

VILLAGE OF CARPENTERSVILLE

Carpentersville, Illinois

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended April 30, 2012

VILLAGE OF CARPENTERSVILLE

TABLE OF CONTENTS As of and for the Year Ended April 30, 2012

Independent Auditors' Report	i – ii
Management's Discussion and Analysis	iii – xv
Statement of Net Assets	1
Statement of Activities	2
Balance Sheet – Governmental Funds	3
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	4
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5
Statement of Net Assets – Enterprise Fund – Waterworks and Sewerage Fund	6 – 7
Statement of Revenues, Expenses and Changes in Fund Net Assets – Enterprise Fund – Waterworks and Sewerage Fund	8
Statement of Cash Flows – Enterprise Fund – Waterworks and Sewerage Fund	9 – 10
Statement of Fiduciary Net Assets – Fiduciary Funds	11
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	12
Notes to Financial Statements	13 – 50
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	51
Detailed Budgetary Comparison Schedule – General Fund	52 – 54
Illinois Municipal Retirement Fund – Schedule of Employer's Contributions and Schedule of Funding Progress	55
Police Pension Fund – Schedule of Employer's Contributions and Schedule of Funding Progress	56
Firefighter's Pension Fund – Schedule of Employer's Contributions and Schedule of Funding Progress	57
Other Postemployment Benefit Plan – Schedule of Employer's Contributions and Schedule of Funding Progress	58
Notes to Required Supplementary Information	59

VILLAGE OF CARPENTERSVILLE

TABLE OF CONTENTS (cont.) As of and for the Year Ended April 30, 2012

Supplemental Information

Combining Balance Sheet – Nonmajor Governmental Funds	60 – 61
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	62 – 63
Schedule of Revenues, Expenses, and Changes in Fund Net Assets – Actual and Budget – Enterprise Fund – Waterworks and Sewerage Fund	64
Schedule of Expenses – Budget to Actual – Enterprise Fund – Waterworks and Sewerage Fund	65 – 70
Combining Schedule of Fiduciary Net Assets – Pension Trust Funds	71
Combining Schedule of Changes in Fiduciary Net Assets – Pension Trust Funds	72
Combining Schedule of Fiduciary Net Assets – Agency Funds	73
Schedule of General Obligation Long-Term Debt Principal Payments	74
Schedule of General Obligation Long-Term Debt Interest Payments	75
Schedule of Insurance in Force	76

Statistical Information

General Governmental Revenues by Source	77
General Governmental Expenditures by Function	78
Schedule of Legal Debt Margin	79
Property Tax, Assessed Valuation, Rates and Extensions – Last Ten Fiscal Years	80 – 81
Ratio of Annual Debt Service Expenditures for General Obligation Debt to Total General Governmental Expenditures – Last Ten Fiscal Years	82
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years	83 – 84



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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, 2012 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 previously 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, 2012, 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.

As described in Note I. B., the village adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective January 1, 2011. In addition, the village modified its revenue recognition policy for various payments from the State of Illinois to extend the period of availability beyond the 60 days previously utilized.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and schedules of employers' contributions and schedules of funding progress as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Village Board
Village of Carpentersville
Carpentersville, Illinois

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 debt and insurance schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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 "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. Such information has not been subjected to auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Baker Tilly Vuchow Krause, LLP

Chicago, Illinois
October 26, 2012

VILLAGE OF CARPENTERSVILLE, ILLINOIS

UNAUDITED MANAGEMENT'S DISCUSSION AND ANALYSIS April 30, 2012

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 \$111,048,970 (net assets). Of this amount, \$4,378,502 is considered unrestricted net assets, \$4,181,749 is restricted for specific purposes (restricted net assets), and \$102,488,719 is invested in capital assets, net of related debt.
- > The village's total net assets increased by \$140,060. Governmental activities net assets increased by \$695,706, while business-type net assets decreased by \$555,646.
- > On April 30, 2012, the village's governmental funds reported combined fund balances of \$14,620,150. Unassigned fund balance was \$4,132,548 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, 2012

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, 2012

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 16 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, 2012

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 \$111,048,970 as of April 30, 2012. 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	
	2012	2011	2012	2011	2012	2011
Assets						
Current assets	\$ 29,877,494	\$ 38,270,832	\$ 7,214,230	\$ 7,609,664	\$ 37,091,724	\$ 45,880,496
Capital assets	94,022,391	86,711,221	52,167,551	53,657,514	146,189,942	140,368,735
Total Assets	<u>123,899,885</u>	<u>124,982,053</u>	<u>59,381,781</u>	<u>61,267,178</u>	<u>183,281,666</u>	<u>186,249,231</u>
Liabilities						
Current liabilities	17,548,254	18,254,557	3,302,393	3,270,603	20,850,647	21,525,160
Long-term liabilities	33,779,383	34,850,954	17,602,666	18,964,207	51,382,049	53,815,161
Total Liabilities	<u>51,327,637</u>	<u>53,105,511</u>	<u>20,905,059</u>	<u>22,234,810</u>	<u>72,232,696</u>	<u>75,340,321</u>
Net Assets						
Invested in capital assets, net of related debt	68,905,034	68,487,393	33,583,685	34,253,748	102,488,719	102,741,141
Restricted	4,181,749	2,880,926	-	-	4,181,749	2,880,926
Unrestricted	<u>(514,535)</u>	<u>508,223</u>	<u>4,893,037</u>	<u>4,778,620</u>	<u>4,378,502</u>	<u>5,286,843</u>
Total Net Assets	<u>\$ 72,572,248</u>	<u>\$ 71,876,542</u>	<u>\$ 38,476,722</u>	<u>\$ 39,032,368</u>	<u>\$ 111,048,970</u>	<u>\$ 110,908,910</u>

VILLAGE OF CARPENTERSVILLE, ILLINOIS

UNAUDITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2012

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

Government-wide Statements (cont.)

The largest portion of the village's net assets (92.3%) reflects its investment in capital assets (e.g., land, buildings and improvements, machinery and equipment, and infrastructure), less any debt used to acquire those assets that is still outstanding. The village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the village's net assets (3.8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (3.9%) 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, 2012

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

Table 2: Condensed Statement of Activities

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
REVENUES						
Program Revenues						
Charges for services	\$ 4,020,707	\$ 5,126,515	\$ 6,972,009	\$ 5,813,101	\$ 10,992,716	\$ 10,939,616
Operating grants and contributions	540,523	225,386	-	-	540,523	225,386
Capital grants and contributions	2,532,024	2,043,895	30,000	-	2,562,024	2,043,895
General Revenues						
Property taxes	8,926,796	8,339,117	-	-	8,926,796	8,339,117
Sales and use tax	7,172,770	6,097,724	-	-	7,172,770	6,097,724
Income tax	2,494,821	2,724,726	-	-	2,494,821	2,724,726
Utility tax	1,445,519	1,350,435	-	-	1,445,519	1,350,435
Other taxes	472,682	460,608	-	-	472,682	460,608
Other/miscellaneous	773,602	1,134,863	21,358	27,494	794,960	1,162,357
Total Revenues	<u>28,379,444</u>	<u>27,503,269</u>	<u>7,023,367</u>	<u>5,840,595</u>	<u>35,402,811</u>	<u>33,343,864</u>
EXPENSES						
General government	2,722,030	2,390,453	-	-	2,722,030	2,390,453
Public safety	14,157,163	14,028,417	-	-	14,157,163	14,028,417
Public works	7,656,046	7,969,022	-	-	7,656,046	7,969,022
Community development	1,443,759	1,719,127	-	-	1,443,759	1,719,127
Culture and recreation	211,356	132,958	-	-	211,356	132,958
Waterworks and sewerage	-	-	7,579,013	7,803,929	7,579,013	7,803,929
Interest and fiscal charges	1,493,384	1,208,904	-	-	1,493,384	1,208,904
Total Expenses	<u>27,683,738</u>	<u>27,448,881</u>	<u>7,579,013</u>	<u>7,803,929</u>	<u>35,262,751</u>	<u>35,252,810</u>
Increase (Decrease) in Net Assets Before Transfers	695,706	54,388	(555,646)	(1,963,334)	140,060	(1,908,946)
Transfers	-	(627,534)	-	627,534	-	-
Change in Net Assets	695,706	(573,146)	(555,646)	(1,335,800)	140,060	(1,908,946)
Beginning Net Assets	71,876,542	72,449,688	39,032,368	40,368,168	110,908,910	112,817,856
Ending Net Assets	<u>\$ 72,572,248</u>	<u>\$ 71,876,542</u>	<u>\$ 38,476,722</u>	<u>\$ 39,032,368</u>	<u>\$ 111,048,970</u>	<u>\$ 110,908,910</u>

VILLAGE OF CARPENTERSVILLE, ILLINOIS

UNAUDITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2012

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

Government-wide Statements (cont.)

The village's combined net assets (the village's bottom line) increased from \$110,908,910 to \$111,048,970 as a result of the governmental activities net gain of \$695,706 and business-type activities net loss of \$555,646.

Net assets of the village's governmental activities were \$72,572,248. 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 \$(514,535).

The net assets of business-type activities were \$38,476,722 and unrestricted net assets of \$4,893,037, 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 continued work on the Public Works Facility and started work on the Village Hall Reutilization Project
- > State Income Tax distributions were delayed four months, but were 3.3% above budget expectations
- > Sales and Use taxes were up 4.1% from the prior year
- > Historically low interest rates continue to generate low investment income
- > General fund revenues exceeded expenditures by more than \$940,000

Business-Type Activities:

- > Operating expenses, including depreciation of \$2.1 million, were under operating revenues by \$17,073
- > Used 2010 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 2012
- > Continued long-term meter replacement program
- > Water and sewer sales failed to meet budget expectations by \$865,070
- > Expenses relating to operation of water and wastewater departments came in under budget by \$326,094

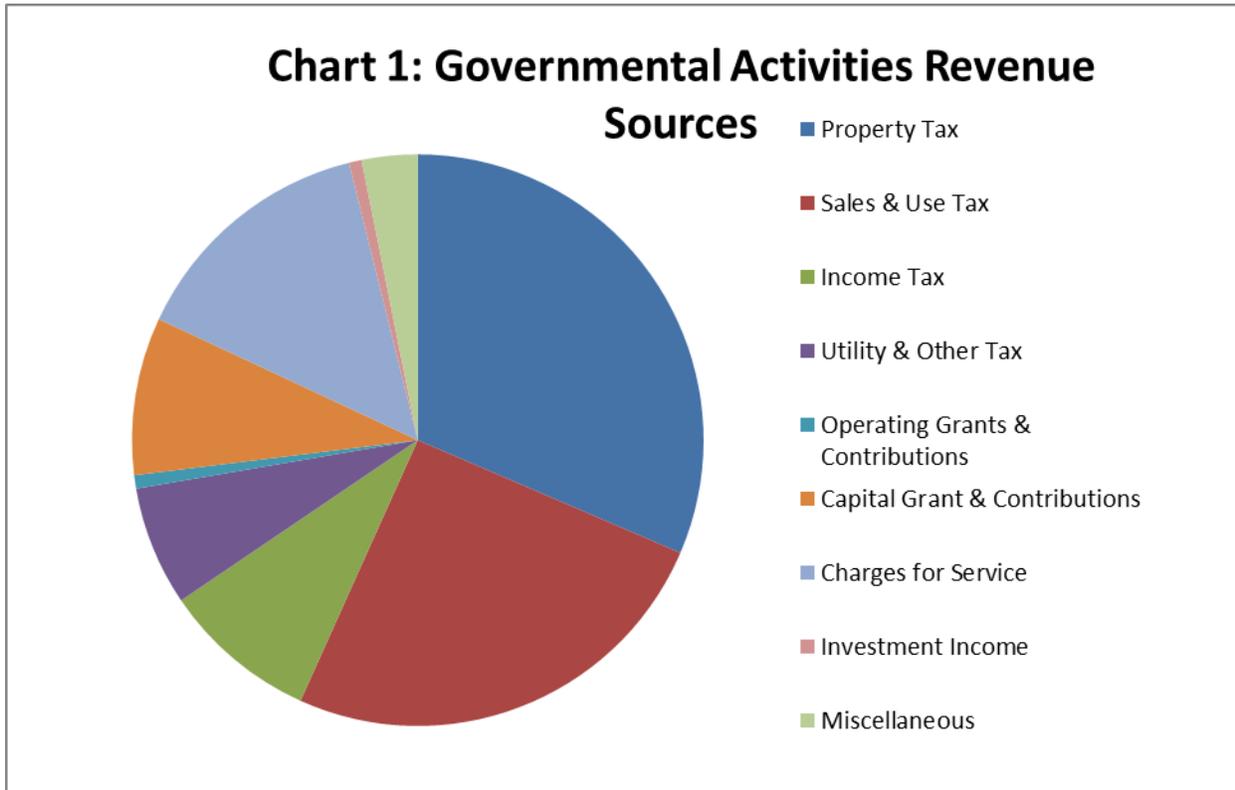
VILLAGE OF CARPENTERSVILLE, ILLINOIS

UNAUDITED
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 April 30, 2012

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, 2012, revenues from governmental activities totaled \$28,379,444. Property taxes totaled \$8,926,796 representing 31% of total governmental funds' revenue. Sales taxes account for 25% of revenue and local utility tax combined with state income tax represents 14% of total governmental activity revenue.

Property tax revenues increased from \$8,339,117 in fiscal year 2011 to \$8,926,796 in fiscal year 2012, an increase of \$587,679 or 6.6%. The village experienced a 13.65% decrease in its rate setting equalized assessed valuation (EAV) from \$644,432,194 in tax year 2011 to \$556,470,750 in tax year 2012. 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.

<u>Levy Year</u>
2010
2011
Decrease
% Decrease

<u>Rate Setting EAV in Kane County</u>
\$ 644,432,194
\$ 556,470,750
\$ 87,961,444
13.65%

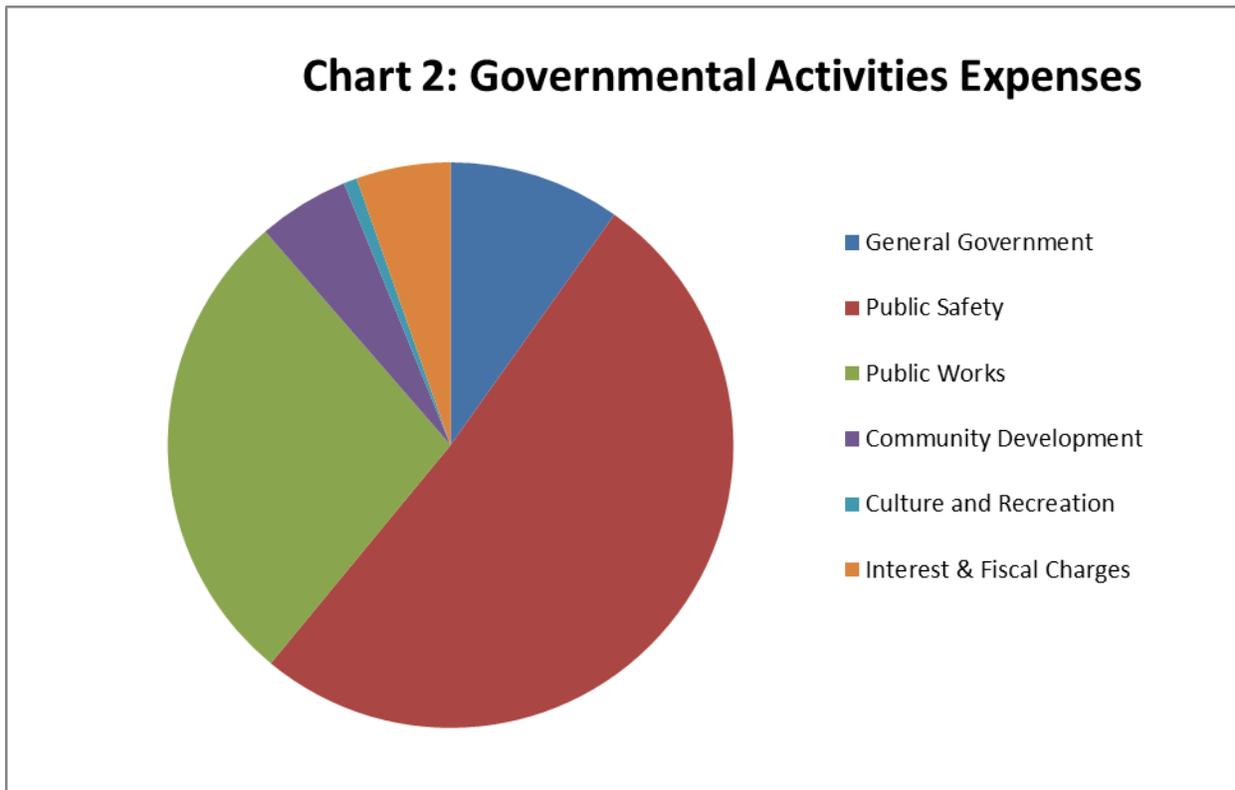
VILLAGE OF CARPENTERSVILLE, ILLINOIS

UNAUDITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2012

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, 2012 expenses from governmental activities totaled \$27,683,738. Public Safety and Public Works services account for 51% and 28% of all governmental activities expenses, respectively.

Business-Type Activities

Business-type activities decreased the village's net assets by \$555,646. 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
April 30, 2012

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

Financial Analysis of the Village Funds

Governmental Funds

At April 30, 2012, the governmental funds reported a combined fund balance of \$14,620,150, which is a 33.6% decrease from the beginning of the year of \$22,009,342. The resulting \$7.39 million decrease in Fund Balance is due to the construction of a new Public Works facility.

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, \$4,178,189 is unassigned in the general fund indicating availability for continuing village services. \$281,293 is nonspendable due to various prepaid expenditures. \$9,900,134 are reported as restricted to specific capital project funds or special revenue funds such as Motor Fuel Tax and Tax Increment Financing funds.

Total assigned fund balance of \$306,175 includes \$93,980 for budget carryover and \$212,195 that is encumbered for future capital equipment purchases.

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 increased from \$3,992,540 in fiscal year 2011 to \$4,635,989 or 13.9% in fiscal year 2012.

The Government Finance Officers Association proposes best practices for municipal financial policies and further recommends that municipalities maintain a minimum unassigned fund balance of five to 15 percent of regular general fund operating revenues. Presently, the village's unassigned fund balance of \$4,178,189 in the general fund is 17.6% of actual operating revenues.

The capital improvement project fund, a major governmental fund, was established when the village sold bonds in 2006. The village issued 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 is funded wholly through the village's property tax levy.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

UNAUDITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2012

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

Proprietary Funds

At April 30, 2012 the proprietary funds' total net assets decreased by \$555,646 from \$39,032,368 in 2011 to \$38,476,722 in 2012 or 1.4%. 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	\$ 23,735,345	\$ 23,935,345	\$ 23,744,716
Expenditures	22,973,847	23,074,623	22,802,368
Excess (Deficiency) of Revenues over Expenditures	761,498	860,722	942,348
Total Other Financing Sources/(Uses)	(356,000)	(351,600)	(298,899)
Net Change in Fund Balance	\$ 405,498	\$ 509,122	\$ 643,449

The above chart shows budgeted revenues and expenditures versus actual revenues and expenditures. The village's expenses were \$942,000 lower than revenues. However, the net effect of transferring \$351,600 to the Capital Equipment Replacement Fund reduced net change in fund balance to 643,449. Below is a summary of the Proprietary fund budget results:

Proprietary Fund Budgetary Highlights

Table 4: Proprietary Fund Budget

	Original Budget	Actual
Revenues	\$ 7,837,079	\$ 6,972,009
Expenses	5,201,138	4,875,044
Excess (Deficiency) of Revenues over Expenditures	2,635,941	2,096,965
Depreciation	-	2,079,892
Operating Income (Loss)	2,635,941	17,073
Non-operating Revenue (Expenses)	(613,641)	(572,719)
Income (Loss) Before Capital Contributions	2,022,300	(555,646)
Transfer in from General Fund	-	-
Change in Net Assets	\$ 2,022,300	\$ (555,646)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

UNAUDITED MANAGEMENT'S DISCUSSION AND ANALYSIS April 30, 2012

CAPITAL ASSETS

The village's investment in capital assets for its governmental and business-type activities as of April 30, 2012 amounts to \$146,189,942. 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 \$5,821,207.

Table 5: Capital Assets

	Governmental Activities		Business-type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Land, CWIP, and other assets not being depreciated	\$ 28,762,348	\$ 20,318,763	\$ 2,148,856	\$ 1,563,400	\$ 30,911,204	\$ 21,882,163
Buildings and improvements	8,223,485	8,223,485	36,027,262	36,027,262	44,250,747	44,250,747
Vehicles and equipment	5,609,038	5,925,253	1,928,735	2,019,974	7,537,773	7,945,227
Infrastructure and utility distribution and collection	70,669,801	70,363,122	44,417,659	44,413,186	115,087,460	114,776,308
Total Capital Assets	113,264,672	104,830,623	84,522,512	84,023,822	197,787,184	188,854,445
Less: Accumulated depreciation	(19,242,281)	(18,119,402)	(32,354,961)	(30,366,308)	(51,597,242)	(48,485,710)
Net Capital Assets	\$ 94,022,391	\$ 86,711,221	\$ 52,167,551	\$ 53,657,514	\$ 146,189,942	\$ 140,368,735

DEBT OUTSTANDING

The village currently has four outstanding general obligation bond series and one Illinois EPA loan outstanding. Total general obligation debt is \$37,915,000, of which \$30,500,150 is attributed to governmental activities and \$7,414,850 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 \$11,340,231 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, 2012

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 decreased from 13.2% in 2010 to 12.8% in 2011. 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 2013 budget was built for sustainability. As a result of four positions being eliminated in FY2012, we started with a budget that was \$375,500 less than last year's budget. However, we quickly recognized that it is necessary 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 four 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 since 2008.

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 Catherine Haley, Finance Director, Village of Carpentersville, 1200 L. W. Besinger Drive, Carpentersville, Illinois 60110.

VILLAGE OF CARPENTERSVILLE

STATEMENT OF NET ASSETS As of April 30, 2012

	Governmental Activities	Business- type Activities	Totals
ASSETS			
Cash and investments	\$ 13,026,524	\$ 5,954,206	\$ 18,980,730
Receivables			
Taxes			
Property	12,504,738	-	12,504,738
Personal property	21,547	-	21,547
Sales	1,409,871	-	1,409,871
Utility	312,211	-	312,211
Motor fuel	82,369	-	82,369
Income	1,258,182	-	1,258,182
Other	198,579	-	198,579
Accounts	648,742	932,957	1,581,699
Accrued interest	14,066	-	14,066
Internal balances	(195,828)	195,828	-
Prepaid items	281,293	53,150	334,443
Other assets	315,200	78,089	393,289
Capital Assets			
Capital assets not being depreciated	28,762,348	2,148,856	30,911,204
Capital assets, net of depreciation	65,260,043	50,018,695	115,278,738
Total Assets	<u>123,899,885</u>	<u>59,381,781</u>	<u>183,281,666</u>
LIABILITIES			
Accounts payable and accrued expenses	2,241,997	594,425	2,836,422
Deposits and customer advances	611,776	1,291,503	1,903,279
Due to other governments	60,881	-	60,881
Unearned revenues	12,512,738	-	12,512,738
Long-Term Liabilities			
Due within one year	2,120,862	1,416,465	3,537,327
Due in more than one year	33,779,383	17,602,666	51,382,049
Total Liabilities	<u>51,327,637</u>	<u>20,905,059</u>	<u>72,232,696</u>
NET ASSETS			
Invested in capital assets, net of related debt	68,905,034	33,583,685	102,488,719
Restricted	4,181,749	-	4,181,749
Unrestricted (deficit)	(514,535)	4,893,037	4,378,502
TOTAL NET ASSETS	<u>\$ 72,572,248</u>	<u>\$ 38,476,722</u>	<u>\$ 111,048,970</u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE

STATEMENT OF ACTIVITIES
For the Year Ended April 30, 2012

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	\$ 2,722,030	\$ 734,263	\$ -	\$ -	\$ (1,987,767)	\$ -	\$ (1,987,767)
Public safety	14,157,163	2,034,826	18,026	-	(12,104,311)	-	(12,104,311)
Public works	7,656,046	1,007,358	186,288	2,532,024	(3,930,376)	-	(3,930,376)
Community development	1,443,759	244,260	10,661	-	(1,188,838)	-	(1,188,838)
Culture and recreation	211,356	-	-	-	(211,356)	-	(211,356)
Interest and fiscal charges	1,493,384	-	325,548	-	(1,167,836)	-	(1,167,836)
Total Governmental Activities	<u>27,683,738</u>	<u>4,020,707</u>	<u>540,523</u>	<u>2,532,024</u>	<u>(20,590,484)</u>	<u>-</u>	<u>(20,590,484)</u>
Business-type Activities							
Waterworks and sewerage	7,579,013	6,972,009	-	30,000	-	(577,004)	(577,004)
Total Business-type Activities	<u>7,579,013</u>	<u>6,972,009</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>(577,004)</u>	<u>(577,004)</u>
Totals	<u>\$ 35,262,751</u>	<u>\$ 10,992,716</u>	<u>\$ 540,523</u>	<u>\$ 2,562,024</u>	<u>(20,590,484)</u>	<u>(577,004)</u>	<u>(21,167,488)</u>
General Revenues							
Taxes							
Property					8,926,796	-	8,926,796
Sales and use					7,172,770	-	7,172,770
Income					2,494,821	-	2,494,821
Utility					1,445,519	-	1,445,519
Other					472,682	-	472,682
Public gifts					22,857	-	22,857
Investment income					205,844	6,882	212,726
Miscellaneous					544,901	14,476	559,377
Total General Revenues					<u>21,286,190</u>	<u>21,358</u>	<u>21,307,548</u>
Change in Net Assets					695,706	(555,646)	140,060
NET ASSETS - Beginning of Year					<u>71,876,542</u>	<u>39,032,368</u>	<u>110,908,910</u>
NET ASSETS - END OF YEAR					<u>\$ 72,572,248</u>	<u>\$ 38,476,722</u>	<u>\$ 111,048,970</u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE

BALANCE SHEET
GOVERNMENTAL FUNDS
As of April 30, 2012

	General	Debt Service	Capital Improvement Projects	Capital Improvements Public Works	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 2,103,134	\$ 883,704	\$ 4,419,127	\$ 1,261,991	\$ 4,358,568	\$ 13,026,524
Receivables						
Taxes						
Property	10,245,770	1,822,590	-	-	436,378	12,504,738
Personal property	21,547	-	-	-	-	21,547
Sales	1,409,871	-	-	-	-	1,409,871
Utility	312,211	-	-	-	-	312,211
Motor fuel	-	9,196	-	-	73,173	82,369
Income	1,258,182	-	-	-	-	1,258,182
Other	198,579	-	-	-	-	198,579
Accounts	385,264	-	263,478	-	-	648,742
Accrued interest	-	-	14,066	-	-	14,066
Due from other funds	46,346	-	-	-	-	46,346
Prepaid items	281,293	-	-	-	-	281,293
TOTAL ASSETS	\$ 16,262,197	\$ 2,715,490	\$ 4,696,671	\$ 1,261,991	\$ 4,868,119	\$ 29,804,468
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 736,596	\$ -	\$ 250,874	\$ 312,873	\$ 82,281	\$ 1,382,624
Accrued liabilities	133,734	-	-	-	-	133,734
Claims payable	240,391	-	-	-	-	240,391
Special deposits	227,670	-	-	-	384,106	611,776
Due to other funds	34,047	-	161,781	-	46,346	242,174
Due to other governments	-	-	-	-	60,881	60,881
Deferred revenues	10,253,770	1,822,590	-	-	436,378	12,512,738
Total Liabilities	11,626,208	1,822,590	412,655	312,873	1,009,992	15,184,318
Fund Balances						
Nonspendable	281,293	-	-	-	-	281,293
Restricted	82,527	892,900	4,284,016	949,118	3,691,573	9,900,134
Assigned	93,980	-	-	-	212,195	306,175
Unassigned (deficit)	4,178,189	-	-	-	(45,641)	4,132,548
Total Fund Balances	4,635,989	892,900	4,284,016	949,118	3,858,127	14,620,150
TOTAL LIABILITIES AND FUND BALANCES	\$ 16,262,197	\$ 2,715,490	\$ 4,696,671	\$ 1,261,991	\$ 4,868,119	
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.						94,022,391
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.)						(36,070,293)
NET ASSETS OF GOVERNMENTAL ACTIVITIES						\$ 72,572,248

VILLAGE OF CARPENTERSVILLE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For the Year Ended April 30, 2012

	General	Debt Service	Capital Improvement Projects	Capital Improvements Public Works	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 18,040,707	\$ 2,124,023	\$ -	\$ -	\$ 358,261	\$ 20,522,991
Intergovernmental	1,678,387	325,548	814,478	-	954,427	3,772,840
Licenses and permits	1,416,228	-	-	-	-	1,416,228
Fines, forfeitures and penalties	545,393	-	-	-	-	545,393
Public charges for services	1,655,195	101,750	-	-	18,000	1,774,945
Investment income	23,261	15	193,797	-	10,292	227,365
Miscellaneous revenues	385,545	-	-	-	165,035	550,580
Total Revenues	<u>23,744,716</u>	<u>2,551,336</u>	<u>1,008,275</u>	<u>-</u>	<u>1,506,015</u>	<u>28,810,342</u>
EXPENDITURES						
Current						
General government	2,664,559	-	75	-	-	2,664,634
Public safety	13,598,478	-	-	-	22,076	13,620,554
Public works	4,868,025	-	-	-	240,763	5,108,788
Community development	1,457,576	-	-	-	-	1,457,576
Culture and recreation	156,419	-	-	-	51,234	207,653
Capital Outlay	-	-	2,247,980	7,192,536	749,015	10,189,531
Debt Service						
Principal retirement	57,311	1,447,900	-	-	-	1,505,211
Interest and fiscal charges	-	1,492,405	-	-	-	1,492,405
Total Expenditures	<u>22,802,368</u>	<u>2,940,305</u>	<u>2,248,055</u>	<u>7,192,536</u>	<u>1,063,088</u>	<u>36,246,352</u>
Excess (deficiency) of revenues over expenditures	<u>942,348</u>	<u>(388,969)</u>	<u>(1,239,780)</u>	<u>(7,192,536)</u>	<u>442,927</u>	<u>(7,436,010)</u>
OTHER FINANCING SOURCES (USES)						
Sale of village property	46,808	-	-	-	-	46,808
Transfers in	5,893	378,844	60,000	-	351,600	796,337
Transfers out	(351,600)	-	-	-	(444,737)	(796,337)
Total Other Financing Sources (Uses)	<u>(298,899)</u>	<u>378,844</u>	<u>60,000</u>	<u>-</u>	<u>(93,137)</u>	<u>46,808</u>
Net Change in Fund Balances	643,449	(10,125)	(1,179,780)	(7,192,536)	349,790	(7,389,202)
FUND BALANCES - Beginning of Year (As restated)	<u>3,992,540</u>	<u>903,025</u>	<u>5,463,796</u>	<u>8,141,654</u>	<u>3,508,337</u>	<u>22,009,352</u>
FUND BALANCES - END OF YEAR	<u>\$ 4,635,989</u>	<u>\$ 892,900</u>	<u>\$ 4,284,016</u>	<u>\$ 949,118</u>	<u>\$ 3,858,127</u>	<u>\$ 14,620,150</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, 2012

Net change in fund balances - total governmental funds	\$ (7,389,202)
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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	10,189,531
Some items reported as capital outlay are not capitalized	(1,252,084)
Depreciation reported in the government-wide statements	(1,626,275)

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	(456,185)
Interest receivable	(21,521)

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.

Principal payments	1,505,211
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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	(21,898)

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	100,358
Net pension obligation	(49,054)
Other postemployment benefits	(430,094)
Early retirement incentives	126,000
Accrued interest on debt	11,539

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 695,706</u>
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VILLAGE OF CARPENTERSVILLE

STATEMENT OF NET ASSETS ENTERPRISE FUND WATERWORKS AND SEWERAGE FUND As of April 30, 2012

ASSETS	
Current Assets	
Cash and investments	\$ 5,954,206
Customer accounts receivable, net	926,636
Miscellaneous accounts receivable	6,321
Prepaid items	53,150
Due from general fund	34,047
Total Current Assets	<u>6,974,360</u>
Noncurrent Assets	
Restricted construction fund due from other funds	161,781
Unamortized debt issuance cost	78,089
Utility Plant	
Plant in service	83,623,417
Construction in progress	899,095
Less: Accumulated depreciation	<u>(32,354,961)</u>
Net Utility Plant	<u>52,167,551</u>
Total Noncurrent Assets	<u>52,407,421</u>
Total Assets	<u>59,381,781</u>

LIABILITIES	
Current Liabilities	
Accounts payable	\$ 283,461
Accrued liabilities	49,930
Compensated absences	100,856
Deposits	520,009
Current portion of IEPA loan	860,959
Current portion of general obligation bonds	436,650
Current portion of early retirement incentives	18,000
Other current liabilities	72,601
Accrued interest	<u>188,433</u>
Total Current Liabilities	<u>2,530,899</u>
Noncurrent Liabilities	
IEPA loan	10,479,272
General obligation bonds	6,978,200
Unamortized bond premium	68,655
Compensated absences	25,214
Early retirement incentives	30,000
Other post employment benefits obligation	21,325
Customer advance	<u>771,494</u>
Total Noncurrent Liabilities	<u>18,374,160</u>
Total Liabilities	<u>20,905,059</u>
NET ASSETS	
Invested in capital assets, net of related debt	33,583,685
Unrestricted	<u>4,893,037</u>
TOTAL NET ASSETS	<u>\$ 38,476,722</u>

See accompanying notes to financial statements.

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, 2012

OPERATING REVENUE

Water user charges	\$ 2,651,337
Sewer user charges	2,915,913
Water connection fees	63,000
Sewer connection fees	63,000
Water availability charges	244,270
Sewer availability charges	302,067
Water tower charges	410,969
Meter sales	7,589
Services fees and penalties	201,932
Rental income	95,963
Miscellaneous	15,969
Total Operating Revenue	<u>6,972,009</u>

OPERATING EXPENSES

Water department	2,726,332
Sewer department	2,148,712
Depreciation - Water	711,557
Depreciation - Sewer	<u>1,368,335</u>
Total Operating Expenses	<u>6,954,936</u>

Operating Income 17,073

NONOPERATING REVENUES (EXPENSES)

Investment income	6,882
Interest charged to construction	14,552
Interest expense	(623,739)
Amortization of debt issuance cost and bond premium	(366)
State grant	30,000
Miscellaneous revenue	290
Miscellaneous expense	<u>(338)</u>
Total Nonoperating Revenues (Expenses)	<u>(572,719)</u>

CHANGE IN NET ASSETS (555,646)

TOTAL NET ASSETS - Beginning of Year 39,032,368

TOTAL NET ASSETS - END OF YEAR \$ 38,476,722

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, 2012

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 6,888,732
Cash paid to suppliers for goods and services	(3,492,475)
Cash payments to employees for services	(1,829,616)
Customer's deposits	<u>16,127</u>
Net Cash Flows from Operating Activities	<u>1,582,768</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Debt retired	(1,261,642)
Interest paid	(635,019)
Acquisition and construction of capital assets	(575,576)
Debt proceeds transferred from construction fund	441,376
Customer advances	<u>71,667</u>
Net Cash Flows from Capital and Related Financing Activities	<u>(1,959,194)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income	<u>16,824</u>
Net Cash Flows from Investing Activities	<u>16,824</u>

Net Change in Cash and Cash Equivalents (359,602)

CASH AND CASH EQUIVALENTS - Beginning of Year 6,313,808

CASH AND CASH EQUIVALENTS - END OF YEAR \$ 5,954,206

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES

Net value of assets transferred from (to) other funds - fully depreciated \$ 29,446

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

Operating income	\$	17,073
Adjustments to Reconcile Operating Loss to Net Cash Flows From Operating Activities		
Nonoperating income		(48)
Depreciation water and sewer		2,079,892
Changes in Assets and Liabilities		
Customer accounts receivable		(50,214)
Other accounts receivable		4,546
Receivable from municipality		(34,047)
Prepaid items		867
Accounts payable		(56,975)
Due to other funds		(342,975)
Other current liabilities		8,875
Deferred credits		(3,514)
Other postemployment benefits liability		(56,839)
Customer deposits		<u>16,127</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$	<u>1,582,768</u>

VILLAGE OF CARPENTERSVILLE

STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS As of April 30, 2012

	Pension Trust Funds	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and investments		
Deposits	\$ 35,609	\$ 19
Money markets	1,553,225	-
U.S. treasuries	7,286,959	-
U.S. agencies - implicit	6,006,505	-
U.S. agencies - explicit	6,546,138	-
Stock	6,605,319	-
State and local bonds	777,758	-
Corporate bonds	570,676	-
Mutual funds	12,016,145	-
Accrued interest	185,947	-
Due from other taxing units	1,128	20,093
Prepaid items	18,064	-
Total Assets	<u>41,603,473</u>	<u>20,112</u>
LIABILITIES		
Accounts payable	<u>14,602</u>	<u>20,112</u>
Total Liabilities	<u>14,602</u>	<u>20,112</u>
NET ASSETS		
Held in trust for pension benefits	<u>\$ 41,588,871</u>	<u>\$ -</u>

VILLAGE OF CARPENTERSVILLE

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS FIDUCIARY FUNDS For the Year Ended April 30, 2012

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions	
Employer	\$ 2,503,878
Participants	<u>781,022</u>
Total Contributions	<u>3,284,900</u>
Net Investment Income	
Investment income	1,811,176
Less: investment expense	<u>(169,553)</u>
Net Investment Income	<u>1,641,623</u>
Total Additions	<u>4,926,523</u>
DEDUCTIONS	
Benefits and refunds	2,510,887
Other contractual	<u>48,131</u>
Total Deductions	<u>2,559,018</u>
CHANGE IN NET ASSETS	2,367,505
NET ASSETS - Beginning of Year	<u>39,221,366</u>
NET ASSETS - END OF YEAR	<u>\$ 41,588,871</u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE

INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2012

NOTE	Page
I. Summary of Significant Accounting Policies	14
A. Reporting Entity	14
B. Government-Wide and Fund Financial Statements	14
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	17
D. Assets, Liabilities, and Net Assets or Equity	19
1. Deposits and Investments	19
2. Receivables	20
3. Inventories and Prepaid Items	21
4. Restricted Assets	21
5. Capital Assets	21
6. Other Assets	22
7. Compensated Absences	22
8. Long-Term Obligations/Conduit Debt	23
9. Claims and Judgments	23
10. Equity Classifications	23
II. Reconciliation of Government-Wide and Fund Financial Statements	25
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Statement of Net Assets	25
III. Stewardship, Compliance, and Accountability	26
A. Budgetary Information	26
B. Excess Expenditures Over Appropriations	26
C. Deficit Balances	26
IV. Detailed Notes on All Funds	27
A. Deposits and Investments	27
B. Receivables	30
C. Capital Assets	31
D. Interfund Receivables/Payables and Transfers	33
E. Long-Term Obligations	34
F. Lease Disclosures	38
G. Net Assets/Fund Balances	38
H. Restatement of Fund Balances	40
V. Other Information	41
A. Employees' Retirement System	41
B. Risk Management	47
C. Commitments and Contingencies	48
D. Postemployment Benefits Other Than Pensions	48
E. Termination Benefits	50
F. Effect of New Accounting Standards on Current-Period Financial Statements	50
G. Subsequent Event	50

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2012

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

In February 2009, the GASB issued Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement establishes fund balance classifications based primarily on the extent to which the government is bound to honor constraints on the use of the resources reported in each governmental fund as well as establishes additional note disclosures regarding fund balance classification policies and procedures.

The village made the decision to implement this standard effective May 1, 2011.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2012

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

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

Government-Wide Financial Statements (cont.)

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.

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 – used to account for and report 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.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2012

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

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

Fund Financial Statements (cont.)

Debt Service Fund – used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs, other than TID or enterprise debt.

Capital Improvement Projects – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Capital Improvements Public Works – used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition and construction of capital facilities and other capital assets specific to public works.

The village reports the following major enterprise fund:

Waterworks and Sewerage Utility – used to account for and report the operations of the water and sewer systems

The village reports the following non-major governmental funds:

Special Revenue Funds – used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

- 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
- Foreign Fire Tax Board
- Developer Activities
- Stormwater Detention

Capital Projects Funds – used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

- Equipment Replacement

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

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2012

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

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

Fund Financial Statements (cont.)

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

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, except for certain payments from the State of Illinois that are considered available if collected within 180 days. 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.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2012

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

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

Fund Financial Statements (cont.)

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.

Revenues susceptible to accrual include property taxes, income taxes, sales taxes, miscellaneous taxes, public charges for services, 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 As of and for the Year Ended April 30, 2012

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 As of and for the Year Ended April 30, 2012

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.

Illinois Metropolitan Investment Fund (IMET) is a not-for-profit investment trust fund formed pursuant to Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

See Note IV.A. for further information.

2. Receivables

Property taxes for the 2012 levy year attach as an enforceable lien on January 1, 2012, 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, 2012 and are payable in two installments, on or about June 1, 2012 and September 1, 2012. 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 As of and for the Year Ended April 30, 2012

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

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

2. Receivables (cont.)

Waterworks and sewerage fund customer accounts receivable have been shown net of a \$64,800 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 August 1, 2011.

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. \$14,552 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
As of and for the Year Ended April 30, 2012

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 and sick leave pay 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 and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at April 30, 2012 are determined on the basis of current salary rates and include salary related payments.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2012

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.

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.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2012

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

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

10. Equity Classifications (cont.)

Fund Statements

Governmental fund equity is classified as fund balance. In accordance with Governmental Accounting Standards Board Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*, the village classifies governmental fund balance as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances 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. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (ordinance, resolution, motion) of the village. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the village that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following; 1) The village has adopted a financial policy authoring the Village Manager to assign amounts for a specific purpose. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

The village considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the village would first use committed, then assigned, and lastly, unassigned amounts of unrestricted fund balance when expenditures are made.

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

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2012

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

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

10. Equity Classifications (cont.)

Fund Statements (cont.)

The village has a formal minimum fund balance policy. That policy is to maintain a minimum total general fund balance of 25% and an unassigned fund balance level of 15-25% of annual operating expenditures excluding capital improvements. The balances at year end were 19% and 17%, respectively.

See Note IV. G. for further information.

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	\$ 30,500,150
Promissory notes	171,934
Accrued interest	485,248
Compensated absences	749,493
Net pension obligation	2,612,715
Other postemployment benefits	1,411,654
Early retirement incentives	372,000
Unamortized debt issue costs	(315,200)
Unamortized debt premium	82,299
	<hr/>
Combined Adjustment for Long-Term Liabilities	\$ 36,070,293

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2012

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 \$93,980 in carryovers to the subsequent year. Budgets are adopted at the department level of expenditure.

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

Budgeted expenditures in the McNamee Memorial Park Fund (including amendments) were \$49,500. Total expenditures were \$50,894. This results in excess expenditures of \$1,394.

Budgeted expenditures in the General Debt Service fund (including amendments) were \$2,560,463. Total expenditures were \$2,940,305. This results in excess expenditures of \$379,842.

Budgeted expenditures in the Police Pension Fund (including amendments) were \$1,868,700. Total expenditures were \$1,980,419. This results in excess expenditures of \$111,719.

Budgeted expenditures in the Fire Pension fund (including amendments) were \$703,000. Total expenditures were \$748,152. This results in excess expenditures of \$45,152.

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, 2012, the following individual fund held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
McNamee Memorial Park	\$ 37,304	Expenditures exceeding revenues
Special Service Area No. 1	8,337	Expenditures exceeding revenues

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

The McNamee Memorial Park fund deficit is anticipated to be funded by future contributions or general tax revenues.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2012

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	\$ 4,517,765	\$ 4,343,122	Custodial credit
Money market mutual funds	1,219,068	1,219,068	Custodial credit, interest rate
U.S. treasuries	7,286,959	7,286,959	Custodial credit, interest rate
U.S. agencies – implicitly guaranteed	6,006,505	6,006,505	Credit, custodial credit, concentration of credit risk, interest rate
U.S. agencies – explicitly guaranteed	10,366,452	10,366,452	Custodial credit, interest rate
State and local bonds	777,758	777,758	Credit, custodial credit, concentration of credit risk, interest rate
Corporate bonds	570,676	570,676	Credit, custodial credit, concentration of credit risk, interest rate
Stocks	6,605,319	6,605,319	Custodial credit, concentration of credit risk
Mutual funds – stocks	12,016,145	12,016,145	Custodial credit
Illinois funds money market funds	2,218,706	2,218,706	Credit, interest rate
IMET	8,791,780	8,791,780	Credit risk
Petty cash	1,950	-	Not applicable
Total Cash and Investments	\$ 60,379,083	60,202,490	
Reconciliation to financial statements			
Per statement of net assets			
Cash and investments	\$ 18,980,730		
Per statement of net assets – Fiduciary Funds			
Pension trust	41,398,334		
Agency funds	19		
Total Cash and Investments	\$ 60,379,083		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts); \$250,000 for interest-bearing demand deposit accounts; and unlimited amounts for noninterest bearing transaction accounts.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2012

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, 2012, the banks had pledged various government securities in the amount of \$3,691,360 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, 2012, the village's investments were rated as follows:

<u>Investment Type</u>	<u>Standard & Poor's</u>	<u>Moody's</u>
U.S. agencies – implicitly guaranteed	AA+	Aaa
State and local bonds	AA-, A+, BBB	Aaa, Aa2, Aa3, Baa2
Corporate bonds	N/A	A2, A1
Illinois funds money market funds	AAAm	Aaa
IMET	AAA	Aaa

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2012

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, 2012, 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	25.2%
FFCB	U.S. agencies – implicitly guaranteed	10.7%

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, 2012, the village's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)		
		Less than 1	1 – 5	Over 5
U.S. agencies – explicitly guaranteed	\$ 3,820,314	\$ -	\$ 2,084,784	\$ 1,735,530
Money market mutual fund	1,219,068	1,219,068	-	-
Illinois Funds money market funds	2,218,706	2,218,706	-	-
Totals	\$ 7,258,088	\$ 3,437,774	\$ 2,084,784	\$ 1,735,530

As of April 30, 2012, the police pension's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)		
		Less than 1	1 – 5	Over 5
U.S. treasuries	\$ 4,442,817	\$ 611,436	\$ 1,606,168	\$ 2,225,213
Corporate bonds	570,676	131,480	439,196	-
U.S. agencies – implicitly guaranteed	616,460	-	616,460	-
U.S. agencies – explicitly guaranteed	6,338,847	341,867	3,777,163	2,219,817
Totals	\$ 11,968,800	\$ 1,084,783	\$ 6,438,987	\$ 4,445,030

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2012

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

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk (cont.)

As of April 30, 2012, the firefighter's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)		
		Less than 1	1 – 5	Over 5
State and local bonds	\$ 777,758	\$ 178,547	\$ 283,905	\$ 315,306
U.S. treasuries	2,844,142	-	2,294,665	549,477
U.S. agencies – implicitly guaranteed	5,390,045	125,666	2,773,350	2,491,029
U.S. agencies – explicitly guaranteed	207,291	200,264	1,049	5,978
Totals	\$ 9,219,236	\$ 504,477	\$ 5,352,969	\$ 3,361,790

B. RECEIVABLES

All receivables are expected to be collected within one year.

Revenues of the village are reported net of uncollectible amounts. Utility receivables are reported net of an allowance for uncollectible accounts of \$64,800.

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, deferred revenue and unearned revenue consist of \$12,512,738 of unearned property taxes receivable for the subsequent year.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2012

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

C. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2012 was as follows:

	Beginning Balance	Additions	Deletions	Adjustments*	Ending Balance
Governmental Activities					
Capital assets not being depreciated					
Land	\$ 2,727,533	\$ -	\$ -	\$ -	\$ 2,727,533
Right-of-ways	11,776,025	-	-	-	11,776,025
Construction in progress	5,815,205	8,648,721	205,136	-	14,258,790
Total Capital Assets Not Being Depreciated	20,318,763	8,648,721	205,136	-	28,762,348
Capital assets being depreciated					
Buildings and improvements	8,223,485	-	-	-	8,223,485
Vehicles	3,590,269	141,062	466,074	(29,446)	3,235,811
Equipment	2,334,984	38,243	-	-	2,373,227
Roads	37,556,209	-	-	(787,792)	36,768,417
Storm sewers	28,216,752	145,043	-	787,792	29,149,587
Bridges	3,425,670	-	-	-	3,425,670
Retaining walls	52,633	44,785	-	-	97,418
Sidewalks	1,111,858	116,851	-	-	1,228,709
Total Capital Assets Being Depreciated	84,511,860	485,984	466,074	(29,446)	84,502,324
Less: Accumulated depreciation for					
Buildings and improvements	(2,476,564)	(162,320)	-	-	(2,638,884)
Vehicles	(2,789,484)	(258,316)	466,074	29,446	(2,552,280)
Equipment	(992,821)	(117,178)	-	-	(1,109,999)
Roads	(7,321,299)	(735,368)	-	15,755	(8,040,912)
Storm sewers	(4,300,770)	(291,496)	-	(7,879)	(4,600,145)
Bridges	(100,594)	(34,257)	-	-	(134,851)
Retaining walls	(15,789)	(2,766)	-	-	(18,555)
Sidewalks	(122,081)	(24,574)	-	-	(146,655)
Total Accumulated Depreciation	(18,119,402)	(1,626,275)	466,074	37,322	(19,242,281)
Net Capital Assets Being Depreciated	66,392,458	(1,140,291)	-	7,876	65,260,043
Governmental Activities Capital Assets, Net of Depreciation	\$ 86,711,221				\$ 94,022,391

* Adjustments are due to the reclassification between asset categories and the transfer of a fully depreciated asset to the Water and Sewer Utility.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2012

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

C. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 53,970
Public safety	354,734
Public works, which includes the depreciation of roads, storm sewers, bridges, retaining walls and sidewalks	1,213,551
Culture and recreation	<u>4,020</u>
Total Governmental Activities Depreciation Expense	<u>\$ 1,626,275</u>

	Beginning Balance	Additions	Deletions	Adjustments *	Ending Balance
Business-type Activities					
Capital assets not being depreciated					
Land	\$ 1,249,761	\$ -	\$ -	\$ -	\$ 1,249,761
Construction in progress	<u>313,639</u>	<u>585,456</u>	<u>-</u>	<u>-</u>	<u>899,095</u>
Total Capital Assets Not Being Depreciated	<u>1,563,400</u>	<u>585,456</u>	<u>-</u>	<u>-</u>	<u>2,148,856</u>
Capital assets being depreciated					
Water and wastewater treatment equipment	36,027,262	-	-	-	36,027,262
Water distribution and sewer collection	44,413,186	4,473	-	-	44,417,659
Vehicles	1,094,815	-	(120,685)	29,446	1,003,576
Other equipment	<u>925,159</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>925,159</u>
Total Capital Assets Being Depreciated	<u>82,460,422</u>	<u>4,473</u>	<u>(120,685)</u>	<u>29,446</u>	<u>82,373,656</u>
Less: Accumulated depreciation for					
Water and wastewater treatment equipment	(16,210,750)	(1,333,395)	-	-	(17,544,145)
Water distribution and sewer collection	(12,466,449)	(676,617)	-	-	(13,143,066)
Vehicles	(939,376)	(38,513)	120,685	(29,446)	(886,650)
Other equipment	<u>(749,733)</u>	<u>(31,367)</u>	<u>-</u>	<u>-</u>	<u>(781,100)</u>
Total Accumulated Depreciation	<u>(30,366,308)</u>	<u>(2,079,892)</u>	<u>120,685</u>	<u>(29,446)</u>	<u>(32,354,961)</u>
Business-type Capital Assets, Net of Depreciation	<u>\$ 53,657,514</u>				<u>\$ 52,167,551</u>

* Adjustments are due to the transfer of fully depreciated assets from the governmental activities to the Water and Sewer Utility.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2012

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

C. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Business-type Activities

Waterworks	\$ 711,557
Sewerage	<u>1,368,335</u>
 Total Business-type Activities Depreciation Expense	 <u>\$ 2,079,892</u>

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:

Receivable Fund	Payable Fund	Amount
General	McNamee Memorial Park	\$ 35,065
General	Special Service Area No. 1	11,281
Waterworks and Sewerage Utility	General	34,047
Waterworks and Sewerage Utility	Capital Improvement Program	<u>161,781</u>
Subtotal – Fund financial statements		242,174
Less: Government-wide eliminations		<u>(46,346)</u>
Total – Government-Wide Statement of Net Assets		<u>\$ 195,828</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.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2012

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

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

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	\$ 378,844	Share of debt payments
General	Developer Escrow	5,893	Capital projects
Equipment Replacement	General	351,600	Future asset purchase
Capital Improvement			
Projects	Developer Escrow	<u>60,000</u>	Capital projects
Subtotal		<u>796,337</u>	
Less: Fund eliminations		<u>(796,337)</u>	
Total – Government-Wide Statement of Activities		<u>\$ -</u>	

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, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
GOVERNMENTAL ACTIVITIES					
Bonds and Notes Payable					
General obligation debt	\$ 31,948,050	\$ -	\$ 1,447,900	\$ 30,500,150	\$ 1,483,350
Promissory note	229,245	-	57,311	171,934	57,311
Add: Deferred amount for premiums	91,679	-	9,380	82,299	-
Total Bonds and Notes Payable	<u>32,268,974</u>	<u>-</u>	<u>1,514,591</u>	<u>30,754,383</u>	<u>1,540,661</u>
Other Liabilities					
Vested compensated absences	849,851	397,781	498,139	749,493	454,201
Early retirement incentives	498,000	-	126,000	372,000	126,000
Net pension obligation	2,563,661	49,054	-	2,612,715	-
Other postemployment benefits	981,560	430,094	-	1,411,654	-
Total Other Liabilities	<u>4,893,072</u>	<u>876,929</u>	<u>624,139</u>	<u>5,145,862</u>	<u>580,201</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 37,162,046</u>	<u>\$ 876,929</u>	<u>\$ 2,138,730</u>	<u>\$ 35,900,245</u>	<u>\$ 2,120,862</u>

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2012

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

E. LONG-TERM OBLIGATIONS (cont.)

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
BUSINESS-TYPE ACTIVITIES					
Bonds and Notes Payable					
General obligation debt	\$ 7,836,950	\$ -	\$ 422,100	\$ 7,414,850	\$ 436,650
Add: Deferred amount for premiums	74,625	-	5,970	68,655	-
IEPA Loan	12,179,773	-	839,542	11,340,231	860,959
Total Bonds and Notes Payable	<u>20,091,348</u>	<u>-</u>	<u>1,267,612</u>	<u>18,823,736</u>	<u>1,297,609</u>
Other Liabilities					
Vested compensated absences	131,682	103,760	109,372	126,070	100,856
Early retirement incentives	66,000	-	18,000	48,000	18,000
Other postemployment benefits	60,164	-	38,839	21,325	-
Total Other Liabilities	<u>257,846</u>	<u>103,760</u>	<u>166,211</u>	<u>195,395</u>	<u>118,856</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 20,349,194</u>	<u>\$ 103,760</u>	<u>\$ 1,433,823</u>	<u>\$ 19,019,131</u>	<u>\$ 1,416,465</u>

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 4-30-12
2004 Bonds	10/27/04	12/30/15	2.50 – 4.00%	\$ 3,280,000	\$ 1,475,000
2006 Bonds	06/22/06	12/30/26	3.75 – 4.50%	10,000,000	8,205,000
2008 Bonds	09/11/08	12/30/28	3.00 – 4.60%	10,000,000	8,920,000
2010 Build America Bonds	08/09/10	12/30/30	1.12 – 6.35%	20,000,000	<u>19,315,000</u>
Total General Obligation Debt					37,915,000
Less: Business-type activities general obligation debt					<u>(7,414,850)</u>
Total Governmental Activities General Obligation Debt					<u>\$ 30,500,150</u>

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2012

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

E. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

General obligation debt service requirements to maturity are as follows:

<u>Fiscal Years</u>	<u>Governmental Activities General Obligation Debt</u>		<u>Business-type Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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	1,256,450	1,280,191	378,550	247,917
2018 – 2022	6,910,700	5,645,612	2,154,300	986,112
2023 – 2027	8,309,250	3,872,231	2,670,750	469,662
2028 – 2031	8,168,000	1,234,707	462,000	31,408
Totals	\$ 30,500,150	\$ 17,595,247	\$ 7,414,850	\$ 2,895,807

IEPA Loan

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

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Indebted- ness</u>	<u>Balance 4-30-12</u>
IEPA Loan	1/16/04	7/16/23	2.535%	\$ 17,500,000	\$ 11,340,231

IEPA loan debt service requirements to maturity are as follows:

<u>Fiscal Years</u>	<u>Business-type Activities Revenue Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 860,959	\$ 282,053
2014	882,922	260,089
2015	905,446	237,565
2016	928,544	214,467
2017	952,232	190,779
2018 – 2022	5,138,145	576,880
2023 – 2024	1,671,983	42,562
Totals	\$ 11,340,231	\$ 1,804,395

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2012

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

E. LONG-TERM OBLIGATIONS (cont.)

Promissory Notes

Promissory notes at April 30, 2012 consist of the following:

<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Indebtedness</u>	<u>Balance 4-30-12</u>
10/13/09	1/27/15	0%	\$ 343,867	\$ 171,934

Promissory debt service requirements to maturity are as follows:

<u>Fiscal Years</u>	<u>Governmental Activities Promissory Note Principal</u>
2013	\$ 57,311
2014	57,311
2015	<u>57,312</u>
Totals	<u>\$ 171,934</u>

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, 2012, \$1,480,000 of bonds outstanding are considered defeased. The bonds are not callable.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2012

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

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.

G . NET ASSETS/FUND BALANCES

Net assets reported on the government wide statement of net assets at April 30, 2012 includes the following:

Governmental Activities

Invested in capital assets, net of related debt	
Construction in progress	\$ 14,258,790
Land and right-of-ways	14,503,558
Other capital assets, net of accumulated depreciation	65,260,043
Less: Related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(25,106,357)</u>
Total Invested in Capital Assets, Net of Related Debt	<u>\$ 68,916,034</u>
Restricted	
General debt service	\$ 407,649
Motor fuel tax projects	1,305,370
Tax Increment Financing District No. 1	1,384,135
Parks	54,043
Public improvements	909,777
Fire programs	38,248
Police programs	<u>82,527</u>
Total Restricted	<u>\$ 4,181,749</u>
Unrestricted (deficit)	<u>\$ (514,535)</u>

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2012

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

G . NET ASSETS/FUND BALANCES (cont.)

Governmental Activities (cont.)

Governmental fund balances reported on the fund financial statements at April 30, 2012 include the following:

	General	Debt Service	Capital Improvement Projects	Capital Improvement Public Works	Total non-major	Totals
Fund Balance						
Nonspendable						
Prepaid items	\$ 281,293	\$ -	\$ -	\$ -	\$ -	\$ 281,293
Restricted for:						
Police department programs	82,527	-	-	-	-	82,527
Motor Fuel Tax	-	-	-	-	1,305,370	1,305,370
Parks	-	-	-	-	54,043	54,043
Capital projects	-	-	4,284,016	949,118	1,384,135	6,617,269
Public improvements	-	-	-	-	909,777	909,777
Fire purposes	-	-	-	-	38,248	38,248
Debt service	-	892,900	-	-	-	892,900
Assigned to:						
Carryforwards	93,980	-	-	-	-	93,980
Capital projects	-	-	-	-	212,195	212,195
Unassigned (deficit)	4,178,189	-	-	-	(45,641)	4,132,548
Total Fund Balances	\$ 4,635,989	\$ 892,900	\$ 4,284,016	\$ 949,118	\$ 3,858,127	\$ 14,620,150

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2012

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	
Land	\$ 1,249,761
Construction in progress	899,095
Capital assets	82,373,656
Accumulated depreciation	<u>(32,354,961)</u>
Subtotal	<u>52,167,551</u>
Current portion of IEPA loan	(860,959)
Current portion of general obligation bonds	(436,650)
IEPA loan	(10,479,272)
General obligation bonds	(6,978,200)
Unamortized debt discount and issuance costs	78,089
Unamortized debt premium	(68,655)
Restricted construction fund due from municipality	<u>161,781</u>
Subtotal	<u>(18,583,866)</u>
Invested in Capital Assets, Net of Related Debt	<u>\$ 33,583,685</u>
Unrestricted	<u>\$ 4,893,037</u>

H. RESTATEMENT OF FUND BALANCES

Fund balance in the General Fund and the Foreign Fire Tax Fund has been restated due to a change in reporting and an change in the village's revenue recognition policy.

GENERAL FUND

Fund balance – April 30, 2011, as reported	\$ 3,022,075
Add: Change in revenue recognition policy	999,507
Less: Reclassify the Foreign Fire Tax Fund	<u>(29,042)</u>
Fund Balance – May 1, 2012, as restated	<u>\$ 3,992,540</u>

NON-MAJOR FUNDS

Fund balance – April 30, 2011, as reported	\$ 3,479,295
Less: Reclassify the Foreign Fire Tax Fund	<u>29,042</u>
Fund Balance – May 1, 2012, as restated	<u>\$ 3,508,337</u>

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2012

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 2011 was 10.70% 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, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

For the year ended December 31, 2011, the village's annual pension cost of \$572,580 was equal to the village's required and actual contributions. The required contribution was determined as part of the December 31, 2009 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.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2012

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Plan Descriptions (cont.)

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 2011, the village's required contribution rate was 10.70%.

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.

At April 30, 2012, the Police Pension membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	40
Current Employees:	
Vested	41
Non vested	20
	<hr/>
Total	101
	<hr/> <hr/>

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2012

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Plan Descriptions (cont.)

Police Pension (cont.)

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, 2012, the village's contribution was 33.34% of covered payroll. The schedule of funding progress, presented as RSI following the notes to financial statements, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrual liability for benefits.

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. The schedule of funding progress, presented as RSI following the notes to financial statements, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrual liability for benefits.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2012

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Plan Descriptions (cont.)

Firefighters' Pension (cont.)

At April 30, 2012, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	21
Current Employees:	
Vested	12
Non vested	<u>25</u>
Total	<u>58</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, 2012, 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, 2012, the village's contribution was 25.86% 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 As of and for the Year Ended April 30, 2012

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, 2009	April 30, 2012	April 30, 2012
Contribution rates:			
Employer	10.70%	33.34%	25.86%
Employee	4.50%	9.91%	9.46%
Annual required contribution	\$572,580	\$1,668,121	\$721,243
Contributions made	\$572,580	\$1,677,375	\$720,927
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	30 years	30 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
As of and for the Year Ended April 30, 2012

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	114,181	65,275
Adjustment to annual required contribution	(83,646)	(47,818)
Annual pension cost	1,698,656	738,700
Contributions made	1,667,375	720,927
Change in net pension obligation	31,281	17,773
Net pension obligation, beginning of year	1,631,164	932,497
Net Pension Obligation, End of Year	\$ 1,662,445	\$ 950,270

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)	2011	\$ 572,580	2012	\$ 1,698,656	\$ 738,700
	2010	639,390	2010	1,701,002	739,911
	2009	524,853	2008	1,472,264	686,164
Contributions made	2011	\$ 572,580	2012	\$ 1,667,375	\$ 720,927
	2010	639,390	2010	1,671,599	716,781
	2009	524,853	2008	1,204,312	551,676
Percentage of APC contributed	2011	100%	2012	98.2%	97.6%
	2010	100%	2010	98.3%	96.9%
	2009	100%	2008	81.8%	80.4%
Net pension obligation	2011	\$ -	2012	\$ 1,662,445	\$ 950,270
	2010	-	2010	1,631,164	932,497
	2009	-	2008	1,601,761	909,367

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2012

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Plan Descriptions (cont.)

Funded Status and Funding Progress

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

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial valuation date	12/31/09	4/30/11	4/30/11
Actuarial valuation of assets (a)	\$ 9,830,479	\$ 25,317,418	\$ 13,903,949
Actuarial accrued liability (AAL) –			
Entry age (b)	13,379,092	44,435,270	18,200,636
Unfunded AAL (UALL) (b-a)	3,548,613	19,117,852	4,296,687
Funded ratio (a/b)	73.5%	57.0%	76.4%
Covered payroll (c)	5,351,211	5,001,167	2,787,939
UAAL as a percentage of covered payroll ((b-a)/c)	66.3%	382.3%	154.1%

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 As of and for the Year Ended April 30, 2012

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	\$ 172,049	\$ 218,559
Current year claims and changes in estimates	2,193,197	3,334,411
Claim payments	<u>(2,189,788)</u>	<u>(3,380,921)</u>
Unpaid Claims – End of Year	<u>\$ 175,458</u>	<u>\$ 172,049</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 administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). 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
As of and for the Year Ended April 30, 2012

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	41,669
Adjustment to annual required contribution	<u>(34,724)</u>
Annual OPEB cost	528,941
Contributions made	<u>(137,686)</u>
Increase in Net OPEB Obligation	391,255
Net OPEB Obligation – Beginning of Year	<u>1,041,724</u>
Net OPEB Obligation – End of Year	<u><u>\$ 1,432,979</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
4/30/12	\$ 528,941	26.03%	\$ 1,432,979
4/30/11	526,349	26.16%	1,041,724
4/30/10	496,661	19.54%	653,061

The funded status of the plans as of May 1, 2012, from the most recent actuarial valuation date of May 1, 2011, was as follows:

Actuarial accrued liability (AAL)	\$ 4,014,564
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u><u>\$ 4,014,564</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	27.7%

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2012

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 4.00% investment rate of return and an annual healthcare cost trend rate of 8.00% initially, reduced by decrements to an ultimate rate of 6.00% after ten years. Both rates include a 3.00% 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, 2012 is \$420,000 to be paid over three years.

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

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*; Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions - an amendment of GASB Statement No. 53*. Application of these standards may restate portions of these financial statements.

G. SUBSEQUENT EVENT

The utility has implemented new billing rates beginning on August 1, 2012. Water and Sewer rates will increase by 16% and 15% respectively in FY2013 and will continue to increase annually along with sewer rates as part of a comprehensive rate study that was performed in 2011.

The village signed a capital lease agreement on May 17, 2012 in the amount of \$350,000 for the purchase of a fire truck.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF CARPENTERSVILLE

BUDGETARY COMPARISON SCHEDULE GENERAL FUND For the Year Ended April 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 17,509,000	\$ 17,709,000	\$ 18,040,707	\$ 331,707
Intergovernmental	1,922,000	1,922,000	1,678,387	(243,613)
Licenses and permits	1,529,150	1,529,150	1,416,228	(112,922)
Fines, forfeitures and penalties	565,500	565,500	545,393	(20,107)
Public charges for services	1,846,095	1,846,095	1,655,195	(190,900)
Investment income	22,000	22,000	23,261	1,261
Miscellaneous revenues	341,600	341,600	385,545	43,945
Total Revenues	<u>23,735,345</u>	<u>23,935,345</u>	<u>23,744,716</u>	<u>(190,629)</u>
EXPENDITURES				
Current				
General government	2,639,923	2,571,044	2,664,559	(93,515)
Public safety	13,731,921	13,848,467	13,598,478	249,989
Public works	4,761,358	4,797,145	4,868,025	(70,880)
Community development	1,614,023	1,631,345	1,457,576	173,769
Culture and recreation	169,311	169,311	156,419	12,892
Debt Service				
Principal	57,311	57,311	57,311	-
Total Expenditures	<u>22,973,847</u>	<u>23,074,623</u>	<u>22,802,368</u>	<u>272,255</u>
Excess of revenues over expenditures	<u>761,498</u>	<u>860,722</u>	<u>942,348</u>	<u>81,626</u>
OTHER FINANCING SOURCES (USES)				
Sale of village property	-	-	46,808	46,808
Transfers in	-	-	5,893	5,893
Transfers out	(356,000)	(351,600)	(351,600)	-
Total Other Financing Sources (Uses)	<u>(356,000)</u>	<u>(351,600)</u>	<u>(298,899)</u>	<u>52,701</u>
Net change in fund balance	405,498	509,122	643,449	134,327
FUND BALANCE - Beginning of Year (as restated)	<u>3,992,540</u>	<u>3,992,540</u>	<u>3,992,540</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,398,038</u>	<u>\$ 4,501,662</u>	<u>\$ 4,635,989</u>	<u>\$ 134,327</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, 2012

REVENUES	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
TAXES				
Property taxes	\$ 6,774,225	\$ 6,774,225	\$ 6,766,405	\$ (7,820)
Sales and use	6,175,000	6,375,000	6,635,718	260,718
Utility tax	1,452,000	1,452,000	1,445,519	(6,481)
State income tax	2,945,000	2,945,000	3,042,276	97,276
Replacement tax	162,100	162,100	150,576	(11,524)
Interest and penalties on taxes	675	675	213	(462)
TOTALS	<u>17,509,000</u>	<u>17,709,000</u>	<u>18,040,707</u>	<u>331,707</u>
INTERGOVERNMENTAL REVENUES				
State - transportation	807,000	807,000	713,026	(93,974)
State - tobacco enforcement	-	-	2,200	2,200
State - other	15,000	15,000	23,161	8,161
Local - fire services	1,100,000	1,100,000	940,000	(160,000)
TOTALS	<u>1,922,000</u>	<u>1,922,000</u>	<u>1,678,387</u>	<u>(243,613)</u>
LICENSES AND PERMITS				
Business licenses	43,000	43,000	27,965	(15,035)
Liquor licenses	55,000	55,000	50,059	(4,941)
Vending licenses	10,500	10,500	7,110	(3,390)
Rental licenses	95,000	95,000	83,293	(11,707)
Dog and cat licenses	2,800	2,800	2,724	(76)
Vehicle licenses	486,200	486,200	479,616	(6,584)
Cable franchise fees	290,000	290,000	338,749	48,749
Building permits	350,000	350,000	258,069	(91,931)
Electrical permits	55,000	55,000	49,386	(5,614)
Plumbing permits	55,000	55,000	27,319	(27,681)
Occupancy permits	1,000	1,000	-	(1,000)
Zoning permits	10,000	10,000	2,350	(7,650)
Stormwater permits	55,500	55,500	73,403	17,903
Other permits	20,150	20,150	16,185	(3,965)
TOTALS	<u>1,529,150</u>	<u>1,529,150</u>	<u>1,416,228</u>	<u>(112,922)</u>
FINES, FORFEITURES AND PENALTIES				
Local ordinance fines	563,500	563,500	544,008	(19,492)
Business penalties	2,000	2,000	1,385	(615)
TOTALS	<u>565,500</u>	<u>565,500</u>	<u>545,393</u>	<u>(20,107)</u>

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, 2012

REVENUES (cont.)	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
PUBLIC CHARGES FOR SERVICES				
General government	\$ 11,215	\$ 11,215	\$ 9,698	\$ (1,517)
Law enforcement	537,850	537,850	461,875	(75,975)
Fire protection	10,000	10,000	4,830	(5,170)
Ambulance	447,500	447,500	371,373	(76,127)
Public works	31,500	31,500	38,468	6,968
Environmental surcharge	715,000	715,000	719,882	4,882
Reinspection	7,500	7,500	6,275	(1,225)
Weeds	37,000	37,000	17,506	(19,494)
Other conservation and development	48,530	48,530	25,288	(23,242)
TOTALS	<u>1,846,095</u>	<u>1,846,095</u>	<u>1,655,195</u>	<u>(190,900)</u>
INVESTMENT INCOME				
Investment income	<u>22,000</u>	<u>22,000</u>	<u>23,261</u>	<u>1,261</u>
TOTALS	<u>22,000</u>	<u>22,000</u>	<u>23,261</u>	<u>1,261</u>
MISCELLANEOUS REVENUES				
Rent	68,180	68,180	135,332	67,152
Donations	37,670	37,670	23,217	(14,453)
Other	<u>235,750</u>	<u>235,750</u>	<u>226,996</u>	<u>(8,754)</u>
TOTALS	<u>341,600</u>	<u>341,600</u>	<u>385,545</u>	<u>43,945</u>
TOTAL REVENUES	<u>\$ 23,735,345</u>	<u>\$ 23,935,345</u>	<u>\$ 23,744,716</u>	<u>\$ (190,629)</u>

VILLAGE OF CARPENTERSVILLE

DETAILED BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

For the Year Ended April 30, 2012

EXPENDITURES	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
GENERAL GOVERNMENT				
Legislative	\$ 191,641	\$ 191,641	\$ 188,819	\$ 2,822
Administration	994,837	895,184	758,657	136,527
General services	308,798	316,032	322,336	(6,304)
Tax rebates	-	-	316,090	(316,090)
Finance	932,939	956,479	882,196	74,283
Public buildings	211,708	211,708	196,461	15,247
TOTALS	2,639,923	2,571,044	2,664,559	(93,515)
PUBLIC SAFETY				
Police department	8,840,614	8,940,277	8,764,138	176,139
Fire and police commission	9,485	9,485	6,517	2,968
Fire department	4,881,822	4,898,705	4,827,823	70,882
TOTALS	13,731,921	13,848,467	13,598,478	249,989
PUBLIC WORKS				
Streets and related facilities	4,761,358	4,797,145	4,868,025	(70,880)
COMMUNITY DEVELOPMENT				
Planning and zoning	11,277	11,277	7,782	3,495
Community development	1,532,746	1,550,068	1,445,616	104,452
Engineering	70,000	70,000	4,178	65,822
TOTALS	1,614,023	1,631,345	1,457,576	173,769
CULTURE AND RECREATION				
Parks	169,311	169,311	156,419	12,892
DEBT SERVICE				
Principal	57,311	57,311	57,311	-
TOTAL EXPENDITURES	\$22,973,847	\$23,074,623	\$22,802,368	\$ 272,255

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 For the Year Ended April 30, 2012

Calendar Year Ending	Employer Contributions	Annual Required Contribution Cost (ARC)	Percentage of ARC Contributed	Net Pension Obligation
12/31/11	\$ 572,580	\$ 572,580	100.00%	\$ -
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
12/31/11	\$ 9,830,479	\$ 13,370,092	\$ 3,548,613	73.47%	\$5,351,211	66.31%
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	12/31/2009
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 For the Year Ended April 30, 2012

Actuarial Valuation Date	Employer Contributions	Annual Required Contribution Cost (ARC)	Percentage of ARC Contributed	Net Pension Obligation
04/30/11	\$ 1,667,375	\$ 1,668,121	99.96%	\$ (1,662,446)
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
04/30/11	\$25,317,418	\$ 44,435,270	\$ 19,117,852	57.00%	\$5,001,167	382.30%
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	4/30/2011
Actuarial cost method	Entry Age normal
Amortization method	Level percentage of pay, closed
Remaining amortization period	30 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 For the Year Ended April 30, 2012

Actuarial Valuation Date	Employer Contributions	Annual Required Contribution Cost (ARC)	Percentage of ARC Contributed	Net Pension Obligation
04/30/11	\$ 720,927	\$ 721,243	99.96%	\$ (950,270)
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
04/30/11	\$ 13,903,949	\$ 18,200,636	\$ 4,296,687	76.40%	\$2,787,939	154.10%
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	4/30/2011
Actuarial cost method	Entry Age normal
Amortization method	Level percentage of pay, closed
Remaining amortization period	30 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 For the Year Ended April 30, 2012

Actuarial Valuation Date*	Employer Contributions	Annual Required Contribution Cost (ARC)	Percentage of ARC Contributed	Net Pension Obligation
04/30/11	\$ 137,686	\$ 521,996	26.38%	\$ (1,432,979)
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
04/30/11	\$ -	\$ 4,014,564	\$ 4,014,564	-%	\$ 14,476,772	27.70%
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	8.00% initial, 6.00% 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 For the Year Ended April 30, 2012

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
As of April 30, 2012

	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	Foreign Fire Tax Board
ASSETS									
Cash and investments	\$1,305,227	\$ 698	\$ 54,043	\$ 4,327	\$ 1,210	\$ 29,518	\$ 3,243	\$ 1,384,135	\$ 38,248
Property taxes receivable	-	-	-	-	-	-	-	436,378	-
Due from other governments	<u>73,173</u>	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$1,378,400</u>	<u>\$ 698</u>	<u>\$ 54,043</u>	<u>\$ 4,327</u>	<u>\$ 1,210</u>	<u>\$ 29,518</u>	<u>\$ 3,243</u>	<u>\$ 1,820,513</u>	<u>\$ 38,248</u>
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts payable	\$ 73,030	\$ 2,937	\$ -	\$ 1,383	\$ 68	\$ 618	\$ 210	\$ -	\$ -
Deposits	-	-	-	-	-	-	-	-	-
Due to other funds	-	35,065	-	11,281	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-
Deferred revenues	-	-	-	-	-	-	-	436,378	-
Total Liabilities	<u>73,030</u>	<u>38,002</u>	<u>-</u>	<u>12,664</u>	<u>68</u>	<u>618</u>	<u>210</u>	<u>436,378</u>	<u>-</u>
Fund Balances									
Restricted	1,305,370	-	54,043	-	1,142	28,900	3,033	1,384,135	38,248
Assigned	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	(37,304)	-	(8,337)	-	-	-	-	-
Total Fund Balance (Deficit)	<u>1,305,370</u>	<u>(37,304)</u>	<u>54,043</u>	<u>(8,337)</u>	<u>1,142</u>	<u>28,900</u>	<u>3,033</u>	<u>1,384,135</u>	<u>38,248</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$1,378,400</u>	<u>\$ 698</u>	<u>\$ 54,043</u>	<u>\$ 4,327</u>	<u>\$ 1,210</u>	<u>\$ 29,518</u>	<u>\$ 3,243</u>	<u>\$ 1,820,513</u>	<u>\$ 38,248</u>

VILLAGE OF CARPENTERSVILLE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (cont.)
As of April 30, 2012

	Special Revenue		Capital Projects	Total
	Developer Activities	Stormwater Detention	Equipment Replacement	Nonmajor Funds
ASSETS				
Cash and investments	\$ 1,047,907	\$ 273,782	\$ 216,230	\$4,358,568
Property taxes receivable	-	-	-	436,378
Due from other governments	-	-	-	73,173
TOTAL ASSETS	<u>\$ 1,047,907</u>	<u>\$ 273,782</u>	<u>\$ 216,230</u>	<u>\$4,868,119</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 4,035	\$ 82,281
Deposits	384,106	-	-	384,106
Due to other funds	-	-	-	46,346
Due to other governments	60,881	-	-	60,881
Deferred revenues	-	-	-	436,378
Total Liabilities	<u>444,987</u>	<u>-</u>	<u>4,035</u>	<u>1,009,992</u>
Fund Balances				
Restricted	602,920	273,782	-	3,691,573
Assigned	-	-	212,195	212,195
Unassigned (deficit)	-	-	-	(45,641)
Total Fund Balance	<u>602,920</u>	<u>273,782</u>	<u>212,195</u>	<u>3,858,127</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,047,907</u>	<u>\$ 273,782</u>	<u>\$ 216,230</u>	<u>\$4,868,119</u>

VILLAGE OF CARPENTERSVILLE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended April 30, 2012

	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	Foreign Fire Tax Board
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ 14,048	\$ 1,110	\$ 9,240	\$ 4,994	\$ 297,597	\$ 31,272
Intergovernmental	954,427	-	-	-	-	-	-	-	-
Public charges for services	-	-	-	-	-	-	-	-	-
Investment income	441	-	-	-	-	-	-	8,018	10
Miscellaneous income	150,525	10,000	510	-	-	-	-	-	-
Total Revenues	<u>1,105,393</u>	<u>10,000</u>	<u>510</u>	<u>14,048</u>	<u>1,110</u>	<u>9,240</u>	<u>4,994</u>	<u>305,615</u>	<u>31,282</u>
EXPENDITURES									
Current									
Public works	213,920	-	-	11,104	697	6,345	2,961	5,736	-
Public safety	-	-	-	-	-	-	-	-	22,076
Culture and recreation	-	50,894	340	-	-	-	-	-	-
Capital Outlay	597,695	-	-	-	-	-	-	-	-
Total Expenditures	<u>811,615</u>	<u>50,894</u>	<u>340</u>	<u>11,104</u>	<u>697</u>	<u>6,345</u>	<u>2,961</u>	<u>5,736</u>	<u>22,076</u>
Excess (deficiency) of revenues over expenditures	<u>293,778</u>	<u>(40,894)</u>	<u>170</u>	<u>2,944</u>	<u>413</u>	<u>2,895</u>	<u>2,033</u>	<u>299,879</u>	<u>9,206</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(378,844)	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(378,844)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(85,066)	(40,894)	170	2,944	413	2,895	2,033	299,879	9,206
FUND BALANCES (DEFICIT) -									
Beginning of Year (As restated)	<u>1,390,436</u>	<u>3,590</u>	<u>53,873</u>	<u>(11,281)</u>	<u>729</u>	<u>26,005</u>	<u>1,000</u>	<u>1,084,256</u>	<u>29,042</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 1,305,370</u>	<u>\$ (37,304)</u>	<u>\$ 54,043</u>	<u>\$ (8,337)</u>	<u>\$ 1,142</u>	<u>\$ 28,900</u>	<u>\$ 3,033</u>	<u>\$ 1,384,135</u>	<u>\$ 38,248</u>

VILLAGE OF CARPENTERSVILLE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS (cont.)
 For the Year Ended April 30, 2012

	Special Revenue		Capital Projects	Total
	Developer Activities	Stormwater Detention	Equipment Replacement	Nonmajor Funds
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 358,261
Intergovernmental	-	-	-	954,427
Public charges for services	18,000	-	-	18,000
Investment income	-	1,313	510	10,292
Miscellaneous income	-	-	4,000	165,035
Total Revenues	<u>18,000</u>	<u>1,313</u>	<u>4,510</u>	<u>1,506,015</u>
EXPENDITURES				
Current				
Public works	-	-	-	240,763
Public safety	-	-	-	22,076
Culture and recreation	-	-	-	51,234
Capital Outlay	-	2,440	148,880	749,015
Total Expenditures	<u>-</u>	<u>2,440</u>	<u>148,880</u>	<u>1,063,088</u>
Excess (deficiency) of revenues over expenditures	<u>18,000</u>	<u>(1,127)</u>	<u>(144,370)</u>	<u>442,927</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	351,600	351,600
Transfers out	(65,893)	-	-	(444,737)
Total Other Financing Sources (Uses)	<u>(65,893)</u>	<u>-</u>	<u>351,600</u>	<u>(93,137)</u>
Net change in fund balances	(47,893)	(1,127)	207,230	349,790
FUND BALANCES (DEFICIT) -				
Beginning of Year (As restated)	<u>650,813</u>	<u>274,909</u>	<u>4,965</u>	<u>3,508,337</u>
FUND BALANCES - END OF YEAR	<u>\$ 602,920</u>	<u>\$ 273,782</u>	<u>\$ 212,195</u>	<u>\$ 3,858,127</u>

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, 2012

	Actual	Budget
OPERATING REVENUES		
Water user charges	\$ 2,651,337	\$ 2,880,000
Sewer user charges	2,915,913	3,216,000
Water connection fees	63,000	137,500
Sewer connection fees	63,000	187,500
Water availability charge	244,270	324,200
Sewer availability charge	302,067	366,500
Water tower charges	410,969	400,000
Meter sales	7,589	16,000
Services fees and penalties	201,932	202,500
Rental income	95,963	77,379
Miscellaneous	15,969	29,500
Total Operating Revenues	6,972,009	7,837,079
OPERATING EXPENSES		
Water department	2,726,332	2,770,615
Sewer department	2,148,712	2,430,523
Depreciation - Water	711,557	-
Depreciation - Sewer	1,368,335	-
Total Operating Expenses	6,954,936	5,201,138
Operating Income	17,073	2,635,941
NONOPERATING REVENUE (EXPENSES)		
Investment income	6,882	600
Interest charged to construction	14,552	-
Interest expense	(623,739)	(616,241)
Amortization of debt issuance cost and bond premium	(366)	-
State grant	30,000	-
Miscellaneous revenue	290	2,000
Miscellaneous expense	(338)	-
Total Nonoperating Revenue (Expenses)	(572,719)	(613,641)
CHANGE IN NET ASSETS	(555,646)	2,022,300
TOTAL NET ASSETS - Beginning of Year	39,032,368	39,032,368
TOTAL NET ASSETS - END OF YEAR	\$ 38,476,722	\$ 41,054,668

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF EXPENSES - BUDGET TO ACTUAL ENTERPRISE FUND WATERWORKS AND SEWERAGE FUND For the Year Ended April 30, 2012

	Actual	Budget
WATER DEPARTMENT		
Water Facilities		
Personnel services:		
Employee salaries	\$ 483,245	\$ 484,236
Employee overtime	33,542	34,000
FICA/Medicare/IMRF	96,250	95,909
Health insurance	75,169	84,335
Longevity	3,665	3,381
Sick leave incentive	1,503	1,043
Uniform allowance	2,250	2,100
Total Personnel Services	695,624	705,004
Contractual services:		
Dues and publications	384	805
Training and meeting	2,882	3,500
Other service	96,525	40,350
Building grounds	10,905	3,000
Maintenance equipment	26,954	30,000
Vehicles	2,234	3,500
Electric	276,218	306,000
Heating	8,690	13,500
Telephone data	3,913	4,000
Water softener salt	202,202	238,004
Water well	38,204	40,000
Water alarm	620	700
Total Contractual Services	669,731	683,359
Commodities:		
Building	5,584	4,500
Maintenance materials	6,508	5,500
Automotive	4,551	3,000
Tools and equipment	10,849	13,500
Gas and oil	19,006	16,000
Office	1,505	1,500
Operating	13,620	12,000
Meters	317,662	318,000
Chemicals	39,567	46,200
Total Commodities	418,852	420,200
Total Water Facilities	1,784,207	1,808,563

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF EXPENSES - BUDGET TO ACTUAL
 ENTERPRISE FUND
 WATERWORKS AND SEWERAGE FUND (cont.)
 For the Year Ended April 30, 2012

	Actual	Budget
Water Underground		
Personnel services:		
Employee salaries	\$ 277,218	\$ 257,699
Employee overtime	16,014	23,650
FICA/Medicare/IMRF	51,984	52,102
Insurance	52,566	52,994
Longevity	2,080	2,080
Sick leave incentive	500	500
Uniform allowance	1,500	1,400
Total Personnel Services	401,862	390,425
Contractual services:		
Dues and publications	182	250
Printing	-	100
Training and meeting	603	1,000
Other service	35,852	29,500
Building grounds	134	250
Equipment maintenance	27,000	27,000
Office equipment	700	900
Vehicles	16,234	7,500
Telephone data	2,263	1,800
Total Contractual Services	82,968	68,300
Commodities:		
Building	141	200
Street	4,027	8,500
Maintenance materials	10,239	12,500
Automotive	3,594	3,000
Tools and equipment	16,330	36,000
Gas and oil	11,777	13,000
Office	137	200
Operating	1,637	3,500
Pipes and valves	57,882	65,000
Total Commodities	105,764	141,900
Total Water Underground	590,594	600,625

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF EXPENSES - BUDGET TO ACTUAL ENTERPRISE FUND WATERWORKS AND SEWERAGE FUND (cont.) For the Year Ended April 30, 2012

	Actual	Budget
Water Administrative and General		
Personnel services:		
Employee salaries	\$ 110,571	\$ 104,932
FICA/Medicare/IMRF	20,836	19,457
Insurance	19,172	23,750
Longevity	715	710
Sick leave incentive	1,550	375
Other postemployment benefits	(19,649)	3,000
Total Personnel Services	133,195	152,224
Contractual services:		
Accounting services	14,355	7,500
Dues and publications	364	533
Training and meeting	2,452	2,500
Postage and mailing	15,283	13,800
Liability Insurance	49,669	51,250
Office	6,452	4,280
Office equipment	3,833	3,000
Telephone data	929	1,340
Total Contractual Services	93,337	84,203
Administrative and general overhead	125,000	125,000
Total Water Administrative and General	351,531	361,427
TOTAL WATER DEPARTMENT	2,726,332	2,770,615

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF EXPENSES - BUDGET TO ACTUAL
 ENTERPRISE FUND
 WATERWORKS AND SEWERAGE FUND (cont.)
 For the Year Ended April 30, 2012

	Actual	Budget
SEWER DEPARTMENT		
Sewer Facilities		
Personnel services:		
Employee salaries	\$ 443,287	\$ 465,331
Employee overtime	29,996	30,000
FICA/Medicare/IMRF	91,782	91,538
Other post employment benefits	-	12,000
Health insurance	100,208	109,018
Longevity	2,777	2,541
Sick leave incentive	1,498	1,043
Uniform allowance	2,250	2,100
Total Personnel Services	671,798	713,571
Contractual services:		
Dues and publications	100	200
Printing	325	400
Training and meeting	1,018	3,000
Other service	21,495	22,000
Building grounds	4,988	3,000
Maintenance equipment	88,395	140,000
Vehicles	2,141	3,000
Electric	312,289	299,000
Heating	7,041	14,000
Telephone data	5,495	6,000
Sludge disposal	96,758	120,000
Testing	4,999	8,000
Total Contractual Services	545,044	618,600
Commodities:		
Building	4,036	3,000
Maintenance materials	27,195	12,000
Lift station	6,026	8,000
Automotive	1,023	1,000
Tools and equipment	12,470	18,000
Gas and oil	7,772	7,500
Office	1,152	1,200
Operating	7,755	8,000
Chemicals	40,720	53,000
Total Commodities	108,149	111,700
Total Sewer Facilities	1,324,991	1,443,871

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF EXPENSES - BUDGET TO ACTUAL ENTERPRISE FUND WATERWORKS AND SEWERAGE FUND (cont.) For the Year Ended April 30, 2012

	Actual	Budget
Sewer Underground		
Personnel services:		
Employee salaries	\$ 282,895	\$ 257,699
Employee overtime	17,383	23,650
FICA/Medicare/IMRF	52,540	52,102
Health insurance	52,066	52,994
Longevity	2,080	2,080
Sick leave incentive	500	500
Uniform allowance	1,500	1,400
Total Personnel Services	408,964	390,425
Contractual services:		
Dues and publications	228	250
Printing	-	100
Training and meeting	170	1,000
Other service	4,130	9,500
Building grounds	120	250
Office equipment	499	900
Vehicles	6,931	7,500
Telephone data	2,273	1,700
Total Contractual Services	14,351	21,200
Commodities:		
Building	168	200
Street	4,984	8,500
Maintenance materials	12,093	12,500
Sanitary maintenance	7,496	8,000
Automotive	3,231	3,000
Tools and equipment	2,852	144,700
Gas and oil	11,777	13,000
Office equipment	427	200
Operating	2,652	3,500
Total Commodities	45,680	193,600
Capital outlay - miscellaneous capital	3,195	20,000
Total Sewer Underground	472,190	625,225

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF EXPENSES - BUDGET TO ACTUAL
 ENTERPRISE FUND
 WATERWORKS AND SEWERAGE FUND (cont.)
 For the Year Ended April 30, 2012

	Actual	Budget
Sewer Administrative and General		
Personnel services:		
Employee salaries	\$ 110,571	\$ 104,932
FICA/Medicare/IMRF	20,836	19,458
Insurance	19,172	23,750
Longevity	715	710
Sick leave incentive	1,550	375
Other postemployment benefits	(19,649)	3,000
Total Personnel Services	133,195	152,225
Contractual services:		
Accounting services	14,355	7,500
Dues and publications	364	533
Training and meeting	2,452	2,500
Postage and mailing	15,283	13,800
Liability Insurance	49,669	51,250
Office	6,452	4,280
Office equipment	3,833	3,000
Telephone data	929	1,340
Total Contractual Services	93,337	84,203
Administrative and general overhead	125,000	125,000
Total Sewer Administrative and General	351,531	361,428
TOTAL SEWER DEPARTMENT	2,148,712	2,430,523
TOTAL OPERATING EXPENSES, EXCLUDING AMORTIZATION AND DEPRECIATION	\$ 4,875,044	\$ 5,201,138

VILLAGE OF CARPENTERSVILLE

COMBINING SCHEDULE OF FIDUCIARY NET ASSETS PENSION TRUST FUNDS As of April 30, 2012

	Pension Trust Funds		Total Pension Trust Funds
	Police Pension Trust	Firefighters' Pension Trust	
ASSETS			
Cash and investments			
Deposits	\$ 14,325	\$ 21,284	\$ 35,609
Money markets	1,232,715	320,510	1,553,225
U.S. treasuries	4,442,817	2,844,142	7,286,959
U.S. agencies - implicit	616,460	5,390,045	6,006,505
U.S. agencies - explicit	6,338,847	207,291	6,546,138
Stock	6,605,319	-	6,605,319
State and local bonds	-	777,758	777,758
Corporate bonds	570,676	-	570,676
Mutual funds	6,661,888	5,354,257	12,016,145
Accrued interest	96,764	89,183	185,947
Due from other taxing units	-	1,128	1,128
Prepaid items	17,564	500	18,064
Total Assets	<u>26,597,375</u>	<u>15,006,098</u>	<u>41,603,473</u>
LIABILITIES			
Accounts payable	<u>7,024</u>	<u>7,578</u>	<u>14,602</u>
Total Liabilities	<u>7,024</u>	<u>7,578</u>	<u>14,602</u>
NET ASSETS			
Held in trust for pension benefits	<u>\$ 26,590,351</u>	<u>\$ 14,998,520</u>	<u>\$ 41,588,871</u>

VILLAGE OF CARPENTERSVILLE

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET ASSETS PENSION TRUST FUNDS For the Year Ended April 30, 2012

	<u>Police Pension Trust</u>	<u>Firefighters' Pension Trust</u>	<u>Total</u>
ADDITIONS			
Contributions			
Employer	\$ 1,748,130	\$ 755,748	\$ 2,503,878
Participants	505,840	275,182	781,022
Total Contributions	<u>2,253,970</u>	<u>1,030,930</u>	<u>3,284,900</u>
Net Investment Income			
Investment income	999,382	811,794	1,811,176
Less: Investment expense	<u>(126,437)</u>	<u>(43,116)</u>	<u>(169,553)</u>
Net Investment Income	<u>872,945</u>	<u>768,678</u>	<u>1,641,623</u>
Total Additions	<u>3,126,915</u>	<u>1,799,608</u>	<u>4,926,523</u>
DEDUCTIONS			
Benefits and refunds	1,824,252	686,635	2,510,887
Other contractual	<u>29,730</u>	<u>18,401</u>	<u>48,131</u>
Total Deductions	<u>1,853,982</u>	<u>705,036</u>	<u>2,559,018</u>
CHANGE IN NET ASSETS	1,272,933	1,094,572	2,367,505
NET ASSETS - Beginning of Year	<u>25,317,418</u>	<u>13,903,948</u>	<u>39,221,366</u>
NET ASSETS - END OF YEAR	<u>\$ 26,590,351</u>	<u>\$ 14,998,520</u>	<u>\$ 41,588,871</u>

VILLAGE OF CARPENTERSVILLE

COMBINING SCHEDULE OF FIDUCIARY NET ASSETS AGENCY FUNDS As of April 30, 2012

	Agency Funds		Total Agency Funds
	Special Service Areas No. 10 & 11	Special Service Area No. 18	
ASSETS			
Cash	\$ 19	\$ -	\$ 19
Amounts due from others	13,961	6,132	20,093
 TOTAL ASSETS	 \$ 13,980	 \$ 6,132	 \$ 20,112
 LIABILITIES			
Accounts payable	\$ 13,980	\$ 6,132	\$ 20,112
 TOTAL LIABILITIES	 \$ 13,980	 \$ 6,132	 \$ 20,112

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF GENERAL OBLIGATION LONG-TERM DEBT PRINCIPAL PAYMENTS April 30, 2012

Year	Totals	2010 G.O. Bonds	2008 G.O. Bonds	2006 G.O. Bonds	2004 G.O. Refunding Bonds
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	\$ 37,915,000	\$ 19,315,000	\$ 8,920,000	\$ 8,205,000	\$ 1,475,000

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF GENERAL OBLIGATION LONG-TERM DEBT INTEREST PAYMENTS
April 30, 2012

Year	Totals	2010 G.O. Bonds	2008 G.O. Bonds	2006 G.O. Bonds	2004 G.O. Refunding Bonds
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	121,919	121,919	-	-	-
TOTALS	\$ 20,491,054	\$ 13,343,217	\$ 3,803,312	\$ 3,218,325	\$ 126,200

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF INSURANCE IN FORCE

April 30, 2012

Name of Agency	Type of Coverage	Policy Limits
Safety National	Workers' Compensation	\$ 1,000,000
Illinois Union	Liability	\$ 1,000,000
Traveler's	Crime	\$ 5,000,000
Hartford	Property	\$ 86,293,538
Illinois Union	Auto Physical Damage	\$ 1,000,000
Torus National & Evanston	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
2012	\$ 20,522,991	\$ 1,416,228	\$ 3,447,292	\$ 1,774,945	\$ 545,393	\$ 227,365	\$ 876,128	\$ 28,810,342
2011	19,252,124	1,411,820	3,024,388	2,354,945	507,610	364,379	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
2012	\$ 2,664,634	\$ 13,620,554	\$ 5,108,788	\$ 207,653	\$ 1,457,576	\$ 10,189,531	\$ 2,997,616	\$ 36,246,352
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

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, 2012

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

	2011	2010	2009	2008
Assessed valuation	<u>\$ 556,470,750</u>	<u>\$ 644,432,194</u>	<u>\$ 702,698,756</u>	<u>\$ 727,105,524</u>
Tax rates*:				
General	1.2733	1.0186	0.9341	0.9111
Liability Insurance	-	-	-	-
Illinois Municipal	-	-	-	-
Retirement Fund	-	-	-	-
Police protection	-	-	-	-
Bond and interest	0.3275	0.2823	0.1758	0.0880
Police pension	0.2756	0.2718	0.2374	0.2315
Fire pension	0.0816	0.1175	0.1026	0.1001
Fire protection	-	-	-	-
TOTALS	<u>1.9580</u>	<u>1.6902</u>	<u>1.4500</u>	<u>1.3307</u>
Tax extensions:				
General	7,085,651	6,564,225	6,564,225	6,564,225
Liability Insurance	-	-	-	-
Illinois Municipal	-	-	-	-
Retirement Fund	-	-	-	-
Police protection	-	-	-	-
Bond and interest	1,822,590	1,819,164	1,235,294	634,173
Police pension	1,533,426	1,751,527	1,668,121	1,668,121
Fire pension	453,980	757,305	721,243	721,243
Fire protection	-	-	-	-
TOTALS	<u>\$ 10,895,647</u>	<u>\$ 10,892,221</u>	<u>\$ 10,188,883</u>	<u>\$ 9,587,762</u>
Township road and bridge	<u>\$ 202,707</u>	<u>\$ 216,918</u>	<u>\$ 212,369</u>	<u>\$ 210,118</u>
Collections		<u>\$ 10,887,417</u>	<u>\$ 10,196,703</u>	<u>\$ 9,547,779</u>
Percentage of extensions collected		<u>99.96%</u>	<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>\$ 684,585,356</u>	<u>\$ 649,170,432</u>	<u>\$ 599,930,235</u>	<u>\$ 558,876,762</u>	<u>\$ 488,672,267</u>
0.9677	0.9813	1.0131	0.9173	0.9049
-	-	-	-	-
-	-	-	-	-
0.0556	0.0699	0.0353	0.0275	0.0634
0.2104	0.1853	0.1920	0.1848	0.1884
0.0975	0.0848	0.0959	0.0825	0.0846
-	-	-	-	-
<u>1.3313</u>	<u>1.3213</u>	<u>1.3364</u>	<u>1.2121</u>	<u>1.2413</u>
6,624,980	6,370,500	6,077,941	5,079,763	4,421,995
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
380,532	453,485	211,957	152,288	309,818
1,440,623	1,203,088	1,151,770	1,023,279	920,658
667,787	550,817	575,516	457,043	413,417
-	-	-	-	-
<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>\$ 204,687</u>	<u>\$ 218,621</u>	<u>\$ 211,786</u>	<u>\$ 194,877</u>	<u>\$ 194,877</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>99.87%</u>	<u>100.00%</u>	<u>102.02%</u>	<u>105.09%</u>	<u>102.43%</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
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	775,561	547,955	1,323,516	32,157,444	3.81%
2012	1,505,211	1,492,405	2,997,616	36,246,352	8.27%

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

Data Source

Village of Carpentersville Annual Financial Statements 2003-2012

VILLAGE OF CARPENTERSVILLE

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

Tax Levy Year	<u>2002</u>	<u>2003</u>
Tax rates*		
School District 300 residents:		
Kane County	\$ 0.3740	\$ 0.3029
Kane County IMRF	0.0552	0.0549
Kane County FICA	-	-
Kane Forest Preserve	0.1354	0.1232
Kane Forest Preserve IMRF	0.0041	0.0038
Kane Forest Preserve FICA	-	-
Dundee Township	0.1904	0.1803
Dundee Township Road Funds	0.0871	0.0797
Dundee Township IMRF	0.0016	0.0028
Dundee Township FICA	-	-
Carpentersville Village	1.2799	1.2413
Carpentersville IMRF	-	-
Carpentersville Police Pension	-	-
Carpentersville Fire	-	-
Carpentersville Fire FICA	-	-
Carpentersville Fire Pension	-	-
School District 300	4.1295	3.8656
School District 300 Pension	-	-
Elgin Community College 509	0.3636	0.3854
Elgin Community College Pension	-	-
Dundee Park District	0.3615	0.3560
Dundee Park District IMRF	0.0413	0.0427
Dundee Park District FICA	-	-
Dundee Library	0.1482	0.1393
Dundee Library IMRF	0.0126	0.0109
Dundee Library FICA	-	-
Total tax rate - District 300	<u>\$ 7.1844</u>	<u>\$ 6.7888</u>
Village's share of total tax rate	<u>17.81%</u>	<u>18.28%</u>
School District 220 residents -		
Harper College 512	-	-
Harper College 512 Pension	-	-
Barrington School District	3.8011	3.1616
Barrington School District Pension	-	-
	<u>\$ 3.8011</u>	<u>\$ 3.1616</u>
Total tax rate - District 220	<u>\$ 6.8278</u>	<u>\$ 5.9664</u>
Village's share of total tax rate	<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	2011
\$	0.3467	\$ 0.3367	\$ 0.2847	\$ 0.2750	\$ 0.3336	\$ 0.3398	\$ 0.3730	\$ 0.3990
	0.0382	-	0.0605	0.0571	-	-	-	-
	-	-	-	-	-	-	-	-
	0.1432	0.1905	0.1714	0.1942	0.1932	0.1997	0.2201	0.2609
	-	-	0.0033	0.0032	-	-	-	-
	-	-	-	-	-	-	-	-
	0.1705	0.1608	0.1292	0.1440	0.1415	0.1498	0.1688	0.1854
	0.0770	0.0730	0.0692	0.0665	0.0673	0.0695	0.0774	0.0838
	0.0017	-	0.0015	0.0014	-	-	-	-
	-	-	-	-	-	-	-	-
	1.2121	1.3367	1.0519	1.0239	1.3316	1.4517	1.6930	1.9613
	-	-	0.2702	0.3080	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	3.6923	4.0289	3.8308	3.7645	3.8603	3.9687	4.4615	4.7987
	-	-	0.1480	0.1028	-	-	-	-
	0.4154	0.4011	0.3345	0.3230	0.3275	0.3833	0.4407	0.4454
	-	-	0.0053	0.0051	-	-	-	-
	0.4341	0.4049	0.3474	0.3400	0.3648	0.3747	0.4251	0.4553
	0.0195	-	0.0424	0.0316	-	-	-	-
	-	-	-	-	-	-	-	-
	0.1416	0.1361	0.1245	0.1195	0.1273	0.1306	0.1456	0.1582
	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>\$ 8.7479</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>	<u>22.42%</u>
	-	-	0.2944	0.2755	0.2684	0.3059	0.3156	0.4304
	-	-	0.0044	0.0047	-	-	-	-
	3.6083	3.9660	3.0571	3.0810	3.0401	3.1090	3.4050	5.0248
	-	-	-	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>\$ 5.4552</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>\$ 8.9591</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>	<u>22.42%</u>