

VILLAGE OF CARPENTERSVILLE

Carpentersville, Illinois

FINANCIAL STATEMENTS

Including Independent Auditors' Report

For the Year Ended April 30, 2011

VILLAGE OF CARPENTERSVILLE

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April 30, 2011

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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, 2011 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, 2011, 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, schedules of employer's contributions and schedules 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 Vuchow Krause, LLP

Madison, Wisconsin
October 20, 2011

VILLAGE OF CARPENTERSVILLE, ILLINOIS

UNAUDITED MANAGEMENT'S DISCUSSION AND ANALYSIS April 30, 2011

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 \$110,908,910 (net assets). Of this amount, \$5,286,843 is considered unrestricted net assets, \$2,880,926 is restricted for specific purposes (restricted net assets), and \$102,741,141 is invested in capital assets, net of related debt.
- > The village's total net assets decreased by \$1,908,946. Governmental activities net assets decreased by \$573,146, while business-type net assets decreased by \$1,335,800.
- > On April 30, 2011, the village's governmental funds reported combined fund balances of \$21,009,845. Undesignated fund balance was \$19,301,785 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, 2011

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, 2011

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 19 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, debt service fund, capital improvement projects fund and the capital improvements public works facility construction 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 – The village maintains two fiduciary funds, which are the Police and Firefighters pension 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, 2011

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 \$110,908,910 as of April 30, 2011. 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		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Assets						
Current assets	\$ 38,270,832	\$ 22,871,174	\$ 7,609,664	\$ 7,939,826	\$ 45,880,496	\$ 30,811,000
Capital assets	86,711,221	82,511,513	53,657,514	55,657,218	140,368,735	138,168,731
Total Assets	<u>124,982,053</u>	<u>105,382,687</u>	<u>61,267,178</u>	<u>63,597,044</u>	<u>186,249,231</u>	<u>168,979,731</u>
Liabilities						
Current liabilities	18,254,557	16,798,697	3,270,603	3,029,320	21,525,160	19,828,017
Long-term liabilities	34,850,954	16,134,302	18,964,207	20,199,556	53,815,161	36,333,858
Total Liabilities	<u>53,105,511</u>	<u>32,932,999</u>	<u>22,234,810</u>	<u>23,228,876</u>	<u>75,340,321</u>	<u>56,161,875</u>
Net Assets						
Invested in capital assets, net of related debt	68,487,393	69,438,643	34,253,748	35,221,703	102,741,141	104,660,346
Restricted	2,880,926	3,820,380	-	-	2,880,926	3,820,380
Unrestricted	<u>508,223</u>	<u>(809,335)</u>	<u>4,778,620</u>	<u>5,146,465</u>	<u>5,286,843</u>	<u>4,337,130</u>
Total Net Assets	<u>\$ 71,876,542</u>	<u>\$ 72,449,688</u>	<u>\$ 39,032,368</u>	<u>\$ 40,368,168</u>	<u>\$ 110,908,910</u>	<u>\$ 112,817,856</u>

VILLAGE OF CARPENTERSVILLE, ILLINOIS

UNAUDITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2011

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

Government-wide Statements (cont.)

The largest portion of the village's net assets (92.6%) 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 (2.6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (4.8%) 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 positive balances in the unrestricted net assets of governmental 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, 2011

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

Table 2: Condensed Statement of Activities

	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
REVENUES						
Program Revenues						
Charges for services	\$ 5,126,515	\$ 4,774,164	\$ 5,813,101	\$ 5,743,824	\$ 10,939,616	\$ 10,517,988
Operating grants and contributions	225,386	43,893	-	-	225,386	43,893
Capital grants and contributions	2,043,895	6,579,375	-	1,629,016	2,043,895	8,208,391
General Revenues						
Property taxes	8,339,117	7,834,711	-	-	8,339,117	7,834,711
Sales and use tax	6,097,724	5,796,490	-	-	6,097,724	5,796,490
Income tax	2,724,726	2,630,608	-	-	2,724,726	2,630,608
Utility tax	1,350,435	1,313,416	-	-	1,350,435	1,313,416
Other taxes	460,608	452,242	-	-	460,608	452,242
Other/miscellaneous	1,134,863	568,980	27,494	175,818	1,162,357	744,798
Total Revenues	27,503,269	29,993,879	5,840,595	7,548,658	33,343,864	37,542,537
EXPENSES						
General government	2,390,453	2,853,593	-	-	2,390,453	2,853,593
Public safety	14,028,417	15,706,172	-	-	14,028,417	15,706,172
Public works	7,969,022	6,484,488	-	-	7,969,022	6,484,488
Community development	1,719,127	1,868,828	-	-	1,719,127	1,868,828
Culture and recreation	132,958	140,459	-	-	132,958	140,459
Waterworks and sewerage	-	-	7,803,929	8,019,962	7,803,929	8,019,962
Interest and fiscal charges	1,208,904	541,615	-	-	1,208,904	541,615
Total Expenses	27,448,881	27,595,155	7,803,929	8,019,962	35,252,810	35,615,117
Increase (Decrease) in Net Assets Before Transfers	54,388	2,398,724	(1,963,334)	(471,304)	(1,908,946)	1,927,420
Transfers	(627,534)	92,402	627,534	(92,402)	-	-
Change in Net Assets	(573,146)	2,491,126	(1,335,800)	(563,706)	(1,908,946)	1,927,420
Beginning Net Assets	72,449,688	69,958,562	40,368,168	40,931,874	112,817,856	110,890,436
Ending Net Assets	\$ 71,876,542	\$ 72,449,688	\$ 39,032,368	\$ 40,368,168	\$ 110,908,910	\$ 112,817,856

VILLAGE OF CARPENTERSVILLE, ILLINOIS

UNAUDITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2011

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

Government-wide Statements (cont.)

The village's combined net assets (the village's bottom line) decreased from \$112,817,856 to \$110,908,910 as a result of the governmental activities net loss of \$573,146 and business-type activities net loss of \$1,335,800.

Net assets of the village's governmental activities were \$71,876,542. 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 \$508,223.

The net assets of business-type activities were \$39,032,368 and unrestricted net assets of \$4,778,620, the bulk of which will be used to fund infrastructure updates and improvements in the water and wastewater facilities.

Current Year Impacts

Governmental Activities:

- > The village sold \$20 million Build America Bonds to continue the Infrastructure Capital Improvement program and construct a Public Works facility
- > State Income Tax distributions were delayed four months, but on target with budget expectations
- > Utility taxes missed target by 19%
- > Sales taxes were a much larger percentage of the budget and were up 4% from the prior year
- > Historically low interest rates continue to generate low investment income
- > General fund revenues exceeded expenditures by more than \$1 million

Business-Type Activities:

- > Operating expenses, including depreciation of \$2.1 million, exceeded operating revenues by \$1.3 million
- > The general fund subsidized the Utility fund in the form of debt service transfers totaling \$627,534
- > Used 2008 bond proceeds to continue upgrade and replacement of water and sewer infrastructure according to the Capital Improvement Plan
- > The Utility recognized no developer contributed assets (infrastructure) in FY 2011
- > Continued long-term meter replacement program
- > Water sales failed to meet budget expectations by \$814,846
- > Expenses relating to operation of water and wastewater departments came in under budget by \$332,156

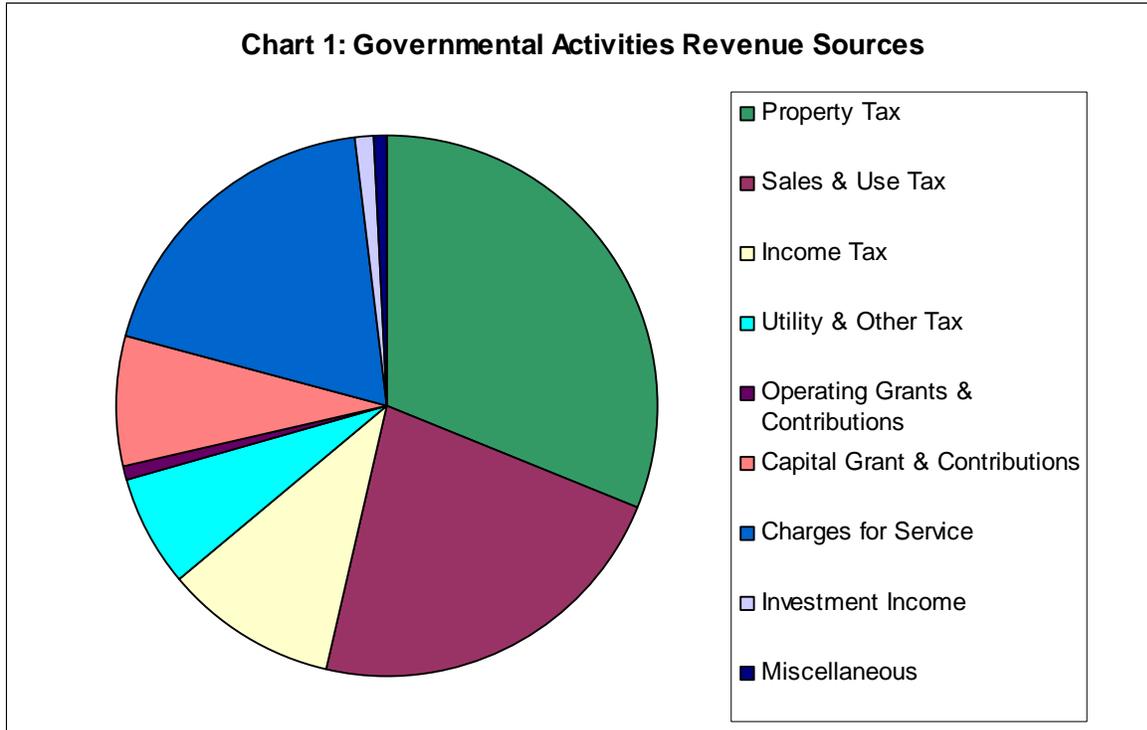
VILLAGE OF CARPENTERSVILLE, ILLINOIS

UNAUDITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2011

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, 2011, revenues from governmental activities totaled \$27,503,269. Property taxes totaled \$8,339,117 representing 30% of total governmental funds' revenue. Sales taxes account for 22% of revenue and local utility tax combined with state income tax represents 15% of total governmental activity revenue.

Property tax revenues increased from \$7,834,711 in fiscal year 2010 to \$8,339,117 in fiscal year 2011, an increase of \$504,406 or 6.4%. The village experienced an 8.29% decrease in its rate setting equalized assessed valuation (EAV) from \$702,698,756 in tax year 2009 to \$644,432,194 in tax year 2010. The increased tax levy is due to debt service obligations and pension fund requirements as the general fund levy amount as remained constant since 2008.

Levy Year
2009
2010
Decrease
% Decrease

Rate Setting EAV in Kane County
\$ 702,698,756
\$ 644,432,194
\$ 58,266,562
8.29%

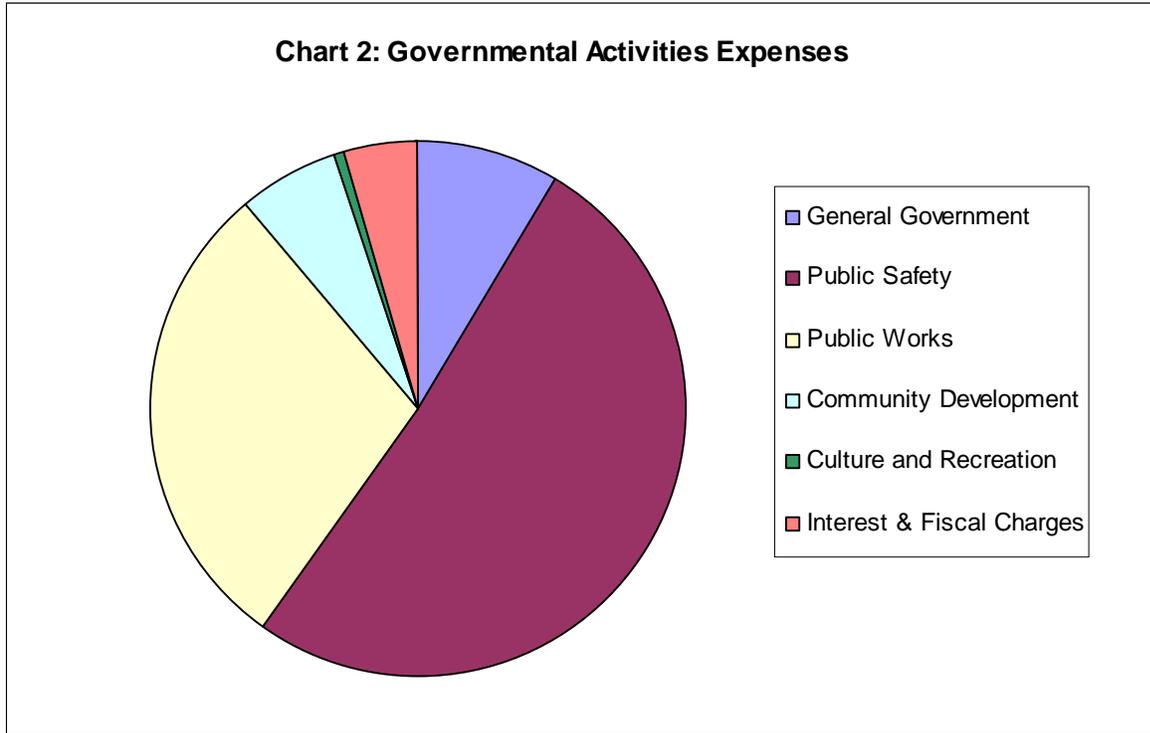
VILLAGE OF CARPENTERSVILLE, ILLINOIS

UNAUDITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
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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, 2011 expenses from governmental activities totaled \$27,448,881. Public Safety and Public Works services account for 51% and 29% of all governmental activities expenses, respectively.

Business-Type Activities

Business-type activities decreased the village's net assets by \$1,335,800. This decrease is a result of lower than expected water and sewer user fees due to foreclosures and vacant homes. Carpentersville has one of the highest foreclosure rates in Kane County. While Utility fund expenses were lower than budgeted, there were no developer contributed assets this year and the annual depreciation expense was \$2.1 million.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

UNAUDITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
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FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

Financial Analysis of the Village Funds

Governmental Funds

At April 30, 2011, the governmental funds reported a combined fund balance of \$21,009,845, which is a 257% increase from the beginning of the year of \$5,878,122. The resulting \$15 million increase in Fund Balance is due to the sale of a \$20 million Build America bond to fund infrastructure improvements and construction of a new Public Works facility. The long-term liability for bond debt is shown in the Statement of Net Assets; however, the proceeds are recorded as revenue in the Governmental funds. The treatment as revenue caused the temporary shift in overall fund balance.

Capital outlay is reported as an expenditure in the fund financial statements, but is capitalized in the government-wide financial statements. Additionally, depreciation, certain accounts receivable and deferred revenues, general obligation debt and related payments, and other accrued personnel benefits are reported differently in the government-wide versus governmental fund financial statements. A detailed reconciliation of these items is shown on page 5 of the financial statements.

Of the total governmental funds' fund balance, \$2,580,063 is unreserved and undesignated in the general fund indicating availability for continuing village services. \$158,424 is designated for various police department programs that have specific restrictions regarding expenditures. \$16,721,722 are reported as undesignated of specific capital project funds or special revenue funds such as Motor Fuel Tax and Tax Increment Financing funds.

Total reserved fund balance of \$1,549,636 includes \$283,588 for prepaid insurance, debt service obligations of \$903,025, and \$363,023 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 slightly from \$3,060,449 in fiscal year 2010 to \$3,022,075 or 1.27% in fiscal year 2011. The decrease in fund balance includes closing out several funds to the general fund. More specifically, the remodeling of Fire Station #2 project is complete and all costs associated were drawn from the general fund. Additionally, excess proceeds from the Lake Marian road reconstruction project were also closed to the general fund. The resulting decrease is actually quite a positive reflection on the village's financial position.

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 15 percent of regular general fund operating revenues. Presently, the village's unreserved, undesignated fund balance of \$2,580,063 in the general fund is 10.5% 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 a \$10,000,000 bond in fiscal year 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. In fiscal year 2011 the village sold a \$20,000,000 Build America Bond to continue funding the capital improvement project fund and construct a new Public Works facility. The debt service for the 2006 and 2008 bonds is shared by the funds on a weighted basis, but the debt service for the 2010 bonds will be funded wholly through the village's property tax levy.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

UNAUDITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
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FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (cont.)

Proprietary Funds

At April 30, 2011 the proprietary funds' total net assets decreased by \$1,335,800 from \$40,368,168 in 2010 to \$39,032,368 in 2011 or 3.3%. The decrease is due to decreased water and sewer user and connection fees, depreciation, and lack of developer contributed assets.

General Fund Budgetary Highlights

Table 3: General Fund Budget

	Original Budget	Final Budget	Actual
Revenues	\$ 23,709,768	\$ 24,144,818	\$ 23,877,321
Expenditures	23,476,714	23,586,322	22,803,656
Excess (Deficiency) of Revenues over Expenditures	233,054	558,496	1,073,665
Total Other Financing Sources/(Uses)	102,141	(114,859)	(1,112,039)
Net Change in Fund Balance	\$ 335,195	\$ 443,637	\$ (38,374)

The above chart shows budgeted revenues and expenditures versus actual revenues and expenditures. The village's expenses were \$1.073 million lower than budget. However, the net effect of closing out the Fire Station #2 remodel project and Lake Marian Road project fund reduced fund balance by \$38,374. The Fire Station #2 remodeling project was a planned drawdown of fund balance reserves. Below is a summary of the Proprietary fund budget results:

Proprietary Fund Budgetary Highlights

Table 4: Proprietary Fund Budget

	Original Budget	Actual
Revenues	\$ 6,627,947	\$ 5,813,101
Expenses	5,319,384	4,987,228
Excess (Deficiency) of Revenues over Expenditures	1,308,563	825,873
Depreciation	-	2,156,973
Operating Income (Loss)	1,308,563	(1,331,100)
Non-operating Revenue (Expenses)	(321,951)	(632,234)
Income (Loss) Before Capital Contributions	986,612	(1,963,334)
Transfer in from General Fund	-	627,534
Change in Net Assets	\$ 986,612	\$ (1,335,800)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

UNAUDITED MANAGEMENT'S DISCUSSION AND ANALYSIS April 30, 2011

CAPITAL ASSETS

The village's investment in capital assets for its governmental and business-type activities as of April 30, 2011 amounts to \$140,368,735. The investment in capital assets includes land, buildings, equipment, underground distribution and collection systems, infrastructure, and construction work in progress. The village saw a net increase of capital assets (including additions, developer contributions, and retirements) of \$2,200,004.

Table 5: Capital Assets

	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Land, CWIP, and other assets not being depreciated	\$ 20,318,763	\$ 19,959,753	\$ 1,563,400	\$ 2,523,864	\$ 21,882,163	\$ 22,483,617
Buildings and improvements	8,223,485	8,178,302	36,027,262	35,694,069	44,250,747	43,872,371
Vehicles and equipment	5,925,253	5,657,190	2,019,974	2,019,974	7,945,227	7,677,164
Infrastructure and utility distribution and collection	<u>70,363,122</u>	<u>65,169,072</u>	<u>44,413,186</u>	<u>43,628,646</u>	<u>114,776,308</u>	<u>108,797,718</u>
Total Capital Assets	104,830,623	98,964,317	84,023,822	83,866,553	188,854,445	182,830,870
Less: Accumulated depreciation	<u>(18,119,402)</u>	<u>(16,452,804)</u>	<u>(30,366,308)</u>	<u>(28,209,335)</u>	<u>(48,485,710)</u>	<u>(44,662,139)</u>
Net Capital Assets	<u>\$ 86,711,221</u>	<u>\$ 82,511,513</u>	<u>\$ 53,657,514</u>	<u>\$ 55,657,218</u>	<u>\$ 140,368,735</u>	<u>\$ 138,168,731</u>

DEBT OUTSTANDING

The village currently has four outstanding general obligation bond series and one Illinois EPA loan outstanding. Total general obligation debt is \$39,785,000, of which \$31,948,050 is attributed to governmental activities and \$7,836,950 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 \$12,179,773 and is a liability of the Utility fund.

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.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

UNAUDITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2011

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The village's composition is primarily residential with a steady commercial base. Property tax revenue derived from residential, commercial, and industrial properties has been relatively stable. The village has been affected by the general decline in the nation's economy and has one of the highest foreclosure rates in Kane County. However, since it has never been overly reliant on sales taxes, the village is beginning to recover. The State of Illinois is attempting to remedy the lag in income tax disbursements, but the status of the Local Government Distributive fund remains uncertain. According to the Illinois Department of Employment Security the village's unemployment rate increased from 12.9% in 2009 to 13.2% in 2010. 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 fiscal year 2012 budget was built for sustainability. Due to organization restructuring including the elimination of 7 full-time positions, the village started with a budget that was \$1.1 million less than in FY 2011. However, it is necessary and conscientious to build a financial plan that maintains service levels and addresses the village board's goals and objectives. These expectations put a great deal of pressure on the general fund especially considering that there was no increase in revenue from property taxes. Although the property tax rate has increased over the past three years, this is due to a drop in the equalized assessed valuation of property and increases in the tax levy for debt service and the pension funds. The portion of the tax levy that goes to the general fund for day-to-day operations has remained exactly the same for three years in a row.

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, 2011

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Totals</u>
ASSETS			
Cash and investments	\$ 21,857,030	\$ 6,313,808	\$ 28,170,838
Receivables			
Taxes			
Property	12,386,229	-	12,386,229
Personal property	22,016	-	22,016
Sales	888,997	-	888,997
Utility	341,467	-	341,467
Motor fuel	71,540	-	71,540
Income	1,329,780	-	1,329,780
Other	115,178	-	115,178
Accounts	792,824	887,289	1,680,113
Accrued interest	105,268	9,942	115,210
Internal balances	(260,183)	260,183	-
Prepaid items	283,588	54,017	337,605
Other assets	337,098	84,425	421,523
Capital Assets			
Capital assets not being depreciated	20,318,763	1,563,400	21,882,163
Capital assets, net of depreciation	66,392,458	52,094,114	118,486,572
Total Assets	<u>124,982,053</u>	<u>61,267,178</u>	<u>186,249,231</u>
LIABILITIES			
Accounts payable and accrued expenses	2,939,857	648,393	3,588,250
Deposits and customer advances	598,267	1,233,709	1,831,976
Due to other governments	19,112	-	19,112
Unearned revenues	12,386,229	3,514	12,389,743
Long-Term Liabilities			
Due within one year	2,311,092	1,384,987	3,696,079
Due in more than one year	34,850,954	18,964,207	53,815,161
Total Liabilities	<u>53,105,511</u>	<u>22,234,810</u>	<u>75,340,321</u>
NET ASSETS			
Invested in capital assets, net of related debt	68,487,393	34,253,748	102,741,141
Restricted for			
Debt service	406,235	-	406,235
Motor fuel tax projects	1,390,435	-	1,390,435
TIF district purposes	1,084,256	-	1,084,256
Unrestricted	508,223	4,778,620	5,286,843
TOTAL NET ASSETS	<u>\$ 71,876,542</u>	<u>\$ 39,032,368</u>	<u>\$ 110,908,910</u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE

STATEMENT OF ACTIVITIES
For the Year Ended April 30, 2011

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	\$ 2,390,453	\$ 736,251	\$ -	\$ -	\$ (1,654,202)	\$ -	\$ (1,654,202)
Public safety	14,028,417	2,603,446	45,241	-	(11,379,730)	-	(11,379,730)
Public works	7,969,022	1,488,860	180,145	2,043,895	(4,256,122)	-	(4,256,122)
Community development	1,719,127	297,958	-	-	(1,421,169)	-	(1,421,169)
Culture and recreation	132,958	-	-	-	(132,958)	-	(132,958)
Interest and fiscal charges	1,208,904	-	-	-	(1,208,904)	-	(1,208,904)
Total Governmental Activities	<u>27,448,881</u>	<u>5,126,515</u>	<u>225,386</u>	<u>2,043,895</u>	<u>(20,053,085)</u>	<u>-</u>	<u>(20,053,085)</u>
Business-type Activities							
Waterworks and sewerage	7,803,929	5,813,101	-	-	-	(1,990,828)	(1,990,828)
Total Business-type Activities	<u>7,803,929</u>	<u>5,813,101</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,990,828)</u>	<u>(1,990,828)</u>
Totals	<u>\$ 35,252,810</u>	<u>\$ 10,939,616</u>	<u>\$ 225,386</u>	<u>\$ 2,043,895</u>	<u>(20,053,085)</u>	<u>(1,990,828)</u>	<u>(22,043,913)</u>
General Revenues							
Taxes							
Property					8,339,117	-	8,339,117
Sales and use					6,097,724	-	6,097,724
Income					2,724,726	-	2,724,726
Utility					1,350,435	-	1,350,435
Other					460,608	-	460,608
Public gifts					2,000	-	2,000
Investment income					273,296	11,231	284,527
Miscellaneous					859,567	16,263	875,830
Transfers					(627,534)	627,534	-
Total General Revenues and Transfers					<u>19,479,939</u>	<u>655,028</u>	<u>20,134,967</u>
Change in Net Assets					(573,146)	(1,335,800)	(1,908,946)
NET ASSETS - Beginning of Year					<u>72,449,688</u>	<u>40,368,168</u>	<u>112,817,856</u>
NET ASSETS - END OF YEAR					<u>\$ 71,876,542</u>	<u>\$ 39,032,368</u>	<u>\$ 110,908,910</u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE

BALANCE SHEET
GOVERNMENTAL FUNDS
April 30, 2011

	General	Debt Service	Capital Improvement Projects	Capital Improvements Public Works	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 1,868,486	\$ 903,275	\$ 6,222,164	\$ 8,988,769	\$ 3,874,336	\$ 21,857,030
Receivables						
Taxes						
Property	10,239,975	1,819,164	-	-	327,090	12,386,229
Personal property	22,016	-	-	-	-	22,016
Sales	888,997	-	-	-	-	888,997
Utility	341,467	-	-	-	-	341,467
Motor fuel	-	-	-	-	71,540	71,540
Income	1,329,780	-	-	-	-	1,329,780
Other	115,178	-	-	-	-	115,178
Accounts	792,824	-	-	-	-	792,824
Accrued interest	-	-	105,268	-	-	105,268
Due from other funds	354,255	-	-	-	-	354,255
Prepaid items	283,588	-	-	-	-	283,588
TOTAL ASSETS	\$ 16,236,566	\$ 2,722,439	\$ 6,327,432	\$ 8,988,769	\$ 4,272,966	\$ 38,548,172
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 854,469	\$ 250	\$ 238,958	\$ 847,115	\$ 70,970	\$ 2,011,762
Accrued liabilities	219,086	-	-	-	-	219,086
Claims payable	212,220	-	-	-	-	212,220
Special deposits	233,049	-	-	-	365,218	598,267
Due to other funds	-	-	603,157	-	11,281	614,438
Due to other governments	-	-	-	-	19,112	19,112
Deferred revenues	11,695,667	1,819,164	21,521	-	327,090	13,863,442
Total Liabilities	13,214,491	1,819,414	863,636	847,115	793,671	17,538,327
Fund Balances						
Reserved						
Prepaid items	283,588	-	-	-	-	283,588
Debt service	-	903,025	-	-	-	903,025
Encumbrances	-	-	-	363,023	-	363,023
Unreserved, reported in						
General fund - designated	158,424	-	-	-	-	158,424
General fund - undesignated	2,580,063	-	-	-	-	2,580,063
Special revenue funds - undesignated	-	-	-	-	3,474,330	3,474,330
Capital projects funds - undesignated	-	-	5,463,796	7,778,631	4,965	13,247,392
Total Fund Balances	3,022,075	903,025	5,463,796	8,141,654	3,479,295	21,009,845
TOTAL LIABILITIES AND FUND BALANCES	\$ 16,236,566	\$ 2,722,439	\$ 6,327,432	\$ 8,988,769	\$ 4,272,966	
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.						86,711,221
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.						1,477,213
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.)						(37,321,737)
NET ASSETS OF GOVERNMENTAL ACTIVITIES						\$ 71,876,542

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, 2011

	General	Debt Service	Capital Improvement Projects	Capital Improvements Public Works	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 17,425,031	\$ 1,508,449	\$ -	\$ -	\$ 318,644	\$ 19,252,124
Intergovernmental	1,906,147	-	211,734	-	906,507	3,024,388
Licenses and permits	1,411,820	-	-	-	-	1,411,820
Fines, forfeitures and penalties	507,610	-	-	-	-	507,610
Public charges for services	1,936,231	114,375	-	-	304,339	2,354,945
Investment income	120,533	70	120,209	106,318	17,549	364,679
Miscellaneous revenues	569,949	127,506	-	-	267,655	965,110
Total Revenues	<u>23,877,321</u>	<u>1,750,400</u>	<u>331,943</u>	<u>106,318</u>	<u>1,814,694</u>	<u>27,880,676</u>
EXPENDITURES						
Current						
General government	2,362,357	-	-	-	-	2,362,357
Public safety	13,697,709	-	-	-	-	13,697,709
Public works	4,886,407	-	-	-	773,838	5,660,245
Community development	1,730,193	-	-	-	-	1,730,193
Culture and recreation	126,990	-	-	-	12,039	139,029
Capital Outlay	-	-	1,528,416	4,426,438	698,463	6,653,317
Debt Service						
Principal retirement	-	737,450	57,311	-	-	794,761
Interest and fiscal charges	-	915,333	79,340	125,160	-	1,119,833
Total Expenditures	<u>22,803,656</u>	<u>1,652,783</u>	<u>1,665,067</u>	<u>4,551,598</u>	<u>1,484,340</u>	<u>32,157,444</u>
Excess (deficiency) of revenues over expenditures	<u>1,073,665</u>	<u>97,617</u>	<u>(1,333,124)</u>	<u>(4,445,280)</u>	<u>330,354</u>	<u>(4,276,768)</u>
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	8,000,000	12,000,000	-	20,000,000
Premium on debt issuance	-	-	14,410	21,615	-	36,025
Transfers in	780,524	378,488	-	-	1,892,563	3,051,575
Transfers out	(1,892,563)	(627,534)	-	-	(1,159,012)	(3,679,109)
Total Other Financing Sources (Uses)	<u>(1,112,039)</u>	<u>(249,046)</u>	<u>8,014,410</u>	<u>12,021,615</u>	<u>733,551</u>	<u>19,408,491</u>
Net Change in Fund Balances	<u>(38,374)</u>	<u>(151,429)</u>	<u>6,681,286</u>	<u>7,576,335</u>	<u>1,063,905</u>	<u>15,131,723</u>
FUND BALANCES - Beginning of Year (Deficit)	<u>3,060,449</u>	<u>1,054,454</u>	<u>(1,217,490)</u>	<u>565,319</u>	<u>2,415,390</u>	<u>5,878,122</u>
FUND BALANCES - END OF YEAR	<u>\$ 3,022,075</u>	<u>\$ 903,025</u>	<u>\$ 5,463,796</u>	<u>\$ 8,141,654</u>	<u>\$ 3,479,295</u>	<u>\$ 21,009,845</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, 2011

Net change in fund balances - total governmental funds	\$ 15,131,723
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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	6,653,317
Some items reported as capital outlay are not capitalized	(787,011)
Depreciation reported in the government-wide statements	(1,666,598)

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	(387,916)
Interest receivable	14,934

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.

General obligation debt issued	(20,000,000)
Principal payments	794,761

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	187,715

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	37,475
Other postemployment benefits	(364,738)
Early retirement incentives	126,000
Accrued interest on debt	(322,188)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ (573,146)
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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, 2011

ASSETS	
Current Assets	
Cash and investments	\$ 6,313,808
Customer accounts receivable, net	876,422
Miscellaneous accounts receivable	10,867
Accrued interest	9,942
Prepaid items	<u>54,017</u>
Total Current Assets	<u>7,265,056</u>
Noncurrent Assets	
Restricted construction fund due from other funds	603,157
Unamortized debt issuance cost	84,425
Utility Plant	
Plant in service	83,710,183
Construction in progress	313,639
Less: Accumulated depreciation	<u>(30,366,308)</u>
Net Utility Plant	<u>53,657,514</u>
Total Noncurrent Assets	<u>54,345,096</u>
Total Assets	<u>61,610,152</u>

LIABILITIES	
Current Liabilities	
Accounts payable	\$ 340,635
Accrued liabilities	108,044
Unearned revenue	3,514
Compensated absences	105,346
Deposits	503,882
Due to general fund	342,974
Current portion of IEPA loan	839,541
Current portion of general obligation bonds	422,100
Current portion of early retirement incentives	18,000
Accrued interest	199,714
Total Current Liabilities	<u>2,883,750</u>
Noncurrent Liabilities	
IEPA loan	11,340,232
General obligation bonds	7,414,850
Unamortized bond premium	74,625
Compensated absences	26,336
Early retirement incentives	48,000
Other post employment benefits obligation	60,164
Customer advance	729,827
Total Noncurrent Liabilities	<u>19,694,034</u>
Total Liabilities	<u>22,577,784</u>
NET ASSETS	
Invested in capital assets, net of related debt	34,253,748
Unrestricted	<u>4,778,620</u>
TOTAL NET ASSETS	<u>\$ 39,032,368</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, 2011

OPERATING REVENUE

Water user charges	\$ 2,242,581
Sewer user charges	2,601,582
Water connection fees	104,925
Sewer connection fees	88,124
Water availability charges	145,338
Sewer availability charges	327,756
Meter sales	9,550
Services fees and penalties	196,702
Rental income	66,037
Miscellaneous	30,506
Total Operating Revenue	<u>5,813,101</u>

OPERATING EXPENSES

Water department	2,784,715
Sewer department	2,202,513
Depreciation - Water	778,822
Depreciation - Sewer	1,378,151
Total Operating Expenses	<u>7,144,201</u>
Operating Loss	<u>(1,331,100)</u>

NONOPERATING REVENUES (EXPENSES)

Investment income	11,231
Interest charged to construction	16,500
Interest expense	(659,641)
Amortization of debt issuance cost and bond premium	(366)
Miscellaneous revenue	129
Miscellaneous expense	(87)
Total Nonoperating Revenues (Expenses)	<u>(632,234)</u>

Loss Before Transfers (1,963,334)

TRANSFER IN FROM GENERAL FUND

627,534

CHANGE IN NET ASSETS

(1,335,800)

TOTAL NET ASSETS - Beginning of Year

40,368,168

TOTAL NET ASSETS - END OF YEAR

\$ 39,032,368

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, 2011

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 5,811,031
Cash paid to suppliers for goods and services	(2,792,057)
Cash payments to employees for services	(1,954,048)
Customer's deposits	<u>13,776</u>
Net Cash Flows from Operating Activities	<u>1,078,702</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Transfer from General Fund	<u>627,534</u>
Net Cash Flows from Noncapital Financing Activities	<u>627,534</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Debt retired	(1,226,206)
Interest paid	(670,501)
Debt proceeds transferred from construction fund	194,090
Acquisition and construction of capital assets	(193,892)
Customer advances	<u>49,240</u>
Net Cash Flows from Capital and Related Financing Activities	<u>(1,847,269)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income	<u>22,557</u>
Net Cash Flows from Investing Activities	<u>22,557</u>

Net Change in Cash and Cash Equivalents (118,476)

CASH AND CASH EQUIVALENTS - Beginning of Year 6,432,284

CASH AND CASH EQUIVALENTS - END OF YEAR \$ 6,313,808

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES

None.

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

Operating loss	\$ (1,331,100)
Adjustments to Reconcile Operating Loss to Net Cash Flows From Operating Activities	
Nonoperating income	42
Depreciation water and sewer	2,156,973
Changes in Assets and Liabilities	
Customer accounts receivable	5,582
Other accounts receivable	(7,795)
Prepaid items	2,147
Accounts payable	164,873
Other current liabilities	68,178
Deferred credits	101
Other postemployment benefits liability	5,925
Customer deposits	<u>13,776</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 1,078,702</u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE

STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS

April 30, 2011

	Pension Trust Funds	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and investments		
Deposits	\$ 352,619	\$ 13
Money markets	571,102	-
U.S. treasuries	8,722,230	-
U.S. agencies - implicit	10,547,508	-
U.S. agencies - explicit	623,167	-
Stock	5,452,462	-
State and local bonds	648,497	-
Mutual funds	12,101,121	-
Accrued interest	187,961	-
Due from other taxing units	1,128	20,093
Prepaid items	21,757	-
Total Assets	<u>39,229,552</u>	<u>20,106</u>
LIABILITIES		
Accounts payable	<u>8,186</u>	<u>20,106</u>
Total Liabilities	<u>8,186</u>	<u>20,106</u>
NET ASSETS		
Held in trust for pension benefits	<u>\$ 39,221,366</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, 2011

	Pension Trust Funds
ADDITIONS	
Contributions	
Employer	\$ 2,388,302
Participants	761,380
Total Contributions	<u>3,149,682</u>
Net Investment Income	
Investment income	4,098,555
Less: investment expense	<u>(161,847)</u>
Net Investment Income	<u>3,936,708</u>
Total Additions	<u>7,086,390</u>
DEDUCTIONS	
Benefits and refunds	2,184,844
Other contractual	<u>66,575</u>
Total Deductions	<u>2,251,419</u>
CHANGE IN NET ASSETS	4,834,971
NET ASSETS - Beginning of Year	<u>34,386,395</u>
NET ASSETS - END OF YEAR	<u>\$ 39,221,366</u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE

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April 30, 2011

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VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS

April 30, 2011

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, 2011

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.

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

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

Capital Improvements Public Works – accounts for the acquisition and construction of capital projects and proceeds from related long-term borrowing specific to public works.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS

April 30, 2011

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
- Stormwater Detention

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 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 Nos. 10 and 11
- Special Service Area No. 18

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS

April 30, 2011

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 guidance 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, 2011

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 guidance 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, 2011

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, 2011

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 2011 levy year attach as an enforceable lien on January 1, 2011, 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, 2011 and are payable in two installments, on or about June 1, 2011 and September 1, 2011. 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, 2011

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 \$332,779. 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 June 1, 2010.

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 for the business-type activities.

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. \$16,500 of net 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, 2011

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, 2011 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, 2011

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. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. 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, 2011

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, 2011

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	\$ 31,948,050
Promissory notes	229,245
Accrued interest	496,789
Compensated absences	849,851
Net pension obligation	2,563,661
Other postemployment benefits	981,560
Early retirement incentives	498,000
Unamortized debt issue costs	(337,098)
Unamortized debt premium	<u>91,679</u>
Combined Adjustment for Long-Term Liabilities	<u>\$ 37,321,737</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, 2011

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

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

Budgeted expenditures in the Tax Increment Financing District No. 1 (including amendments) were \$8,500. Total expenditures were \$13,608. This results in excess expenditures of \$5,108.

Budgeted expenditures in the Special Service Area No. 2 (including amendments) were \$1,100. Total expenditures were \$1,995. This results in excess expenditures of \$895.

Budgeted expenditures in the General Debt Service fund (including amendments) were \$1,511,394. Total expenditures were \$2,031,271. This results in excess expenditures of \$519,877.

Budgeted expenditures in the Capital Improvements Public Works fund (including amendments) were \$4,252,600. Total expenditures were \$4,551,598. This results in excess expenditures of \$298,998.

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, 2011, the following individual fund held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Special Service Area No. 1	\$ 11,281	Expenditures exceeding revenues

The Special Service Area No. 1 fund deficit is anticipated to be funded by future tax revenues.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2011

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	\$ 8,908,490	\$ 8,817,380	Custodial credit
Money market mutual funds	571,103	571,103	Custodial credit, interest rate
U.S. treasuries	8,722,230	8,722,230	Custodial credit, interest rate
U.S. agencies – implicitly guaranteed	29,486,446	29,486,446	Credit, custodial credit, concentration of credit risk, interest rate
U.S. agencies – explicitly guaranteed	623,167	623,167	Custodial credit, interest rate
State and local bonds	648,497	648,497	Credit, custodial credit, concentration of credit risk, interest rate
Stocks	5,452,462	5,452,462	Custodial credit, concentration of credit risk
Mutual funds – stocks	12,101,120	12,101,120	Custodial credit
Illinois funds money market funds	674,092	674,092	Credit, interest rate
Petty cash	1,950	-	Not applicable
Total Cash and Investments	<u>\$ 67,189,557</u>	<u>\$ 67,096,497</u>	
Reconciliation to financial statements			
Per statement of net assets			
Cash and investments	\$ 28,170,838		
Per statement of net assets – Fiduciary Funds			
Pension trust	39,018,706		
Agency funds	13		
Total Cash and Investments	<u>\$ 67,189,557</u>		

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, 2011

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, 2011, the banks had pledged various government securities in the amount of \$3,597,138 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, 2011, 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, 2011

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, 2011, the village's investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Portfolio
FHLBB	U.S. agencies – implicitly guaranteed	17%
FNMAN	U.S. agencies – implicitly guaranteed	22%
FFCBCB	U.S. agencies – implicitly guaranteed	9%
FHLBCB	U.S. agencies – implicitly guaranteed	6%
FNMA	U.S. agencies – implicitly guaranteed	8%
FNMACS	U.S. agencies – implicitly guaranteed	8%

At April 30, 2011, 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	18%

At April 30, 2011, 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	24%
FFCM	U.S. agencies – implicitly guaranteed	10%

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, 2011, 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	\$ 18,938,940	\$ -	\$ 11,462,340	\$ 7,476,600
Illinois Funds money market funds	674,092	674,092	-	-
Totals	\$ 19,613,032	\$ 674,092	\$ 11,462,340	\$ 7,476,600

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS

April 30, 2011

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

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk (cont.)

As of April 30, 2011, 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	\$ 325,478	\$ 325,478	\$ -	\$ -
U.S. treasuries	5,759,081	1,712,369	2,027,168	2,019,544
U.S. agencies – implicitly guaranteed	5,654,958	-	3,390,444	2,264,514
U.S. agencies – explicitly guaranteed	615,085	-	-	615,085
Totals	\$ 12,354,602	\$ 2,037,847	\$ 5,417,612	\$ 4,899,143

As of April 30, 2011, 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	\$ 245,625	\$ 245,625	\$ -	\$ -
State and local bonds	648,497	-	536,835	111,662
U.S. treasuries	2,963,149	294,124	1,367,501	1,301,524
U.S. agencies – implicitly guaranteed	4,892,548	1,327,264	1,947,898	1,617,386
U.S. agencies – explicitly guaranteed	8,082	-	-	8,082
Totals	\$ 8,757,901	\$ 1,867,013	\$ 3,852,234	\$ 3,038,654

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 \$322,316. Utility receivables are reported net of an allowance for uncollectible accounts of \$66,600.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS

April 30, 2011

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	\$ -	\$ 12,386,229	\$ 12,386,229
Ambulance receivables	316,282	-	316,282
Income tax receivable	946,554	-	946,554
Receivable from developers	107,434	-	107,434
Accounts receivable	85,422	-	85,422
Interest receivable	21,521	-	21,521
Total Deferred/Unearned Revenue for Governmental Funds	\$ 1,477,213	\$ 12,386,229	\$ 13,863,442

C. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2011 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	98,855	-	11,776,025
Construction in progress	5,555,050	5,085,600	4,826,445	5,815,205
Total Capital Assets Not Being Depreciated	19,959,753	5,185,455	4,826,445	20,318,763
Capital assets being depreciated				
Buildings and improvements	8,178,302	45,183	-	8,223,485
Vehicles	3,322,206	268,063	-	3,590,269
Equipment	2,334,984	-	-	2,334,984
Roads	32,678,653	4,877,556	-	37,556,209
Storm sewers	28,216,752	-	-	28,216,752
Bridges	3,316,830	108,840	-	3,425,670
Retaining walls	52,633	-	-	52,633
Sidewalks	904,204	207,654	-	1,111,858
Total Capital Assets Being Depreciated	79,004,564	5,507,296	-	84,511,860

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
April 30, 2011

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	\$ (2,314,241)	\$ (162,323)	\$ -	\$ (2,476,564)
Vehicles	(2,500,073)	(289,411)	-	(2,789,484)
Equipment	(865,809)	(127,012)	-	(992,821)
Roads	(6,571,390)	(749,909)	-	(7,321,299)
Storm sewers	(4,019,847)	(280,923)	-	(4,300,770)
Bridges	(66,337)	(34,257)	-	(100,594)
Retaining walls	(15,263)	(526)	-	(15,789)
Sidewalks	(99,844)	(22,237)	-	(122,081)
Total Accumulated Depreciation	(16,452,804)	(1,666,598)	-	(18,119,402)
 Net Capital Assets Being Depreciated	 62,551,760	 3,840,698	 -	 66,392,458
 Governmental Activities Capital Assets, Net of Depreciation	 \$ 82,511,513			 \$ 86,711,221

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 52,945
Public safety	387,407
Public works, which includes the depreciation of roads, storm sewers, bridges, retaining walls and sidewalks	1,222,830
Culture and recreation	3,416
 Total Governmental Activities Depreciation Expense	 \$ 1,666,598

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2011

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	1,274,103	188,034	1,148,498	313,639
Total Capital Assets Not Being Depreciated	2,523,864	188,034	1,148,498	1,563,400
Capital assets being depreciated				
Water and wastewater treatment equipment	35,694,069	333,193	-	36,027,262
Water distribution and sewer collection	43,628,646	784,540	-	44,413,186
Vehicles	1,094,815	-	-	1,094,815
Other equipment	925,159	-	-	925,159
Total Capital Assets Being Depreciated	81,342,689	1,117,733	-	82,460,422
Less: Accumulated depreciation for				
Water and wastewater treatment equipment	(14,878,572)	(1,332,178)	-	(16,210,750)
Water distribution and sewer collection	(11,733,542)	(732,907)	-	(12,466,449)
Vehicles	(882,887)	(56,489)	-	(939,376)
Other equipment	(714,334)	(35,399)	-	(749,733)
Total Accumulated Depreciation	(28,209,335)	(2,156,973)	-	(30,366,308)
Business-type Capital Assets, Net of Depreciation	<u>\$ 55,657,218</u>			<u>\$ 53,657,514</u>

Depreciation expense was charged to functions as follows:

Business-type Activities	
Waterworks	\$ 778,822
Sewerage	1,378,151
Total Business-type Activities Depreciation Expense	<u>\$ 2,156,973</u>

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2011

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	\$ 342,974
General	Special Service Area No. 1	11,281
Waterworks and Sewerage Utility	Capital Improvement Program	603,157
Subtotal – Fund financial statements		<u>957,412</u>
Less: Fund eliminations		(11,281)
Less: Government-wide eliminations		<u>(1,206,314)</u>
Total – Government-Wide Statement of Net Assets		<u>\$ (260,183)</u>

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Activities	Business-type Activities	\$ 342,974
Business-type Activities	Governmental Activities	<u>(603,157)</u>
Total		<u>\$ (260,183)</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.

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	\$ 378,488	Share of debt payments
General	Street	728,925	Fund closeout
	Tax Increment Financing		
General	District No. 2	51,599	Fund closeout
Title V Federal Grant	General	40,726	Fund closeout
Capital Improvements Fire	General	1,851,837	Fund closeout
Waterworks and Sewerage Utility	Debt Service	<u>627,534</u>	Debt payments
Subtotal		<u>3,679,109</u>	
Less: Fund eliminations		<u>(4,306,643)</u>	
Total – Government-Wide Statement of Activities		<u>\$ (627,534)</u>	

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS

April 30, 2011

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, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable					
General obligation debt	\$ 12,685,500	\$ 20,000,000	\$ 737,450	\$ 31,948,050	\$ 1,447,900
Promissory note	286,556	-	57,311	229,245	57,311
Add: Deferred amount for premiums	101,059	-	9,380	91,679	-
Total Bonds and Notes Payable	<u>13,073,115</u>	<u>20,000,000</u>	<u>804,141</u>	<u>32,268,974</u>	<u>1,505,211</u>
Other Liabilities					
Vested compensated absences	887,326	672,386	709,861	849,851	679,881
Early retirement incentives	624,000	-	126,000	498,000	126,000
Net pension obligation	2,563,661	-	-	2,563,661	-
Other postemployment benefits	616,822	364,738	-	981,560	-
Total Other Liabilities	<u>4,691,809</u>	<u>1,037,124</u>	<u>835,861</u>	<u>4,893,072</u>	<u>805,881</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 17,764,924</u>	<u>\$ 21,037,124</u>	<u>\$ 1,640,002</u>	<u>\$ 37,162,046</u>	<u>\$ 2,311,092</u>
BUSINESS-TYPE ACTIVITIES					
Bonds and Notes Payable					
General obligation debt	\$ 8,244,500	\$ -	\$ 407,550	\$ 7,836,950	\$ 422,100
Add: Deferred amount for premiums	80,595	-	5,970	74,625	-
IEPA Loan	12,998,429	-	818,656	12,179,773	839,541
Total Bonds and Notes Payable	<u>21,323,524</u>	<u>-</u>	<u>1,232,176</u>	<u>20,091,348</u>	<u>1,261,641</u>
Other Liabilities					
Vested compensated absences	-	131,682	-	131,682	105,346
Early retirement incentives	84,000	-	18,000	66,000	18,000
Other postemployment benefits	36,239	23,925	-	60,164	-
Total Other Liabilities	<u>120,239</u>	<u>155,607</u>	<u>18,000</u>	<u>257,846</u>	<u>123,346</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 21,443,763</u>	<u>\$ 155,607</u>	<u>\$ 1,250,176</u>	<u>\$ 20,349,194</u>	<u>\$ 1,384,987</u>

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS

April 30, 2011

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.

	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance 4-30-11
2004 Bonds	10/27/04	12/30/15	2.50 – 4.00%	\$ 3,280,000	\$ 1,905,000
2006 Bonds	06/22/06	12/30/26	3.75 – 4.50%	10,000,000	8,590,000
2008 Bonds	09/11/08	12/30/28	3.00 – 4.60%	10,000,000	9,290,000
2010 Build America Bonds	08/09/10	12/30/30	1.12 – 6.35%	20,000,000	<u>20,000,000</u>
Total General Obligation Debt					39,785,000
Less: Business-type activities general obligation debt					<u>(7,836,950)</u>
Total Governmental Activities General Obligation Debt					<u>\$ 31,948,050</u>

General obligation debt service requirements to maturity are as follows:

<u>Fiscal Years</u>	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2012	\$ 1,447,900	\$ 1,490,371	\$ 422,100	\$ 331,551
2013	1,483,350	1,455,469	436,650	316,157
2014	1,523,400	1,415,686	456,600	299,318
2015	1,558,850	1,370,494	471,150	281,705
2016	1,290,150	1,320,857	384,850	263,528
2017 – 2021	6,686,200	5,919,246	2,063,800	1,074,355
2022 – 2026	7,991,350	4,278,666	2,558,650	582,664
2027 – 2031	9,966,850	1,834,829	1,043,150	78,080
Totals	<u>\$ 31,948,050</u>	<u>\$ 19,085,618</u>	<u>\$ 7,836,950</u>	<u>\$ 3,227,358</u>

IEPA Loan

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

	Date of Issue	Final Maturity	Interest Rate	Original Indebted- ness	Balance 4-30-11
IEPA Loan	1/16/04	7/16/23	2.535%	\$ 17,500,000	\$ 12,179,773

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS

April 30, 2011

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:

Fiscal Years	Business-type Activities Revenue Debt	
	Principal	Interest
2012	\$ 839,541	\$ 303,470
2013	860,958	282,053
2014	882,922	260,089
2015	905,446	237,565
2016	928,544	214,467
2017 – 2021	5,010,327	704,698
2022 – 2024	2,752,035	105,524
Totals	<u>\$ 12,179,773</u>	<u>\$ 2,107,866</u>

Promissory Notes

Promissory notes at April 30, 2011 consist of the following:

Date of Issue	Final Maturity	Interest Rate	Original Indebtedness	Balance 4-30-11
10/13/09	1/27/15	0%	\$ 343,867	\$ 229,245

Promissory debt service requirements to maturity are as follows:

Fiscal Years	Governmental Activities Promissory Note
	Principal
2012	\$ 57,311
2013	57,311
2014	57,311
2015	57,312
Totals	<u>\$ 229,245</u>

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2011

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

E. LONG-TERM OBLIGATIONS (cont.)

Other Debt Information

Estimated payments of compensated absences, pension obligation, other postemployment benefits and the early retirement incentives are not included in the debt service requirement schedules. The compensated absences, pension obligation, other postemployment benefits and early retirement incentives liabilities 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, 2011, \$1,895,000 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 four outstanding lease agreements for the rental of space on a village water tower. 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 – 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, 2011

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, 2011 includes the following:

Governmental Activities

Invested in capital assets, net of related debt	
Construction in progress	\$ 5,815,205
Land and right-of-ways	14,503,558
Other capital assets, net of accumulated depreciation	66,392,458
Less: Related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(18,223,828)</u>
Total Invested in Capital Assets, Net of Related Debt	<u>\$ 68,487,393</u>
Restricted	
General debt service	\$ 406,235
Motor fuel tax projects	1,390,435
Tax Increment Financing District No. 1	<u>1,084,256</u>
Total Restricted	<u>\$ 2,880,926</u>
Unrestricted	<u>\$ 508,223</u>

Governmental fund balances reported on the fund financial statements at April 30, 2011 include the following:

Reserved	
Major Funds	
General Fund	
Prepaid items	<u>\$ 283,588</u>
Debt Service Fund	
Reserved for debt service	<u>\$ 903,025</u>
Capital Improvements Public Works	
Encumbrances	<u>\$ 363,023</u>

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS

April 30, 2011

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

G . NET ASSETS/FUND BALANCES (cont.)

Governmental Activities (cont.)

Unreserved, designated	
General Fund	
Asset forfeiture	\$ 44,452
DUI fund	32,499
DUI enforcement	28,693
Driver's safety	5,894
Justice assistance	1,886
Subsequent year's budget	<u>45,000</u>
Total	<u>\$ 158,424</u>
 Unreserved (deficit)	
Major Funds	
General Fund	<u>\$ 2,580,063</u>
Capital Improvement Projects	<u>\$ 5,463,796</u>
Capital Improvements Public Works	<u>\$ 7,778,631</u>
Non-Major Funds	
Special Revenue Funds	
Motor fuel tax	\$ 1,390,436
McNamee Memorial Park	3,590
Veterans' Memorial Garden	53,873
Special Service Area No. 1	(11,281)
Special Service Area No. 2	729
Special Service Area No. 3	26,005
Special Service Area No. 21	1,000
Tax Increment Financing District No. 1	1,084,256
Developer activities	650,813
Stormwater detention	<u>274,909</u>
Total	<u>\$ 3,474,330</u>
Capital Project Funds	
Equipment replacement	<u>\$ 4,965</u>

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS

April 30, 2011

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	\$ 83,710,183
Construction in progress	313,639
Accumulated depreciation	(30,366,308)
Subtotal	<u>53,657,514</u>
Current portion of IEPA loan	(839,541)
Current portion of general obligation bonds	(422,100)
IEPA loan	(11,340,232)
General obligation bonds	(7,414,850)
Unamortized debt discount and issuance costs	84,425
Unamortized debt premium	(74,625)
Restricted construction fund due from municipality	603,157
Subtotal	<u>(19,403,766)</u>
Invested in Capital Assets, Net of Related Debt	<u>\$ 34,253,748</u>
Unrestricted	<u>\$ 4,778,620</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 2010 was 10.65% 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 at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 30 year basis.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS

April 30, 2011

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Illinois Municipal Retirement Fund (cont.)

For the year ended December 31, 2010, the village's annual pension cost of \$639,390 was equal to the village's required and actual contributions. The required contribution was determined as part of the December 31, 2008 actuarial valuation using the entry age normal 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 20% corridor.

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 online at www.imrf.org.

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 2010, the village's required contribution rate was 10.65%.

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, 2011

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Plan Descriptions (cont.)

Police Pension (cont.)

At April 30, 2011, 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, 2011, 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, 2011

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Plan Descriptions (cont.)

Firefighters' Pension (cont.)

At April 30, 2011, 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	<u>22</u>
Total	<u>54</u>

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, 2011, 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, 2011, 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, 2011

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, 2008	April 30, 2010	April 30, 2010
Contribution rates:			
Employer	10.65%	31.59%	24.36%
Employee	4.50%	9.91%	9.46%
Annual required contribution	\$639,390	\$1,668,121	\$721,243
Contributions made	\$639,390	\$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, open	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization period	30 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, 2011

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)	2010	\$ 639,390	2010	\$ 1,701,002	\$ 739,911
	2009	524,853	2008	1,472,264	686,164
	2008	528,000	2006	1,182,830	592,417
Contributions made	2010	\$ 639,390	2010	\$ 1,671,599	\$ 716,781
	2009	524,853	2008	1,204,312	551,676
	2008	528,000	2006	1,023,148	421,208
Percentage of APC contributed	2010	100%	2010	98.3%	96.9%
	2009	100%	2008	81.8%	80.4%
	2008	100%	2006	86.5%	71.1%
Net pension obligation	2010	\$ -	2010	\$ 1,631,164	\$ 932,497
	2009	-	2008	1,601,761	909,367
	2008	-	2006	1,333,779	774,663

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS April 30, 2011

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	12/31/08	4/30/10	4/30/10
Actuarial valuation of assets (a)	\$ 10,596,875	\$ 22,124,891	\$ 12,261,276
Actuarial accrued liability (AAL) –			
Entry age (b)	13,913,912	44,558,123	18,494,208
Unfunded AAL (UALL) (b-a)	3,317,037	22,433,232	6,232,932
Funded ratio (a/b)	76.2%	49.7%	66.3%
Covered payroll (c)	6,003,661	5,290,773	2,942,475
UAAL as a percentage of covered payroll ((b-a)/c)	55.3%	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 \$600,000 per incident for the police and fire employees and \$550,000 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, 2011

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	\$ 218,559	\$ 204,559
Current year claims and changes in estimates	3,334,411	2,700,621
Claim payments	<u>(3,380,921)</u>	<u>(2,686,621)</u>
Unpaid Claims – End of Year	<u>\$ 172,049</u>	<u>\$ 218,559</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, 2011

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	\$	521,996
Interest on net OPEB obligation		26,122
Adjustment to annual required contribution		<u>(21,769)</u>
Annual OPEB cost		526,349
Contributions made		<u>(137,686)</u>
Increase in Net OPEB Obligation		388,663
Net OPEB Obligation – Beginning of Year		<u>653,061</u>
Net OPEB Obligation – End of Year	\$	<u><u>1,041,724</u></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
4/30/11	\$ 526,349	26.16%	\$ 1,041,724
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, 2010, from the most recent actuarial valuation date of May 1, 2009, was as follows:

Actuarial accrued liability (AAL)	\$	5,526,065
Actuarial value of plan assets		<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	\$	<u><u>5,526,065</u></u>
Funded ratio (actuarial value of plan assets/AAL)		0%
Covered payroll (active plan members)	\$	14,476,772
UAAL as a percentage of covered payroll		38.2%

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS

April 30, 2011

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 amortized over 30 years. The village accounts for these activities in the general fund.

E. TERMINATION BENEFITS

During 2010, the village offered early retirement incentives to village workers who were of retirement age. Twelve village employees accepted the village's offer. The remaining 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 as of April 30, 2011 is \$564,000 to be paid over four years.

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

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, Statement No. 61, *The Financial Reporting Entity: Omnibus*, and Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Application of these standards may restate portions of these financial statements.

G. SUBSEQUENT EVENT

The utility has implemented a bi-monthly billing system beginning on August 1, 2011. Water rates will increase by 25% in FY2012 and will continue to increase annually along with sewer rates as part of a comprehensive rate study that was performed in 2011.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF CARPENTERSVILLE

BUDGETARY COMPARISON SCHEDULE GENERAL FUND

For the Year Ended April 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 17,552,425	\$ 17,552,425	\$ 17,425,031	\$ (127,394)
Intergovernmental	1,852,500	2,049,010	1,906,147	(142,863)
Licenses and permits	1,568,490	1,568,490	1,411,820	(156,670)
Fines, forfeitures and penalties	438,700	438,700	507,610	68,910
Public charges for services	1,814,110	1,814,110	1,936,231	122,121
Investment income	91,010	91,010	120,533	29,523
Miscellaneous revenues	392,533	631,073	569,949	(61,124)
Total Revenues	<u>23,709,768</u>	<u>24,144,818</u>	<u>23,877,321</u>	<u>(267,497)</u>
EXPENDITURES				
Current				
General government	2,216,800	2,329,773	2,362,357	(32,584)
Public safety	14,361,377	14,383,287	13,697,709	685,578
Public works	4,849,019	4,849,019	4,886,407	(37,388)
Community development	1,907,146	1,881,871	1,730,193	151,678
Culture and recreation	142,372	142,372	126,990	15,382
Total Expenditures	<u>23,476,714</u>	<u>23,586,322</u>	<u>22,803,656</u>	<u>782,666</u>
Excess of revenues over expenditures	<u>233,054</u>	<u>558,496</u>	<u>1,073,665</u>	<u>515,169</u>
OTHER FINANCING SOURCES (USES)				
Sale of village property	25,000	15,000	-	(15,000)
Transfers in	100,000	100,000	780,524	680,524
Transfers out	(22,859)	(229,859)	(1,892,563)	(1,662,704)
Total Other Financing Sources (Uses)	<u>102,141</u>	<u>(114,859)</u>	<u>(1,112,039)</u>	<u>(997,180)</u>
Net change in fund balance	335,195	443,637	(38,374)	(482,011)
FUND BALANCE - Beginning of Year	<u>3,060,449</u>	<u>3,060,449</u>	<u>3,060,449</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,395,644</u>	<u>\$ 3,504,086</u>	<u>\$ 3,022,075</u>	<u>\$ (482,011)</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, 2011

REVENUES	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
TAXES				
Property taxes	\$ 6,809,225	\$ 6,809,225	\$ 6,773,391	\$ (35,834)
Sales and use	5,859,500	5,859,500	6,097,724	238,224
Utility tax	1,671,000	1,671,000	1,350,435	(320,565)
State income tax	3,007,000	3,007,000	3,004,240	(2,760)
Replacement tax	179,500	179,500	170,443	(9,057)
Foreign fire tax	25,000	25,000	28,432	3,432
Interest and penalties on taxes	1,200	1,200	366	(834)
TOTALS	17,552,425	17,552,425	17,425,031	(127,394)
INTERGOVERNMENTAL REVENUES				
Federal - energy efficiency block grant	-	96,510	13,757	(82,753)
State - transportation	850,000	850,000	739,970	(110,030)
State - tobacco enforcement	2,500	2,500	2,420	(80)
State - economic development	-	100,000	100,000	-
Local - fire services	1,000,000	1,000,000	1,050,000	50,000
TOTALS	1,852,500	2,049,010	1,906,147	(142,863)
LICENSES AND PERMITS				
Business licenses	39,000	39,000	29,510	(9,490)
Liquor licenses	49,000	49,000	49,300	300
Vending licenses	10,000	10,000	6,640	(3,360)
Rental licenses	110,000	110,000	70,794	(39,206)
Dog and cat licenses	2,800	2,800	3,008	208
Vehicle licenses	491,290	491,290	483,403	(7,887)
Cable franchise fees	276,000	276,000	299,021	23,021
Building permits	400,000	400,000	282,466	(117,534)
Electrical permits	53,850	53,850	51,844	(2,006)
Plumbing permits	55,150	55,150	47,703	(7,447)
Occupancy permits	1,000	1,000	850	(150)
Zoning permits	13,000	13,000	4,000	(9,000)
Stormwater permits	48,000	48,000	54,502	6,502
Other permits	19,400	19,400	28,779	9,379
TOTALS	1,568,490	1,568,490	1,411,820	(156,670)
FINES, FORFEITURES AND PENALTIES				
Local ordinance fines	437,500	437,500	507,305	69,805
Business penalties	1,200	1,200	305	(895)
TOTALS	438,700	438,700	507,610	68,910

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, 2011

REVENUES (cont.)	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
PUBLIC CHARGES FOR SERVICES				
General government	\$ 10,900	\$ 10,900	\$ 9,403	\$ (1,497)
Law enforcement	528,300	528,300	621,213	92,913
Fire protection	9,000	9,000	7,400	(1,600)
Ambulance	447,500	447,500	430,961	(16,539)
Public works	21,900	21,900	56,521	34,621
Environmental surcharge	712,800	712,800	714,785	1,985
Reinspection	4,200	4,200	13,050	8,850
Weeds	34,000	34,000	35,826	1,826
Other conservation and development	45,510	45,510	47,072	1,562
TOTALS	<u>1,814,110</u>	<u>1,814,110</u>	<u>1,936,231</u>	<u>122,121</u>
INVESTMENT INCOME				
Investment income	91,010	91,010	120,533	29,523
TOTALS	<u>91,010</u>	<u>91,010</u>	<u>120,533</u>	<u>29,523</u>
MISCELLANEOUS REVENUES				
Rent	68,793	68,793	64,215	(4,578)
Donations	12,000	12,000	534	(11,466)
Other	311,740	550,280	505,200	(45,080)
TOTALS	<u>392,533</u>	<u>631,073</u>	<u>569,949</u>	<u>(61,124)</u>
TOTAL REVENUES	<u>\$ 23,709,768</u>	<u>\$ 24,144,818</u>	<u>\$ 23,877,321</u>	<u>\$ (267,497)</u>

VILLAGE OF CARPENTERSVILLE

DETAILED BUDGETARY COMPARISON SCHEDULE GENERAL FUND For the Year Ended April 30, 2011

EXPENDITURES	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
GENERAL GOVERNMENT				
Legislative	\$ 183,903	\$ 183,903	\$ 173,226	\$ 10,677
Administration	393,998	393,998	374,859	19,139
General services	1,288,369	1,384,369	1,261,761	122,608
Finance	139,003	155,976	361,711	(205,735)
Public buildings	211,527	211,527	190,800	20,727
TOTALS	<u>2,216,800</u>	<u>2,329,773</u>	<u>2,362,357</u>	<u>(32,584)</u>
PUBLIC SAFETY				
Police department	9,221,972	9,212,372	8,795,315	417,057
Fire and police commission	11,908	11,908	10,198	1,710
Fire department	5,127,497	5,159,007	4,892,196	266,811
TOTALS	<u>14,361,377</u>	<u>14,383,287</u>	<u>13,697,709</u>	<u>685,578</u>
PUBLIC WORKS				
Streets and related facilities	4,849,019	4,849,019	4,886,407	(37,388)
COMMUNITY DEVELOPMENT				
Planning and zoning	11,540	11,540	9,552	1,988
Community development	988,208	988,208	953,997	34,211
Economic development	110,829	110,829	104,255	6,574
Engineering	796,569	771,294	662,389	108,905
TOTALS	<u>1,907,146</u>	<u>1,881,871</u>	<u>1,730,193</u>	<u>151,678</u>
CULTURE AND RECREATION				
Parks	142,372	142,372	126,990	15,382
TOTAL EXPENDITURES	<u>\$23,476,714</u>	<u>\$23,586,322</u>	<u>\$22,803,656</u>	<u>\$ 782,666</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, 2011

Calendar Year Ending	Employer Contributions	Annual Required Contribution Cost (ARC)	Percentage of ARC Contributed	Net Pension Obligation
12/31/10	\$ 639,390	\$ 639,390	100.00%	\$ -
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%	-

Calendar Year Ending	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
12/31/10	\$ 10,596,875	\$ 13,913,912	\$ 3,317,037	76.16%	\$6,003,661	55.25%
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	12/31/2008
Actuarial cost method	Entry Age normal
Amortization method	Level percentage of pay, open, 30 years
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, 2011

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, 2011

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, 2011

Actuarial Valuation Date*	Employer Contributions	Annual Required Contribution Cost (ARC)	Percentage of ARC Contributed	Net Pension Obligation
05/01/10	\$ 137,686	\$ 521,996	26.38%	\$ (1,041,724)
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
05/01/10	\$ -	\$ 5,526,065	\$ 5,526,065	-%	\$ 14,476,772	38.17%
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, 2011

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, 2011

	Special Revenue							Tax Increment Financing District No. 1
	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	
ASSETS								
Cash and investments	\$1,382,772	\$ 3,590	\$ 53,873	\$ -	\$ 729	\$ 26,005	\$ 1,000	\$ 1,084,256
Property taxes receivable	-	-	-	14,150	1,100	9,250	5,000	297,590
Due from other governments	71,540	-	-	-	-	-	-	-
TOTAL ASSETS	\$1,454,312	\$ 3,590	\$ 53,873	\$ 14,150	\$ 1,829	\$ 35,255	\$ 6,000	\$ 1,381,846
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ 63,876	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	11,281	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-
Deferred revenues	-	-	-	14,150	1,100	9,250	5,000	297,590
Total Liabilities	63,876	-	-	25,431	1,100	9,250	5,000	297,590
Fund Balances								
Unreserved - undesignated (deficit)	1,390,436	3,590	53,873	(11,281)	729	26,005	1,000	1,084,256
TOTAL LIABILITIES AND FUND BALANCES	\$1,454,312	\$ 3,590	\$ 53,873	\$ 14,150	\$ 1,829	\$ 35,255	\$ 6,000	\$ 1,381,846

VILLAGE OF CARPENTERSVILLE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (cont.)
April 30, 2011

	Special Revenue		Capital Projects	Total Nonmajor Funds
	Developer Activities	Stormwater Detention	Equipment Replacement	
ASSETS				
Cash and investments	\$ 1,036,613	\$ 280,533	\$ 4,965	\$3,874,336
Property taxes receivable	-	-	-	327,090
Due from other governments	-	-	-	71,540
TOTAL ASSETS	<u>\$ 1,036,613</u>	<u>\$ 280,533</u>	<u>\$ 4,965</u>	<u>\$4,272,966</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 1,470	\$ 5,624	\$ -	\$ 70,970
Deposits	365,218	-	-	365,218
Due to other funds	-	-	-	11,281
Due to other governments	19,112	-	-	19,112
Deferred revenues	-	-	-	327,090
Total Liabilities	<u>385,800</u>	<u>5,624</u>	<u>-</u>	<u>793,671</u>
Fund Balances				
Unreserved - undesignated	<u>650,813</u>	<u>274,909</u>	<u>4,965</u>	<u>3,479,295</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,036,613</u>	<u>\$ 280,533</u>	<u>\$ 4,965</u>	<u>\$4,272,966</u>

VILLAGE OF CARPENTERSVILLE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended April 30, 2011

	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	\$ -	\$ -	\$ -	\$ 13,502	\$ 1,091	\$ 9,261	\$ 4,990	\$ 289,529	\$ 271
Intergovernmental	906,507	-	-	-	-	-	-	-	-
Public charges for services	-	-	-	-	-	-	-	-	-
Investment income	2,392	-	-	-	-	-	-	10,671	2,433
Miscellaneous income	150,525	-	500	-	-	-	-	-	-
Total Revenues	1,059,424	-	500	13,502	1,091	9,261	4,990	300,200	2,704
EXPENDITURES									
Current									
Public works	277,692	-	-	14,223	1,995	4,756	1,995	13,608	459,569
Culture and recreation	-	1,819	220	-	-	-	-	-	-
Capital Outlay	647,206	-	-	-	-	-	-	-	-
Total Expenditures	924,898	1,819	220	14,223	1,995	4,756	1,995	13,608	459,569
Excess (deficiency) of revenues over expenditures	134,526	(1,819)	280	(721)	(904)	4,505	2,995	286,592	(456,865)
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(378,488)	-	-	-	-	-	-	-	(51,599)
Total Other Financing Sources (Uses)	(378,488)	-	-	-	-	-	-	-	(51,599)
Net change in fund balances	(243,962)	(1,819)	280	(721)	(904)	4,505	2,995	286,592	(508,464)
FUND BALANCES (DEFICIT) -									
Beginning of Year	1,634,398	5,409	53,593	(10,560)	1,633	21,500	(1,995)	797,664	508,464
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 1,390,436	\$ 3,590	\$ 53,873	\$ (11,281)	\$ 729	\$ 26,005	\$ 1,000	\$ 1,084,256	\$ -

VILLAGE OF CARPENTERSVILLE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (cont.)
For the Year Ended April 30, 2011

	Special Revenue			Capital Projects			Totals
	Title V	Developer	Stormwater	Capital	Equipment	Street	
	Federal			Improvements			
	Grant	Activities	Detention		Replacement		
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 318,644
Intergovernmental	-	-	-	-	-	-	906,507
Public charges for services	-	24,000	280,339	-	-	-	304,339
Investment income	-	-	194	-	1,859	-	17,549
Miscellaneous income	-	116,630	-	-	-	-	267,655
Total Revenues	-	140,630	280,533	-	1,859	-	1,814,694
EXPENDITURES							
Current							
Public works	-	-	-	-	-	-	773,838
Culture and recreation	-	10,000	-	-	-	-	12,039
Capital Outlay	-	-	5,624	45,633	-	-	698,463
Total Expenditures	-	10,000	5,624	45,633	-	-	1,484,340
Excess (deficiency) of revenues over expenditures	-	130,630	274,909	(45,633)	1,859	-	330,354
OTHER FINANCING SOURCES (USES)							
Transfers in	40,726	-	-	1,851,837	-	-	1,892,563
Transfers out	-	-	-	-	-	(728,925)	(1,159,012)
Total Other Financing Sources (Uses)	40,726	-	-	1,851,837	-	(728,925)	733,551
Net change in fund balances	40,726	130,630	274,909	1,806,204	1,859	(728,925)	1,063,905
FUND BALANCES (DEFICIT) -							
Beginning of Year	(40,726)	520,183	-	(1,806,204)	3,106	728,925	2,415,390
FUND BALANCES - END OF YEAR	\$ -	\$ 650,813	\$ 274,909	\$ -	\$ 4,965	\$ -	\$ 3,479,295

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, 2011

	Actual	Budget
OPERATING REVENUES		
Water user charges	\$ 2,242,581	\$ 2,621,500
Sewer user charges	2,601,582	2,915,750
Water connection fees	104,925	137,500
Sewer connection fees	88,124	187,500
Water availability charge	145,338	146,000
Sewer availability charge	327,756	327,000
Meter sales	9,550	16,000
Services fees and penalties	196,702	190,500
Rental income	66,037	74,947
Miscellaneous	30,506	11,250
Total Operating Revenues	5,813,101	6,627,947
OPERATING EXPENSES		
Water department	2,784,715	2,843,528
Sewer department	2,202,513	2,475,856
Depreciation - Water	778,822	-
Depreciation - Sewer	1,378,151	-
Total Operating Expenses	7,144,201	5,319,384
Operating Income (Loss)	(1,331,100)	1,308,563
NONOPERATING REVENUE (EXPENSES)		
Investment income	11,231	21,000
Interest charged to construction	16,500	-
Interest expense	(659,641)	(344,951)
Amortization of debt issuance cost and bond premium	(366)	-
Miscellaneous revenue	129	2,000
Miscellaneous expense	(87)	-
Total Nonoperating Revenue (Expenses)	(632,234)	(321,951)
Income (Loss) Before Transfers	(1,963,334)	986,612
TRANSFER IN FROM GENERAL FUND	627,534	-
CHANGE IN NET ASSETS	(1,335,800)	986,612
TOTAL NET ASSETS - Beginning of Year	40,368,168	40,368,168
TOTAL NET ASSETS - END OF YEAR	\$ 39,032,368	\$ 41,354,780

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF EXPENSES - BUDGET TO ACTUAL ENTERPRISE FUND WATERWORKS AND SEWERAGE FUND For the Year Ended April 30, 2011

	Actual	Budget
WATER DEPARTMENT		
Water Facilities		
Personnel services:		
Employee salaries	\$ 502,874	\$ 525,806
Employee overtime	27,388	34,320
FICA/Medicare/IMRF	96,616	103,443
Health insurance	83,227	86,391
Longevity	3,352	3,347
Sick leave incentive	1,420	1,793
Uniform allowance	2,450	2,450
Total Personnel Services	717,327	757,550
Contractual services:		
Dues and publications	740	805
Postage	70	-
Training and meeting	2,694	3,000
Other service	41,255	25,920
Liability insurance	190,734	47,520
Building grounds	3,214	2,500
Maintenance equipment	26,388	25,000
Vehicles	2,426	3,500
Electric	280,697	306,000
Heating	9,039	16,500
Telephone data	3,457	4,500
Water softener salt	221,685	249,600
Water well	105,762	40,000
Water alarm	620	700
Total Contractual Services	888,781	725,545
Commodities:		
Building	3,440	5,000
Maintenance materials	6,069	5,500
Automotive	3,984	3,000
Tools and equipment	5,941	5,500
Gas and oil	15,942	16,000
Office	1,319	1,500
Operating	13,099	11,500
Meters	287,037	300,000
Chemicals	42,239	46,328
Total Commodities	379,070	394,328
Capital outlay - miscellaneous capital	-	-
Total Water Facilities	1,985,178	1,877,423

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF EXPENSES - BUDGET TO ACTUAL ENTERPRISE FUND WATERWORKS AND SEWERAGE FUND (cont.) For the Year Ended April 30, 2011

	Actual	Budget
Water Underground		
Personnel services:		
Employee salaries	\$ 322,674	\$ 336,056
Employee overtime	17,105	23,650
FICA/Medicare/IMRF	61,289	66,406
Insurance	57,376	61,204
Longevity	2,040	2,040
Sick leave incentive	500	1,125
Uniform allowance	1,925	1,925
Total Personnel Services	462,909	492,406
Contractual services:		
Dues and publications	242	250
Printing	-	100
Training and meeting	659	1,000
Other service	4,331	3,200
Building grounds	119	500
Equipment maintenance	27,000	27,000
Office equipment	675	900
Vehicles	9,901	7,500
Telephone data	1,583	1,700
Total Contractual Services	44,510	42,150
Commodities:		
Building	44	500
Street	6,603	9,000
Maintenance materials	11,851	12,500
Automotive	4,848	3,000
Tools and equipment	3,519	3,500
Gas and oil	11,768	14,500
Office	59	250
Operating	3,438	3,500
Pipes and valves	91,559	110,000
Total Commodities	133,689	156,750
Contingency	-	-
Total Water Underground	641,108	691,306

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF EXPENSES - BUDGET TO ACTUAL ENTERPRISE FUND WATERWORKS AND SEWERAGE FUND (cont.) For the Year Ended April 30, 2011

	<u>Actual</u>	<u>Budget</u>
Water Administrative and General		
Personnel services:		
Employee salaries	\$ 93,695	\$ 88,105
FICA/Medicare/IMRF	17,778	16,255
Insurance	13,939	13,841
Longevity	660	590
Sick leave incentive	313	313
Other postemployment benefits	8,330	3,000
Total Personnel Services	<u>134,715</u>	<u>122,104</u>
Contractual services:		
Accounting services	7,004	7,500
Dues and publications	224	395
Training and meeting	931	500
Postage and mailing	9,225	12,000
Office	3,525	3,550
Office equipment	1,928	2,500
Telephone data	877	1,250
Total Contractual Services	<u>23,714</u>	<u>27,695</u>
Administrative and general overhead	<u>-</u>	<u>125,000</u>
Total Water Administrative and General	<u>158,429</u>	<u>274,799</u>
TOTAL WATER DEPARTMENT	<u>2,784,715</u>	<u>2,843,528</u>

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF EXPENSES - BUDGET TO ACTUAL ENTERPRISE FUND WATERWORKS AND SEWERAGE FUND (cont.) For the Year Ended April 30, 2011

	Actual	Budget
SEWER DEPARTMENT		
Sewer Facilities		
Personnel services:		
Employee salaries	\$ 514,417	\$ 524,449
Employee overtime	26,881	35,000
FICA/Medicare/IMRF	97,762	103,212
Other post employment benefits	15,209	12,000
Health insurance	116,796	126,060
Longevity	2,504	2,507
Sick leave incentive	915	2,043
Uniform allowance	2,450	2,450
Total Personnel Services	776,934	807,721
Contractual services:		
Dues and publications	60	50
Printing	413	250
Training and meeting	2,131	500
Other service	21,084	22,000
Liability insurance	55,886	60,480
Building grounds	3,113	3,000
Maintenance equipment	103,792	170,000
Vehicles	1,039	3,000
Electric	301,683	299,000
Heating	9,683	15,000
Telephone data	4,794	7,500
Sludge disposal	115,761	120,000
Testing	3,738	10,000
Total Contractual Services	623,177	710,780
Commodities:		
Building	3,704	3,000
Maintenance materials	6,954	3,000
Lift station	6,117	8,000
Automotive	2,464	1,000
Tools and equipment	10,798	7,000
Gas and oil	6,888	7,000
Office	1,214	1,200
Operating	9,376	8,000
Chemicals	43,092	52,000
Total Commodities	90,607	90,200
Contingency	-	-
Total Sewer Facilities	1,490,718	1,608,701

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF EXPENSES - BUDGET TO ACTUAL ENTERPRISE FUND WATERWORKS AND SEWERAGE FUND (cont.) For the Year Ended April 30, 2011

	Actual	Budget
Sewer Underground		
Personnel services:		
Employee salaries	\$ 321,320	\$ 336,056
Employee overtime	18,381	23,650
FICA/Medicare/IMRF	62,194	66,406
Health insurance	57,376	61,204
Longevity	2,040	2,040
Sick leave incentive	500	1,125
Uniform allowance	1,925	1,925
Total Personnel Services	463,736	492,406
Contractual services:		
Dues and publications	250	250
Printing	-	100
Training and meeting	855	1,000
Other service	2,363	3,200
Building grounds	490	500
Office equipment	694	900
Vehicles	8,070	7,500
Telephone data	1,934	1,700
Total Contractual Services	14,656	15,150
Commodities:		
Building	370	500
Street	7,387	9,000
Maintenance materials	11,617	12,500
Sanitary maintenance	9,409	8,000
Automotive	2,985	3,000
Tools and equipment	3,310	3,500
Gas and oil	11,702	14,500
Office equipment	12	300
Operating	2,008	3,500
Total Commodities	48,800	54,800
Capital outlay - miscellaneous capital	26,174	30,000
Contingency	-	-
Total Sewer Underground	553,366	592,356

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF EXPENSES - BUDGET TO ACTUAL ENTERPRISE FUND WATERWORKS AND SEWERAGE FUND (cont.) For the Year Ended April 30, 2011

	Actual	Budget
Sewer Administrative and General		
Personnel services:		
Employee salaries	\$ 93,695	\$ 88,105
FICA/Medicare/IMRF	17,778	16,255
Insurance	13,939	13,841
Longevity	660	590
Sick leave incentive	313	313
Other postemployment benefits	8,330	3,000
Total Personnel Services	134,715	122,104
Contractual services:		
Accounting services	7,004	7,500
Dues and publications	224	395
Training and meeting	931	500
Postage and mailing	9,225	12,000
Office	3,525	3,550
Office equipment	1,928	2,500
Telephone data	877	1,250
Total Contractual Services	23,714	27,695
Administrative and general overhead	-	125,000
Total Sewer Administrative and General	158,429	274,799
TOTAL SEWER DEPARTMENT	2,202,513	2,475,856
TOTAL OPERATING EXPENSES, EXCLUDING AMORTIZATION AND DEPRECIATION	\$ 4,987,228	\$ 5,319,384

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF FIDUCIARY NET ASSETS
PENSION TRUST FUNDS

April 30, 2011

	Pension Trust Funds		Total Pension Trust Funds
	Police Pension Trust	Firefighters' Pension Trust	
ASSETS			
Cash and investments			
Deposits	\$ 262,868	\$ 89,751	\$ 352,619
Money market mutual funds	325,478	245,624	571,102
U.S. treasuries	5,759,081	2,963,149	8,722,230
U.S. agencies - implicit	5,654,959	4,892,549	10,547,508
U.S. agencies - explicit	615,085	8,082	623,167
Stock	5,452,462	-	5,452,462
State and local bonds	-	648,497	648,497
Mutual funds	7,128,290	4,972,831	12,101,121
Accrued interest	101,438	86,523	187,961
Due from other taxing units	-	1,128	1,128
Prepaid items	21,257	500	21,757
Total Assets	<u>25,320,918</u>	<u>13,908,634</u>	<u>39,229,552</u>
LIABILITIES			
Accounts payable	3,500	4,686	8,186
Total Liabilities	<u>3,500</u>	<u>4,686</u>	<u>8,186</u>
NET ASSETS			
Held in trust for pension benefits	<u>\$ 25,317,418</u>	<u>\$ 13,903,948</u>	<u>\$ 39,221,366</u>

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF CHANGES IN FIDUCIARY NET ASSETS PENSION TRUST FUNDS For the Year Ended April 30, 2011

	Police Pension Trust	Firefighters' Pension Trust	Total
ADDITIONS			
Contributions			
Employer	\$ 1,667,375	\$ 720,927	\$ 2,388,302
Participants	488,834	272,546	761,380
Total Contributions	<u>2,156,209</u>	<u>993,473</u>	<u>3,149,682</u>
Net Investment Income			
Investment income	2,805,641	1,292,914	4,098,555
Less: Investment expense	<u>(122,307)</u>	<u>(39,540)</u>	<u>(161,847)</u>
Net Investment Income	<u>2,683,334</u>	<u>1,253,374</u>	<u>3,936,708</u>
Total Additions	<u>4,839,543</u>	<u>2,246,847</u>	<u>7,086,390</u>
DEDUCTIONS			
Benefits and refunds	1,599,753	585,091	2,184,844
Other contractual	<u>47,491</u>	<u>19,084</u>	<u>66,575</u>
Total Deductions	<u>1,647,244</u>	<u>604,175</u>	<u>2,251,419</u>
CHANGE IN NET ASSETS	3,192,299	1,642,672	4,834,971
NET ASSETS - Beginning of Year	<u>22,125,119</u>	<u>12,261,276</u>	<u>34,386,395</u>
NET ASSETS - END OF YEAR	<u>\$ 25,317,418</u>	<u>\$ 13,903,948</u>	<u>\$ 39,221,366</u>

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF FIDUCIARY NET ASSETS

AGENCY FUNDS

April 30, 2011

	Agency Funds		
	Special Service Areas No. 10 & 11	Special Service Area No. 18	Total Agency Funds
ASSETS			
Cash	\$ 13	\$ -	\$ 13
Amounts due from others	<u>13,961</u>	<u>6,132</u>	<u>20,093</u>
TOTAL ASSETS	<u>\$ 13,974</u>	<u>\$ 6,132</u>	<u>\$ 20,106</u>
LIABILITIES			
Accounts payable	<u>\$ 13,974</u>	<u>\$ 6,132</u>	<u>\$ 20,106</u>
TOTAL LIABILITIES	<u>\$ 13,974</u>	<u>\$ 6,132</u>	<u>\$ 20,106</u>

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF GENERAL OBLIGATION LONG-TERM DEBT PRINCIPAL PAYMENTS
April 30, 2011

<u>Year</u>	<u>Totals</u>	<u>2010 G.O. Bonds</u>	<u>2008 G.O. Bonds</u>	<u>2006 G.O. Bonds</u>	<u>2004 G.O. Refunding Bonds</u>
2012	\$ 1,870,000	\$ 685,000	\$ 370,000	\$ 385,000	\$ 430,000
2013	1,920,000	695,000	380,000	400,000	445,000
2014	1,980,000	700,000	395,000	420,000	465,000
2015	2,030,000	710,000	405,000	435,000	480,000
2016	1,675,000	720,000	420,000	450,000	85,000
2017	1,635,000	730,000	435,000	470,000	-
2018	1,690,000	745,000	455,000	490,000	-
2019	1,745,000	760,000	470,000	515,000	-
2020	1,805,000	780,000	490,000	535,000	-
2021	1,875,000	805,000	510,000	560,000	-
2022	1,950,000	830,000	535,000	585,000	-
2023	2,020,000	855,000	555,000	610,000	-
2024	2,105,000	885,000	580,000	640,000	-
2025	2,190,000	920,000	605,000	665,000	-
2026	2,285,000	955,000	630,000	700,000	-
2027	2,380,000	995,000	655,000	730,000	-
2028	2,385,000	1,700,000	685,000	-	-
2029	2,485,000	1,770,000	715,000	-	-
2030	1,840,000	1,840,000	-	-	-
2031	1,920,000	1,920,000	-	-	-
TOTALS	\$ 39,785,000	\$ 20,000,000	\$ 9,290,000	\$ 8,590,000	\$ 1,905,000

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF GENERAL OBLIGATION LONG-TERM DEBT INTEREST PAYMENTS
April 30, 2011

Year	Totals	2010 G.O. Bonds	2008 G.O. Bonds	2006 G.O. Bonds	2004 G.O. Refunding Bonds
2012	\$ 1,821,921	\$ 992,103	\$ 379,869	\$ 374,825	\$ 75,124
2013	1,771,625	984,431	368,769	359,425	59,000
2014	1,715,003	974,909	355,469	343,425	41,200
2015	1,652,199	961,330	341,644	326,625	22,600
2016	1,584,384	944,290	327,469	309,225	3,400
2017	1,528,108	926,289	311,719	290,100	-
2018	1,469,920	904,389	295,406	270,125	-
2019	1,408,546	882,040	277,206	249,300	-
2020	1,334,879	850,348	258,406	226,125	-
2021	1,252,148	812,517	237,581	202,050	-
2022	1,166,230	773,475	215,905	176,850	-
2023	1,076,914	733,220	193,169	150,525	-
2024	977,569	684,913	169,581	123,075	-
2025	874,116	634,910	144,931	94,275	-
2026	766,499	582,930	119,219	64,350	-
2027	646,793	522,287	91,656	32,850	-
2028	522,105	459,105	63,000	-	-
2029	383,337	351,155	32,182	-	-
2030	238,760	238,760	-	-	-
2031	121,920	121,920	-	-	-
TOTALS	\$ 22,312,976	\$ 14,335,321	\$ 4,183,181	\$ 3,593,150	\$ 201,324

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF INSURANCE IN FORCE

April 30, 2011

<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	\$ 76,832,500
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
2011	\$ 19,252,124	\$ 1,411,820	\$ 3,024,388	\$ 2,354,945	\$ 507,610	\$ 364,679	\$ 965,110	\$ 27,880,676
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

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
2011	\$ 2,362,357	\$ 13,697,709	\$ 5,660,245	\$ 139,029	\$ 1,730,193	\$ 6,653,317	\$ 1,914,594	\$ 32,157,444
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

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, 2011

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Assessed valuation	<u>\$644,432,194</u>	<u>\$ 702,698,756</u>	<u>\$ 727,105,524</u>
Tax rates*:			
General	1.0186	0.9341	0.9111
Liability Insurance	-	-	-
Illinois Municipal	-	-	-
Retirement Fund	-	-	-
Police protection	-	-	-
Bond and interest	0.2823	0.1758	0.0880
Police pension	0.2718	0.2374	0.2315
Fire pension	0.1175	0.1026	0.1001
Fire protection	-	-	-
TOTALS	<u>1.6902</u>	<u>1.4500</u>	<u>1.3307</u>
Tax extensions:			
General	6,564,225	6,564,225	6,564,225
Liability Insurance	-	-	-
Illinois Municipal			
Retirement Fund	-	-	-
Police protection	-	-	-
Bond and interest	1,819,164	1,235,294	634,173
Police pension	1,751,527	1,668,121	1,668,121
Fire pension	757,305	721,243	721,243
Fire protection	-	-	-
TOTALS	<u>\$ 10,892,221</u>	<u>\$ 10,188,883</u>	<u>\$ 9,587,762</u>
Township road and bridge	<u>\$ 216,918</u>	<u>\$ 212,369</u>	<u>\$ 210,118</u>
Collections		<u>\$ 10,196,703</u>	<u>\$ 9,547,779</u>
Percentage of extensions collected		<u>100.08%</u>	<u>100.00%</u>

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

Data Source

Office of the Kane County Clerk

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<u>\$ 684,585,356</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>
0.9677	0.9813	1.0131	0.9173	0.9049	0.9531	1.0003
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	0.1111	-
0.0556	0.0699	0.0353	0.0275	0.0634	0.0717	0.0873
0.2104	0.1853	0.1920	0.1848	0.1884	0.1927	-
0.0975	0.0848	0.0959	0.0825	0.0846	0.0624	0.0141
-	-	-	-	-	-	-
<u>1.3313</u>	<u>1.3213</u>	<u>1.3364</u>	<u>1.2121</u>	<u>1.2413</u>	<u>1.3910</u>	<u>1.1017</u>
6,624,980	6,370,500	6,077,941	5,079,763	4,421,995	4,019,722	3,716,770
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	412,809
380,532	453,485	211,957	152,288	309,818	302,397	324,377
1,440,623	1,203,088	1,151,770	1,023,279	920,658	812,717	-
667,787	550,817	575,516	457,043	413,417	263,173	52,391
-	-	-	-	-	-	-
<u>\$ 9,113,922</u>	<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>\$ 204,687</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>\$ 9,102,240</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>99.87%</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>

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
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%
2011	794,761	1,119,833	1,914,594	32,157,444	5.95%

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

Data Source

Village of Carpentersville Annual Financial Statements 2002-2011

VILLAGE OF CARPENTERSVILLE

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

Tax Levy Year	2001	2002	2003
Tax rates*			
School District 300 residents:			
Kane County	\$ 0.3923	\$ 0.3740	\$ 0.3029
Kane County IMRF	0.0606	0.0552	0.0549
Kane County FICA	-	-	-
Kane Forest Preserve	0.1477	0.1354	0.1232
Kane Forest Preserve IMRF	0.0043	0.0041	0.0038
Kane Forest Preserve FICA	-	-	-
Dundee Township	0.1969	0.1904	0.1803
Dundee Township Road Funds	0.0918	0.0871	0.0797
Dundee Township IMRF	0.0016	0.0016	0.0028
Dundee Township FICA	-	-	-
Carpentersville Village	1.2128	1.2799	1.2413
Carpentersville IMRF	-	-	-
Carpentersville Police Pension	-	-	-
Carpentersville Fire	-	-	-
Carpentersville Fire FICA	-	-	-
Carpentersville Fire Pension	-	-	-
School District 300	4.1154	4.1295	3.8656
School District 300 Pension	-	-	-
Elgin Community College 509	0.3721	0.3636	0.3854
Elgin Community College Pension	-	-	-
Dundee Park District	0.3839	0.3615	0.3560
Dundee Park District IMRF	0.0402	0.0413	0.0427
Dundee Park District FICA	-	-	-
Dundee Library	0.1539	0.1482	0.1393
Dundee Library IMRF	0.0134	0.0126	0.0109
Dundee Library FICA	-	-	-
Total tax rate - District 300	<u>\$ 7.1869</u>	<u>\$ 7.1844</u>	<u>\$ 6.7888</u>
Village's share of total tax rate	<u>16.88%</u>	<u>17.81%</u>	<u>18.28%</u>
School District 220 residents -			
Harper College 512	-	-	-
Harper College 512 Pension	-	-	-
Barrington School District	3.5235	3.8011	3.1616
Barrington School District Pension	-	-	-
	<u>\$ 3.5235</u>	<u>\$ 3.8011</u>	<u>\$ 3.1616</u>
Total tax rate - District 220	<u>\$ 6.5575</u>	<u>\$ 6.8278</u>	<u>\$ 5.9664</u>
Village's share of total tax rate	<u>18.49%</u>	<u>18.75%</u>	<u>20.80%</u>

*Property tax rates are per \$100 assessed valuation

Data Source

Office of Kane County Clerk

	2004	2005	2006	2007	2008	2009	2010
\$	0.3467	\$ 0.3367	\$ 0.2847	\$ 0.2750	\$ 0.3336	\$ 0.3398	\$ 0.3730
	0.0382	-	0.0605	0.0571	-	-	-
	-	-	-	-	-	-	-
	0.1432	0.1905	0.1714	0.1942	0.1932	0.1997	0.2201
	-	-	0.0033	0.0032	-	-	-
	-	-	-	-	-	-	-
	0.1705	0.1608	0.1292	0.1440	0.1415	0.1498	0.1688
	0.0770	0.0730	0.0692	0.0665	0.0673	0.0695	0.0774
	0.0017	-	0.0015	0.0014	-	-	-
	-	-	-	-	-	-	-
	1.2121	1.3367	1.0519	1.0239	1.3316	1.4517	1.6930
	-	-	0.2702	0.3080	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	3.6923	4.0289	3.8308	3.7645	3.8603	3.9687	4.4615
	-	-	0.1480	0.1028	-	-	-
	0.4154	0.4011	0.3345	0.3230	0.3275	0.3833	0.4407
	-	-	0.0053	0.0051	-	-	-
	0.4341	0.4049	0.3474	0.3400	0.3648	0.3747	0.4251
	0.0195	-	0.0424	0.0316	-	-	-
	-	-	-	-	-	-	-
	0.1416	0.1361	0.1245	0.1195	0.1273	0.1306	0.1456
	0.0049	-	0.0082	0.0084	-	-	-
	-	-	-	-	-	-	-
<u>\$</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>\$ 8.0052</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>	<u>21.15%</u>
	-	-	0.2944	0.2755	0.2684	0.3059	0.3156
	-	-	0.0044	0.0047	-	-	-
	3.6083	3.9660	3.0571	3.0810	3.0401	3.1090	3.4050
	-	-	-	0.1100	-	-	-
<u>\$</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>\$ 3.7206</u>
<u>\$</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>\$ 6.8236</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>	<u>122.69%</u>