

VILLAGE OF CARPENTERSVILLE

Carpentersville, Illinois

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended April 30, 2013

VILLAGE OF CARPENTERSVILLE

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INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of Carpentersville
Carpentersville, Illinois

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the Village of Carpentersville's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village of Carpentersville's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Village of Carpentersville's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Village Board
Village of Carpentersville

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Carpentersville, Illinois, as of April 30, 2013 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I, the Village of Carpentersville adopted the provisions of GASB Statement No. 63, *Financial Reporting for Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective January 1, 2012. Our opinion is not modified with respect to this matter.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of employer contributions and 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, economic, 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.

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 is presented for purposes of additional analysis and is 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 basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and debt and insurance schedules as listed in the table of contents is fairly stated in all material respects, in relation to the basic financial statements as a whole.

To the Village Board
Village of Carpentersville

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 section 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 the 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 Vuchaw Krause LLP

Chicago, Illinois
October 2, 2013

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

APRIL 30, 2013

As management of the Village of Carpentersville, we offer readers of the Village of Carpentersville's financial statements this narrative overview and analysis of the financial activities of the Village of Carpentersville for the fiscal year ended April 30, 2013. We encourage readers to consider the information presented here in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the Village of Carpentersville exceeded its liabilities by \$110,784,082 (*net position*). Of this amount, \$6,919,121 is considered unrestricted net position, which may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's total net position decreased by \$264,888. Governmental activities net position increased by \$82,481, while business-type net position decreased by \$347,369.
- On April 30, 2013, the Village's governmental funds reported combined fund balances of \$14,022,389, a decrease of \$597,761 in comparison with the prior year. Approximately 33% of this amount (\$4,576,074) is available for spending at the Village's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$5,040,125, or approximately 20% of the general fund's expenditures.

OVERVIEW OF THE 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 three parts: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to private-sector business.

The *statement of net position* presents financial information on all of the Village of Carpentersville's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The *statement of activities* presents information showing how the Village of Carpentersville's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the challenge occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation time).

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

APRIL 30, 2013

Both the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities reflect the Village's basic services, including police, fire, public works, community development, culture/recreation and general government. The business-type activities of the Village include a Water and Sewer operation.

The government-wide financial statements can be found on pages 1-2 of this report.

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 compliance with finance-related legal requirements. 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.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Village maintains sixteen (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.

The basic governmental fund financial statements can be found on pages 3-4 of this report.

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.

The basic proprietary fund financial statements can be found on pages 6-8 of this report.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

APRIL 30, 2013

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.

The fiduciary fund financial statements can be found on pages 11-12 of this report.

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. The notes to the financial statements can be found on pages 14-52 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information. The general fund and each major special revenue fund's budgetary comparison schedule and information concerning the Village's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on page 53-61 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund statements and schedules can be found on pages 62-77 of this report.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

An analysis of the Village's financial position begins with a review of the Statement of Net position and the Statement of Revenues, Expenses and Changes in Net position. These two statements report the Village's net position 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.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

APRIL 30, 2013

Government-wide Statements

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Carpentersville, assets exceeded liabilities by \$110,784,082 as of April 30, 2013. A summary of the Village's Statement of Net position is presented below in Table 1.

Table 1: Condensed Statements of Net position

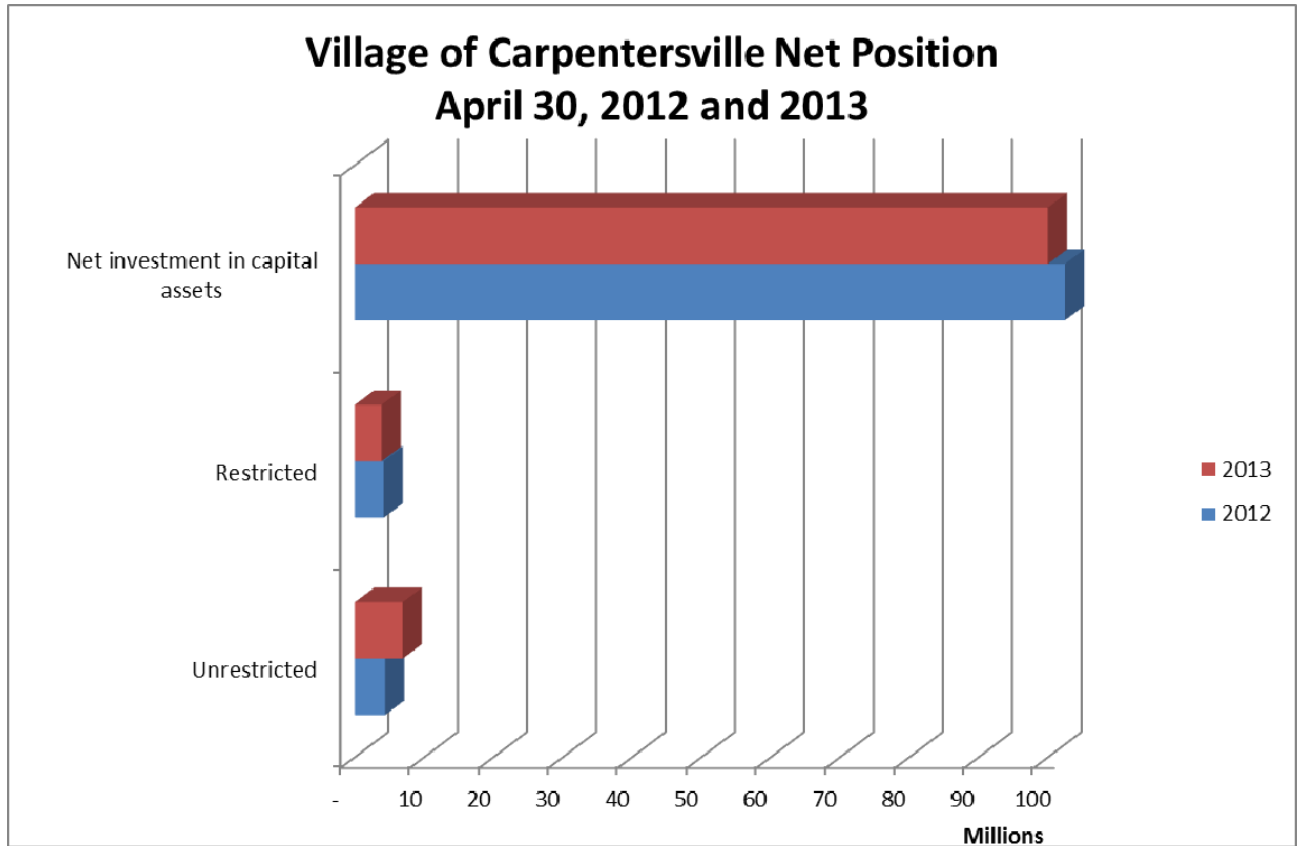
	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Assets						
Current assets	29,448,464	29,877,494	7,617,787	7,214,230	37,066,251	37,091,724
Capital assets	94,776,220	94,022,391	50,186,807	52,167,551	144,963,027	146,189,942
Total Assets	124,224,684	123,899,885	57,804,594	59,381,781	182,029,278	183,281,666
Liabilities						
Current liabilities	15,606,626	17,548,254	1,911,269	1,885,928	17,517,895	19,434,182
Long-term liabilities	35,963,329	33,779,383	17,763,972	19,019,131	53,727,301	52,798,514
Total Liabilities	51,569,955	51,327,637	19,675,241	20,905,059	71,245,196	72,232,696
Net Position						
Net investment in capital assets	67,264,235	68,905,034	32,738,403	33,583,685	100,002,638	102,488,719
Restricted	3,862,323	4,181,749	-	-	3,862,323	4,181,749
Unrestricted	1,528,171	(514,535)	5,390,950	4,893,037	6,919,121	4,378,502
Total Net Position	\$72,654,729	\$72,572,248	\$38,129,353	\$38,476,722	\$110,784,082	\$111,048,970

The largest portion of the Village's net position (90.3%) 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 position (3.5%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (6.2%) 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 position of governmental and business-type activities. The same situation held true for the prior fiscal year.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2013



The Village's overall net position decreased \$(264,888) from the prior fiscal year. The reasons for the overall decrease are discussed in the following sections for governmental activities and business-type activities.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

APRIL 30, 2013

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

Table 2: Condensed Statement of Activities

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Revenues						
Program Revenues						
Charges for services	4,615,566	4,020,707	7,776,607	6,972,009	12,392,173	10,992,716
Operating grants and contributions	584,260	540,523	-	-	584,260	540,523
Capital grants and contributions	1,786,938	2,532,024	266,496	30,000	2,053,434	2,562,024
General Revenues						
Property taxes	11,540,085	8,926,796	-	-	11,540,085	8,926,796
Sales and use tax	6,587,215	7,172,770	-	-	6,587,215	7,172,770
Income tax	3,396,732	2,494,821	-	-	3,396,732	2,494,821
Utility tax	1,466,585	1,445,519	-	-	1,466,585	1,445,519
Other taxes	402,736	472,682	-	-	402,736	472,682
Investment income	44,093	205,844	14,177	6,882	58,270	212,726
Other/miscellaneous	549,688	567,758	6,129	14,476	555,817	582,234
Total Revenues	30,973,898	28,379,444	8,063,409	7,023,367	39,037,307	35,402,811
Expenses						
General government	2,281,909	2,722,030	-	-	2,281,909	2,722,030
Public safety	17,077,983	14,157,163	-	-	17,077,983	14,157,163
Public works	8,215,225	7,656,046	-	-	8,215,225	7,656,046
Community development	1,818,908	1,443,759	-	-	1,818,908	1,443,759
Culture and recreation	136,440	211,356	-	-	136,440	211,356
Waterworks and sewerage	-	-	8,310,778	7,579,013	8,310,778	7,579,013
Interest and fiscal charges	1,460,952	1,493,384	-	-	1,460,952	1,493,384
Total Expenses	30,991,417	27,683,738	8,310,778	7,579,013	39,302,195	35,262,751
Increase (Decrease) in Net Assets						
Before Transfers	(17,519)	695,706	(247,369)	(555,646)	(264,888)	140,060
Transfers	100,000	-	(100,000)	-	-	-
Change in Net Assets	82,481	695,706	(347,369)	(555,646)	(264,888)	140,060
Beginning Net Assets	72,572,248	71,876,542	38,476,722	39,032,368	111,048,970	110,908,910
Ending Net Assets	\$72,654,729	\$72,572,248	\$38,129,353	\$38,476,722	\$110,784,082	\$111,048,970

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

APRIL 30, 2013

Governmental Activities

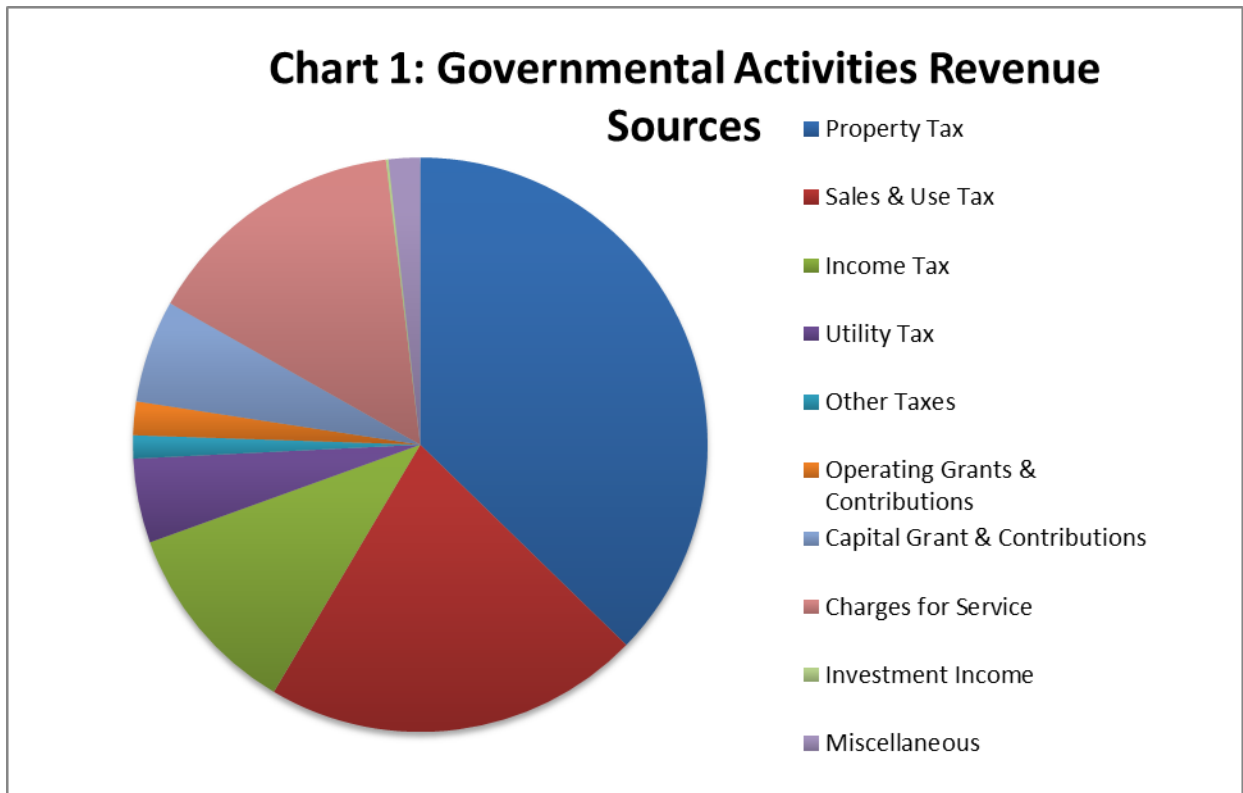
During the current fiscal year, net position for governmental activities increased \$82,481 from the prior fiscal year for an ending balance of \$72,654,729.

Current Year Impacts

- ◆ The Village completed work on the Public Works Facility and the Village Hall Reutilization Project.
- ◆ A Village accounting change recorded the fire and police property tax levies as revenues and expenditures in the General Fund, which resulted in property taxes increasing 29.3% from the prior year.
- ◆ Sales and Use taxes were down 8.2% from the prior year.
- ◆ Income taxes increased 36.2% over the prior year.
- ◆ Historically low interest rates continue to generate low investment income.

Revenues

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



For the fiscal year ended April 30, 2013, revenues from governmental activities totaled \$30,973,898. Property taxes totaled \$11,540,085 representing 37% of total governmental funds' revenue. Sales and use taxes account for 21% of revenue and local utility tax combined with state income tax represents 16% of total governmental activity revenue.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)

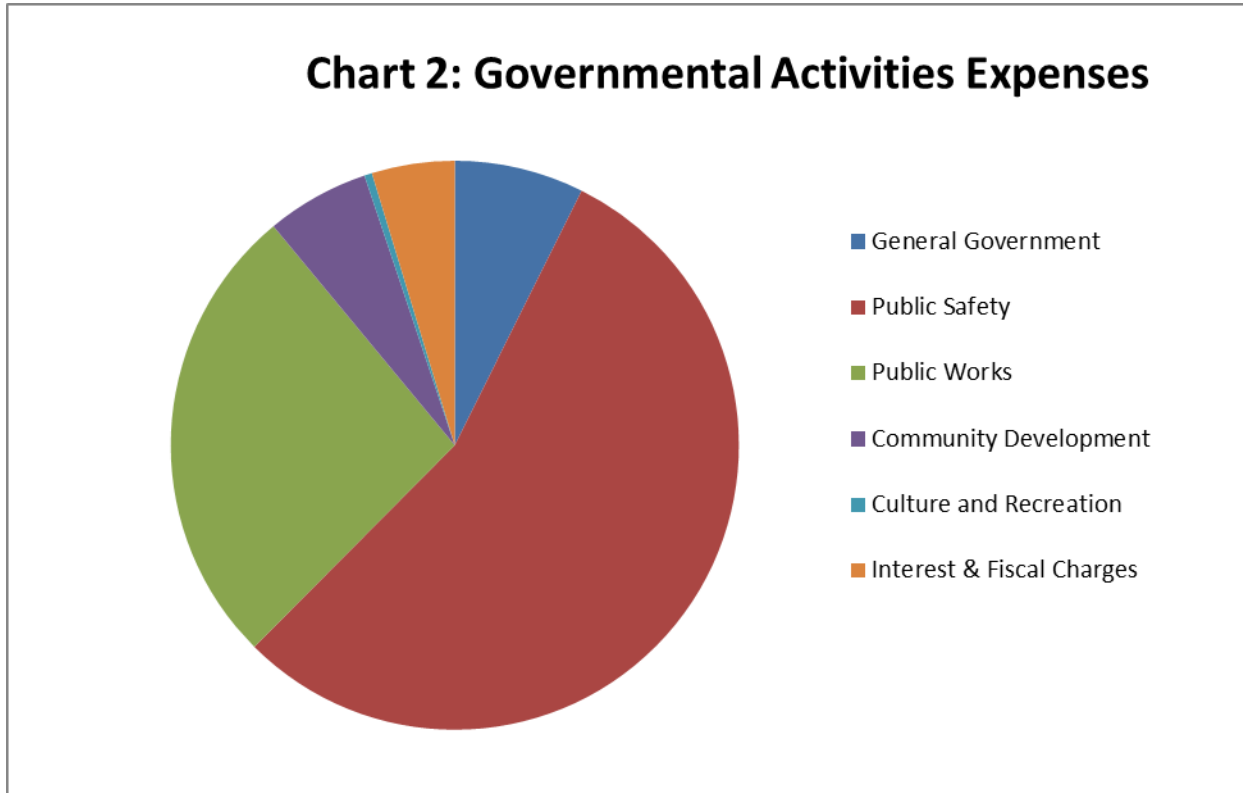
APRIL 30, 2013

Property tax revenues increased from \$8,926,796 in fiscal year 2012 to \$11,540,085 in fiscal year 2013, an increase of \$2,613,289 or 29.3%. The Village experienced a 10.93% decrease in its rate setting equalized assessed valuation (EAV) from \$556,470,750 in tax year 2012 to \$495,669,797 in tax year 2013. The increased tax levy represents an accounting change that records fire and police pension levies as revenues and expenditures in the General Fund.

<u>Levy Year</u>	<u>Rate Setting EAV in Kane County</u>
2011	\$ 556,470,750
2012	\$ 495,669,797
Decrease	\$ 60,801,000
% Decrease	10.93%

Expenses

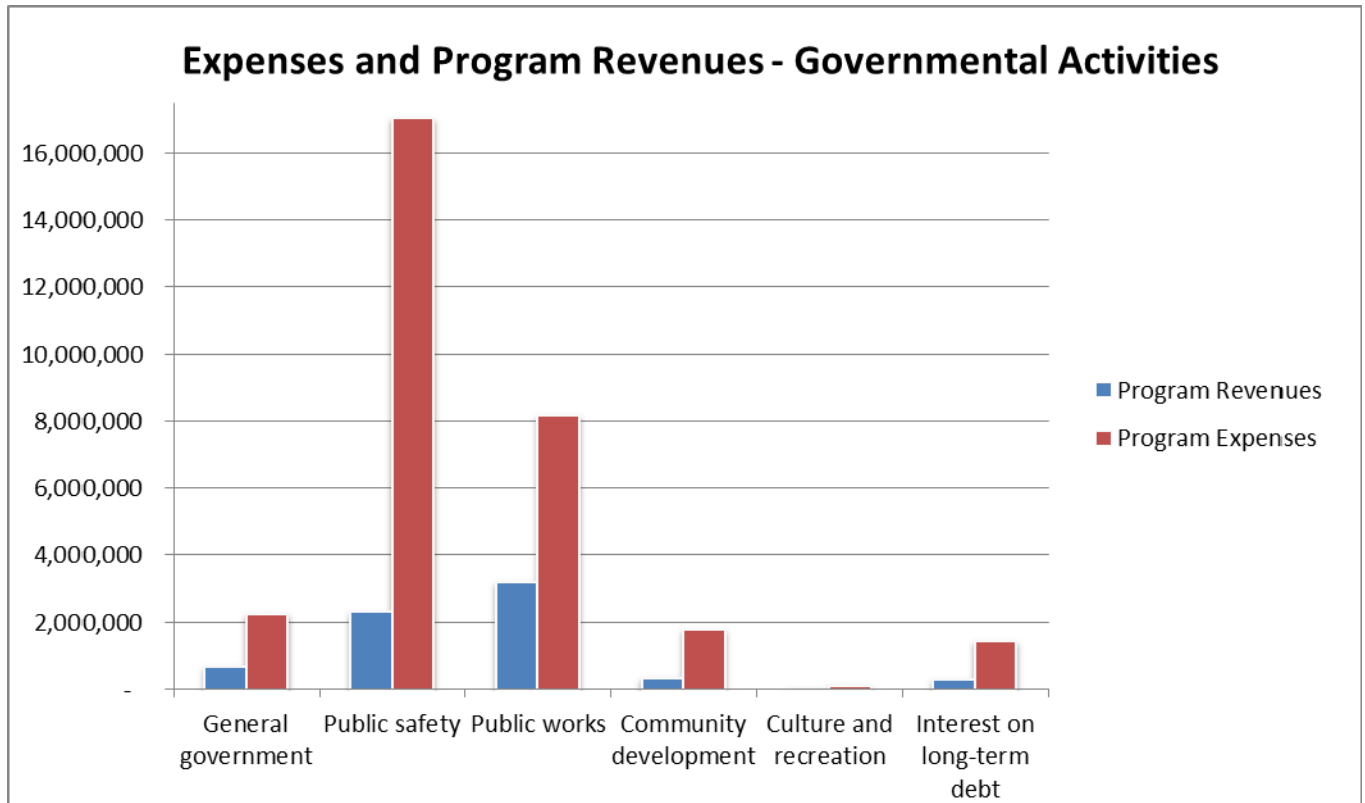
An analysis of the Village’s governmental activities expenses by category is presented below in Chart 2.



For the fiscal year ended April 30, 2013 expenses from governmental activities totaled \$30,991,417. Public Safety and Public Works services account for 55% and 27% of all governmental activities expenses, respectively.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

APRIL 30, 2013



Business-Type Activities

During the current fiscal year, net position for business-type activities decreased \$347,369 from the prior fiscal year for an ending balance of \$38,129,353. This is an improvement of \$208,277 over the prior year's decrease in net position. The Village expects the decrease in net position in fiscal year 2014 to continue to shrink. One measure for making this happen is an increase in water/sewer rates during the fiscal year.

Current Year Impacts

- ◆ Operating expenses, including depreciation of \$2.2 million, were less than operating revenues by \$112,102.
- ◆ Used all remaining 2010 bond proceeds to continue upgrade and replacement of water and sewer infrastructure according to the Capital Improvement Plan.
- ◆ The Utility recognized \$215,032 in developer contributed assets (infrastructure) in FY 2013.
- ◆ Continued long-term meter replacement program, which is now approximately 67% complete.
- ◆ Water and sewer sales failed to meet budget expectations by \$417,097.
- ◆ Expenses relating to operation of water and wastewater departments came in over budget by \$356,898.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

APRIL 30, 2013

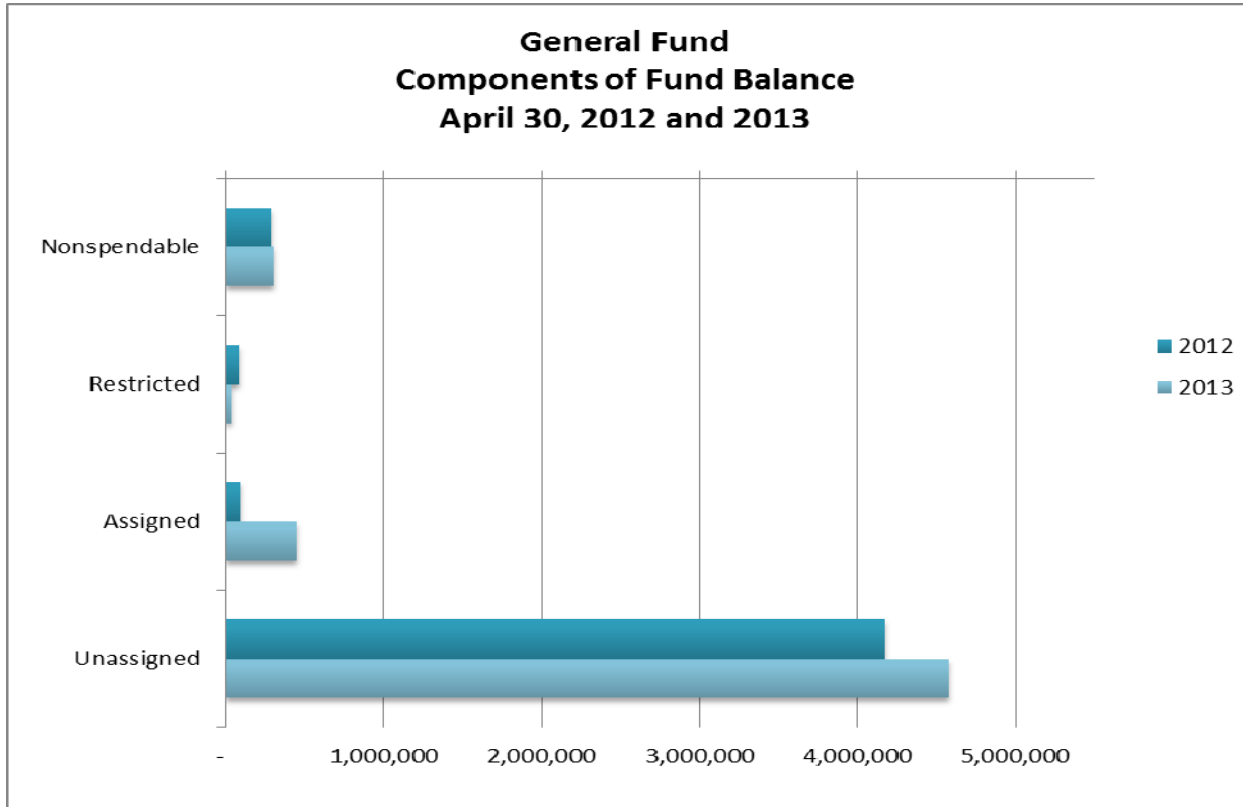
Financial Analysis of the Village Funds

As noted earlier, the Village of Carpentersville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Village's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Village of Carpentersville itself, or a group or individual that has been delegated authority to assign resources for use of particular purposes by the Village's Board.

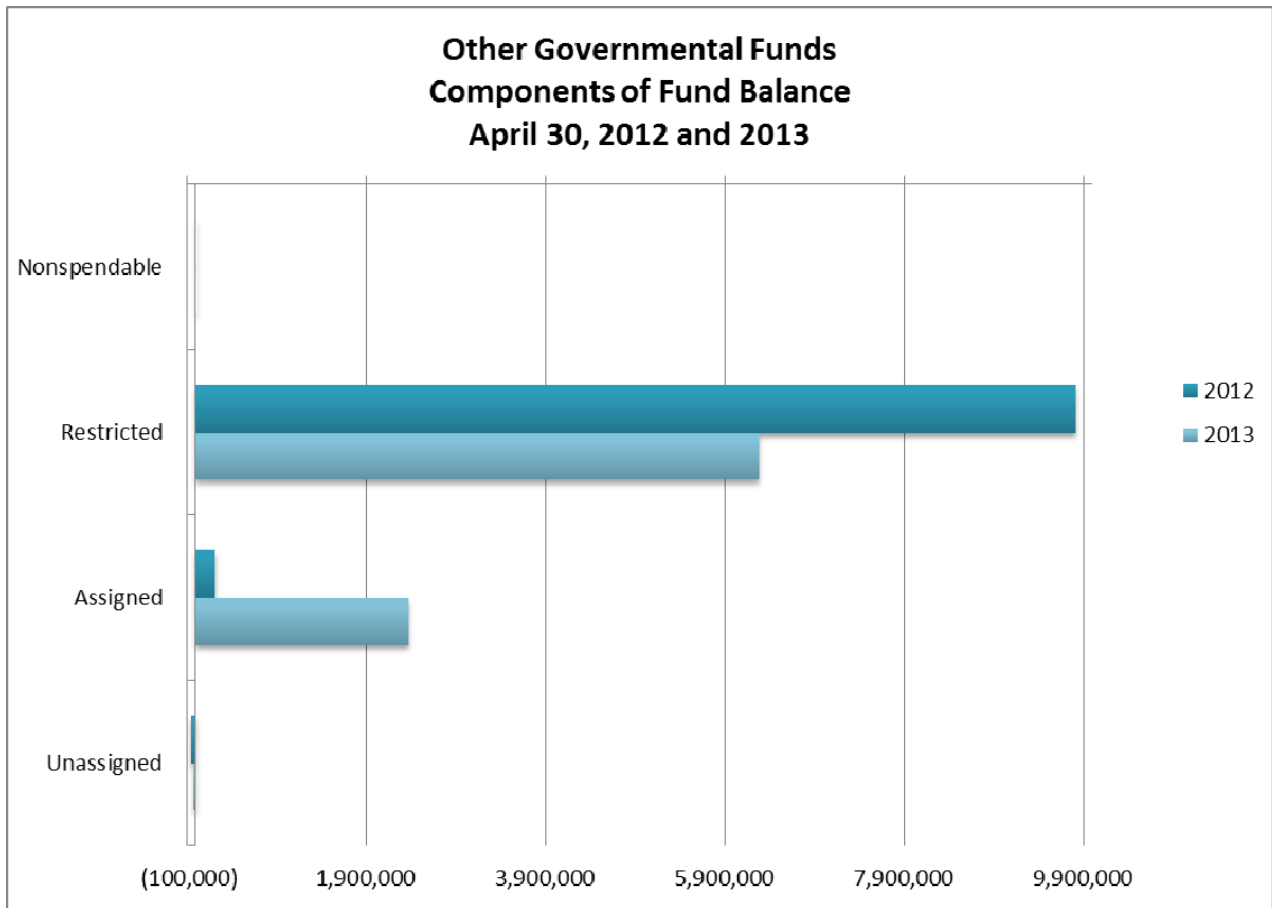
At April 30, 2013, the governmental funds reported a combined fund balance of \$14,022,389, which is a 4% decrease from the beginning of the year of \$14,620,150. Approximately 33% of this amount (\$4,576,074) constitutes *unassigned fund balance*, which is available for spending at the Village's discretion. The remainder of the fund balance is either *nonspendable*, *restricted*, or *assigned* to indicate that it is 1) not in spendable form (\$299,982), 2) legally required to be maintained intact (\$6,322,307), 3) assigned for particular purposes (\$2,284,026).



VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)

APRIL 30, 2013

The general fund is the Village’s primary operating fund and the largest source of day-to-day service delivery. At the end of the current fiscal year, unassigned fund balance of the general fund was \$4,594,252, while total fund balance increased to \$5,373,054. The total fund balance in the general fund increased from \$4,635,989 in fiscal year 2012 to \$5,373,054 or 15.9% in fiscal year 2013. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 18% of total general fund expenditures, while total fund balance represents approximately 21% of that same amount.



The capital projects funds, each a major fund, had a decrease of \$968,063 (Capital Improvement Projects Fund) and \$523,003 (Capital Improvements Public Works Fund) during the current fiscal year. The large decreases in fund balance were caused mainly by the spending of resources obtained through the issuance of long-term debt in the prior period on capital acquisition and construction in the current period. That is, the fund balance that resulted from the previous long-term debt issuance was spent down during the current period as the related capital projects progressed.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

APRIL 30, 2013

The capital improvement project fund, a major governmental fund, was established when the Village sold bonds in June 2006. The Village issued a \$10,000,000 bond in September 2008. The bond proceeds were spent on street improvements and water and sewer infrastructure upgrades, repair and replacement. The projects were determined by the Village's engineering and public works departments. In August 2010, 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.

The debt service fund had a decrease in fund balance during the current year of \$89,851 to bring the year end fund balance to \$803,049. The decrease represents less property taxes and impound fees collected than budgeted.

Proprietary Funds

The Village of Carpentersville's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Waterworks and Sewerage Fund was \$5,390,950. At April 30, 2013 the proprietary funds' total net position decreased by \$347,369, or 0.9%, from \$38,476,722 in 2012 to \$38,129,353 in 2013. The decrease is due to water and sewer user and connection fees not meeting budgeted revenues, repairs to infrastructure, and depreciation.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year, there were 2 amendments to increase the original budgeted appropriations. The amendments were to carryover certain appropriations from the fiscal year 2012 that were not spent until fiscal year 2013 and to cover excess expenditures over appropriations at fiscal year-end for fiscal year 2013. There was also a need to make amendments to reallocate appropriations among departments when it became clearer which departments would actually be charged for certain costs. Generally, the movement of the appropriations between departments was *not* significant.

Fund budget compared to actual results. The most significant differences between estimated revenues were as follows:

Revenue Source	Estimated Revenues	Actual Revenue	Difference
Taxes	\$18,153,566	\$20,819,396	\$2,665,830
Intergovernmental	1,727,200	1,571,278	(155,922)
Licenses and permits	1,368,250	1,506,600	138,350
Fines, forfeitures, and penalties	663,000	416,421	(246,579)
Public charges for services	1,791,800	1,922,472	130,672

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
APRIL 30, 2013

The windfall in taxes was mainly caused by pension property taxes of \$1,987,406 being shown as revenues and expenditures in the general fund to show the Village's contribution to the pension funds. Historically, this had only been shown as revenue in the fiduciary funds. The decrease in intergovernmental revenues is due to a reduction of revenues remitted to the Village by the Fire Protection District of \$155,000. The reduction in fines, forfeitures, and penalties is a result of less tickets being issued by the Police Department.

It has also been noted that general construction activity seems to be picking up due to several permit categories receiving more in revenues than budgeted. Building, electrical, plumbing, zoning, and stormwater permits were \$92,779 more than budgeted in the current fiscal year. In addition, in the current year there were 2,992 permits issued compared to 2,677 in the prior year.

The most significant differences between estimated expenditures were as follows:

Expenditure Type	Estimated Expenditures	Actual Expenditures	Difference
General government	\$2,793,865	\$3,052,728	\$(258,863)
Public safety	15,929,188	15,523,152	406,036

Approximately half of the overage in general government relates to an accounting change in the treatment of tax rebates that was not budgeted for during the year. The Village netted tax rebates in prior years instead of recording them as expenditures. The majority of the cost savings in public safety relates to changes in the Police Department's scheduling that created savings in salaries and overtime.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

APRIL 30, 2013

Capital Assets and Debt Administration

Capital assets. The Village's investment in capital assets for its governmental and business-type activities as of April 30, 2013 amounts to \$144,963,027. 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 decrease of capital assets (including additions, developer contributions, and retirements) of \$1,226,915.

Table 3: Capital Assets

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Land	2,727,533	2,727,533	1,249,761	1,249,761	3,977,294	3,977,294
Right of ways	11,807,500	11,776,025	-	-	11,807,500	11,776,025
Construction in Progress	2,665,219	14,258,790	652,634	899,095	3,317,853	15,157,885
Buildings	21,245,510	8,223,485	35,841,311	36,027,262	57,086,821	44,250,747
Vehicles	3,599,230	3,235,811	982,123	1,003,576	4,581,353	4,239,387
Equipment	2,720,154	2,373,227	676,551	925,159	3,396,705	3,298,386
Infrastructure	70,860,164	70,669,801	-	-	70,860,164	70,669,801
Water distribution system	-	-	44,908,374	44,417,659	44,908,374	44,417,659
Total Capital Assets	115,625,310	113,264,672	84,310,754	84,522,512	199,936,064	197,787,184
Less: Accumulated depreciation	(20,849,090)	(19,242,281)	(34,123,947)	(32,354,961)	(54,973,037)	(51,597,242)
Net Capital Assets	94,776,220	94,022,391	50,186,807	52,167,551	144,963,027	146,189,942

Major capital asset events during the current fiscal year included the following:

- ◆ Completion of the Public Works Building.
- ◆ Redesign of Village Hall workspaces, including moving the Finance, Police, and Human Resources departments.
- ◆ The purchase of various vehicles and equipment for a cost of \$934,121.
- ◆ The establishment of a new fixed asset policy
- ◆ The removal of over 150 Enterprise Assets no longer held by the Village

Additional information on the Village's capital assets can be found in Note IV. C on pages 32-34 of this report.

Long-term Debt. The Village currently has four outstanding general obligation bond series and one Illinois EPA loan outstanding. Total general obligation debt is \$35,995,000, of which \$29,016,800 is attributed to governmental activities and \$6,978,200 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 \$10,479,272 and is a liability of the Utility fund.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

APRIL 30, 2013

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.

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
General obligation bonds	29,016,800	30,500,150	6,978,200	7,414,850	35,995,000	37,915,000
IEPA loan	-	-	10,479,272	11,340,231	10,479,272	11,340,231
Promissory note	114,623	171,934	-	-	114,623	171,934
Capital leases	292,772	-	-	-	292,772	-
Vested compensated absences	893,921	749,493	190,681	126,070	1,084,602	875,563
Early retirement incentives	246,000	372,000	30,000	48,000	276,000	420,000
Net pension obligation	3,794,888	2,612,715	-	-	3,794,888	2,612,715
Other postemployment benefits	1,531,406	1,411,654	23,134	21,325	1,554,540	1,432,979
Total	35,890,410	35,817,946	17,701,287	18,950,476	53,591,697	54,768,422

Additional information on the Village's long-term debt can be found in the Note IV.F on pages 35-39 of this report.

Economic factors and next year's budget

The following economic factors currently affect the Village of Carpentersville and were considered in developing the 2013-2014 fiscal year budget.

- The unemployment rate for the Village of Carpentersville is currently 13.1%, which is an increase from the rate of 11.0% a year ago because of the current recession. While the unemployment rate is likely to decrease, it is not expected to reach the pre-recession level for a number of years.
- A 15% increase in water rates and a 6% increase in sewer rates beginning on August 1, 2013 in an effort to cover operating expenditures in the Enterprise Funds.
- A property tax rate increase of 4.26% to fund increases in recurring expenditure obligations.
- On the expenditure side, increases are expected in health insurance premiums, as well as pension and other employee benefit costs.
- The Village of Carpentersville continues to be self-insured for losses from errors and omissions, liability, and workers' compensation.
- Contract settlements with all of the Village of Carpentersville's unions.
- The reconstruction of Maple Avenue and numerous other capital improvement projects are scheduled for fiscal year 2013-2014.

The Village of Carpentersville has appropriated \$392,521 for spending in the 2013-2014 fiscal year budget. This action was taken as an additional measure to mitigate the impact of the recession on the 2013-2014 fiscal year budget.

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 POSITION As of April 30, 2013

	Governmental Activities	Business- type Activities	Totals
ASSETS			
Cash and investments	\$ 12,853,660	\$ 6,504,578	\$ 19,358,238
Receivables			
Taxes			
Property	13,094,809	-	13,094,809
Sales	1,433,394	-	1,433,394
Utility	319,932	-	319,932
Motor fuel	67,025	-	67,025
Income	687,121	-	687,121
Other	226,471	-	226,471
Accounts	172,727	984,082	1,156,809
Accrued interest	41	110	151
Prepaid items	299,982	57,264	357,246
Other assets	293,302	71,753	365,055
Capital Assets			
Capital assets not being depreciated	17,200,252	1,902,395	19,102,647
Capital assets, net of depreciation	<u>77,575,968</u>	<u>48,284,412</u>	<u>125,860,380</u>
Total Assets	<u>124,224,684</u>	<u>57,804,594</u>	<u>182,029,278</u>
LIABILITIES			
Accounts payable and accrued expenses	1,737,580	479,137	2,216,717
Deposits and customer advances	537,051	1,405,121	1,942,172
Due to other governments	215,095	-	215,095
Unearned revenues	13,116,900	27,011	13,143,911
Long-Term Liabilities			
Due within one year	2,419,795	1,510,067	3,929,862
Due in more than one year	<u>33,543,534</u>	<u>16,253,905</u>	<u>49,797,439</u>
Total Liabilities	<u>51,569,955</u>	<u>19,675,241</u>	<u>71,245,196</u>
NET POSITION			
Net investment in capital assets	67,264,235	32,738,403	100,002,638
Restricted	3,862,323	-	3,862,323
Unrestricted	<u>1,528,171</u>	<u>5,390,950</u>	<u>6,919,121</u>
TOTAL NET POSITION	<u>\$ 72,654,729</u>	<u>\$ 38,129,353</u>	<u>\$ 110,784,082</u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE

STATEMENT OF ACTIVITIES
For the Year Ended April 30, 2013

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating	Capital	Governmental Activities	Business-type Activities	Totals
			Grants and Contributions	Grants and Contributions			
Governmental Activities							
General government	\$ 2,281,909	\$ 697,551	\$ -	\$ -	\$ (1,584,358)	\$ -	\$ (1,584,358)
Public safety	17,077,983	2,299,566	41,839	-	(14,736,578)	-	(14,736,578)
Public works	8,215,225	1,256,200	186,265	1,786,938	(4,985,822)	-	(4,985,822)
Community development	1,818,908	362,249	-	-	(1,456,659)	-	(1,456,659)
Culture and recreation	136,440	-	33,293	-	(103,147)	-	(103,147)
Interest and fiscal charges	1,460,952	-	322,863	-	(1,138,089)	-	(1,138,089)
Total Governmental Activities	<u>30,991,417</u>	<u>4,615,566</u>	<u>584,260</u>	<u>1,786,938</u>	<u>(24,004,653)</u>	<u>-</u>	<u>(24,004,653)</u>
Business-type Activities							
Waterworks and sewerage	8,310,778	7,776,607	-	266,496	-	(267,675)	(267,675)
Total Business-type Activities	<u>8,310,778</u>	<u>7,776,607</u>	<u>-</u>	<u>266,496</u>	<u>-</u>	<u>(267,675)</u>	<u>(267,675)</u>
Totals	<u>\$ 39,302,195</u>	<u>\$ 12,392,173</u>	<u>\$ 584,260</u>	<u>\$ 2,053,434</u>	<u>(24,004,653)</u>	<u>(267,675)</u>	<u>(24,272,328)</u>
General Revenues							
Taxes							
Property					11,540,085	-	11,540,085
Sales and use					6,587,215	-	6,587,215
Income					3,396,732	-	3,396,732
Utility					1,466,585	-	1,466,585
Other					402,736	-	402,736
Investment income					44,093	14,177	58,270
Miscellaneous					549,688	6,129	555,817
Total General Revenues					<u>23,987,134</u>	<u>20,306</u>	<u>24,007,440</u>
Transfers					100,000	(100,000)	-
Change in Net Position					82,481	(347,369)	(264,888)
NET POSITION - Beginning of Year					<u>72,572,248</u>	<u>38,476,722</u>	<u>111,048,970</u>
NET POSITION - END OF YEAR					<u>\$ 72,654,729</u>	<u>\$ 38,129,353</u>	<u>\$110,784,082</u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE

BALANCE SHEET
GOVERNMENTAL FUNDS
As of April 30, 2013

	<u>General</u>	<u>Debt Service</u>	<u>Capital Improvement Projects</u>	<u>Capital Improvements Public Works</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and investments	\$ 3,621,168	\$ 800,842	\$ 3,346,345	\$ 432,657	\$ 4,652,648	\$ 12,853,660
Receivables						
Taxes						
Property	10,642,002	1,873,260	-	-	579,547	13,094,809
Sales	1,433,394	-	-	-	-	1,433,394
Utility	319,932	-	-	-	-	319,932
Motor fuel	-	2,207	-	-	64,818	67,025
Income	687,121	-	-	-	-	687,121
Other	174,433	-	-	-	52,038	226,471
Accounts	172,727	-	-	-	-	172,727
Accrued interest	41	-	-	-	-	41
Due from other funds	2,840	-	-	-	13,075	15,915
Prepaid items	299,982	-	-	-	-	299,982
TOTAL ASSETS	<u>\$ 17,353,640</u>	<u>\$ 2,676,309</u>	<u>\$ 3,346,345</u>	<u>\$ 432,657</u>	<u>\$ 5,362,126</u>	<u>\$ 29,171,077</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 614,280	\$ -	\$ 30,412	\$ 6,542	\$ 63,224	\$ 714,458
Accrued liabilities	154,016	-	-	-	-	154,016
Claims payable	395,253	-	-	-	-	395,253
Deposits	152,944	-	-	-	384,107	537,051
Due to other funds	-	-	-	-	15,915	15,915
Due to other governments	-	-	-	-	215,095	215,095
Deferred revenues	10,664,093	1,873,260	-	-	579,547	13,116,900
Total Liabilities	<u>11,980,586</u>	<u>1,873,260</u>	<u>30,412</u>	<u>6,542</u>	<u>1,257,888</u>	<u>15,148,688</u>
Fund Balances						
Nonspendable	299,982	-	-	-	-	299,982
Restricted	32,947	803,049	1,841,133	143,996	3,501,182	6,322,307
Assigned	445,873	-	1,474,800	282,119	621,234	2,824,026
Unassigned (deficit)	4,594,252	-	-	-	(18,178)	4,576,074
Total Fund Balances	<u>5,373,054</u>	<u>803,049</u>	<u>3,315,933</u>	<u>426,115</u>	<u>4,104,238</u>	<u>14,022,389</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 17,353,640</u>	<u>\$ 2,676,309</u>	<u>\$ 3,346,345</u>	<u>\$ 432,657</u>	<u>\$ 5,362,126</u>	

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

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.	94,776,220
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. (See Note II.A.)	<u>(36,143,880)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 72,654,729

VILLAGE OF CARPENTERSVILLE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For the Year Ended April 30, 2013

	General	Debt Service	Capital Improvement Projects	Capital Improvements Public Works	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 20,819,396	\$ 2,074,524	\$ -	\$ -	\$ 499,433	\$ 23,393,353
Intergovernmental	1,571,278	322,863	140,009	25,441	1,002,574	3,062,165
Licenses and permits	1,506,600	-	-	-	-	1,506,600
Fines, forfeitures and penalties	416,421	-	-	-	-	416,421
Public charges for services	1,922,472	75,000	-	-	140,769	2,138,241
Investment income	30,245	-	5,578	2,021	6,249	44,093
Miscellaneous revenues	189,918	-	-	-	219,320	409,238
Total Revenues	<u>26,456,330</u>	<u>2,472,387</u>	<u>145,587</u>	<u>27,462</u>	<u>1,868,345</u>	<u>30,970,111</u>
EXPENDITURES						
Current						
General government	3,052,728	-	200	-	15,338	3,068,266
Public safety	15,523,152	-	-	-	35,065	15,558,217
Public works	5,132,668	-	-	-	361,349	5,494,017
Community development	1,316,542	-	-	-	500,000	1,816,542
Culture and recreation	133,046	-	-	-	32	133,078
Capital Outlay	-	-	1,467,470	550,465	875,887	2,893,822
Debt Service						
Principal retirement	57,311	1,483,350	-	-	57,228	1,597,889
Interest and fiscal charges	-	1,457,151	-	-	2,677	1,459,828
Total Expenditures	<u>25,215,447</u>	<u>2,940,501</u>	<u>1,467,670</u>	<u>550,465</u>	<u>1,847,576</u>	<u>32,021,659</u>
Excess (deficiency) of revenues over expenditures	<u>1,240,883</u>	<u>(468,114)</u>	<u>(1,322,083)</u>	<u>(523,003)</u>	<u>20,769</u>	<u>(1,051,548)</u>
OTHER FINANCING SOURCES (USES)						
Sale of village property	3,787	-	-	-	-	3,787
Capital lease issued	-	-	-	-	350,000	350,000
Transfers in	-	378,263	354,000	-	607,605	1,339,868
Transfers out	(507,605)	-	-	-	(732,263)	(1,239,868)
Total Other Financing Sources (Uses)	<u>(503,818)</u>	<u>378,263</u>	<u>354,000</u>	<u>-</u>	<u>225,342</u>	<u>453,787</u>
Net Change in Fund Balances	737,065	(89,851)	(968,083)	(523,003)	246,111	(597,761)
FUND BALANCES - Beginning 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>
FUND BALANCES - END OF YEAR	<u>\$ 5,373,054</u>	<u>\$ 803,049</u>	<u>\$ 3,315,933</u>	<u>\$ 426,115</u>	<u>\$ 4,104,238</u>	<u>\$ 14,022,389</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, 2013

Net change in fund balances - total governmental funds	\$ (597,761)
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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 position 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	2,893,822
Some items reported as capital outlay are not capitalized	(309,409)
Depreciation reported in the government-wide statements	(1,830,584)

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

Capital lease issued	(350,000)
Capital lease payments	57,228
Principal payments	1,540,661

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	(144,428)
Net pension obligation	(1,182,173)
Other postemployment benefits	(119,752)
Early retirement incentives	126,000
Accrued interest on debt	11,395

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 82,481</u>
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VILLAGE OF CARPENTERSVILLE

STATEMENT OF NET POSITION
ENTERPRISE FUND
WATERWORKS AND SEWERAGE FUND
As of April 30, 2013

ASSETS

Current Assets

Cash and investments	\$ 6,504,578
Customer accounts receivable, net	973,453
Miscellaneous accounts receivable	10,629
Accrued interest	110
Prepaid items	<u>57,264</u>
Total Current Assets	<u>7,546,034</u>

Noncurrent Assets

Unamortized debt issuance cost	71,753
Utility Plant	
Plant in service	83,658,120
Construction in progress	652,634
Less: Accumulated depreciation	<u>(34,123,947)</u>
Net Utility Plant	<u>50,186,807</u>
Total Noncurrent Assets	<u>50,258,560</u>

Total Assets	<u>57,804,594</u>
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LIABILITIES

Current Liabilities

Accounts payable	\$	195,278
Accrued liabilities		63,326
Deferred revenue		27,011
Compensated absences		152,545
Deposits		541,035
Current portion of IEPA loan		882,922
Current portion of general obligation bonds		456,600
Current portion of early retirement incentives		18,000
Other current liabilities		44,018
Accrued interest		<u>176,515</u>
Total Current Liabilities		<u>2,557,250</u>

Noncurrent Liabilities

IEPA loan		9,596,350
General obligation bonds		6,521,600
Unamortized bond premium		62,685
Compensated absences		38,136
Early retirement incentives		12,000
Other post employment benefits obligation		23,134
Customer advance		<u>864,086</u>
Total Noncurrent Liabilities		<u>17,117,991</u>

Total Liabilities		<u>19,675,241</u>
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NET POSITION

Net investment in capital assets		32,738,403
Unrestricted		<u>5,390,950</u>

TOTAL NET POSITION	\$	<u>38,129,353</u>
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VILLAGE OF CARPENTERSVILLE

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
ENTERPRISE FUND
WATERWORKS AND SEWERAGE FUND
For the Year Ended April 30, 2013

OPERATING REVENUE

Water user charges	\$ 3,089,430
Sewer user charges	3,286,731
Water connection fees	142,310
Sewer connection fees	144,422
Water availability charges	306,666
Sewer availability charges	315,325
Water tower charges	159,084
Meter sales	12,722
Services fees and penalties	199,495
Rental income	84,196
Fire hydrant user charges	30,636
Miscellaneous	5,590
Total Operating Revenue	<u>7,776,607</u>

OPERATING EXPENSES

Water department	3,193,009
Sewer department	2,249,857
Depreciation - Water	844,670
Depreciation - Sewer	1,376,969
Total Operating Expenses	<u>7,664,505</u>

Operating Income 112,102

NONOPERATING REVENUES (EXPENSES)

Investment income	14,177
Interest charged to construction	5,356
Interest expense	(586,905)
Amortization of debt issuance cost and bond premium	(366)
State grant	51,464
Loss on retirement of fixed assets	(58,665)
Miscellaneous income	773
Fiscal agent fees	(337)
Total Nonoperating Revenues (Expenses)	<u>(574,503)</u>

Loss Before Capital Contributions and Transfers (462,401)

TRANSFER TO CAPITAL PROJECT FUND (100,000)
CAPITAL CONTRIBUTIONS 215,032

CHANGE IN NET POSITION (347,369)

NET POSITION - Beginning of Year 38,476,722

NET POSITION - END OF YEAR \$ 38,129,353

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, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 7,786,976
Cash paid to suppliers for goods and services	(3,578,527)
Cash payments to employees for services	(1,923,403)
Customer's deposits	<u>21,026</u>
Net Cash Flows from Operating Activities	<u>2,306,072</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Transfer from General Fund	<u>(100,000)</u>
Net Cash Flows from Noncapital Financing Activities	<u>(100,000)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Debt retired	(1,297,609)
Interest paid	(598,823)
Acquisition and construction of capital assets	(80,159)
Debt proceeds transferred from construction fund	161,781
Customer advances	<u>145,043</u>
Net Cash Flows from Capital and Related Financing Activities	<u>(1,669,767)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income	<u>14,067</u>
Net Cash Flows from Investing Activities	<u>14,067</u>

Net Change in Cash and Cash Equivalents 550,372

CASH AND CASH EQUIVALENTS - Beginning of Year 5,954,206

CASH AND CASH EQUIVALENTS - END OF YEAR \$ 6,504,578

NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES

Capital assets acquired through contributions	<u>\$ 240,707</u>
Accumulated depreciation on contributed assets	<u>\$ (25,675)</u>
Interest charged to construction	<u>\$ (5,356)</u>
Loss on early retirement	<u>\$ (58,665)</u>

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

Operating income	\$	112,102
Adjustments to Reconcile Operating Loss to Net Cash Flows From Operating Activities		
Nonoperating income		436
Depreciation water and sewer		2,221,639
Changes in Assets and Liabilities		
Customer accounts receivable		(46,817)
Other accounts receivable		(4,308)
Receivable from municipality		34,047
Prepaid items		(4,114)
Accounts payable		(88,183)
Other current liabilities		49,424
Deferred credits		27,011
Other postemployment benefits liability		(16,191)
Customer deposits		<u>21,026</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$	<u>2,306,072</u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS As of April 30, 2013

	<u>Pension Trust Funds</u>
ASSETS	
Cash and investments	
Deposits	\$ 36,954
Money markets	967,667
U.S. treasuries	4,912,416
U.S. agencies - implicit	6,851,356
U.S. agencies - explicit	5,433,487
Stock	8,931,630
State and local bonds	1,191,961
Corporate bonds	1,672,101
Mutual funds	14,580,307
Accrued interest	170,759
Due from other taxing units	7,548
Prepaid items	20,381
Total Assets	<u>44,776,567</u>
LIABILITIES	
Accounts payable	<u>8,476</u>
Total Liabilities	<u>8,476</u>
NET POSITION	
Held in trust for pension benefits	<u>\$ 44,768,091</u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS For the Year Ended April 30, 2013

	Pension Trust Funds
ADDITIONS	
Contributions	
Employer	\$ 1,987,406
Participants	<u>778,601</u>
Total Contributions	<u>2,766,007</u>
Net Investment Income	
Investment income	3,495,696
Less: investment expense	<u>(157,885)</u>
Net Investment Income	<u>3,337,811</u>
Total Additions	<u>6,103,818</u>
DEDUCTIONS	
Benefits and refunds	2,876,434
Other contractual	<u>48,164</u>
Total Deductions	<u>2,924,598</u>
CHANGE IN NET POSITION	3,179,220
NET POSITION - Beginning of Year	<u>41,588,871</u>
NET POSITION - END OF YEAR	<u>\$ 44,768,091</u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE

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VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2013

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 accounting principles generally accepted in the United States of America 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. The primary government may be financially accountable if an organization is fiscally dependent 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. 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 discretely presented component units.

The Police pension Employees Retirement System (PPERS) is established for the village's police employees. PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village President, one pension beneficiary elected by the membership, and two police employees elected by the membership constitute the pension board. The village and the PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the village's police employees and because of the fiduciary nature of such activities. PPERS is reported as a pension trust fund and the data for the component unit is included in the government's fiduciary fund financial statements. No separate annual financial report is issued for the PPERS.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2013

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

A. REPORTING ENTITY (cont.)

The Firefighters' Pension Employees Retirement System (FPERS) is established for the village's firefighters. FPERS functions for the benefit of these employees and is governed by a nine-member pension board. The Village President, Treasurer, Clerk, Attorney, and Fire Chief; one pension beneficiary elected by the membership; and three fire employees elected by the membership constitute the pension board. The village and the FPERS participants are obligated to fund all FPERS costs based upon actuarial valuation. The State of Illinois is authorized to establish benefit levels and the village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, FPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the village's firefighters because of the fiduciary nature of such activities. FPERS is reported as a pension trust fund and the data for the component unit is included in the government's fiduciary fund financial statements. No separate annual financial report is issued for the FPERS.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

In June 2011, the GASB issued Statement No. 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Previous financial reporting standards did not include guidance for these elements, which are distinct from assets and liabilities.

The village made the decision to implement this standard effective May 1, 2012.

The statement of net position 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.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2013

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

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

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 position/fund equity, revenues, and expenditure/expenses.

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.

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.

The village reports the following major governmental funds:

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

General 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

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2013

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

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

Fund Financial Statements (cont.)

The village reports the following 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
- Tax Increment Financing District No. 3
- 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 account for and 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, 2013

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

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

Government-Wide Financial Statements

The government-wide statement of net position 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.

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.

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.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2013

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

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

Fund Financial Statements (cont.)

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 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.

All Financial Statements

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.

D. ASSETS, LIABILITIES, AND NET POSITION 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.

The following investments will be permitted by the investment policy set up by the village and are those defined by state law where applicable:

- a. U.S. government obligations, U.S. government agency obligations, and U.S. government instrumentality obligations, which have a liquid market with a readily determinable market value.
- b. Certificates of deposit and other evidences of deposit at financial institutions, bankers' acceptances and commercial paper, rated in the higher tier by a nationally recognized rating agency.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2013

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

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

1. Deposits and Investments (cont.)

- c. Investment-grade obligations of state and local governments and public authorities.
- d. Repurchase agreements whose underlying purchased securities consist of the foregoing.
- e. Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of dollar-denominated securities.
- f. Local government investment pools.
- g. Any other investment allowed by Illinois Compiled Statutes.

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 meeting certain requirements, equity securities, and corporate bonds meeting certain requirements. Pension funds with net position in excess of \$10,000,000 and an appointed investment advisor may invest an additional portion of its assets in common and preferred stock and mutual funds, that meet certain requirements. 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.

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.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2013

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

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

1. Deposits and Investments (cont.)

Interest Rate Risk (cont.)

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. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

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 2013 levy year attach as an enforceable lien on January 1, 2013, 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, 2013 and are payable in two installments, on or about June 1, 2013 and September 1, 2013. 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 position. 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 nonspendable fund balance 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, 2013

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

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

2. Receivables (cont.)

Waterworks and sewerage fund customer accounts receivable have been shown net of a \$76,000 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, 2012.

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 position. There was no restricted net position 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. \$5,356 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, 2013

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

D. ASSETS, LIABILITIES, AND NET POSITION 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 position. 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	10-75 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, 2013 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, 2013

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

D. ASSETS, LIABILITIES, AND NET POSITION 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, capital leases, other postemployment benefit liabilities 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 position.

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. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. 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 position and displayed in three components:

- a. Net investment in capital assets – 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 position – Consists of net position 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.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2013

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

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

10. Equity Classifications (cont.)

Government-Wide Statements (cont.)

- c. Unrestricted net position – All other net positions that do not meet the definition of “restricted” or “net investment in capital assets.”

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

Fund Statements

Governmental fund equity is classified as fund balance. 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 (resolution) 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.

Proprietary Fund equity is classified the same as in the government-wide statements.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2013

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

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

10. Equity Classifications (cont.)

Fund Statements (cont.)

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 position. Various donor restrictions apply, including authoring and spending trust income, and the village believes it is in compliance with all significant restrictions.

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 22% and 20%, 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 POSITION

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position– governmental activities as reported in the government-wide statement of net position. 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 position.

Bonds and notes payable	\$ 29,016,800
Promissory notes	114,623
Accrued interest	473,853
Compensated absences	893,921
Net pension obligation	3,794,888
Capital leases	292,772
Other postemployment benefits	1,531,406
Early retirement incentives	246,000
Unamortized debt issue costs	(293,302)
Unamortized debt premium	<u>72,919</u>
Combined Adjustment for Long-Term Liabilities	<u>\$ 36,143,880</u>

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2013

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 \$53,352 in carryovers to the subsequent year in the General Fund, \$245,582 in the Stormwater Detention Fund, \$1,234,128 in the Water and Sewer Utility, \$49,535 in the Capital Improvements Public Works Fund, \$854,827 in the Capital Improvement Projects Fund, and \$231,092 in the Motor Fuel Tax Fund. Budgets are adopted at the department level of expenditure.

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

Budgeted expenditures in the Equipment Replacement Fund (including amendments) were \$307,790. Total expenditures were \$649,226. This results in excess expenditures of \$341,436.

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>
Special Service Area No. 1 Tax Increment Financing	\$ 2,840	Expenditures exceeding revenues
District No. 3	15,338	Expenditures exceeding revenues

The Special Service Area No. 1 and the Tax Increment Financing District No. 3 fund deficit are anticipated to be funded by future tax revenues.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2013

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 position 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	\$ 3,683,197	\$ 3,671,045	Custodial credit
U.S. treasuries	4,912,416	4,912,416	Custodial credit, interest rate
U.S. agencies – implicitly guaranteed	6,851,356	6,851,356	Credit, custodial credit, concentration of credit risk, interest rate
U.S. agencies – explicitly guaranteed	5,433,487	5,433,487	Custodial credit, interest rate
State and local bonds	1,191,961	1,191,961	Credit, custodial credit, concentration of credit risk, interest rate
Corporate bonds	1,672,101	1,672,101	Credit, custodial credit, concentration of credit risk, interest rate
Stocks	8,931,630	8,931,630	Custodial credit, concentration of credit risk
Mutual funds – stocks	14,580,307	14,580,307	Custodial credit
Illinois funds money market funds	7,857,412	7,869,148	Credit, interest rate
IMET	8,820,300	8,820,300	Credit risk
Petty cash	1,950	-	Not applicable
Total Cash and Investments	\$ 63,936,117	\$ 63,933,751	
Reconciliation to financial statements			
Per statement of net position			
Cash and investments	\$ 19,358,238		
Per statement of net position – Fiduciary Funds			
Pension trust	44,577,879		
Total Cash and Investments	\$ 63,936,117		

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2013

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

A. DEPOSITS AND INVESTMENTS (cont.)

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for demand deposit amounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

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 and TD Ameritrade'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, 2013, the banks had pledged various government securities in the amount of \$4,973,407 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, 2013, 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, Aaa1, Aa2, Aa3, A1, A2
Corporate bonds	N/A	A1, A2, A3, Aa2, Aa3, Baa1, Baa2
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, 2013

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, 2013, the following investments of the Firefighter's Pension Fund were greater than 5% of the pension's net position:

Issuer	Investment Type	Percentage of Portfolio
FHLB	U.S. agencies – implicitly guaranteed	26.4%
FFCB	U.S. agencies – implicitly guaranteed	12.2%

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, 2013, the village's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)		
		Less than 1	1 – 5	Over 5
Illinois Funds money market funds	\$ 7,869,148	\$ 7,869,148	\$ -	\$ -
Totals	\$ 7,869,148	\$ 7,869,148	\$ -	\$ -

As of April 30, 2013, 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	\$ 3,009,573	\$ -	\$ 1,869,825	\$ 1,139,748
Corporate bonds	1,672,101	-	1,672,101	-
U.S. agencies – implicitly guaranteed	603,855	-	603,855	-
U.S. agencies – explicitly guaranteed	5,144,794	731,876	3,118,261	1,294,657
Totals	\$ 10,430,323	\$ 731,876	\$ 7,264,042	\$ 2,434,405

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2013

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

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk (cont.)

As of April 30, 2013, 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	\$ 1,191,961	\$ -	\$ 439,932	\$ 752,029
U.S. treasuries	1,902,843	-	1,331,636	571,207
U.S. agencies – implicitly guaranteed	6,247,501	413,355	3,061,678	2,772,468
U.S. agencies – explicitly guaranteed	<u>288,293</u>	<u>-</u>	<u>211</u>	<u>288,482</u>
Totals	<u>\$ 9,630,998</u>	<u>\$ 413,355</u>	<u>\$ 4,833,457</u>	<u>\$ 4,384,186</u>

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 \$76,000.

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 \$13,116,900 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, 2013

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

C. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2013 was as follows:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated				
Land	\$ 2,727,533	\$ -	\$ -	\$ 2,727,533
Right-of-ways	11,776,025	31,475	-	11,807,500
Construction in progress	<u>14,258,790</u>	<u>334,702</u>	<u>11,928,273</u>	<u>2,665,219</u>
Total Capital Assets Not Being Depreciated	<u>28,762,348</u>	<u>366,177</u>	<u>11,928,273</u>	<u>17,200,252</u>
Capital assets being depreciated				
Buildings and improvements	8,223,485	13,022,025	-	21,245,510
Vehicles	3,235,811	587,194	223,775	3,599,230
Equipment	2,373,227	346,927	-	2,720,154
Roads	36,768,417	-	-	36,768,417
Storm sewers	29,149,587	190,363	-	29,339,950
Bridges	3,425,670	-	-	3,425,670
Retaining walls	97,418	-	-	97,418
Sidewalks	<u>1,228,709</u>	<u>-</u>	<u>-</u>	<u>1,228,709</u>
Total Capital Assets Being Depreciated	<u>84,502,324</u>	<u>14,146,509</u>	<u>223,775</u>	<u>98,425,058</u>
Less: Accumulated depreciation for				
Buildings and improvements	(2,638,884)	(292,544)	-	(2,931,428)
Vehicles	(2,552,280)	(250,205)	223,775	(2,578,710)
Equipment	(1,109,999)	(131,384)	-	(1,241,383)
Roads	(8,040,912)	(735,368)	-	(8,776,280)
Storm sewers	(4,600,145)	(295,303)	-	(4,895,448)
Bridges	(134,851)	(93,528)	-	(228,379)
Retaining walls	(18,555)	(7,678)	-	(26,233)
Sidewalks	<u>(146,655)</u>	<u>(24,574)</u>	<u>-</u>	<u>(171,229)</u>
Total Accumulated Depreciation	<u>(19,242,281)</u>	<u>(1,830,584)</u>	<u>223,775</u>	<u>(20,849,090)</u>
Net Capital Assets Being Depreciated	<u>65,260,043</u>	<u>12,315,925</u>	<u>-</u>	<u>77,575,968</u>
Governmental Activities Capital Assets, Net of Depreciation	<u>\$ 94,022,391</u>			<u>\$ 94,776,220</u>

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2013

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

C. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$ 64,461
Public safety	353,931
Public works, which includes the depreciation of roads, storm sewers, bridges, retaining walls and sidewalks	1,408,776
Culture and recreation	<u>3,416</u>

Total Governmental Activities Depreciation Expense	<u>\$ 1,830,584</u>
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	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 1,249,761	\$ -	\$ -	\$ 1,249,761
Construction in progress	899,095	85,514	331,975	652,634
Total Capital Assets Not Being Depreciated	<u>2,148,856</u>	<u>85,514</u>	<u>331,975</u>	<u>1,902,395</u>
Capital assets being depreciated				
Water and wastewater treatment equipment	36,027,262	-	185,951	35,841,311
Water distribution and sewer collection	44,417,659	572,682	81,967	44,908,374
Vehicles	1,003,576	-	21,453	982,123
Other equipment	925,159	-	248,608	676,551
Total Capital Assets Being Depreciated	<u>82,373,656</u>	<u>572,682</u>	<u>537,979</u>	<u>82,408,359</u>
Less: Accumulated depreciation for				
Water and wastewater treatment equipment	(17,544,145)	(1,341,059)	171,006	(18,714,198)
Water distribution and sewer collection	(13,143,066)	(808,759)	11,839	(13,939,986)
Vehicles	(886,650)	(41,179)	21,453	(906,376)
Other equipment	(781,100)	(30,642)	248,355	(563,387)
Total Accumulated Depreciation	<u>(32,354,961)</u>	<u>(2,221,639)</u>	<u>452,653</u>	<u>(34,123,947)</u>
Net Capital Assets Being Depreciated	<u>50,018,695</u>	<u>(1,648,957)</u>	<u>85,326</u>	<u>48,284,412</u>
Business-type Capital Assets, Net of Depreciation	<u>\$ 52,167,551</u>			<u>\$ 50,186,807</u>

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2013

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

C. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Business-type Activities

Waterworks	\$ 844,670
Sewerage	<u>1,376,969</u>
Total Business-type Activities Depreciation Expense	<u><u>\$ 2,221,639</u></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	Special Service Area No. 1	\$ 2,840
TIF District #1	TIF District #3	<u>13,075</u>
Subtotal – Fund financial statements		<u>15,915</u>
Less: Government-wide eliminations		<u>(15,915)</u>
Total – Government-Wide Statement of Net Position		<u><u>\$ -</u></u>

The principal purpose of these interfunds is to record amounts paid by the general fund and TIF District #1 on behalf of other funds. 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 position, 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, 2013

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	\$ 378,263	Share of debt payments
McNamee Memorial Park	General	7,605	Fund closeout
Equipment Replacement	General	500,000	Future asset purchase
Equipment Replacement	Waterworks and Sewerage Utility	100,000	Future asset purchase
Capital Improvement Projects	Developer Escrow	<u>354,000</u>	Capital projects
Subtotal		<u>1,339,868</u>	
Less: Fund eliminations		<u>(1,239,868)</u>	
Total – Government-Wide Statement of Activities		<u>\$ 100,000</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.

For the statement of activities, interfund transfers within the governmental activities or business-type activities are netted and eliminated.

E. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended April 30, 2013 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	\$ 30,500,150	\$ -	\$ 1,483,350	\$ 29,016,800	\$ 1,523,400
Promissory note	171,934	-	57,311	114,623	57,311
Add: Deferred amount for premiums	82,299	-	9,380	72,919	-
Total Bonds and Notes Payable	<u>30,754,383</u>	<u>-</u>	<u>1,550,041</u>	<u>29,204,342</u>	<u>1,580,711</u>
Other Liabilities					
Vested compensated absences	749,493	633,090	488,662	893,921	597,312
Capital Leases	-	350,000	57,228	292,772	115,772
Early retirement incentives	372,000	-	126,000	246,000	126,000
Net pension obligation	2,612,715	1,182,173	-	3,794,888	-
Other postemployment benefits	1,411,654	119,752	-	1,531,406	-
Total Other Liabilities	<u>5,145,862</u>	<u>2,285,015</u>	<u>671,890</u>	<u>6,758,987</u>	<u>839,084</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 35,900,245</u>	<u>\$ 2,285,015</u>	<u>\$ 2,221,931</u>	<u>\$ 35,963,329</u>	<u>\$ 2,419,795</u>

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2013

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	\$ 7,414,850	\$ -	\$ 436,650	\$ 6,978,200	\$ 456,600
Add: Deferred amount for premiums	68,655	-	5,970	62,685	-
IEPA Loan	11,340,231	-	860,959	10,479,272	882,922
Total Bonds and Notes Payable	18,823,736	-	1,303,579	17,520,157	1,339,522
Other Liabilities					
Vested compensated absences	126,070	165,467	100,856	190,681	152,545
Early retirement incentives	48,000	-	18,000	30,000	18,000
Other postemployment benefits	21,325	1,809	-	23,134	-
Total Other Liabilities	195,395	167,276	118,856	243,815	170,545
Total Business-type Activities Long-Term Liabilities	\$ 19,019,131	\$ 167,276	\$ 1,422,435	\$ 17,763,972	\$ 1,510,067

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 4-30-13
2004 Bonds	10/27/04	12/30/15	2.50 – 4.00%	\$ 3,280,000	\$ 1,030,000
2006 Bonds	06/22/06	12/30/26	3.75 – 4.50%	10,000,000	7,805,000
2008 Bonds	09/11/08	12/30/28	3.00 – 4.60%	10,000,000	8,540,000
2010 Build America Bonds	08/09/10	12/30/30	1.12 – 6.35%	20,000,000	18,620,000
Total General Obligation Debt					35,995,000
Less: Business-type activities general obligation debt					(6,978,200)
Total Governmental Activities General Obligation Debt					\$ 29,016,800

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2013

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:

Fiscal Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
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	1,294,850	1,237,374	395,150	232,547
2019 – 2023	7,147,700	5,346,144	2,247,300	892,574
2024 – 2028	8,936,350	3,435,640	2,408,650	351,443
2029 – 2031	6,009,050	733,392	235,950	10,618
Totals	<u>\$ 29,016,800</u>	<u>\$ 16,139,778</u>	<u>\$ 6,978,200</u>	<u>\$ 2,579,650</u>

IEPA Loan

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

	Date of Issue	Final Maturity	Interest Rate	Original Indebted- ness	Balance 4-30-13
IEPA Loan	1/16/04	7/16/23	2.535%	\$ 17,500,000	\$ 10,479,272

IEPA loan debt service requirements to maturity are as follows:

Fiscal Years	Business-type Activities Revenue Debt	
	Principal	Interest
2014	\$ 882,922	\$ 260,089
2015	905,446	237,565
2016	928,544	214,467
2017	952,232	190,779
2018	976,524	166,487
2019 – 2023	5,269,253	445,802
2024	564,351	7,153
Totals	<u>\$ 10,479,272</u>	<u>\$ 1,522,342</u>

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2013

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

E. LONG-TERM OBLIGATIONS (cont.)

Promissory Notes

Promissory notes at April 30, 2013 consist of the following:

Date of Issue	Final Maturity	Interest Rate	Original Indebtedness	Balance 4-30-13
10/13/09	1/27/15	0%	\$ 343,867	\$ 114,623

Promissory debt service requirements to maturity are as follows:

Fiscal Years	Governmental Activities Promissory Note Principal
2014	\$ 57,311
2015	57,312
Totals	\$ 114,623

Other Debt Information

Estimated payments of compensated absences, net pension obligation, other postemployment benefits and the early retirement incentives are not included in the debt service requirement schedules. The compensated absences, net 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, 2013, \$1,035,000 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, 2013

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

F. LEASE DISCLOSURES

Lessee – Capital Leases

In 2013 the village acquired capital assets through a lease/purchase agreement. The gross amount of these assets under capital leases is \$350,000, which are included in capital assets in the governmental activities. The future minimum lease obligations and the net present value on these minimum lease payments as of April 30, 2013, are as follows:

<u>Fiscal Years</u>	<u>Governmental Activities</u>		<u>Totals</u>
	<u>Principal</u>	<u>Interest</u>	
2014	\$ 115,772	\$ 4,038	\$ 119,810
2015	117,550	2,260	119,810
2016	59,450	455	59,905
Totals	<u>\$ 292,772</u>	<u>\$ 6,753</u>	<u>\$ 299,525</u>

Lessor – Capital Leases

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

Lessor – Operating Leases

The village has four outstanding lease agreements for the rental of space on a village water tower. The terms of the leases are as follows:

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

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

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

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

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2013

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

G. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at April 30, 2013 includes the following:

Governmental Activities

Net Investment in Capital Assets	
Construction in progress	\$ 2,665,219
Land and right-of-ways	14,535,033
Other capital assets, net of accumulated depreciation	77,575,968
Less: Related long-term debt outstanding (excluding unspent capital related debt proceeds)	<u>(27,511,985)</u>
Total Net Investment in Capital Assets	<u>\$ 67,264,235</u>
Restricted	
General debt service	\$ 329,195
Motor fuel tax projects	1,426,331
Tax Increment Financing District No. 1	1,322,179
Parks	54,611
Public improvements	661,368
Fire programs	36,692
Police programs	<u>31,947</u>
Total Restricted	<u>\$ 3,862,323</u>
Unrestricted	<u>\$ 1,528,171</u>

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2013

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

G. NET POSITION/FUND BALANCES (cont.)

Governmental Activities (cont.)

Governmental fund balances reported on the fund financial statements at April 30, 2013 include the following:

	General	Debt Service	Capital Improvement Projects	Capital Improvement Public Works	Total non-major	Totals
Fund Balance						
Nonspendable						
Prepaid items	\$ 299,982	\$ -	\$ -	\$ -	\$ -	\$ 299,982
Restricted for:						
Police department Programs	32,947	-	-	-	-	32,947
Motor Fuel Tax	-	-	-	-	1,426,332	1,426,332
Parks	-	-	-	-	54,611	54,611
Capital projects	-	-	1,841,133	143,996	-	1,985,129
Public improvements	-	-	-	-	1,983,547	1,983,547
Fire purposes	-	-	-	-	36,692	36,692
Debt service	-	803,049	-	-	-	803,049
Assigned to:						
Carryforwards	53,352	-	854,827	49,535	-	957,714
Subsequent year budget	392,521	-	-	-	-	392,521
Capital projects	-	-	619,973	232,584	621,234	1,473,791
Unassigned (deficit)	<u>4,594,252</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,178)</u>	<u>4,576,074</u>
 Total Fund Balances	 <u>\$ 5,373,054</u>	 <u>\$ 803,049</u>	 <u>\$ 3,315,933</u>	 <u>\$ 426,115</u>	 <u>\$ 4,104,238</u>	 <u>\$ 14,022,389</u>

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2013

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

G. NET POSITION/FUND BALANCES (cont.)

Business-type Activities

Net investment in capital assets	
Land	\$ 1,249,761
Construction in progress	652,634
Capital assets	82,408,359
Accumulated depreciation	(34,123,947)
Subtotal	<u>50,186,807</u>
Current portion of IEPA loan	(882,922)
Current portion of general obligation bonds	(456,600)
Noncurrent portion of IEPA loan	(9,596,350)
Noncurrent portion of general obligation bonds	(6,521,600)
Unamortized debt discount and issuance costs	71,753
Unamortized debt premium	(62,685)
Subtotal	<u>(17,448,404)</u>
Net investment in capital assets	<u>\$ 32,738,403</u>
Unrestricted	<u>\$ 5,390,950</u>

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Illinois Municipal Retirement Fund

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

Regular members and Sheriff's Law Enforcement Personnel (SLEP) members participating in IMRF are required to contribute 4.50% and 7.50%, respectively, of their annual covered salary. The member rate is established by state statute. The village is required to contribute at an actuarially determined rate. The employer rate for calendar year 2012 was 11.41% 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, 2012 is being amortized as a level percentage of projected payroll on an open 30 year basis.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2013

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Illinois Municipal Retirement Fund (cont.)

For the year ended December 31, 2012, the village's annual pension cost of \$627,264 was equal to the village's required and actual contributions. The required contribution was determined as part of the December 31, 2010 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.

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 2012, the village's required contribution rate was 11.41%.

Police Pension

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

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2013

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Illinois Municipal Retirement Fund (cont.)

Plan Descriptions (cont.)

Police Pension (cont.)

At April 30, 2013, the Police Pension membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	42
Current Employees:	
Vested	48
Non vested	<u>11</u>
Total	<u>101</u>

As provided for in the Illinois Compiled Statutes, the Police Pension Fund provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Police Pension Fund as provided for in Illinois Compiled Statutes.

Tier 1 – Covered employees 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, 1997 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.

Tier 2 – Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annual thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a police officer shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2013

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Illinois Municipal Retirement Fund (cont.)

Plan Descriptions (cont.)

Police Pension (cont.)

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 city is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011 the city's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded by the year 2040. For the year ended, the city's contribution was 30.54% of covered payroll. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial 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.

At April 30, 2013, 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	17
Non vested	<u>19</u>
Total	<u><u>57</u></u>

As provided for in the Illinois Compiled Statutes, the Firefighters' Pension Fund provides retirement benefits as well as death and disability benefits to employees grouped into two tiers. Tier 1 is for employees hired prior to January 1, 2011 and Tier 2 is for employees hired after that date. The following is a summary of the Firefighters' Pension Fund as provided for in Illinois Compiled Statutes.

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2013

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Illinois Municipal Retirement Fund (cont.)

Plan Descriptions (cont.)

Firefighters' Pension (cont.)

Tier 1 – Covered employees 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 creditable 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 of 55, by 3% of the original pension and 3% of compounded annually thereafter.

Tier 2 – Covered employees attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive a monthly pension of 2.5% of the final average salary for each year of creditable service. The salary is initially capped at \$106,800 but increases annually thereafter and is limited to 75% of final average salary. Employees with 10 or more years of creditable service may retire at or after age 50 and receive a reduced retirement benefit. The monthly pension of a firefighter shall be increased annually on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual unadjusted percentage increase in the CPI, whichever is less.

Participants contribute a fixed percentage of their base salary to the plans. At April 30, 2013, 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 city is required to contribute the remaining amounts necessary to finance the plans as actuarially determined by an enrolled actuary. Effective January 1, 2011, the city's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded by the year 2040. For the year ended, the city contribution was 16.07% of covered payroll. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrual liability for benefits.

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, 2013

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Illinois Municipal Retirement Fund (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, 2012	April 30, 2013	April 30, 2013
Contribution rates:			
Employer	11.41%	30.54%	16.07%
Employee	4.50%	9.91%	9.46%
Annual required contribution	\$627,264	\$1,760,530	\$863,041
Contributions made	\$627,264	\$1,533,426	\$453,980
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	28 years	28 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, 2013

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	\$ 1,705,388	\$ 830,749
Interest on net pension obligation	139,449	81,662
Adjustment to annual required contribution	(84,307)	(49,370)
Annual pension cost	1,760,530	863,041
Contributions made	1,533,426	453,980
Change in net pension obligation	227,104	409,061
Net pension obligation, beginning of year	1,992,129	1,166,594
Net Pension Obligation, End of Year	\$ 2,219,233	\$ 1,575,655

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	Village Fiscal Year	Police Pension	Firefighters' Pension
Annual pension cost (APC)	2012	\$ 627,264	2013	\$ 1,760,530	\$ 863,041
	2011	572,580	2012	2,077,814	972,072
	2010	639,390	2011	1,698,656	738,700
Contributions made	2012	\$ 627,264	2013	\$ 1,533,426	\$ 453,980
	2011	572,580	2012	1,748,130	755,748
	2010	639,390	2011	1,667,375	720,927
Percentage of APC contributed	2012	100%	2013	87.1%	52.6%
	2011	100%	2012	84.1%	77.7%
	2010	100%	2011	98.2%	97.6%
Net pension obligation	2012	\$ -	2013	\$ 2,219,233	\$ 1,575,655
	2011	-	2012	1,992,129	1,166,594
	2010	-	2011	1,662,445	950,270

VILLAGE OF CARPENTERSVILLE

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended April 30, 2013

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	12/31/2010	4/30/2013	4/30/2013
Actuarial valuation of assets (a)	\$ 10,711,545	\$ 28,591,725	\$ 16,176,364
Actuarial accrued liability (AAL) – Entry age (b)	14,475,456	51,911,261	20,468,175
Unfunded AAL (UALL) (b-a)	3,763,911	23,319,536	4,291,811
Funded ratio (a/b)	74.0%	55.1%	79.0%
Covered payroll (c)	5,497,495	5,021,547	2,825,725
UAAL as a percentage of covered payroll ((b-a)/c)	68.5%	464.4%	151.9%

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 \$500,000 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, 2013

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	\$ 175,458	\$ 172,049
Current year claims and changes in estimates	2,198,724	2,193,197
Claim payments	<u>(2,210,021)</u>	<u>(2,189,788)</u>
Unpaid Claims – End of Year	<u>\$ 164,161</u>	<u>\$ 175,458</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, 2013

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	\$	278,303
Interest on net OPEB obligation		57,319
Adjustment to annual required contribution		<u>(47,766)</u>
Annual OPEB cost		287,856
Contributions made		<u>(166,295)</u>
Increase in Net OPEB Obligation		121,561
Net OPEB Obligation – Beginning of Year		<u>1,432,979</u>
Net OPEB Obligation – End of Year	\$	<u><u>1,554,540</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
4/30/13	\$ 287,856	57.80%	\$ 1,554,540
4/30/12	528,941	26.03%	1,432,979
4/30/11	526,349	26.16%	1,041,724

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)	\$	14,476,77
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, 2013

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 and water and sewer utility funds.

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 position by function as of April 30, 2013 is \$276,000 to be paid over two 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. 65, *Items Previously Reported as Assets and Liabilities*; Statement No. 66, *Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62*; Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*; and Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. 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, 2013.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF CARPENTERSVILLE

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

For the Year Ended April 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 18,153,566	\$ 18,153,566	\$ 20,819,396	\$ 2,665,830
Intergovernmental	1,727,200	1,727,200	1,571,278	(155,922)
Licenses and permits	1,368,250	1,368,250	1,506,600	138,350
Fines, forfeitures and penalties	663,000	663,000	416,421	(246,579)
Public charges for services	1,791,800	1,791,800	1,922,472	130,672
Investment income	16,301	16,301	30,245	13,944
Miscellaneous revenues	91,056	91,056	189,918	98,862
Total Revenues	23,811,173	23,811,173	26,456,330	2,645,157
EXPENDITURES				
Current				
General government	2,882,165	2,793,865	3,052,728	(258,863)
Public safety	13,872,651	15,929,188	15,523,152	406,036
Public works	5,085,669	5,162,273	5,132,668	29,605
Community development	1,369,335	1,397,193	1,316,542	80,651
Culture and recreation	132,204	132,204	133,046	(842)
Debt Service				
Principal	57,311	57,311	57,311	-
Total Expenditures	23,399,335	25,472,034	25,215,447	256,587
Excess of revenues over expenditures	411,838	(1,660,861)	1,240,883	2,901,744
OTHER FINANCING SOURCES (USES)				
Sale of village property	20,000	20,000	3,787	(16,213)
Transfers out	(500,000)	(500,000)	(507,605)	(7,605)
Total Other Financing Sources (Uses)	(480,000)	(480,000)	(503,818)	(23,818)
Net change in fund balance	(68,162)	(2,140,861)	737,065	2,877,926
FUND BALANCE - Beginning of Year	4,635,989	4,635,989	4,635,989	-
FUND BALANCE - END OF YEAR	\$ 4,567,827	\$ 2,495,128	\$ 5,373,054	\$ 2,877,926

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, 2013

REVENUES	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
TAXES				
Property taxes	\$ 7,301,951	\$ 7,302,166	\$ 7,252,928	\$ (49,238)
Pension property taxes	-	-	1,987,406	1,987,406
Sales and use	6,376,888	6,376,888	6,587,215	210,327
Utility tax	1,455,000	1,455,000	1,466,585	11,585
State income tax	2,863,112	2,863,112	3,396,732	533,620
Replacement tax	156,400	156,400	127,762	(28,638)
Interest and penalties on taxes	215	-	-	-
Video gaming tax	-	-	768	768
TOTALS	18,153,566	18,153,566	20,819,396	2,665,830
INTERGOVERNMENTAL REVENUES				
State - transportation	725,000	725,000	633,618	(91,382)
State - tobacco enforcement	2,200	2,200	2,310	110
State - other	-	-	90,350	90,350
Local - fire services	1,000,000	1,000,000	845,000	(155,000)
TOTALS	1,727,200	1,727,200	1,571,278	(155,922)
LICENSES AND PERMITS				
Business licenses	45,000	45,000	33,180	(11,820)
Liquor licenses	55,000	55,000	37,400	(17,600)
Vending licenses	10,500	10,500	6,880	(3,620)
Rental licenses	75,000	75,000	153,079	78,079
Vehicle licenses	486,200	486,200	454,827	(31,373)
Cable franchise fees	320,000	320,000	356,970	36,970
Building permits	260,000	260,000	304,013	44,013
Electrical permits	40,000	40,000	46,020	6,020
Plumbing permits	18,000	18,000	40,015	22,015
Occupancy permits	500	500	-	(500)
Zoning permits	4,000	4,000	8,557	4,557
Stormwater permits	35,000	35,000	51,174	16,174
Other permits	19,050	19,050	14,485	(4,565)
TOTALS	1,368,250	1,368,250	1,506,600	138,350
FINES, FORFEITURES AND PENALTIES				
Local ordinance fines	663,000	663,000	415,876	(247,124)
Business penalties	-	-	545	545
TOTALS	\$ 663,000	\$ 663,000	\$ 416,421	\$ (246,579)

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, 2013

REVENUES (cont.)	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
PUBLIC CHARGES FOR SERVICES				
General government	\$ 10,300	\$ 10,300	\$ 9,816	\$ (484)
Law enforcement	456,700	456,700	430,777	(25,923)
Fire protection	6,500	6,500	19,155	12,655
Ambulance	480,000	480,000	596,323	116,323
Public works	33,300	33,300	33,219	(81)
Environmental surcharge	720,000	720,000	748,258	28,258
Reinspection	6,500	6,500	5,964	(536)
Weeds	14,000	14,000	19,196	5,196
Other conservation and development	23,500	23,500	46,639	23,139
Other charges for services	41,000	41,000	13,125	(27,875)
TOTALS	<u>1,791,800</u>	<u>1,791,800</u>	<u>1,922,472</u>	<u>130,672</u>
INVESTMENT INCOME				
Investment income	16,301	16,301	30,245	13,944
TOTALS	<u>16,301</u>	<u>16,301</u>	<u>30,245</u>	<u>13,944</u>
MISCELLANEOUS REVENUES				
Rent	61,000	61,000	61,379	379
Donations	24,056	24,056	30,440	6,384
IRMA terminal reserve	-	-	86,936	86,936
Other	6,000	6,000	11,163	5,163
TOTALS	<u>91,056</u>	<u>91,056</u>	<u>189,918</u>	<u>98,862</u>
TOTAL REVENUES	<u>\$ 23,811,173</u>	<u>\$ 23,811,173</u>	<u>\$ 26,456,330</u>	<u>\$ 2,645,157</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, 2013

EXPENDITURES	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
GENERAL GOVERNMENT				
Legislative	\$ 197,262	\$ 199,774	\$ 184,560	\$ 15,214
Administration	851,646	545,558	543,825	1,733
Information technology	405,664	487,324	463,992	23,332
Tax rebates	-	-	163,642	(163,642)
Finance	1,182,808	1,316,424	1,451,924	(135,500)
Public buildings	244,785	244,785	244,785	-
TOTALS	2,882,165	2,793,865	3,052,728	(258,863)
PUBLIC SAFETY				
Police department	8,837,585	10,443,108	10,007,819	435,289
Fire and police commission	22,860	22,860	28,152	(5,292)
Fire department	4,991,866	5,442,880	5,477,999	(35,119)
Strengthening families	20,340	20,340	9,182	11,158
TOTALS	13,872,651	15,929,188	15,523,152	406,036
PUBLIC WORKS				
Streets and highways	4,567,574	4,644,178	4,645,009	(831)
Vehicle maintenance	518,095	518,095	487,659	30,436
TOTALS	5,085,669	5,162,273	5,132,668	29,605
COMMUNITY DEVELOPMENT				
Planning and zoning	9,371	9,371	8,018	1,353
Community development	1,332,964	1,360,822	1,304,770	56,052
Engineering	27,000	27,000	3,754	23,246
TOTALS	1,369,335	1,397,193	1,316,542	80,651
CULTURE AND RECREATION				
Parks	132,204	132,204	133,046	(842)
DEBT SERVICE				
Principal	57,311	57,311	57,311	-
TOTAL EXPENDITURES	\$ 23,399,335	\$ 25,472,034	\$ 25,215,447	\$ 256,587

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, 2013

Calendar Year Ending	Employer Contributions	Annual Required Contribution Cost (ARC)	Percentage of ARC Contributed	Net Pension Obligation
12/31/12	\$ 627,264	\$ 627,264	100.00%	\$ -
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%	-

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
12/31/12	\$ 10,711,545	\$ 14,475,456	\$ 3,763,911	74.00%	\$ 5,497,495	68.50%
12/31/11	9,830,479	13,370,092	3,539,613	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%

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	12/31/2010
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

Village Fiscal year	Employer Contributions	Annual Required Contribution Cost (ARC)	Percentage of ARC Contributed	Net Pension Obligation
04/30/13	\$ 1,533,426	\$ 1,705,388	89.92%	\$ (2,219,233)
04/30/12	1,748,130	2,029,901	86.12%	(1,992,129)
04/30/11	1,667,375	1,668,121	99.96%	(1,662,445)
04/30/10	1,671,599	1,668,121	100.21%	(1,631,164)
04/30/08	1,204,282	1,440,623	83.59%	(1,601,761)
04/30/06	1,023,059	1,151,770	88.82%	(1,333,779)

Village Fiscal Year	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
04/30/13	\$28,591,725	\$ 51,911,261	\$ 23,319,536	55.10%	\$5,021,547	464.40%
04/30/12	26,590,350	49,270,372	22,680,022	54.00%	5,099,437	444.80%
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	32,542,047	16,343,552	49.80%	4,421,974	369.60%

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	4/30/2013
Actuarial cost method	Entry Age normal
Amortization method	Level percentage of pay, closed
Remaining amortization period	28 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

Village Fiscal Year	Employer Contributions	Annual Required Contribution Cost (ARC)	Percentage of ARC Contributed	Net Pension Obligation
04/30/13	\$ 453,980	\$ 830,749	54.65%	\$ (1,575,655)
04/30/12	755,748	944,684	80.00%	(1,166,594)
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	551,460	667,787	82.58%	(909,367)
04/30/06	456,601	575,516	79.34%	(774,663)

Village Fiscal Year	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
04/30/13	\$ 16,176,364	\$ 20,468,175	\$ 4,291,811	79.00%	\$2,825,725	151.90%
04/30/12	14,998,520	18,894,580	3,896,060	79.40%	2,910,441	133.90%
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	109.00%
04/30/06	7,738,371	11,044,024	3,305,653	70.10%	2,507,146	131.80%

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	4/30/2013
Actuarial cost method	Entry Age normal
Amortization method	Level percentage of pay, closed
Remaining amortization period	28 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

Fiscal Year*	Employer Contributions	Annual Required Contribution Cost (ARC)	Percentage of ARC Contributed	Net Pension Obligation
04/30/13	\$ 166,295	\$ 278,303	59.75%	\$ (1,554,540)
04/30/12	137,686	521,996	26.38%	(1,432,979)
05/01/11	137,686	521,996	26.38%	(1,041,724)
05/01/10	97,023	494,972	17.58%	(653,061)
05/01/09	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
04/30/12	\$ -	\$ 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, 2013

	Special Revenue							Tax Increment Financing District No. 3
	Motor Fuel Tax	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	
ASSETS								
Cash and investments	\$ 1,377,501	\$ 54,611	\$ -	\$ 1,542	\$ 33,654	\$ 5,466	\$ 1,309,104	\$ -
Property taxes receivable	-	-	-	-	-	-	579,547	-
Due from other governments	64,818	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	13,075	-
TOTAL ASSETS	<u>\$ 1,442,319</u>	<u>\$ 54,611</u>	<u>\$ -</u>	<u>\$ 1,542</u>	<u>\$ 33,654</u>	<u>\$ 5,466</u>	<u>\$ 1,901,726</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ 15,987	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,263
Deposits	-	-	-	-	-	-	-	-
Due to other funds	-	-	2,840	-	-	-	-	13,075
Due to other governments	-	-	-	-	-	-	-	-
Deferred revenues	-	-	-	-	-	-	579,547	-
Total Liabilities	<u>15,987</u>	<u>-</u>	<u>2,840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>579,547</u>	<u>15,338</u>
Fund Balances								
Restricted	1,426,332	54,611	-	1,542	33,654	5,466	1,322,179	-
Assigned	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	(2,840)	-	-	-	-	(15,338)
Total Fund Balance (Deficit)	<u>1,426,332</u>	<u>54,611</u>	<u>(2,840)</u>	<u>1,542</u>	<u>33,654</u>	<u>5,466</u>	<u>1,322,179</u>	<u>(15,338)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,442,319</u>	<u>\$ 54,611</u>	<u>\$ -</u>	<u>\$ 1,542</u>	<u>\$ 33,654</u>	<u>\$ 5,466</u>	<u>\$ 1,901,726</u>	<u>\$ -</u>

VILLAGE OF CARPENTERSVILLE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (cont.)
As of April 30, 2013

	Special Revenue			Capital Projects	Total Nonmajor Funds
	Foreign Fire Tax Board	Developer Activities	Stormwater Detention	Equipment Replacement	
ASSETS					
Cash and investments	\$ 36,692	\$ 888,122	\$ 373,276	\$ 572,680	\$ 4,652,648
Property taxes receivable	-	-	-	-	579,547
Due from other governments	-	-	-	52,038	116,856
Due from other funds	-	-	-	-	13,075
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 36,692</u>	<u>\$ 888,122</u>	<u>\$ 373,276</u>	<u>\$ 624,718</u>	<u>\$ 5,362,126</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 41,490	\$ 3,484	\$ 63,224
Deposits	-	384,107	-	-	384,107
Due to other funds	-	-	-	-	15,915
Due to other governments	-	215,095	-	-	215,095
Deferred revenues	-	-	-	-	579,547
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>599,202</u>	<u>41,490</u>	<u>3,484</u>	<u>1,257,888</u>
Fund Balances					
Restricted	36,692	288,920	331,786	-	3,501,182
Assigned	-	-	-	621,234	621,234
Unassigned (deficit)	-	-	-	-	(18,178)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balance (Deficit)	<u>36,692</u>	<u>288,920</u>	<u>331,786</u>	<u>621,234</u>	<u>4,104,238</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 36,692</u>	<u>\$ 888,122</u>	<u>\$ 373,276</u>	<u>\$ 624,718</u>	<u>\$ 5,362,126</u>

VILLAGE OF CARPENTERSVILLE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended April 30, 2013

	Special Revenue								
	Motor Fuel Tax	McNamee Memorial Park	Veterans' Memorial Garden	Special Service Area No. 1	Special Service Area No. 2	Special Service Area No. 3	Special Service Area No. 21	Tax Increment Financing District No. 1	Tax Increment Financing District No. 3
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ 14,225	\$ 1,100	\$ 9,235	\$ 4,983	\$ 436,388	\$ -
Intergovernmental	933,260	-	-	-	-	-	-	-	-
Public charges for services	-	-	-	-	-	-	-	-	-
Investment income	844	-	-	-	-	-	-	4,366	-
Miscellaneous revenues	150,525	29,699	600	-	-	-	-	-	-
Total Revenues	<u>1,084,629</u>	<u>29,699</u>	<u>600</u>	<u>14,225</u>	<u>1,100</u>	<u>9,235</u>	<u>4,983</u>	<u>440,754</u>	<u>-</u>
EXPENDITURES									
Current									
General Government	-	-	-	-	-	-	-	-	15,338
Public safety	-	-	-	-	-	-	-	-	-
Public works	342,180	-	-	8,728	700	4,481	2,550	2,710	-
Community development	-	-	-	-	-	-	-	500,000	-
Culture and recreation	-	-	32	-	-	-	-	-	-
Capital Outlay	243,224	-	-	-	-	-	-	-	-
Debt Service									
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>585,404</u>	<u>-</u>	<u>32</u>	<u>8,728</u>	<u>700</u>	<u>4,481</u>	<u>2,550</u>	<u>502,710</u>	<u>15,338</u>
Excess (deficiency) of revenues over expenditures	<u>499,225</u>	<u>29,699</u>	<u>568</u>	<u>5,497</u>	<u>400</u>	<u>4,754</u>	<u>2,433</u>	<u>(61,956)</u>	<u>(15,338)</u>
OTHER FINANCING SOURCES (USES)									
Capital lease issued									
Transfers in	-	7,605	-	-	-	-	-	-	-
Transfers out	(378,263)	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(378,263)</u>	<u>7,605</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	120,962	37,304	568	5,497	400	4,754	2,433	(61,956)	(15,338)
FUND BALANCES (DEFICIT) - Beginning 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>-</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 1,426,332</u>	<u>-</u>	<u>\$ 54,611</u>	<u>\$ (2,840)</u>	<u>\$ 1,542</u>	<u>\$ 33,654</u>	<u>\$ 5,466</u>	<u>\$ 1,322,179</u>	<u>\$ (15,338)</u>

VILLAGE OF CARPENTERSVILLE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (cont.)
For the Year Ended April 30, 2013

	Special Revenue			Capital Projects	Total Nonmajor Funds
	Foreign Fire Tax Board	Developer Activities	Stormwater Detention	Equipment Replacement	
REVENUES					
Taxes	\$ 33,502	\$ -	\$ -	\$ -	\$ 499,433
Intergovernmental	-	-	-	69,314	1,002,574
Public charges for services	-	40,000	100,769	-	140,769
Investment income	7	-	577	455	6,249
Miscellaneous revenues	-	-	-	38,496	219,320
Total Revenues	<u>33,509</u>	<u>40,000</u>	<u>101,346</u>	<u>108,265</u>	<u>1,868,345</u>
EXPENDITURES					
Current					
General Government	-	-	-	-	15,338
Public safety	35,065	-	-	-	35,065
Public works	-	-	-	-	361,349
Community development	-	-	-	-	500,000
Culture and recreation	-	-	-	-	32
Capital Outlay	-	-	43,342	589,321	875,887
Debt Service					
Principal retirement	-	-	-	57,228	57,228
Interest and fiscal charges	-	-	-	2,677	2,677
Total Expenditures	<u>35,065</u>	<u>-</u>	<u>43,342</u>	<u>649,226</u>	<u>1,847,576</u>
Excess (deficiency) of revenues over expenditures	<u>(1,556)</u>	<u>40,000</u>	<u>58,004</u>	<u>(540,961)</u>	<u>20,769</u>
OTHER FINANCING SOURCES (USES)					
Capital lease issued	-	-	-	350,000	350,000
Transfers in	-	-	-	600,000	607,605
Transfers out	-	(354,000)	-	-	(732,263)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(354,000)</u>	<u>-</u>	<u>950,000</u>	<u>225,342</u>
Net change in fund balances	(1,556)	(314,000)	58,004	409,039	246,111
FUND BALANCES (DEFICIT) - Beginning of Year	<u>38,248</u>	<u>602,920</u>	<u>273,782</u>	<u>212,195</u>	<u>3,858,127</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 36,692</u>	<u>\$ 288,920</u>	<u>\$ 331,786</u>	<u>\$ 621,234</u>	<u>\$ 4,104,238</u>

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -
 ACTUAL AND BUDGET - ENTERPRISE FUND
 WATERWORKS AND SEWERAGE FUND
 For the Year Ended April 30, 2013

	Actual	Budget
OPERATING REVENUES		
Water user charges	\$ 3,089,430	\$ 3,319,347
Sewer user charges	3,286,731	3,473,911
Water connection fees	142,310	35,000
Sewer connection fees	144,422	35,000
Water availability charge	306,666	400,500
Sewer availability charge	315,325	396,000
Water tower charges	159,084	250,000
Meter sales	12,722	4,000
Services fees and penalties	199,495	232,831
Rental income	84,196	80,000
Fire hydrant user charges	30,636	15,000
Miscellaneous	5,590	16,800
Total Operating Revenues	7,776,607	8,258,389
OPERATING EXPENSES		
Water department	3,193,009	2,760,129
Sewer department	2,249,857	2,325,839
Depreciation - Water	844,670	-
Depreciation - Sewer	1,376,969	-
Total Operating Expenses	7,664,505	5,085,968
Operating Income	112,102	3,172,421
NONOPERATING REVENUE (EXPENSES)		
Investment income	14,177	300
Interest charged to construction	5,356	-
Interest expense	(586,905)	(605,911)
Amortization of debt issuance cost and bond premium	(366)	-
State grant	51,464	-
Sale of fixed asset	(58,665)	-
Miscellaneous income	773	500
Fiscal agent fees	(337)	-
Total Nonoperating Revenue (Expenses)	(574,503)	(605,111)
Income (Loss) Before Capital Contributions and Transfers	(462,401)	2,567,310
TRANSFER TO CAPITAL PROJECT FUND	(100,000)	-
CAPITAL CONTRIBUTIONS	215,032	-
CHANGE IN NET POSITION	(347,369)	2,567,310
TOTAL NET POSITION - Beginning of Year	38,476,722	38,476,722
TOTAL NET POSITION - END OF YEAR	\$ 38,129,353	\$ 41,044,032

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF EXPENSES - BUDGET TO ACTUAL ENTERPRISE FUND WATERWORKS AND SEWERAGE FUND For the Year Ended April 30, 2013

	Actual	Budget
WATER DEPARTMENT		
Water Facilities		
Personnel services:		
Employee salaries	\$ 517,585	\$ 524,910
Employee overtime	24,385	33,000
FICA/Medicare/IMRF	105,410	107,341
Health insurance	94,354	88,416
Longevity	3,554	3,659
Sick leave incentive	1,253	1,606
Uniform allowance	2,250	2,250
Total Personnel Services	748,791	761,182
Contractual services:		
Dues and publications	389	805
Training and meeting	3,763	3,500
Other service	28,174	20,000
Building grounds	11,577	12,000
Maintenance equipment	24,820	30,000
Vehicles	-	700
Electric	183,223	215,000
Heating	8,585	11,000
Telephone data	4,836	4,400
Water softener salt	214,548	241,460
Water well	39,330	40,000
Water alarm	620	700
Total Contractual Services	519,865	579,565
Commodities:		
Building	6,994	4,500
Maintenance materials	5,095	5,500
Automotive	173	350
Tools and equipment	10,398	11,500
Gas and oil	18,831	18,500
Office	1,490	1,600
Operating	13,196	14,000
Meters	318,574	318,000
Chemicals	39,499	38,720
Total Commodities	414,250	412,670
Total Water Facilities	1,682,906	1,753,417

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF EXPENSES - BUDGET TO ACTUAL
 ENTERPRISE FUND
 WATERWORKS AND SEWERAGE FUND (cont.)
 For the Year Ended April 30, 2013

	Actual	Budget
Water Underground		
Personnel services:		
Employee salaries	\$ 268,152	\$ 274,042
Employee overtime	20,974	23,650
FICA/Medicare/IMRF	54,323	56,399
Insurance	66,158	57,254
Longevity	2,050	2,200
Sick leave incentive	250	500
Uniform allowance	1,500	1,500
Total Personnel Services	413,407	415,545
Contractual services:		
Dues and publications	287	250
Printing	-	100
Training and meeting	896	1,000
Other service	25,514	9,500
Building grounds	295	250
Equipment maintenance	54,701	55,500
Office equipment	221	400
Vehicles	1,074	850
Telephone data	3,322	2,480
Total Contractual Services	86,310	70,330
Commodities:		
Building	-	100
Street	3,952	8,000
Maintenance materials	10,544	12,300
Automotive	951	425
Tools and equipment	501,636	3,500
Gas and oil	12,088	13,000
Office	240	200
Operating	2,068	3,000
Pipes and valves	63,634	60,000
Total Commodities	595,113	100,525
Transfers Out	-	36,000
Total Water Underground	1,094,830	622,400

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF EXPENSES - BUDGET TO ACTUAL
ENTERPRISE FUND
WATERWORKS AND SEWERAGE FUND (cont.)
For the Year Ended April 30, 2013

	<u>Actual</u>	<u>Budget</u>
Water Administrative and General		
Personnel services:		
Employee salaries	\$ 137,475	\$ 115,689
FICA/Medicare/IMRF	26,432	22,255
Insurance	24,247	29,500
Longevity	555	695
Sick leave incentive	6,225	438
Other postemployment benefits	905	3,000
Total Personnel Services	<u>195,839</u>	<u>171,577</u>
Contractual services:		
Accounting services	12,254	12,500
Dues and publications	570	735
Training and meeting	1,823	3,750
Postage and mailing	16,039	15,500
Liability Insurance	56,951	48,000
Office	4,069	5,000
Office equipment	1,154	1,200
Telephone data	1,575	1,050
Total Contractual Services	<u>94,435</u>	<u>87,735</u>
Administrative and general overhead	<u>125,000</u>	<u>125,000</u>
Total Water Administrative and General	<u>415,273</u>	<u>384,312</u>
TOTAL WATER DEPARTMENT	<u>3,193,009</u>	<u>2,760,129</u>

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF EXPENSES - BUDGET TO ACTUAL
 ENTERPRISE FUND
 WATERWORKS AND SEWERAGE FUND (cont.)
 For the Year Ended April 30, 2013

	Actual	Budget
SEWER DEPARTMENT		
Sewer Facilities		
Personnel services:		
Employee salaries	\$ 540,540	\$ 505,147
Employee overtime	23,046	31,000
FICA/Medicare/IMRF	100,998	103,011
Other post employment benefits	-	12,000
Health insurance	100,919	117,214
Longevity	2,586	2,699
Sick leave incentive	1,748	1,606
Uniform allowance	2,250	2,250
Total Personnel Services	772,087	774,927
Contractual services:		
Dues and publications	100	200
Printing	325	450
Training and meeting	1,996	3,000
Other service	73,336	25,000
Building grounds	3,032	3,000
Maintenance equipment	104,668	130,000
Vehicles	59	500
Electric	214,298	219,000
Heating	7,126	14,000
Telephone data	6,425	5,500
Sludge disposal	90,321	113,000
Testing	3,593	5,000
Total Contractual Services	505,279	518,650
Commodities:		
Building	1,775	3,000
Maintenance materials	22,909	17,000
Lift station	5,199	8,000
Automotive	21	250
Tools and equipment	15,971	15,000
Gas and oil	7,335	7,500
Office	1,197	1,000
Operating	9,263	8,500
Chemicals	37,264	53,000
Total Commodities	100,934	113,250
Total Sewer Facilities	1,378,300	1,406,827

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF EXPENSES - BUDGET TO ACTUAL
 ENTERPRISE FUND
 WATERWORKS AND SEWERAGE FUND (cont.)
 For the Year Ended April 30, 2013

	Actual	Budget
Sewer Underground		
Personnel services:		
Employee salaries	\$ 269,596	\$ 274,042
Employee overtime	20,974	23,650
FICA/Medicare/IMRF	54,410	56,399
Health insurance	45,952	57,254
Longevity	2,050	2,200
Sick leave incentive	250	500
Uniform allowance	1,500	1,500
Total Personnel Services	394,732	415,545
Contractual services:		
Dues and publications	253	250
Printing	-	100
Training and meeting	527	1,000
Other service	2,636	9,500
Building grounds	-	250
Office equipment	103	400
Vehicles	1,175	850
Telephone data	3,200	2,480
Total Contractual Services	7,894	14,830
Commodities:		
Building	162	200
Street	3,932	8,000
Maintenance materials	11,263	12,000
Sanitary maintenance	6,972	8,000
Automotive	993	425
Tools and equipment	3,500	3,500
Gas and oil	12,058	13,000
Office equipment	347	200
Operating	2,609	3,000
Total Commodities	41,836	48,325
Capital outlay - miscellaneous capital	11,822	20,000
Transfer to Capial	-	36,000
Total Sewer Underground	456,284	534,700

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF EXPENSES - BUDGET TO ACTUAL ENTERPRISE FUND WATERWORKS AND SEWERAGE FUND (cont.) For the Year Ended April 30, 2013

	<u>Actual</u>	<u>Budget</u>
Sewer Administrative and General		
Personnel services:		
Employee salaries	\$ 137,475	\$ 115,689
FICA/Medicare/IMRF	26,432	22,255
Insurance	24,247	29,500
Longevity	555	695
Sick leave incentive	6,225	438
Other postemployment benefits	904	3,000
Total Personnel Services	<u>195,838</u>	<u>171,577</u>
Contractual services:		
Accounting services	12,254	12,500
Dues and publications	570	735
Training and meeting	1,823	3,750
Postage and mailing	16,039	15,500
Liability Insurance	56,951	48,000
Office	4,069	5,000
Office equipment	1,154	1,200
Telephone data	1,575	1,050
Total Contractual Services	<u>94,435</u>	<u>87,735</u>
Administrative and general overhead	<u>125,000</u>	<u>125,000</u>
Total Sewer Administrative and General	<u>415,273</u>	<u>384,312</u>
TOTAL SEWER DEPARTMENT	<u>2,249,857</u>	<u>2,325,839</u>
TOTAL OPERATING EXPENSES, EXCLUDING AMORTIZATION AND DEPRECIATION	<u>\$ 5,442,866</u>	<u>\$ 5,085,967</u>

VILLAGE OF CARPENTERSVILLE

COMBINING SCHEDULE OF FIDUCIARY NET POSITION PENSION TRUST FUNDS As of April 30, 2013

	Pension Trust Funds		Total Pension Trust Funds
	Police Pension Trust	Firefighters' Pension Trust	
ASSETS			
Cash and investments			
Deposits	\$ 2,942	\$ 34,012	\$ 36,954
Money markets	881,153	86,514	967,667
U.S. treasuries	3,009,573	1,902,843	4,912,416
U.S. agencies - implicit	603,855	6,247,501	6,851,356
U.S. agencies - explicit	5,144,794	288,693	5,433,487
Stock	8,931,630	-	8,931,630
State and local bonds	-	1,191,961	1,191,961
Corporate bonds	1,672,101	-	1,672,101
Mutual funds	8,231,801	6,348,506	14,580,307
Accrued interest	91,283	79,476	170,759
Due from other taxing units	5,828	1,720	7,548
Prepaid items	19,798	583	20,381
Total Assets	<u>28,594,758</u>	<u>16,181,809</u>	<u>44,776,567</u>
LIABILITIES			
Accounts payable	3,033	5,443	8,476
Total Liabilities	<u>3,033</u>	<u>5,443</u>	<u>8,476</u>
NET POSITION			
Held in trust for pension benefits	<u>\$ 28,591,725</u>	<u>\$ 16,176,366</u>	<u>\$ 44,768,091</u>

VILLAGE OF CARPENTERSVILLE

COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION PENSION TRUST FUNDS

For the Year Ended April 30, 2013

	Police Pension Trust	Firefighters' Pension Trust	Total
ADDITIONS			
Contributions			
Employer	\$ 1,533,426	\$ 453,980	\$ 1,987,406
Participants	<u>497,655</u>	<u>280,946</u>	<u>778,601</u>
Total Contributions	<u>2,031,081</u>	<u>734,926</u>	<u>2,766,007</u>
Net Investment Income			
Investment income	2,324,157	1,171,539	3,495,696
Less: Investment expense	<u>(110,920)</u>	<u>(46,965)</u>	<u>(157,885)</u>
Net Investment Income	<u>2,213,237</u>	<u>1,124,574</u>	<u>3,337,811</u>
Total Additions	<u>4,244,318</u>	<u>1,859,500</u>	<u>6,103,818</u>
DEDUCTIONS			
Benefits and refunds	2,214,852	661,582	2,876,434
Other contractual	<u>28,092</u>	<u>20,072</u>	<u>48,164</u>
Total Deductions	<u>2,242,944</u>	<u>681,654</u>	<u>2,924,598</u>
CHANGE IN NET POSITION	2,001,374	1,177,846	3,179,220
NET POSITION - Beginning of Year	<u>26,590,351</u>	<u>14,998,520</u>	<u>41,588,871</u>
NET POSITION - END OF YEAR	<u>\$ 28,591,725</u>	<u>\$ 16,176,366</u>	<u>\$ 44,768,091</u>

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF GENERAL OBLIGATION LONG-TERM DEBT PRINCIPAL PAYMENTS April 30, 2013

<u>Year</u>	<u>Totals</u>	<u>2010 G.O. Bonds</u>	<u>2008 G.O. Bonds</u>	<u>2006 G.O. Bonds</u>	<u>2004 G.O. Refunding Bonds</u>
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	\$ 35,995,000	\$ 18,620,000	\$ 8,540,000	\$ 7,805,000	\$ 1,030,000

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF GENERAL OBLIGATION LONG-TERM DEBT INTEREST PAYMENTS April 30, 2013

<u>Year</u>	<u>Totals</u>	<u>2010 G.O. Bonds</u>	<u>2008 G.O. Bonds</u>	<u>2006 G.O. Bonds</u>	<u>2004 G.O. Refunding Bonds</u>
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	121,918	121,918	-	-	-
TOTALS	<u>\$ 18,719,428</u>	<u>\$ 12,358,785</u>	<u>\$ 3,434,543</u>	<u>\$ 2,858,900</u>	<u>\$ 67,200</u>

VILLAGE OF CARPENTERSVILLE

SCHEDULE OF INSURANCE IN FORCE

April 30, 2013

<u>Name of Agency</u>	<u>Type of Coverage</u>	<u>Policy Limits</u>
Safety National	Workers' Compensation	\$ 1,000,000
Illinois Union	Liability	\$ 2,000,000
Traveler's	Crime	\$ 5,000,000
Federal	Property	\$ 85,019,305
Illinois Union	Auto Physical Damage	\$ 1,000,000
Torus National & Evanston	Umbrella	\$ 9,000,000
Evanston	Umbrella	\$ 10,000,000

STATISTICAL INFORMATION

VILLAGE OF CARPENTERSVILLE, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$ 47,709,071	\$ 49,989,467	\$ 52,937,639	\$ 59,316,754	\$ 61,721,718	\$ 60,725,028	\$ 69,438,643	\$ 68,487,393	\$ 68,905,034	\$ 67,264,235
Restricted	4,213,436	4,013,485	4,393,997	4,241,765	4,069,115	3,734,343	3,820,380	2,880,926	4,181,749	3,862,323
Unrestricted	7,961,779	4,419,353	4,977,837	5,300,206	4,978,269	5,499,191	(809,335)	508,223	(514,535)	1,528,171
TOTAL GOVERNMENTAL ACTIVITIES	\$ 59,884,286	\$ 58,422,305	\$ 62,309,473	\$ 68,858,725	\$ 70,769,102	\$ 69,958,562	\$ 72,449,688	\$ 71,876,542	\$ 72,572,248	\$ 72,654,729
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	20,501,593	20,079,378	28,858,904	31,795,655	35,648,176	34,664,845	35,221,703	34,253,748	33,583,685	32,738,403
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	9,105,998	9,469,683	9,114,050	8,460,631	7,383,975	6,267,029	5,146,465	4,778,620	4,893,037	5,390,950
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 29,607,591	\$ 29,549,061	\$ 37,972,954	\$ 40,256,286	\$ 43,032,151	\$ 40,931,874	\$ 40,368,168	\$ 39,032,368	\$ 38,476,722	\$ 38,129,353
PRIMARY GOVERNMENT										
Net investment in capital assets	\$ 68,210,664	\$ 70,068,845	\$ 81,796,543	\$ 91,112,409	\$ 97,369,894	\$ 95,389,873	\$ 104,660,346	\$ 102,741,141	\$ 102,488,719	\$ 100,002,638
Restricted	4,213,436	4,013,485	4,393,997	4,241,765	4,069,115	3,734,343	3,820,380	2,880,926	4,181,749	3,862,323
Unrestricted	17,067,777	13,889,036	14,091,887	13,760,837	12,362,244	11,766,220	4,337,130	5,286,843	4,378,502	6,919,121
TOTAL PRIMARY GOVERNMENT	\$ 89,491,877	\$ 87,971,366	\$ 100,282,427	\$ 109,115,011	\$ 113,801,253	\$ 110,890,436	\$ 112,817,856	\$ 110,908,910	\$ 111,048,970	\$ 110,784,082

Data Source

Audited Financial Statements

VILLAGE OF CARPENTERSVILLE, ILLINOI

CHANGE IN NET POSITION

Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
EXPENSES										
Governmental Activities:										
General government	\$ 5,138,989	\$ 3,105,542	\$ 2,639,987	\$ 2,776,222	\$ 2,727,628	\$ 2,923,365	\$ 2,853,593	\$ 2,390,453	\$ 2,722,030	\$ 2,281,909
Public safety	9,728,963	11,639,423	11,832,212	13,254,573	13,943,995	14,820,887	15,706,172	14,028,417	14,157,163	17,077,983
Public works	2,410,575	4,790,709	4,770,965	6,397,636	7,468,853	8,098,904	6,484,488	7,969,022	7,656,046	8,215,225
Community developmen	1,797,521	1,676,954	1,993,506	1,716,270	1,979,038	1,848,358	1,868,828	1,719,127	1,443,759	1,818,908
Culture and recreation	41,690	49,393	42,066	52,355	136,652	141,630	140,459	132,958	211,356	136,440
Interest and fiscal charges	235,611	422,341	129,776	309,424	308,839	460,971	541,615	1,208,904	1,493,384	1,460,952
Total governmental activities expense	19,353,349	21,684,362	21,408,512	24,506,480	26,565,005	28,294,115	27,595,155	27,448,881	27,683,738	30,991,417
BUSINESS-TYPE ACTIVITIES:										
Water and sewer	4,938,861	7,003,017	5,800,998	7,129,154	7,475,226	7,960,122	8,019,962	7,803,929	7,579,013	8,310,778
Total business-type activities expenses:	4,938,861	7,003,017	5,800,998	7,129,154	7,475,226	7,960,122	8,019,962	7,803,929	7,579,013	8,310,778
TOTAL PRIMARY GOVERNMENT EXPENSES:	\$ 24,292,210	\$ 28,687,379	\$ 27,209,510	\$ 31,635,634	\$ 34,040,231	\$ 36,254,237	\$ 35,615,117	\$ 35,252,810	\$ 35,262,751	\$ 39,302,195
PROGRAM REVENUES										
Governmental Activities:										
Charges for services:										
General government	\$ 624,389	\$ 580,388	\$ 832,327	\$ 759,788	\$ 742,410	\$ 822,343	\$ 761,390	\$ 736,251	\$ 734,263	\$ 697,551
Public safety	1,631,525	1,690,228	1,982,681	2,044,888	2,420,812	2,332,098	2,535,773	2,603,446	2,034,826	2,299,566
Public works	1,100,638	721,698	1,854,820	1,685,876	1,024,426	1,012,787	1,078,688	1,488,860	1,007,358	1,256,200
Community developmen	16,931	24,383	17,563	23,461	28,020	33,420	398,313	297,958	244,260	362,249
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	293,000	481,726	429,919	330,003	77,116	46,256	43,893	225,386	540,523	584,260
Capital grants and contributions	3,150,908	2,776,507	3,871,803	6,895,645	4,319,432	2,272,240	6,579,375	2,043,895	2,532,024	1,786,938
Total governmental activities program revenue	6,817,391	6,274,930	8,989,113	11,739,661	8,612,216	6,519,144	11,397,432	7,395,796	7,093,254	6,986,764
Business-Type Activities:										
Charges for services:										
Water and sewer	5,026,796	5,718,198	6,606,345	5,985,811	5,395,767	5,677,714	5,743,824	5,813,101	6,972,009	7,776,607
Capital grants and contributions	132,260	1,137,885	622,996	2,930,292	4,386,370	10,686	1,629,016	-	30,000	266,496
Total business-type activities program revenue	5,159,056	6,856,083	7,229,341	8,916,103	9,782,137	5,688,400	7,372,840	5,813,101	7,002,009	8,043,103
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 11,976,447	\$ 13,131,013	\$ 16,218,454	\$ 20,655,764	\$ 18,394,353	\$ 12,207,544	\$ 18,770,272	\$ 13,208,897	\$ 14,095,263	\$ 15,029,867
NET (EXPENSES) REVENUES										
Governmental activities:	\$(12,535,958)	\$(15,409,432)	#####	#####	#####	#####	\$(16,197,723)	\$(20,053,085)	\$(20,590,484)	\$(24,004,653)
Business-type activities	220,195	(146,934)	1,428,343	1,786,949	2,306,911	(2,271,722)	(647,122)	(1,990,828)	(577,004)	(267,675)
TOTAL PRIMARY GOVERNMENT NET REVENUES (EXPENSES)	\$(12,315,763)	\$(15,556,366)	#####	#####	#####	#####	\$(16,844,845)	\$(22,043,913)	\$(21,167,488)	\$(24,272,328)

VILLAGE OF CARPENTERSVILLE, ILLINOI

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Taxes										
Property	\$ 4,730,709	\$ 5,191,172	\$ 5,929,573	\$ 6,792,096	\$ 7,464,166	\$ 7,643,392	\$ 7,834,711	\$ 8,339,117	\$ 8,926,796	\$ 11,540,085
Sales and use	4,260,076	4,662,397	5,211,948	5,597,614	6,079,532	6,155,546	5,796,490	6,097,724	7,172,770	6,587,215
Income	2,164,898	2,132,112	2,274,502	3,003,525	3,258,589	2,770,355	2,630,608	2,727,726	2,494,821	3,396,732
Utility	1,347,010	1,062,701	1,567,719	1,411,704	1,484,257	1,479,189	1,313,416	1,350,435	1,445,519	1,466,585
Other	121,511	140,590	162,396	196,596	214,450	702,120	452,242	460,608	472,682	402,736
Investment earnings:	218,594	320,419	648,975	1,140,560	699,622	902,823	178,003	273,296	205,844	44,093
Miscellaneous	379,755	431,838	510,074	635,425	629,807	1,283,901	383,590	859,567	544,901	549,688
Contributions	-	6,222	1,380	6,923	32,743	27,105	7,387	2,000	22,857	-
Transfers	35,000	-	-	-	-	-	92,402	(627,534)	-	100,000
Total governmental activities	13,257,553	13,947,451	16,306,567	18,784,443	19,863,166	20,964,431	18,688,849	19,482,939	21,286,190	24,087,134
Business-Type Activities										
Investment earnings:	218,247	82,209	151,893	495,695	466,410	153,021	116,275	11,231	6,882	14,177
Miscellaneous	2,140	6,195	2,053	688	2,544	18,424	59,543	16,263	14,476	6,129
Transfers	(35,000)	-	-	-	-	-	(92,402)	627,534	-	(100,000)
Total business-type activities	185,387	88,404	153,946	496,383	468,954	171,445	83,416	655,028	21,358	(79,694)
TOTAL PRIMARY GOVERNMENT	\$ 13,442,940	\$ 14,035,855	\$ 16,460,513	\$ 19,280,826	\$ 20,332,120	\$ 21,135,876	\$ 18,772,265	\$ 20,137,967	\$ 21,307,548	\$ 24,007,440
CHANGE IN NET POSITION										
Governmental activities:	\$ 721,595	\$ (1,461,981)	\$ 3,887,168	\$ 6,017,624	\$ 1,910,377	\$ (810,540)	\$ 2,491,126	\$ (570,146)	\$ 695,706	\$ 82,481
Business-type activities	405,582	(58,530)	1,582,289	2,283,332	2,775,865	(2,100,277)	(563,706)	(1,335,800)	(555,646)	(347,369)
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 1,127,177	\$ (1,520,511)	\$ 5,469,457	\$ 8,300,956	\$ 4,686,242	\$ (2,910,817)	\$ 1,927,420	\$ (1,905,946)	\$ 140,060	\$ (264,888)

* - The Village of Carpentersville began recording the property tax levies for the police and fire pension funds as both a revenue and an expenditure in the General Fund in FY201.

Data Source

Audited Financial Statements

VILLAGE OF CARPENTERSVILLE, ILLINOIS
FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012*	2013
GENERAL FUND										
Nonspendable										
Prepaid items	-	-	-	-	-	-	-	-	281,293	299,982
Restricted										
Police department programs	-	-	-	-	-	-	-	-	82,527	32,947
Assigned										
Carryforwards	-	-	-	-	-	-	-	-	93,980	53,352
Subsequent year budget	-	-	-	-	-	-	-	-	-	392,521
Unassigned	-	-	-	-	-	-	-	-	4,178,189	4,594,252
Reserved	583,879	564,370	635,487	859,862	751,132	356,859	1,810,930	283,588	-	-
Unreserved	4,906,229	3,947,642	5,036,041	5,075,576	5,247,538	4,891,184	1,249,519	2,738,487	-	-
TOTAL GENERAL FUND	\$ 5,490,108	\$ 4,512,012	\$ 5,671,528	\$ 5,935,438	\$ 5,998,670	\$ 5,248,043	\$ 3,060,449	\$ 3,022,075	\$ 4,635,989	\$ 5,373,054
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable										
Prepaid items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Motor Fuel Tax	-	-	-	-	-	-	-	-	1,305,370	1,426,332
Parks	-	-	-	-	-	-	-	-	54,043	54,611
Capital projects	-	-	-	-	-	-	-	-	6,617,269	1,985,129
Public improvements	-	-	-	-	-	-	-	-	909,777	1,983,547
Fire purposes	-	-	-	-	-	-	-	-	38,248	36,692
Debt Service	-	-	-	-	-	-	-	-	892,900	803,049
Assigned										
Capital projects	-	-	-	-	-	-	-	-	212,195	1,473,791
Carryforwards	-	-	-	-	-	-	-	-	-	904,362
Unassigned, reported in										
Special Revenue Funds	-	-	-	-	-	-	-	-	(45,641)	(18,178)
Capital Project Funds	-	-	-	-	-	-	-	-	-	-
Reserved	235,404	467,761	3,082,470	1,256,070	719,619	5,361,638	1,607,899	1,266,048	-	-
Unreserved, reported in										
Special Revenue Funds	4,338,123	3,893,567	1,585,517	3,229,631	3,580,269	3,324,826	3,489,563	3,474,330	-	-
Capital Project Funds	3,365,226	1,895,403	1,140,828	5,353,858	2,547,002	2,089,602	(2,279,789)	13,247,392	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 7,938,753	\$ 6,256,731	\$ 5,808,815	\$ 9,839,559	\$ 6,846,890	\$ 10,776,066	\$ 2,817,673	\$ 17,987,770	\$ 9,984,161	\$ 8,649,335

* The Village implemented GASB Statement No. 54 as of April 30, 2012.

Data Source

Audited Financial Statements

VILLAGE OF CARPENTERSVILLE, ILLINOI
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUND
 Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
REVENUES										
Taxes	\$ 12,624,206	\$ 13,188,973	\$ 15,146,137	\$ 17,001,535	\$ 18,500,995	\$ 18,525,185	\$ 17,026,816	\$ 19,252,124	\$ 20,522,991	\$ 23,393,353
Intergovernmenta	2,502,203	2,920,592	2,874,680	2,894,935	2,804,058	3,176,894	3,025,051	3,024,388	3,772,840	3,062,165
Licenses and permits	1,263,598	1,064,344	1,649,660	1,431,063	1,298,635	1,499,358	1,572,549	1,411,820	1,416,228	1,506,600
Fines and forfeitures	476,904	524,840	590,289	625,312	576,710	569,590	507,637	507,610	545,393	416,421
Charges for services	564,471	608,832	918,254	923,091	1,279,666	1,492,650	1,518,178	2,354,945	1,774,945	2,138,241
Investment income	218,594	320,418	533,325	1,153,262	746,955	870,753	259,101	364,679	227,365	44,093
Miscellaneous	704,698	569,439	1,360,858	1,062,846	928,709	1,146,724	556,800	965,110	550,580	409,238
TOTAL REVENUES	18,354,674	19,197,438	23,073,203	25,092,044	26,135,728	27,281,154	24,466,132	27,880,676	28,810,342	30,970,111
EXPENDITURES										
General government	5,080,516	3,057,494	2,574,853	4,330,705	2,662,854	2,846,950	2,267,779	2,362,357	2,664,634	3,068,266
Public safety	8,908,119	10,896,197	11,754,612	12,656,119	13,823,810	14,494,721	14,498,478	13,697,709	13,620,554	15,558,217
Public works	1,562,312	3,892,027	3,871,134	4,557,505	5,204,268	5,886,022	5,245,326	5,660,245	5,108,788	5,494,017
Community developmen	1,782,913	1,708,717	2,012,761	1,758,962	2,046,670	1,945,120	1,865,603	1,730,193	1,457,576	1,816,542
Culture and recreation	41,690	49,393	42,066	52,355	133,988	169,295	142,130	139,029	207,653	133,078
Debt service										
Principal	330,000	322,500	322,500	332,500	517,500	468,750	775,561	794,791	1,505,211	1,597,889
Interest	201,735	204,576	135,941	309,252	318,162	383,126	547,955	1,119,833	1,492,405	1,459,828
Capital outlay	310,666	2,333,271	1,647,736	2,450,666	4,386,193	4,575,570	9,386,373	6,653,317	10,189,531	2,893,822
TOTAL EXPENDITURES	18,217,951	22,464,175	22,361,603	26,448,064	29,093,445	30,769,554	34,729,205	32,157,474	36,246,352	32,021,659
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	136,723	(3,266,737)	711,600	(1,356,020)	(2,957,717)	(3,488,400)	(10,263,073)	(4,276,798)	(7,436,010)	(1,051,548)
OTHER FINANCING SOURCES (USES)										
Transfers in	645,455	450,404	382,772	381,187	381,928	382,247	473,261	3,051,575	796,337	1,339,868
Transfers out	(610,455)	(450,404)	(382,772)	(381,187)	(381,928)	(382,247)	(380,859)	(3,679,109)	(796,337)	(1,239,868)
Bonds issued	-	2,460,000	-	5,000,000	-	6,700,000	-	20,000,000	-	-
Bond issuance costs	-	-	-	-	-	(65,223)	-	-	-	-
Premium on bonds issued	-	61,387	-	85,289	-	-	-	36,025	-	-
Discount on bonds issued	-	(57,741)	-	-	-	-	-	-	-	-
Payment to escrow agen	-	(2,466,719)	-	-	-	-	-	-	-	-
Capital lease	113,278	127,129	-	-	-	-	-	-	-	350,000
Sale of capital assets	-	-	-	33,758	28,280	32,172	24,684	-	46,808	3,787
Total other financing sources (uses)	148,278	124,056	-	5,119,047	28,280	6,666,949	117,086	19,408,491	46,808	453,787
NET CHANGE IN FUND BALANCE:	\$ 285,001	\$ (3,142,681)	\$ 711,600	\$ 3,763,027	\$ (2,929,437)	\$ 3,178,549	\$ (10,145,987)	\$ 15,131,693	\$ (7,389,202)	\$ (597,761)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURE:	2.90%	2.13%	1.94%	2.26%	2.55%	2.44%	3.00%	5.04%	6.63%	8.81%

Data Source

Audited Financial Statements

VILLAGE OF CARPENTERSVILLE, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Kane County Total Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value as a percent of Actual Value
2003	488,672,267	488,672,267	1.2413	1,466,016,801	33.333%
2004	558,876,762	558,876,762	1.2121	1,676,630,286	33.333%
2005	599,930,235	599,930,235	1.3364	1,799,790,705	33.333%
2006	649,170,432	649,170,432	1.3213	1,947,511,296	33.333%
2007	684,585,356	684,585,356	1.3313	2,053,756,068	33.333%
2008	727,105,524	727,105,524	1.3307	2,181,316,572	33.333%
2009	702,698,756	702,698,756	1.4500	2,108,096,268	33.333%
2010	644,432,194	644,432,194	1.6902	1,933,296,582	33.333%
2011	556,470,750	556,470,750	1.9580	1,669,412,250	33.333%
2012	495,669,797	495,669,797	2.2993	1,487,009,391	33.333%

Data Source

Office of the County Clerk

Note: Property in the Village is reassessed every three years. Property is assessed at 33% of actual value.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Levy Years

	Tax Levy Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Village Direct Rates										
Carpentersville Village	1.2413	1.2121	1.3367	1.0519	1.0239	1.3316	1.4517	1.6930	1.9613	2.2993
Carpentersville IMRF	-	-	-	0.2702	0.3080	-	-	-	-	-
Total Direct Tax Rate (**)	\$ 1.2413	\$ 1.2121	\$ 1.3367	\$ 1.3221	\$ 1.3319	\$ 1.3316	\$ 1.4517	\$ 1.6930	\$ 1.9613	\$ 2.2993
Overlapping Rates (a)										
School District 300 residents:										
Kane County	0.3029	0.3467	0.3367	0.2847	0.2750	0.3336	0.3398	0.3730	0.3990	0.4336
Kane County IMRF	0.0549	0.0382	-	0.0605	0.0571	-	-	-	-	-
Kane County FICA	-	-	-	-	-	-	-	-	-	-
Kane County Forest Preserve	0.1232	0.1432	0.1905	0.1714	0.1942	0.1932	0.1997	0.2201	0.2609	0.2710
Kane County Forest Preserve IMRF	0.0038	-	-	0.0033	0.0032	-	-	-	-	-
Kane County Forest Preserve FICA	-	-	-	-	-	-	-	-	-	-
Dundee Township	0.1803	0.1705	0.1608	0.1292	0.1440	0.1415	0.1498	0.1688	0.1854	0.2143
Dundee Township Road Funds	0.0797	0.0770	0.0730	0.0692	0.0665	0.0673	0.0695	0.0774	0.0838	0.0958
Dundee Township IMRF	0.0028	0.0017	-	0.0015	0.0014	-	-	-	-	-
Dundee Township FICA	-	-	-	-	-	-	-	-	-	-
School District 300	3.8656	3.6923	4.0289	3.8308	3.7645	3.8603	3.9687	4.4615	4.7987	5.6752
School District 300 Pension	-	-	-	0.1480	0.1028	-	-	-	-	-
Elgin Community College 509	0.3854	0.4154	0.4011	0.3345	0.3230	0.3275	0.3833	0.4407	0.4454	0.5215
Elgin Community College Pension	-	-	-	0.0053	0.0051	-	-	-	-	-
Dundee Park District	0.3560	0.4341	0.4049	0.3474	0.3400	0.3648	0.3747	0.4251	0.4553	0.5145
Dundee Park District IMRF	0.0427	0.0195	-	0.0424	0.0316	-	-	-	-	-
Dundee Park District FICA	-	-	-	-	-	-	-	-	-	-
Dundee Library	0.1393	0.1416	0.1361	0.1245	0.1195	0.1273	0.1306	0.1456	0.1582	0.1811
Dundee Library IMRF	0.0109	0.0049	-	0.0082	0.0084	-	-	-	-	-
Dundee Library FICA	-	-	-	-	-	-	-	-	-	-
School District 220 residents:										
Harper College 512	-	-	-	0.2944	0.2755	0.2684	0.3059	0.3156	0.4304	0.5206
Harper College 512 Pension	-	-	-	0.0044	0.0047	-	-	-	-	-
Barrington School District	3.1616	3.6083	3.9660	3.0571	3.0810	3.0401	3.1090	3.4050	5.0248	5.2273
Barrington School District Pension	-	-	-	-	0.1100	-	-	-	-	-

Data Source

Office of the County Clerk

Note: Rates for debt service are set based on each year's requirements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Type of Business	2013			2004 - N/A		
		Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Equalized Assessed Valuation	Rank	Percentage of Total Village Taxable Assessed Valuation
Spring Hill Mall	Shopping Center	\$ 6,792,238	1	1.35%			
Woodmans	Grocery Store	5,161,321	2	1.03%			
Steadfast Foxview	Rental Properties	4,372,865	3	0.87%			
Menard Inc	Hardware Store	4,076,771	4	0.81%			
Trust # 1-04-112	Trust	2,699,600	5	0.54%			
Improved Besinger Properties	Rental Properties	2,440,135	6	0.49%			
Meadowdale Apartments	Rental Properties	2,004,350	7	0.40%			
PCCR USA	Solvent producer	1,996,669	8	0.40%			
TRUST # 36326	Trust	1,986,579	9	0.40%			
Meadowdale Shopping Center	Shopping Center	1,983,003	10	0.40%			
		<u>\$ 33,513,531</u>		<u>6.69%</u>	<u>\$ -</u>		<u>0.00%</u>

NOTE:

Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked.

Data Source

Office of the County Clerk

VILLAGE OF CARPENTERSVILLE, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	6,065,889	6,216,912	102.49%	-	6,216,912	102.49%
2004	6,866,878	7,053,727	102.72%	-	7,053,727	102.72%
2005	8,019,303	8,190,077	102.13%	-	8,190,077	102.13%
2006	8,582,436	8,808,974	102.64%	-	8,808,974	102.64%
2007	9,117,746	9,311,771	102.13%	-	9,311,771	102.13%
2008	9,594,112	9,743,498	101.56%	-	9,743,498	101.56%
2009	10,201,246	10,409,360	102.04%	-	10,409,360	102.04%
2010	10,910,424	11,103,552	101.77%	-	11,103,552	101.77%
2011	10,913,883	11,073,916	101.47%	-	11,073,916	101.47%
2012	11,397,124	-	0.00%	-	-	0.00%

Data Source

Office of the County Clerk

Note

Property in Lake County is reassessed every year at 33% of actual value
 Property in Cook County is reassessed every three years at rates that vary depending on type (e.g. residential, commercial, industrial, farm, and railroad).

VILLAGE OF CARPENTERSVILLE, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities						Business-Type Activities					Total Primary Government	Percentage of Actual Taxable Value(1) of Property	Per Capita (2)
	General Obligation Bonds	Refinancing Costs of General Obligation Bonds			Capital Leases	Promissory Note Payable	General Obligation Bonds	Refinancing Costs of Government Obligation Bonds			IEPA Loan			
		Unamortized Bond Discount	Unamortized Loss/Refund	Unamortized Bond Premium				Unamortized Bond Discount	Unamortized Loss/Refund	Unamortized Bond Premium				
2004	3,438,750	-	-	-	113,278	-	1,906,250	-	-	-	17,500,000	22,958,278	4.70%	750.61
2005	3,345,000	-	-	56,273	192,635	-	1,655,000	-	-	18,757	16,796,182	22,063,847	3.95%	721.37
2006	3,022,500	-	-	51,157	121,420	-	1,367,500	-	-	17,053	16,074,409	20,654,039	3.44%	675.28
2007	7,690,000	-	-	129,199	48,081	-	6,080,000	-	-	98,505	15,334,223	29,380,008	4.53%	960.57
2008	7,172,500	-	-	119,819	13,754	-	5,612,500	-	-	92,535	14,575,154	27,586,262	4.03%	901.92
2009	13,403,750	-	-	110,439	1,068	-	8,641,250	-	-	86,565	13,796,720	36,039,792	4.96%	1,178.31
2010	12,685,500	-	-	101,059	-	286,556	8,244,500	-	-	80,595	12,998,429	34,396,639	4.89%	912.60
2011	31,948,050	-	-	91,679	-	229,245	7,836,950	-	-	74,625	12,179,773	40,014,245	6.21%	1,061.64
2012	30,500,150	-	-	82,299	-	171,934	7,414,850	-	-	68,655	11,340,231	38,086,934	6.84%	997.14
2013	29,016,800	-	-	72,919	292,772	114,623	6,978,200	-	-	62,685	10,479,272	36,402,395	7.34%	953.04

Note: Details of the Village's outstanding debt can be found in the notes to the financial statements.

(1) Assessed value and actual value of taxable property

(2) See the Schedule of Demographic and Economic Statistics on page 142 for personal income and population data.

[Data Source](#)

Village Records

VILLAGE OF CARPENTERSVILLE, ILLINOIS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Fiscal Year	Governmental General Obligation Bonds	Business-Type General Obligation Bonds	Less: Amounts Available In Debt		Governmental General Obligation Bonds Refinancing Costs				Business-Type General Obligation Bonds Refinancing Costs				Percentage of Estimated Actual Taxable Value of Property*	Per Capita
			Service Fund	Total	Unamortized Bond Discount	Unamortized Loss/Refund	Unamortized Bond Premium	Unamortized Bond Discount	Unamortized Loss/Refund	Unamortized Bond Premium				
2004	3,438,750	1,906,250	235,404	5,109,596	-	-	-	-	-	-	-	-	1.05%	167.06
2005	3,345,000	1,655,000	467,761	4,532,239	-	-	56,273	-	-	-	-	18,757	0.81%	148.18
2006	3,022,500	1,367,500	698,450	3,691,550	-	-	51,157	-	-	-	-	17,053	0.62%	120.69
2007	7,690,000	6,080,000	715,304	13,054,696	-	-	129,199	-	-	-	-	98,505	2.01%	426.82
2008	7,172,500	5,612,500	719,619	12,065,381	-	-	119,819	-	-	-	-	92,535	1.76%	394.47
2009	13,403,750	8,641,250	1,018,109	21,026,891	-	-	110,439	-	-	-	-	86,565	2.89%	687.47
2010	12,685,500	8,244,500	1,054,454	19,875,546	-	-	101,059	-	-	-	-	80,595	2.83%	527.33
2011	31,948,050	7,836,950	903,275	38,881,725	-	-	91,679	-	-	-	-	74,625	6.03%	1,031.59
2012	30,500,150	7,414,850	883,704	37,031,296	-	-	82,299	-	-	-	-	68,655	6.65%	969.51
2013	29,016,800	6,978,200	800,842	35,194,158	-	-	72,919	-	-	-	-	62,685	7.10%	921.41

Note: Details of the Village's outstanding debt can be found in the notes to the financial statements.

* See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 139 for property value data.

Data Source

Village Records

VILLAGE OF CARPENTERSVILLE, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN

April 30, 2013

The Village is a home rule municipality.

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes 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 50,000 an aggregate of one per cent:...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, ILLINOIS
 DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2004	30,586	\$ 532,930,464	17,424	28.4	18,173	8.2%
2005	30,586	\$ 532,930,464	17,424	28.4	18,273	7.7%
2006	30,586	\$ 532,930,464	17,424	28.4	18,689	5.8%
2007	30,586	\$ 652,919,342	21,347	29.6	19,119	6.4%
2008	30,586	\$ 652,919,342	21,347	29.6	18,990	8.4%
2009	30,586	\$ 652,919,342	21,347	29.6	19,628	12.9%
2010	37,691	\$ 804,589,777	21,347	29.6	19,694	13.3%
2011	37,691	\$ 804,589,777	21,347	29.6	19,959	12.7%
2012	38,196	\$ 815,370,012	21,347	29.4	19,978	11.0%
2013	38,196	\$ 815,370,012	21,347	29.4	20,856	13.1%

Personal income is the largest sole source income type, usually either property or sales tax.
 Unemployment rate is the twelve month average.

Data Source

Village Records
 US Census Bureau
 Office of the County Clerk

VILLAGE OF CARPENTERSVILLE, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2013			2004 - N/A		
	Number of Employees	Rank	% of Total Village Population	Number of Employees	Rank	% of Total Village Population
Revcor, Inc	400	1	1.05%			
Community School District 300	300	2	0.79%			
Jewel	200	3	0.52%			
Trim-Rite Food Corp	200	3	0.52%			
Village of Carpentersville	174	5	0.46%			
Otto Engineering	160	6	0.42%			
Mc Whorter Technologies	150	7	0.39%			
Bulk Lift	150	7	0.39%			
Acme Industrial	150	7	0.39%			
M. Grayhill, Inc	150	7	0.39%			
Total	<u>1,634</u>		<u>4.27%</u>	<u>-</u>		<u>0.00%</u>

Data Source

2013 Illinois Service Directory

VILLAGE OF CARPENTERSVILLE, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Legislative	-	1	1	1	1	1	1	1	1	1
Administration	2	2	3	3	4	3	3	3	3	4
Finance	10	12	12	7	8	8	8	6	8	9
Information Systems	3	2	1	2	2	3	3	3	2	2
Community Development	15	16	12	11	15	15	16	16	11	11
Public Buildings	3	5	2	2	2	2	1	1	1	1
Public Safety										
Police Personnel	87	93	96	81	81	82	76	71	71	70
Fire Personnel	39	42	42	42	42	42	42	39	39	37
Public Works										
Administration	3	3	3	3	3	3	3	3	3	3
Utilities - Water	6	8	8	6	7	7	7	7	6	6
Utilities - Underground Water/Sewer	5	5	11	10	11	11	11	8	8	8
Utilities - Wastewater	8	10	10	8	8	8	8	7	6	6
Street Maintenance	11	12	12	13	13	13	12	12	12	12
Vehicle Maintenance	1	1	1	2	2	2	2	2	2	3
Parks	-	-	-	-	1	1	1	1	1	1

Data Source

Village budget office

VILLAGE OF CARPENTERSVILLE, ILLINOIS

OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Number of Permits Issued	N/A	N/A	1,695	1,894	1,896	3,620	4,062	3,313	2,677	2,992
Building and Engineering Inspections	N/A	N/A	12,617	4,634	6,750	5,671	5,930	5,472	5,149	5,367
Police										
DUI Arrests	N/A	N/A	N/A	201	194	202	167	169	106	128
Criminal Arrests	N/A	N/A	4,300	3,175	2,741	2,546	2,366	1,799	1,759	1,684
Accidents	N/A	N/A	N/A	1,044	996	1,017	851	927	815	820
Ordinance Enforcement	N/A	N/A	N/A	5,780	6,849	6,621	7,385	5,964	5,117	4,660
Total Tickets	N/A	N/A	N/A	9,517	8,769	9,458	9,875	9,893	6,890	10,335
Total Calls	N/A	N/A	N/A	19,552	22,332	21,837	20,703	19,783	17,786	16,296
Fire										
Number of Fire Calls Answered	N/A	N/A	783	883	950	938	910	950	967	882
Number of EMS Calls Answered	N/A	N/A	2,221	2,387	2,660	2,602	2,590	2,650	2,670	2,551
Public Works										
Tons of Garbage collected	N/A	N/A	14,373	14,475	12,169	11,678	10,666	10,297	10,333	10,015
Tons of Yardwaste collected	N/A	N/A	1,390	1,421	1,792	1,600	1,758	1,688	1,882	1,302
Tons of Recyclable material collected	N/A	N/A	3,004	3,039	3,252	3,499	3,184	3,540	3,451	3,284
Trees planted	N/A	N/A	N/A	-	66	100	29	18	-	28
Trees removed	N/A	N/A	3	7	5	16	12	45	687	803
Street sweeping (hours)	N/A	N/A	1,038	1,207	1,279	1,356	1,720	2,000	1,600	1,280
Snow removal (hours)	N/A	N/A	1,755	1,584	456	1,755	1,289	1,500	690	1,166
Water & Sewer										
Average daily consumption (gallons)	N/A	N/A	3,232,877	3,331,507	2,747,945	2,805,479	2,747,945	2,534,247	2,539,726	2,540,000
Meter Installations	N/A	N/A	-	166	51	1,400	1,750	1,640	1,375	1,375
Catch Basins/Inlets Cleaned	N/A	N/A	7	30	17	29	41	11	12	36

Data Source

Village Records

VILLAGE OF CARPENTERSVILLE, ILLINOIS

Capital Asset Statistics by Function

Last Ten Fiscal Years

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
General government buildings *	1	1	1	1	1	1	1	1	1	1
Number of vehicles	3	-	-	-	-	-	-	-	1	1
Public Safety										
Police:										
Stations *	1	1	1	1	1	1	1	1	1	1
Number of Squad Cars	40	25	28	32	31	34	31	36	36	36
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Number of vehicles	15	11	12	13	14	12	12	14	13	14
Public Works										
Public works buildings	3	3	3	3	3	3	3	3	3	3
Number of bridges	1	-	-	-	1	1	1	1	1	1
Number of vehicles	31	27	29	33	31	30	31	31	28	26
Streets (miles)	26	26	28	30	30	30	30	30	30	30
Water & Sewer										
Water mains (miles)	96	96	97	98	99	102	105	105	120	120
Sanitary sewers (miles)	67	67	68	68	69	71	75	75	75	75
Storm sewers (miles)	73	75	78	84	104	104	104	104	104	104
Number of fire hydrants	1,216	N/A	1,536	1,536	1,536	N/A	1,555	1,592	1,592	1,592
Community Development										
Number of vehicles	22	3	5	9	10	11	11	11	11	11
Culture and Recreation										
Number of parks and playgrounds	5	5	5	5	5	5	5	5	5	5
Number of vehicles	-	-	-	-	-	1	1	1	4	4

* The Police Department and Village Hall reside in the same building