000	\$ 370,000	\$ 415,000
2012	1,185,000	370,000	385,000	430,000
2013	1,225,000	380,000	400,000	445,000
2014	1,280,000	395,000	420,000	465,000
2015	1,320,000	405,000	435,000	480,000
2016	955,000	420,000	450,000	85,000
2017	905,000	435,000	470,000	-
2018	945,000	455,000	490,000	-
2019	985,000	470,000	515,000	-
2020	1,025,000	490,000	535,000	-
2021	1,070,000	510,000	560,000	-
2022	1,120,000	535,000	585,000	-
2023	1,165,000	555,000	610,000	-
2024	1,220,000	580,000	640,000	-
2025	1,270,000	605,000	665,000	-
2026	1,330,000	630,000	700,000	-
2027	1,385,000	655,000	730,000	-
2028	685,000	685,000	-	-
2029	715,000	715,000	-	-
TOTALS	<u>\$ 20,930,000</u>	<u>\$ 9,650,000</u>	<u>\$ 8,960,000</u>	<u>\$ 2,320,000</u>

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF GENERAL OBLIGATION LONG-TERM DEBT INTEREST PAYMENTS April 30, 2010

<u>Year</u>	<u>Totals</u>	<u>2008 G.O. Bonds</u>	<u>2006 G.O. Bonds</u>	<u>2004 G.O. Refunding Bonds</u>
2011	\$ 869,944	\$ 390,669	\$ 389,625	\$ 89,650
2012	829,818	379,869	374,825	75,124
2013	787,194	368,769	359,425	59,000
2014	740,094	355,469	343,425	41,200
2015	690,869	341,644	326,625	22,600
2016	640,094	327,469	309,225	3,400
2017	601,819	311,719	290,100	-
2018	565,531	295,406	270,125	-
2019	526,506	277,206	249,300	-
2020	484,531	258,406	226,125	-
2021	439,631	237,581	202,050	-
2022	392,755	215,905	176,850	-
2023	343,694	193,169	150,525	-
2024	292,656	169,581	123,075	-
2025	239,206	144,931	94,275	-
2026	183,569	119,219	64,350	-
2027	124,506	91,656	32,850	-
2028	63,000	63,000	-	-
2029	32,182	32,182	-	-
TOTALS	\$ 8,847,599	\$ 4,573,850	\$ 3,982,775	\$ 290,974

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF INSURANCE IN FORCE

April 30, 2010

<u>Name of Agency</u>	<u>Type of Coverage</u>	<u>Policy Limits</u>
Safety National	Workers' Compensation	\$ 1,000,000
Traveler's	Liability	\$ 1,000,000
Traveler's	Crime	\$ 5,000,000
Traveler's	Property	\$ 72,521,300
Traveler's	Auto Physical Damage	\$ 1,000,000
Traveler's	Umbrella	\$ 19,000,000

STATISTICAL INFORMATION

VILLAGE OF CARPENTERSVILLE

GENERAL GOVERNMENTAL REVENUES BY SOURCE Last Ten Fiscal Years

Fiscal Year Ending	Taxes	Licenses and Permits	Inter- governmental	Charges for Services	Fines and Forfeitures	Investment Income	Miscellaneous	Total
2010	\$ 17,026,816	\$ 1,572,549	\$ 3,025,051	\$ 1,518,178	\$ 507,637	\$ 259,101	\$ 556,800	\$ 24,466,132
2009	18,525,185	1,499,358	3,176,894	1,492,650	569,590	870,753	1,146,724	27,281,154
2008	18,500,995	1,298,635	2,804,058	1,279,666	576,710	746,955	928,709	26,135,728
2007	17,001,535	1,431,063	2,894,935	923,091	625,312	1,153,262	1,062,846	25,092,044
2006	15,146,137	1,649,660	2,874,680	918,254	590,289	533,325	1,360,858	23,073,203
2005	13,188,973	1,064,344	2,920,592	608,832	524,840	320,418	569,439	19,197,438
2004	12,624,206	1,263,598	2,502,203	564,471	476,904	218,594	704,698	18,354,674
2003	13,058,216	871,469	1,877,677	426,953	558,875	252,544	728,684	17,774,418
2002	11,969,038	902,943	1,608,748	220,791	249,908	554,504	1,075,504	16,581,436
2001	11,278,101	893,761	1,631,280	20,180	236,014	1,069,234	897,352	16,025,922

Data Source

Village records

Note: Includes General, Special Revenue, Debt Service, and Capital Projects Funds.

VILLAGE OF CARPENTERSVILLE

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION Last Ten Fiscal Years

Fiscal Year Ending	General Government	Public Safety	Public Works	Culture and Recreation	Community Development	Capital Outlay	Debt Service	Total
2010	\$ 2,267,779	\$ 14,498,478	\$ 5,245,326	\$ 142,130	\$ 1,865,603	\$ 9,386,373	\$ 1,323,516	\$ 34,729,205
2009	2,846,950	14,494,721	5,886,022	169,295	1,945,120	4,575,570	851,876	30,769,554
2008	2,662,854	13,823,810	5,204,268	133,988	2,046,670	4,386,193	835,662	29,093,445
2007	4,330,705	12,656,119	4,557,505	52,355	1,758,962	2,450,666	641,752	26,448,064
2006	2,574,853	11,754,612	3,871,134	42,066	2,012,761	1,647,736	458,441	22,361,603
2005	3,057,494	10,896,197	3,892,027	49,393	1,708,717	2,333,271	527,076	22,464,175
2004	5,080,516	8,908,119	1,562,312	41,690	1,782,913	310,666	531,735	18,217,951
2003	5,740,673	8,620,122	1,306,991	43,973	671,659	3,674,088	1,188,754	21,246,260
2002	4,142,886	8,789,503	1,267,809	16,663	658,354	1,520,922	1,035,481	17,431,618
2001	3,450,432	8,600,837	1,505,589	43,777	603,680	2,267,625	550,908	17,022,848

Data Source

Village records

Note: Includes General, Special Revenue, Debt Service, and Capital Projects Funds.

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF LEGAL DEBT MARGIN

April 30, 2010

The Village is a home rule municipality.

Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin.

"The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent... indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts."

To date, the General Assembly has set no limits for home rule municipalities.

VILLAGE OF CARPENTERSVILLE

PROPERTY, TAX, ASSESSED VALUATION, RATES AND EXTENSIONS Last Ten Fiscal Years

	2009	2008	2007
Assessed valuation	<u>\$ 702,698,756</u>	<u>\$ 727,105,524</u>	<u>\$ 684,585,356</u>
Tax rates*:			
General	0.9341	0.9111	0.9677
Liability Insurance	-	-	-
Illinois Municipal	-	-	-
Retirement Fund	-	-	-
Police protection	-	-	-
Bond and interest	0.1758	0.0880	0.0556
Police pension	0.2374	0.2315	0.2104
Fire pension	0.1026	0.1001	0.0975
Fire protection	-	-	-
TOTALS	<u>1.4500</u>	<u>1.3307</u>	<u>1.3313</u>
Tax extensions:			
General	6,564,225	6,564,225	6,624,980
Liability Insurance	-	-	-
Illinois Municipal	-	-	-
Retirement Fund	-	-	-
Police protection	-	-	-
Bond and interest	1,235,294	634,173	380,532
Police pension	1,668,121	1,668,121	1,440,623
Fire pension	721,243	721,243	667,787
Fire protection	-	-	-
TOTALS	<u>\$ 10,188,883</u>	<u>\$ 9,587,762</u>	<u>\$ 9,113,922</u>
Township road and bridge	<u>\$ 212,369</u>	<u>\$ 210,118</u>	<u>\$ 204,687</u>
Collections		<u>\$ 9,547,779</u>	<u>\$ 9,102,240</u>
Percentage of extensions collected		<u>100.00%</u>	<u>99.87%</u>

*Property tax rates are per \$100 of assessed valuation.

Data Source

Office of the Kane County Clerk

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
<u>\$ 649,170,432</u>	<u>\$ 599,930,235</u>	<u>\$ 558,876,762</u>	<u>\$ 488,672,267</u>	<u>\$ 421,752,394</u>	<u>\$ 371,565,551</u>	<u>\$ 324,858,158</u>
0.9813	1.0131	0.9173	0.9049	0.9531	1.0003	1.1535
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	0.1111	-	-
0.0699	0.0353	0.0275	0.0634	0.0717	0.0873	0.0967
0.1853	0.1920	0.1848	0.1884	0.1927	-	-
0.0848	0.0959	0.0825	0.0846	0.0624	0.0141	-
-	-	-	-	-	-	-
<u>1.3213</u>	<u>1.3364</u>	<u>1.2121</u>	<u>1.2413</u>	<u>1.3910</u>	<u>1.1017</u>	<u>1.2502</u>
6,370,500	6,077,941	5,079,763	4,421,995	4,019,722	3,716,770	3,747,239
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	412,809	-
453,485	211,957	152,288	309,818	302,397	324,377	314,138
1,203,088	1,151,770	1,023,279	920,658	812,717	-	-
550,817	575,516	457,043	413,417	263,173	52,391	-
-	-	-	-	-	-	-
<u>\$ 8,577,890</u>	<u>\$ 8,017,184</u>	<u>\$ 6,712,373</u>	<u>\$ 6,065,888</u>	<u>\$ 5,398,009</u>	<u>\$ 4,506,347</u>	<u>\$ 4,061,377</u>
<u>\$ 218,621</u>	<u>\$ 211,786</u>	<u>\$ 194,877</u>	<u>\$ 194,877</u>	<u>\$ 153,729</u>	<u>\$ 142,346</u>	<u>\$ 132,542</u>
<u>\$ 8,578,111</u>	<u>\$ 8,178,923</u>	<u>\$ 7,053,727</u>	<u>\$ 6,213,459</u>	<u>\$ 5,544,854</u>	<u>\$ 4,495,019</u>	<u>\$ 4,193,462</u>
<u>100.00%</u>	<u>102.02%</u>	<u>105.09%</u>	<u>102.43%</u>	<u>100.12%</u>	<u>96.69%</u>	<u>99.99%</u>

VILLAGE OF CARPENTERSVILLE

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES Last Ten Fiscal Years

Fiscal Year Ending	Debt Service			General Expenditures	
	Principal	Interest	Total	Total (1)	Debt Service Ratio
2001	\$ 230,000	\$ 280,396	\$ 510,396	\$ 16,994,701	3.00%
2002	655,000	380,481	1,035,481	17,040,117	6.08%
2003	855,000	333,754	1,188,754	21,246,260	5.60%
2004	330,000	201,735	531,735	18,217,951	2.92%
2005	322,500	204,576	527,076	22,464,175	2.35%
2006	322,500	135,941	458,441	22,464,175	2.04%
2007	332,500	309,252	641,752	26,502,377	2.42%
2008	517,500	318,162	835,662	29,093,445	2.87%
2009	468,750	383,126	851,876	30,769,554	2.77%
2010	775,561	547,955	1,323,516	34,729,205	3.81%

(1) Includes General, Special Revenue, Debt Service and Capital Projects Funds.

Data Source

Village of Carpentersville Annual Financial Statements 2001-2010

VILLAGE OF CARPENTERSVILLE

PROPERTY TAX RATES* - DIRECT AND OVERLAPPING GOVERNMENTS Last Ten Fiscal Years

Tax Levy Year	2000	2001	2002
Tax rates*			
School District 300 residents:			
Kane County	\$ 0.4218	\$ 0.3923	\$ 0.3740
Kane County IMRF	0.0459	0.0606	0.0552
Kane County FICA	-	-	-
Kane Forest Preserve	0.1589	0.1477	0.1354
Kane Forest Preserve IMRF	0.0045	0.0043	0.0041
Kane Forest Preserve FICA	-	-	-
Dundee Township	0.2050	0.1969	0.1904
Dundee Township Road Funds	0.0975	0.0918	0.0871
Dundee Township IMRF	0.0016	0.0016	0.0016
Dundee Township FICA	-	-	-
Carpentersville Village	1.2502	1.2128	1.2799
Carpentersville IMRF	-	-	-
Carpentersville Police Pension	-	-	-
Carpentersville Fire	-	-	-
Carpentersville Fire FICA	-	-	-
Carpentersville Fire Pension	-	-	-
School District 300	4.2151	4.1154	4.1295
School District 300 Pension	-	-	-
Elgin Community College 509	0.3822	0.3721	0.3636
Elgin Community College Pension	-	-	-
Dundee Park District	0.4948	0.3839	0.3615
Dundee Park District IMRF	0.0413	0.0402	0.0413
Dundee Park District FICA	-	-	-
Dundee Library	0.1578	0.1539	0.1482
Dundee Library IMRF	0.0154	0.0134	0.0126
Dundee Library FICA	-	-	-
Total tax rate - District 300	\$ 7.4920	\$ 7.1869	\$ 7.1844
Village's share of total tax rate	<u>16.69%</u>	<u>16.88%</u>	<u>17.81%</u>
School District 220 residents -			
Harper College 512	-	-	-
Harper College 512 Pension	-	-	-
Barrington School District	3.6033	3.5235	3.8011
Barrington School District Pension	-	-	-
	<u>\$ 3.6033</u>	<u>\$ 3.5235</u>	<u>\$ 3.8011</u>
Total tax rate - District 220	\$ 6.6798	\$ 6.5575	\$ 6.8278
Village's share of total tax rate	<u>18.72%</u>	<u>18.49%</u>	<u>18.75%</u>

*Property tax rates are per \$100 assessed valuation

Data Source

Office of Kane County Clerk

	2003	2004	2005	2006	2007	2008	2009
\$	0.3029	\$ 0.3467	\$ 0.3367	\$ 0.2847	\$ 0.2750	\$ 0.3336	\$ 0.3398
	0.0549	0.0382	-	0.0605	0.0571	-	-
	-	-	-	-	-	-	-
	0.1232	0.1432	0.1905	0.1714	0.1942	0.1932	0.1997
	0.0038	-	-	0.0033	0.0032	-	-
	-	-	-	-	-	-	-
	0.1803	0.1705	0.1608	0.1292	0.1440	0.1415	0.1498
	0.0797	0.0770	0.0730	0.0692	0.0665	0.0673	0.0695
	0.0028	0.0017	-	0.0015	0.0014	-	-
	-	-	-	-	-	-	-
	1.2413	1.2121	1.3367	1.0519	1.0239	1.3316	1.4517
	-	-	-	0.2702	0.3080	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	3.8656	3.6923	4.0289	3.8308	3.7645	3.8603	3.9687
	-	-	-	0.1480	0.1028	-	-
	0.3854	0.4154	0.4011	0.3345	0.3230	0.3275	0.3833
	-	-	-	0.0053	0.0051	-	-
	0.3560	0.4341	0.4049	0.3474	0.3400	0.3648	0.3747
	0.0427	0.0195	-	0.0424	0.0316	-	-
	-	-	-	-	-	-	-
	0.1393	0.1416	0.1361	0.1245	0.1195	0.1273	0.1306
	0.0109	0.0049	-	0.0082	0.0084	-	-
	-	-	-	-	-	-	-
\$	<u>6.7888</u>	<u>\$ 6.6971</u>	<u>\$ 7.0687</u>	<u>\$ 6.8829</u>	<u>\$ 6.7681</u>	<u>\$ 6.7472</u>	<u>\$ 7.0677</u>
	<u>18.28%</u>	<u>18.10%</u>	<u>18.91%</u>	<u>19.21%</u>	<u>19.68%</u>	<u>19.74%</u>	<u>20.54%</u>
	-	-	-	0.2944	0.2755	0.2684	0.3059
	-	-	-	0.0044	0.0047	-	-
	3.1616	3.6083	3.9660	3.0571	3.0810	3.0401	3.1090
	-	-	-	-	0.1100	-	-
\$	<u>3.1616</u>	<u>\$ 3.6083</u>	<u>\$ 3.9660</u>	<u>\$ 3.3559</u>	<u>\$ 3.4712</u>	<u>\$ 3.3084</u>	<u>\$ 3.4149</u>
\$	<u>5.9664</u>	<u>\$ 6.6131</u>	<u>\$ 7.0058</u>	<u>\$ 5.9203</u>	<u>\$ 6.0440</u>	<u>\$ 5.8677</u>	<u>\$ 6.1307</u>
	<u>20.80%</u>	<u>18.33%</u>	<u>19.08%</u>	<u>22.33%</u>	<u>22.04%</u>	<u>22.69%</u>	<u>22.69%</u>