

**VILLAGE OF BOURBONNAIS  
BOURBONNAIS, ILLINOIS**

**FINANCIAL STATEMENTS  
APRIL 30, 2011**

VILLAGE OF BOURBONNAIS

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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Village of Bourbonnais  
Bourbonnais, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Bourbonnais, as of and for the year ended April 30, 2011, which collectively comprise the Village of Bourbonnais' basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Bourbonnais' management. Our responsibility is to express an opinion on these financial statements based on our audit. The 2010 comparative information has been derived from the Village's April 30, 2010 financial statements, and in our report dated April 6, 2011 we expressed unqualified opinions on those financial statements.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village of Bourbonnais as of April 30, 2011 and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2012, on our consideration of the Village of Bourbonnais' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, budgetary comparison schedules, and schedule of funding progress as identified in the table of contents are not a required part of the basic financial statements but are supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Bourbonnais' basic financial statements. The statistical information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

*Borschmann, Pelletier + Co.*

April 27, 2012

**VILLAGE OF BOURBONNAIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDING APRIL 30, 2011**

This section of the Village of Bourbonnais' comprehensive annual financial report presents management's discussion and analysis of the Village's financial performance during the fiscal year that ended on April 30, 2011. Please read this analysis in conjunction with the Village's basic financial statements, which follow this section.

**Financial Highlights**

Summary Financial Highlights for the fiscal year ending April 30, 2011 are as follows:

- Despite economic conditions to the contrary, growth continues in Bourbonnais. During the fiscal year 2011, twenty-one permits were issued for new single family homes.
- Sanitary sewer lining in Tri-Star Estates was 60% complete as of the close of the fiscal year
- The Village accepted the jurisdictional transfer of Armour Road from US 45/52 to Earnest Mooney Drive
- Various new businesses opened or remodeled during the year. Notably, Subway, the Sprint Store, Liquor Zone and the Fieldhouse on Heritage Drive.

**Overview of the Financial Statements**

The Village's annual report consists of four parts - 1) *management's discussion and analysis* (this section), 2) *the basic financial statements*, 3) *required supplemental information*, and 4) *an optional section* that presents statistical information. The basic financial statements include two types of statements that present different views of the Village.

- The first two statements are *government wide financial statements* that provide both *long-term* and *short-term* information about the Village's *overall* financial status. These appear first and include the Statement of Net Assets and the Statement of Activities. They report information about the Village as a whole. The statements are prepared using the accrual method of accounting which is the accounting method used by most private sector businesses. The Statement of Net Assets includes all of the Village's assets and liabilities except the fiduciary funds. All current year revenues and expenses are reported in the Statement of Activities. The two statements report the governmental and business-type activities of the Village that include all services performed by the Village. These activities are funded primarily by property taxes, charges for services and by federal and state grants.
- The Statement of Net Assets shows the Village's assets and liabilities. The difference between total assets and liabilities equals the net assets or deficit of the Village. A deficit occurs when there are more liabilities than there are assets to pay those liabilities. This statement measures the financial strength of the Village; the greater the net asset figure, generally the indication of a healthier financial position for the Village. The statement helps management determine if the Village will be able to fund current obligations and whether they have resources available for future use.

**VILLAGE OF BOURBONNAIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDING APRIL 30, 2011**

- The Statement of Activities shows the current year change in net assets on a revenues minus expenses basis. It generally shows the operating results for a given year of the Village. Any excess of revenues over expenditures results in a surplus for the year that in turn increases the net assets available to fund future needs of the Village. Excess expenditures over revenues have an opposite impact on net assets.
- The remaining statements are fund financial statements that focus on individual *parts* of the Village government, reporting the Village's operations in more detail than the government wide statements. Funds that are separately stated as major funds include the General Fund, Special Tax Allocation Fund, Motor Fuel Tax Fund, Motor Fuel Tax Bond Fund, Impact Fees Fund, Sewer Operating Fund, and Refuse Disposal Fund.
- The *governmental funds* statements illustrate how general government services like public safety were financed in the short-term as well as what remains for future spending. They report short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes a long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances both provide reconciliations to the government-wide statements to assist in understanding the differences between these two perspectives.

- *Proprietary fund* statements offer *short* and *long-term* financial information about the activities the government operates like businesses, such as the Sewer Operating Fund. Information provided is consistent with the focus provided by the government-wide financial statements, but is separately stated for each major enterprise fund.
- *Fiduciary funds* - The Village is the trustee, or *fiduciary*, for its employees' pension plans. It is also responsible for other assets that - because of a trust arrangement - can be used only for the trust beneficiaries. The Village is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the Village's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the Village's government-wide financial statements because the Village cannot use these assets to finance its operations.

**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 Financial Statements can be found on pages 21-47.

**VILLAGE OF BOURBONNAIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDING APRIL 30, 2011**

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information including the major governmental fund budgetary schedules and data concerning the Village's progress in funding its obligations to provide pension benefits to its employees. Required supplemental information can be found on pages 48-52 of this report.

**Infrastructure Assets**

Historically, a government's largest group of assets (infrastructure - roads, bridges, storm sewers, etc.) have neither been reported nor depreciated in the governmental fund financial statements. Governmental Accounting Standards Board (GASB) Statement No. 34 requires that these assets be valued and reported within the Governmental Activities column of the government-wide statements. Additionally, the government must elect to either 1) depreciate these assets over their estimated useful life or 2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. The Village has chosen to depreciate assets over their useful life.

If an improvement project is considered a recurring cost that does not extend the asset's original useful life or expand its capacity, the cost of that project will be expensed. For example, an "overlay" of a road will be expensed, whereas a "rebuild" of a road will be capitalized.

**VILLAGE OF BOURBONNAIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDING APRIL 30, 2011**

**Government-Wide Financial Statements – Condensed Financial Information**

Reports summarizing both long-term and short-term information regarding the financial condition of the Village are contained in the Statement of Net Assets and the Statement of Activities which follow:

**Statements of Net Assets –**

Net assets may serve, over time, as a useful indicator of a government's financial position. In the case of the Village of Bourbonnais, assets exceeded liabilities by \$38,364,441 as of April 30, 2011. The following table reflects the condensed Statements of Net Assets:

|  | <u>2011</u>                |                             |                      | <u>2010</u>          |
|--|----------------------------|-----------------------------|----------------------|----------------------|
|  | Governmental<br>Activities | Business-type<br>Activities | Total                | Total                |
| <b>ASSETS</b>                                      |                            |                             |                      |                      |
| Current Assets                                     | \$ 10,570,835              | \$ 1,778,822                | \$ 12,349,657        | \$ 12,677,840        |
| Noncurrent Assets                                  | <u>19,114,086</u>          | <u>13,653,715</u>           | <u>32,767,801</u>    | <u>32,207,684</u>    |
| Total assets                                       | <u>29,684,921</u>          | <u>15,432,537</u>           | <u>45,117,458</u>    | <u>44,885,524</u>    |
| <b>LIABILITIES</b>                                 |                            |                             |                      |                      |
| Total liabilities                                  | <u>2,454,220</u>           | <u>4,381,151</u>            | <u>6,835,371</u>     | <u>7,203,377</u>     |
| <b>NET ASSETS</b>                                  |                            |                             |                      |                      |
| Invested in capital assets,<br>net of related debt | 17,598,516                 | 3,995,524                   | 21,594,040           | 21,469,285           |
| Restricted   | 901,163                    | 1,190,128                   | 2,091,291            | 1,841,708            |
| Unrestricted                                       | <u>8,731,022</u>           | <u>5,865,734</u>            | <u>14,596,756</u>    | <u>14,371,154</u>    |
| <b>Total net assets</b>                            | <u>\$ 27,230,701</u>       | <u>\$ 11,051,386</u>        | <u>\$ 38,282,087</u> | <u>\$ 37,682,147</u> |

**Discussion & Analysis**

The Village's net assets totaled \$38,282,087 on April 30, 2011. Capital assets, net of related debt, amounted to \$21,594,040. This figure is arrived at by taking the original costs of the Village's capital assets, subtracting accumulated depreciation to date and comparing this figure to the amount of remaining debt utilized to finance the acquisition of those assets.

Restricted net assets totaled \$2,091,291 on April 30, 2011, and are those assets restricted by ordinance or by revenue bond agreements. By comparison, unrestricted net assets totaled \$14,596,756 for the year ended April 30, 2011. This total is the net accumulated result of the current and previous years' operations. Village operations are based on revenues from property taxes, charges for services, state and federal aid and grants and local funds received to fund Village programs.

**VILLAGE OF BOURBONNAIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDING APRIL 30, 2011**

**Statements of Activities –**

Overall results of operations for the Village of Bourbonnais for the fiscal operating period ending April 30, 2011 are reported in the Statement of Activities for the Village. This statement reports the changes in the Village's net assets for this fiscal period.

|                                    | <b>2011</b>                |                             |                   | <b>2010</b>         |
|------------------------------------|----------------------------|-----------------------------|-------------------|---------------------|
|                                    | Governmental<br>Activities | Business-type<br>Activities | Total             | Total               |
| <b>REVENUES</b>                    |                            |                             |                   |                     |
| Program Revenues                   |                            |                             |                   |                     |
| Charges for service                | \$ 798,211                 | \$ 3,600,664                | \$ 4,398,875      | \$ 3,481,489        |
| Operating grants and contributions | 236,920                    | -                           | 236,920           | 154,064             |
| General Revenues                   |                            |                             |                   |                     |
| Property taxes                     | 1,458,548                  | -                           | 1,458,548         | 2,525,622           |
| Franchise taxes                    | 261,795                    | -                           | 261,795           | 242,411             |
| Income tax and other state taxes   | 5,185,709                  | -                           | 5,185,709         | 5,772,441           |
| Unrestricted investment earnings   | 55,668                     | 20,722                      | 76,390            | 144,847             |
| Miscellaneous                      | -                          | -                           | -                 | 125,000             |
| Gain (loss) on sale of assets      | 20,716                     | -                           | 20,716            | -                   |
| <b>Total revenues</b>              | <u>8,017,567</u>           | <u>3,621,386</u>            | <u>11,638,953</u> | <u>12,445,874</u>   |
| <b>EXPENSES</b>                    |                            |                             |                   |                     |
| General government                 | 3,752,486                  | -                           | 3,752,486         | 4,106,957           |
| Public safety                      | 3,251,092                  | -                           | 3,251,092         | 3,005,414           |
| Public works                       | 1,331,186                  | -                           | 1,331,186         | 2,968,136           |
| Economic development               | 78,906                     | -                           | 78,906            | 212,608             |
| Culture and recreation             | -                          | -                           | -                 | 56,041              |
| Interest on long-term debt         | 71,196                     | -                           | 71,196            | 78,857              |
| Sewer operations                   | -                          | 1,555,798                   | 1,555,798         | 2,750,015           |
| Refuse disposal                    | -                          | 998,349                     | 998,349           | 96,000              |
| <b>Total expenses</b>              | <u>8,484,866</u>           | <u>2,554,147</u>            | <u>11,039,013</u> | <u>13,274,028</u>   |
| <b>Change in net assets</b>        | <u>\$ (467,299)</u>        | <u>\$ 1,067,239</u>         | <u>\$ 599,940</u> | <u>\$ (828,154)</u> |

**Discussion & Analysis**

Total Village revenues were \$11,638,953 for the period. The Village's total cost (expense) to fund all governmental activities was \$8,484,866 while business-type activities were \$2,554,147. A majority of these costs were funded by property tax, user fees and state aid.

**VILLAGE OF BOURBONNAIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDING APRIL 30, 2011**

**Capital Assets**

The Village's investment in capital assets for its Governmental and Business-type Activities as of April 30, 2011 amounted to \$27,218,564. The investment in capital assets includes land, buildings, equipment, improvements other than buildings, underground systems, infrastructure, and construction in progress. This amount includes a net decrease in capital assets (including additions and retirements) of \$850,256. Detailed information regarding the change in capital assets for Governmental and Business-type Activities is included in the Notes to the Financial Statements on page 32.

**Debt Outstanding**

The Village's long-term debt consists of revenue bonds issued in previous years. No debt was issued by the Village in 2011. Information relating to long-term debt can be found in the Notes to Financial Statements on pages 33-35.

**Governmental Activities**

General Government

As the name implies, the general government component of the Village has at its core those basic municipal services which are most often associated with local government: i.e. police department, public works, code enforcement, building and zoning and recreation. These services are supported primarily through those revenues received through real estate property tax, sales tax and other shared revenues received by the Village, including fees and other charges. To this extent they do not have a dedicated revenue stream or streams, but instead must rely on a limited or finite number of dollars available each year within which these programs and services must be funded.

Tax Increment Financing Districts (TIF)

The Village has established two Redevelopment Project Areas ("TIF Districts") pursuant to the Tax Increment Allocation Redevelopment Act, as amended (the "TIF Act"). The TIF Districts allow the Village to utilize the incremental property taxes and certain incremental sales taxes generated by the TIF Districts ("Incremental Taxes") to provide funds for a wide variety of capital improvements within the respective TIF Districts and other eligible costs allowed pursuant to the TIF Act which would otherwise potentially require utilization of other revenues of the Village or other capital financing options allowed by law. The Incremental Taxes have been used to fund street improvements, utility projects, land acquisition, grants for businesses operating or desiring to operate within the TIF Districts and to pay for various other eligible costs permitted by the TIF Act.

**Business-type Activities**

The Village of Bourbonnais' "Business-type Activities" are comprised of the Sewer Operating Fund, which supports the operation and maintenance of the sewer utilities and the Refuse Disposal Fund, which accounts for the Village's refuse disposal services. These funds continue to be well managed enterprises which allow the Village to provide these taxpayer services in an efficient and cost effective manner.

**VILLAGE OF BOURBONNAIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDING APRIL 30, 2011**

**Economic Factors and Next Year's Budget and Rates**

Despite economic conditions to the contrary, growth continues in Bourbonnais. During the fiscal year 2011, twenty-one permits were issued for new single family homes. This continues the positive growth pattern of the last six years.

The Village infrastructure received needed upgrades and improvements. The construction of Burns Road West occurred during 2010. Burns Road West was constructed from US Route 45/52 west to Burning Bush Drive. New traffic control devices were installed at the Burns Road and US Route 45/52 intersection. Armour Road from US Route 45/52 East to the Earnest Mooney Drive was reconstructed to provide a five-lane cross-section for the residents to use. New sidewalks, storm sewers, and traffic control devices were constructed as part of the Armour Road project.

Various new businesses opened in the Village. The Bourbonnais Township Park District constructed a new concession stand at the Diamond Park Baseball Complex. All of the baseball fields were rehabilitated for daily use by the Park District and for tournaments. Newly constructed Dunkin Donuts and Casey's General Store were welcome additions to the Village. French Toast and Buzz Salon opened in the Village. Beef O'Brady expanded their restaurant. Camelot School and Provena Medical Center revitalized an existing building.

Property values have remained relatively stable in Bourbonnais and with the Village portion of the property tax levy remaining less than 5%; management will continue to rein in expenses in order to continue to provide quality services to our residents.

**Contacting the Village's Financial Management**

This financial report is designed to provide our citizens, customers, taxpayers, and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives and expends. If you have questions about this report or need additional financial information, please contact the Village of Bourbonnais Municipal Office, 700 Main Street NW, Bourbonnais, Illinois, 60914.

**VILLAGE OF BOURBONNAIS**  
**STATEMENT OF NET ASSETS**  
**APRIL 30, 2011**  
**(With Comparative Totals for April 30, 2010)**

|   | <u>2011</u>                        |                                     |                      | <u>2010</u>          |
|---|------------------------------------|-------------------------------------|----------------------|----------------------|
|   | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total</u>         | <u>Total</u>         |
| <b>ASSETS</b>                                   |                                    |                                     |                      |                      |
| <b>Current assets</b>                           |                                    |                                     |                      |                      |
| Cash and cash equivalents                       | \$ 3,185,733                       | \$ 320,194                          | \$ 3,505,927         | \$ 1,785,485         |
| Investments                                     | 4,240,453                          | 1,190,128                           | 5,430,581            | 6,181,886            |
| Receivables                                     | 2,389,773                          | 388,605                             | 2,778,378            | 4,209,336            |
| Internal balances                               | 579,355                            | (579,355)                           | -                    | -                    |
| Other assets                                    | 175,521                            | 459,250                             | 634,771              | 501,133              |
| Total current assets                            | <u>10,570,835</u>                  | <u>1,778,822</u>                    | <u>12,349,657</u>    | <u>12,677,840</u>    |
| <b>Noncurrent assets</b>                        |                                    |                                     |                      |                      |
| Land and improvements, net of depreciation      | 6,909,279                          | 7,832,747                           | 14,742,026           | 14,353,041           |
| Other capital assets, net of depreciation       | 12,045,257                         | 236,623                             | 12,281,880           | 12,754,555           |
| Construction in progress                        | 102,749                            | 91,909                              | 194,658              | 547,061              |
| Debt issuance costs, net                        | 56,801                             | 208,877                             | 265,678              | 289,555              |
| Investment in joint venture                     | -                                  | 5,283,559                           | 5,283,559            | 4,263,472            |
| Total noncurrent assets                         | <u>19,114,086</u>                  | <u>13,653,715</u>                   | <u>32,767,801</u>    | <u>32,207,684</u>    |
| Total Assets                                    | <u>29,684,921</u>                  | <u>15,432,537</u>                   | <u>45,117,458</u>    | <u>44,885,524</u>    |
| <b>LIABILITIES</b>                              |                                    |                                     |                      |                      |
| <b>Current liabilities</b>                      |                                    |                                     |                      |                      |
| Accounts payable and accrued expenses           | 454,567                            | 114,074                             | 568,641              | 545,873              |
| Accrued interest                                | 29,903                             | 90,651                              | 120,554              | 114,696              |
| Bonds payable                                   | 50,000                             | 355,000                             | 405,000              | 380,000              |
| Capital lease payable                           | 18,015                             | -                                   | 18,015               | 16,603               |
| Total current liabilities                       | <u>552,485</u>                     | <u>559,725</u>                      | <u>1,112,210</u>     | <u>1,057,172</u>     |
| <b>Noncurrent liabilities</b>                   |                                    |                                     |                      |                      |
| Bonds payable in more than one year             | 1,350,000                          | 3,810,755                           | 5,160,755            | 5,547,085            |
| Capital lease payable                           | 40,754                             | -                                   | 40,754               | 58,769               |
| Accrued compensated absences                    | 510,981                            | 10,671                              | 521,652              | 540,351              |
| Total noncurrent liabilities                    | <u>1,901,735</u>                   | <u>3,821,426</u>                    | <u>5,723,161</u>     | <u>6,146,205</u>     |
| Total Liabilities                               | <u>2,454,220</u>                   | <u>4,381,151</u>                    | <u>6,835,371</u>     | <u>7,203,377</u>     |
| <b>NET ASSETS</b>                               |                                    |                                     |                      |                      |
| Invested in capital assets, net of related debt | 17,598,516                         | 3,995,524                           | 21,594,040           | 21,469,285           |
| Restricted, Expendable                          | 901,163                            | 1,190,128                           | 2,091,291            | 1,841,708            |
| Unrestricted                                    | <u>8,731,022</u>                   | <u>5,865,734</u>                    | <u>14,596,756</u>    | <u>14,371,154</u>    |
| Total Net Assets                                | <u>\$ 27,230,701</u>               | <u>\$ 11,051,386</u>                | <u>\$ 38,282,087</u> | <u>\$ 37,682,147</u> |

The accompanying notes are an integral part of the financial statements.

**VILLAGE OF BOURBONNAIS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED APRIL 30, 2011  
(With Comparative Totals for the year ended April 30, 2010)**

|   | 2011                 |                         |  |  |  |                                 | 2010                 |                      |
|---|----------------------|-------------------------|--|--|--|---------------------------------|----------------------|----------------------|
|   | Expenses             | Program Revenues        |  |  | Net (Expense) Revenue and<br>Changes in Net Assets |                                 |                      | Total                |
|   |                      | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                         | Business-<br>type<br>Activities | Total                |                      |
| Governmental activities                     |                      |                         |  |  |  |                                 |                      |                      |
| General government                          | \$ 3,752,486         | \$ 601,584              | \$ 176,674                               | \$ -                                   | \$ (2,974,228)                                     | \$ -                            | \$ (2,974,228)       | \$ (3,477,209)       |
| Public safety                               | 3,251,092            | 196,627                 | 60,246                                   | -                                      | (2,994,219)  | -                               | (2,994,219)          | (2,735,309)          |
| Public works                                | 1,331,186            | -                       | -  | -                                      | (1,331,186)  | -                               | (1,331,186)          | (2,968,136)          |
| Economic development                        | 78,906               | -                       | -  | -                                      | (78,906)   | -                               | (78,906)             | (212,608)            |
| Culture and recreation                      | -                    | -                       | -  | -                                      | -  | -                               | -                    | (56,041)             |
| Interest on long-term debt                  | 71,196               | -                       | -  | -                                      | (71,196)   | -                               | (71,196)             | (78,857)             |
| Total governmental activities               | 8,484,866            | 798,211                 | 236,920                                  | -                                      | (7,449,735)  | -                               | (7,449,735)          | (9,528,160)          |
| Business-type activities                    |                      |                         |  |  |  |                                 |                      |                      |
| Sewer operations                            | 1,555,798            | 2,601,160               | -  | -                                      | -  | 1,045,362                       | 1,045,362            | 31,612               |
| Refuse disposal                             | 998,349              | 999,504                 | -  | -                                      | -  | 1,155                           | 1,155                | (16,927)             |
| Total business-type activities              | 2,554,147            | 3,600,664               | -  | -                                      | -  | 1,046,517                       | 1,046,517            | 14,685               |
| Total primary government                    | <u>\$ 11,039,013</u> | <u>\$ 4,398,875</u>     | <u>\$ 236,920</u>                        | <u>\$ -</u>                            | <u>(7,449,735)</u>                                 | <u>1,046,517</u>                | <u>(6,403,218)</u>   | <u>(9,513,475)</u>   |
| General revenues:                           |                      |                         |  |  |  |                                 |                      |                      |
| Property taxes, levied for general purposes |                      |                         |  |  | 1,458,548  | -                               | 1,458,548            | 2,525,622            |
| Franchise taxes                             |                      |                         |  |  | 261,795  | -                               | 261,795              | 242,411              |
| Income tax and other state tax revenue      |                      |                         |  |  | 5,185,709  | -                               | 5,185,709            | 5,772,441            |
| Unrestricted investment earnings            |                      |                         |  |  | 55,668   | 20,722                          | 76,390               | 144,847              |
| Special items:                              |                      |                         |  |  |  |                                 |                      |                      |
| Gain (loss) on sale of assets               |                      |                         |  |  | 20,716   | -                               | 20,716               | -                    |
| Total general revenues and special items    |                      |                         |  |  | <u>6,982,436</u>                                   | <u>20,722</u>                   | <u>7,003,158</u>     | <u>8,685,321</u>     |
| <b>CHANGE IN NET ASSETS</b>                 |                      |                         |  |  | <u>(467,299)</u>                                   | <u>1,067,239</u>                | <u>599,940</u>       | <u>(828,154)</u>     |
| <b>NET ASSETS, BEGINNING OF YEAR</b>        |                      |                         |  |  |  |                                 |                      |                      |
| As previously reported                      |                      |                         |  |  | 27,698,000   | 9,984,147                       | 37,682,147           | 31,089,777           |
| Prior period adjustment                     |                      |                         |  |  | -  | -                               | -                    | 7,420,524            |
| As restated                                 |                      |                         |  |  | <u>27,698,000</u>                                  | <u>9,984,147</u>                | <u>37,682,147</u>    | <u>38,510,301</u>    |
| <b>NET ASSETS, END OF YEAR</b>              |                      |                         |  |  | <u>\$ 27,230,701</u>                               | <u>\$ 11,051,386</u>            | <u>\$ 38,282,087</u> | <u>\$ 37,682,147</u> |

The accompanying notes are an integral part of the financial statements.

**VILLAGE OF BOURBONNAIS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
APRIL 30, 2011  
(With Comparative Totals for April 30, 2010)**

|  | 2011                       |                                   |                          |                                |                          | 2010                           |                                |
|--|----------------------------|-----------------------------------|--------------------------|--------------------------------|--------------------------|--------------------------------|--------------------------------|
|  | General Fund               | Special Tax<br>Allocation<br>Fund | Motor Fuel<br>Tax Fund   | Motor Fuel<br>Tax Bond<br>Fund | Impact Fees<br>Fund      | Total<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
| <b>ASSETS</b>                              |                            |                                   |                          |                                |                          |                                |                                |
| Cash and cash equivalents                  | \$ 406,187                 | \$ 2,221,785                      | \$ -                     | \$ 2,703                       | \$ 555,058               | \$ 3,185,733                   | \$ 1,569,899                   |
| Investments                                | 2,544,819                  | 1,422,562                         | 273,072                  | -                              | -                        | 4,240,453                      | 5,012,168                      |
| Interest receivable                        | -                          | -                                 | -                        | -                              | -                        | -                              | 8,929                          |
| Due from other funds                       | 1,028,050                  | 778,729                           | 98,434                   | -                              | 5,326                    | 1,910,539                      | 2,011,422                      |
| Receivables from other governments         | 2,115,937                  | 143,075                           | 37,576                   | -                              | -                        | 2,296,588                      | 3,552,774                      |
| Other receivables                          | 93,185                     | -                                 | -                        | -                              | -                        | 93,185                         | 102,307                        |
| Other assets                               | -                          | -                                 | -                        | -                              | -                        | -                              | -                              |
| Prepaid expense                            | 135,455                    | 6,005                             | -                        | -                              | -                        | 141,460                        | 117,160                        |
| <b>TOTAL ASSETS</b>                        | <b><u>\$ 6,323,633</u></b> | <b><u>\$ 4,572,156</u></b>        | <b><u>\$ 409,082</u></b> | <b><u>\$ 2,703</u></b>         | <b><u>\$ 560,384</u></b> | <b><u>\$ 11,867,958</u></b>    | <b><u>\$ 12,374,659</u></b>    |
| <b>LIABILITIES AND FUND BALANCES</b>       |                            |                                   |                          |                                |                          |                                |                                |
| <b>LIABILITIES</b>                         |                            |                                   |                          |                                |                          |                                |                                |
| Accounts payable and accrued expenses      | \$ 331,474                 | \$ 31,768                         | \$ 14,743                | \$ -                           | \$ -                     | \$ 377,985                     | \$ 472,961                     |
| Salaries and benefits payable              | 76,582                     | -                                 | -                        | -                              | -                        | 76,582                         | 69,059                         |
| Due to other funds                         | 1,205,403                  | 35,029                            | 50,349                   | 3,131                          | 3,211                    | 1,297,123                      | 1,550,932                      |
| Deferred revenue                           | 1,370,318                  | 81,640                            | -                        | -                              | -                        | 1,451,958                      | 2,521,049                      |
| Total liabilities                          | <u>2,983,777</u>           | <u>148,437</u>                    | <u>65,092</u>            | <u>3,131</u>                   | <u>3,211</u>             | <u>3,203,648</u>               | <u>4,614,001</u>               |
| <b>FUND BALANCES</b>                       |                            |                                   |                          |                                |                          |                                |                                |
| Reserved                                   | -                          | -                                 | 343,990                  | -                              | 557,173                  | 901,163                        | 671,990                        |
| Unreserved                                 | 3,339,856                  | 4,423,719                         | -                        | (428)                          | -                        | 7,763,147                      | 7,088,668                      |
| Total fund balances                        | <u>3,339,856</u>           | <u>4,423,719</u>                  | <u>343,990</u>           | <u>(428)</u>                   | <u>557,173</u>           | <u>8,664,310</u>               | <u>7,760,658</u>               |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <b><u>\$ 6,323,633</u></b> | <b><u>\$ 4,572,156</u></b>        | <b><u>\$ 409,082</u></b> | <b><u>\$ 2,703</u></b>         | <b><u>\$ 560,384</u></b> | <b><u>\$ 11,867,958</u></b>    | <b><u>\$ 12,374,659</u></b>    |

The accompanying notes are an integral part of the financial statements.

**VILLAGE OF BOURBONNAIS**  
**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET**  
**AND THE STATEMENT OF NET ASSETS**  
**APRIL 30, 2011**  
**(With Comparative Totals for April 30, 2010)**

|   | <u>2011</u>          | <u>2010</u>          |
|---|----------------------|----------------------|
| Adjustments necessary to convert the Governmental Funds Balance Sheet to the Statement of Net Assets are as follows:  |                      |                      |
| Governmental funds combined fund balance  | \$ 8,664,310         | \$ 7,760,658         |
| Capital Assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund financial statements.  | 19,057,285           | 19,440,164           |
| Revenues deferred in the Governmental Fund Balance Sheet due to lack of availability to pay for current-period expenditures are recognized in the Statement of Net Assets.                                | 1,451,958            | 2,521,049            |
| Debt issuance costs related to the issuance of long-term debt are not reported in the Governmental Funds Balance Sheet, but are reported in the Statement of Net Assets.                                  | 56,801               | 59,790               |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the Governmental Funds Balance Sheet. All liabilities are reported in the Statements of Net Assets: |                      |                      |
| Bonds payable   | (1,400,000)          | (1,450,000)          |
| Capital lease payable   | (58,769)             | (75,372)             |
| Interest payable  | (29,903)             | (29,148)             |
| Compensated absences  | <u>(510,981)</u>     | <u>(529,141)</u>     |
| Net Assets of Governmental Activities   | <u>\$ 27,230,701</u> | <u>\$ 27,698,000</u> |

The accompanying notes are an integral part of the financial statements.

**VILLAGE OF BOURBONNAIS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED APRIL 30, 2011**  
**(With Comparative Totals for the Year Ended April 30, 2010)**

|  | 2011                |                     |                        |                                |                     | 2010                           |                                |
|--|---------------------|---------------------|------------------------|--------------------------------|---------------------|--------------------------------|--------------------------------|
|  | General Fund        | Special Tax         | Motor Fuel<br>Tax Fund | Motor Fuel<br>Tax Bond<br>Fund | Impact Fees<br>Fund | Total<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|  |                     | Allocation<br>Fund  |                        |                                |                     |                                |                                |
| <b>REVENUES</b>  |                     |                     |                        |                                |                     |                                |                                |
| Property taxes   | \$ 1,263,188        | \$ 1,264,451        | \$ -                   | \$ -                           | \$ -                | \$ 2,527,639                   | \$ 2,489,441                   |
| Franchise taxes  | 261,795             | -                   | -                      | -                              | -                   | 261,795                        | 242,411                        |
| Fees, fines and permits                                      | 379,463             | -                   | -                      | -                              | 14,988              | 394,451                        | 300,249                        |
| Licenses   | 30,275              | -                   | -                      | -                              | -                   | 30,275                         | 35,375                         |
| Intergovernmental  | 3,262,056           | 1,304,293           | 542,778                | -                              | -                   | 5,109,127                      | 5,388,282                      |
| Investment earnings  | 34,271              | 20,143              | 721                    | 50                             | 483                 | 55,668                         | 105,120                        |
| State/Federal reimbursements                                 | 190,085             | -                   | 123,417                | -                              | -                   | 313,502                        | 538,223                        |
| Miscellaneous  | 161,074             | -                   | -                      | -                              | 212,411             | 373,485                        | 410,165                        |
| Total revenues   | <u>5,582,207</u>    | <u>2,588,887</u>    | <u>666,916</u>         | <u>50</u>                      | <u>227,882</u>      | <u>9,065,942</u>               | <u>9,509,266</u>               |
| <b>EXPENDITURES</b>  |                     |                     |                        |                                |                     |                                |                                |
| General government   | 1,750,890           | 206,923             | -                      | -                              | -                   | 1,957,813                      | 2,187,385                      |
| Public safety  | 3,269,252           | -                   | -                      | -                              | -                   | 3,269,252                      | 3,016,509                      |
| Public works   | 1,062,091           | 285,698             | -                      | -                              | -                   | 1,347,789                      | 2,983,439                      |
| Culture and recreation                                       | -                   | -                   | -                      | -                              | -                   | -                              | 56,041                         |
| Economic development   | -                   | 78,906              | -                      | -                              | -                   | 78,906                         | 212,608                        |
| Debt Service   |                     |                     |                        |                                |                     |                                |                                |
| Principal  | -                   | -                   | 50,000                 | -                              | -                   | 50,000                         | 840,000                        |
| Interest and other charges                                   | -                   | -                   | 70,441                 | -                              | -                   | 70,441                         | 85,594                         |
| Capital outlay   | 521,801             | 341,342             | 540,550                | 5,112                          | -                   | 1,408,805                      | 2,729,857                      |
| Total expenditures   | <u>6,604,034</u>    | <u>912,869</u>      | <u>660,991</u>         | <u>5,112</u>                   | <u>-</u>            | <u>8,183,006</u>               | <u>12,111,433</u>              |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(1,021,827)</u>  | <u>1,676,018</u>    | <u>5,925</u>           | <u>(5,062)</u>                 | <u>227,882</u>      | <u>882,936</u>                 | <u>(2,602,167)</u>             |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                     |                     |                        |                                |                     |                                |                                |
| Capital lease financing                                      | -                   | -                   | -                      | -                              | -                   | -                              | 90,675                         |
| Proceeds from sale of assets                                 | 20,716              | -                   | -                      | -                              | -                   | 20,716                         | -                              |
| Transfers in   | -                   | -                   | -                      | -                              | -                   | -                              | 218,223                        |
| Transfers out  | -                   | -                   | -                      | -                              | -                   | -                              | (93,223)                       |
| Total other financing sources (uses)                         | <u>20,716</u>       | <u>-</u>            | <u>-</u>               | <u>-</u>                       | <u>-</u>            | <u>20,716</u>                  | <u>215,675</u>                 |
| <b>NET CHANGE IN FUND BALANCES</b>                           | (1,001,111)         | 1,676,018           | 5,925                  | (5,062)                        | 227,882             | 903,652                        | (2,386,492)                    |
| <b>FUND BALANCES, BEGINNING OF YEAR</b>                      | 4,340,967           | 2,747,701           | 338,065                | 4,634                          | 329,291             | 7,760,658                      | 10,147,150                     |
| <b>FUND BALANCES, END OF YEAR</b>                            | <u>\$ 3,339,856</u> | <u>\$ 4,423,719</u> | <u>\$ 343,990</u>      | <u>\$ (428)</u>                | <u>\$ 557,173</u>   | <u>\$ 8,664,310</u>            | <u>\$ 7,760,658</u>            |

The accompanying notes are an integral part of the financial statements.

**VILLAGE OF BOURBONNAIS**  
**RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES AND THE STATEMENT OF ACTIVITIES**  
**APRIL 30, 2011**  
**(With Comparative Totals for April 30, 2010)**

|  | <b>2011</b>  | <b>2010</b>    |
|--|--------------|----------------|
| Adjustments necessary to convert the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities are as follows:   |              |                |
| Combined Change in Fund Balances   | \$ 903,652   | \$ (2,386,492) |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities capital outlay expenditures over the capitalization threshold set by the Village are capitalized and depreciated over their useful lives. | (382,879)    | 817,349        |
| Revenues recognized in the Statement of Activities that do not provide current financial resources are deferred in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances.                                 | (1,069,091)  | 36,181         |
| The following expenses reported on the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:   |              |                |
| Amortization of bond issuance costs  | (2,989)      | (7,064)        |
| (Increase) decrease in accrued compensated absences  | 18,160       | 11,095         |
| (Increase) decrease in accrued interest on bonds payable   | (755)        | 6,737          |
| Repayment of capital lease obligations is reported as an expenditure in governmental funds. However, repayment of capital lease obligations reduces the capital lease payable in the government-wide financial statements.                   | 16,603       | 15,303         |
| Capital lease financing is reported on the governmental fund financial statements as an other financing source, but is reported as a liability on the government-wide financial statements.  | -            | (90,675)       |
| Repayment of long-term debt is reported as an expenditure in governmental funds. However, repayment of long-term debt reduces long-term liabilities in the government-wide financial statements.   | 50,000       | 840,000        |
| Change in Net Assets of Governmental Activities  | \$ (467,299) | \$ (757,566)   |

The accompanying notes are an integral part of the financial statements.

**VILLAGE OF BOURBONNAIS**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**APRIL 30, 2011**  
**(With Comparative Totals for April 30, 2010)**

|   | <u>2011</u>                         |                                     |                                       | <u>2010</u>            |
|---|-------------------------------------|-------------------------------------|---------------------------------------|------------------------|
|   | <u>Enterprise Funds</u>             |                                     |                                       | <u>Enterprise Fund</u> |
|   | <u>Sewer<br/>Operating<br/>Fund</u> | <u>Refuse<br/>Disposal<br/>Fund</u> | <u>Total<br/>Enterprise<br/>Funds</u> | <u>Total</u>           |
| <b>ASSETS</b>   |                                     |                                     |                                       |                        |
| <b>Current assets</b>   |                                     |                                     |                                       |                        |
| Cash and cash equivalents   | \$ 65,924                           | \$ 254,270                          | \$ 320,194                            | \$ 215,586             |
| Investments - restricted  | 1,190,128                           | -                                   | 1,190,128                             | 1,169,718              |
| Accounts receivable, net  | 360,756                             | 17,234                              | 377,990                               | 534,712                |
| Interest receivable   | 10,615                              | -                                   | 10,615                                | 10,614                 |
| Prepaid expense   | 459,250                             | -                                   | 459,250                               | 360,012                |
| Due from other funds  | 501,766                             | 414,528                             | 916,294                               | 213,087                |
| Total current assets  | <u>2,588,439</u>                    | <u>686,032</u>                      | <u>3,274,471</u>                      | <u>2,503,729</u>       |
| <b>Noncurrent assets</b>  |                                     |                                     |                                       |                        |
| Investment in joint venture   | 5,283,559                           | -                                   | 5,283,559                             | 4,263,472              |
| <b>Capital assets</b>   |                                     |                                     |                                       |                        |
| Land and improvements (net of<br>accumulated depreciation)                  | 7,832,747                           | -                                   | 7,832,747                             | 7,859,421              |
| Buildings, improvements, and equipment<br>(net of accumulated depreciation) | 236,623                             | -                                   | 236,623                               | 248,661                |
| Construction in progress  | 91,909                              | -                                   | 91,909                                | 106,411                |
| Debt issuance costs, net  | 208,877                             | -                                   | 208,877                               | 229,765                |
| Total noncurrent assets   | <u>13,653,715</u>                   | <u>-</u>                            | <u>13,653,715</u>                     | <u>12,707,730</u>      |
| Total Assets  | <u>16,242,154</u>                   | <u>686,032</u>                      | <u>16,928,186</u>                     | <u>15,211,459</u>      |
| <b>LIABILITIES</b>  |                                     |                                     |                                       |                        |
| <b>Current liabilities</b>  |                                     |                                     |                                       |                        |
| Accounts payable  | 22,642                              | 82,354                              | 104,996                               | -                      |
| Accrued payroll expenses  | 9,078                               | -                                   | 9,078                                 | 3,853                  |
| Due to other funds  | 876,199                             | 619,450                             | 1,495,649                             | 649,616                |
| Accrued interest  | 90,651                              | -                                   | 90,651                                | 85,548                 |
| Bonds, notes, and loans payable   | 355,000                             | -                                   | 355,000                               | 330,000                |
| Total current liabilities   | <u>1,353,570</u>                    | <u>701,804</u>                      | <u>2,055,374</u>                      | <u>1,069,017</u>       |
| <b>Noncurrent liabilities</b>   |                                     |                                     |                                       |                        |
| Accrued compensated absences  | 10,671                              | -                                   | 10,671                                | 11,210                 |
| Bonds, notes, and loans payable   | 3,810,755                           | -                                   | 3,810,755                             | 4,147,085              |
| Total noncurrent liabilities  | <u>3,821,426</u>                    | <u>-</u>                            | <u>3,821,426</u>                      | <u>4,158,295</u>       |
| Total Liabilities   | <u>5,174,996</u>                    | <u>701,804</u>                      | <u>5,876,800</u>                      | <u>5,227,312</u>       |
| <b>NET ASSETS</b>   |                                     |                                     |                                       |                        |
| Invested in capital assets, net of related debt                             | 3,995,524                           | -                                   | 3,995,524                             | 3,554,493              |
| Restricted for bond retirement  | 630,028                             | -                                   | 630,028                               | 630,028                |
| Restricted for repairs and maintenance                                      | 560,100                             | -                                   | 560,100                               | 539,690                |
| Unrestricted  | 5,881,506                           | (15,772)                            | 5,865,734                             | 5,259,936              |
| Total Net Assets  | <u>\$ 11,067,158</u>                | <u>\$ (15,772)</u>                  | <u>\$ 11,051,386</u>                  | <u>\$ 9,984,147</u>    |

The accompanying notes are an integral part of the financial statements.

**VILLAGE OF BOURBONNAIS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED APRIL 30, 2011**  
**(With Comparative Totals for the Year Ended April 30, 2010)**

|  | <u>2011</u>                         |                                     |                                       | <u>2010</u>            |
|--|-------------------------------------|-------------------------------------|---------------------------------------|------------------------|
|  | <u>Enterprise Funds</u>             |                                     |                                       | <u>Enterprise Fund</u> |
|  | <u>Sewer<br/>Operating<br/>Fund</u> | <u>Refuse<br/>Disposal<br/>Fund</u> | <u>Total<br/>Enterprise<br/>Funds</u> | <u>Total</u>           |
| <b>OPERATING REVENUES</b>                                |                                     |                                     |                                       |                        |
| Charges for services                                     | \$ 2,526,188                        | \$ 996,671                          | \$ 3,522,859                          | \$ 2,496,486           |
| Miscellaneous  | <u>28,432</u>                       | <u>2,833</u>                        | <u>31,265</u>                         | <u>116,416</u>         |
| Total operating revenues                                 | <u>2,554,620</u>                    | <u>999,504</u>                      | <u>3,554,124</u>                      | <u>2,612,902</u>       |
| <b>OPERATING EXPENSES</b>                                |                                     |                                     |                                       |                        |
| Personal services  | 637,346                             | -                                   | 637,346                               | 636,680                |
| Contractual services                                     | 1,213,539                           | 980,282                             | 2,193,821                             | 1,197,826              |
| Utilities  | 8,730                               | -                                   | 8,730                                 | 4,726                  |
| Repairs and maintenance                                  | 182,021                             | -                                   | 182,021                               | 195,067                |
| Other supplies and expenses                              | 41,238                              | 18,067                              | 59,305                                | 76,601                 |
| Depreciation   | <u>230,241</u>                      | <u>-</u>                            | <u>230,241</u>                        | <u>228,664</u>         |
| Total operating expenses                                 | <u>2,313,115</u>                    | <u>998,349</u>                      | <u>3,311,464</u>                      | <u>2,339,564</u>       |
| Operating income (loss)                                  | <u>241,505</u>                      | <u>1,155</u>                        | <u>242,660</u>                        | <u>273,338</u>         |
| <b>NONOPERATING REVENUES (EXPENSES)</b>                  |                                     |                                     |                                       |                        |
| Interest and investment revenue                          | 20,722                              | -                                   | 20,722                                | 39,727                 |
| Recapture fees   | 3,211                               | -                                   | 3,211                                 | 7,601                  |
| Water and sewer permits                                  | 5,981                               | -                                   | 5,981                                 | 16,589                 |
| Tap on fees  | 37,348                              | -                                   | 37,348                                | 98,608                 |
| Equity interest in joint venture operating income (loss) | 1,020,087                           | -                                   | 1,020,087                             | (177,437)              |
| Amortization   | (39,558)                            | -                                   | (39,558)                              | (39,558)               |
| Interest expense   | <u>(223,212)</u>                    | <u>-</u>                            | <u>(223,212)</u>                      | <u>(164,456)</u>       |
| Total non-operating revenues (expenses)                  | <u>824,579</u>                      | <u>-</u>                            | <u>824,579</u>                        | <u>(218,926)</u>       |
| Income (loss) before transfers                           | 1,066,084                           | 1,155                               | 1,067,239                             | 54,412                 |
| <b>TRANSFERS (TO) FROM OTHER FUNDS</b>                   | <u>-</u>                            | <u>-</u>                            | <u>-</u>                              | <u>(125,000)</u>       |
| <b>CHANGE IN NET ASSETS</b>                              | <u>1,066,084</u>                    | <u>1,155</u>                        | <u>1,067,239</u>                      | <u>(70,588)</u>        |
| <b>NET ASSETS, BEGINNING OF YEAR</b>                     |                                     |                                     |                                       |                        |
| As previously reported                                   | 10,001,074                          | (16,927)                            | 9,984,147                             | 9,368,398              |
| Prior period adjustments                                 | <u>-</u>                            | <u>-</u>                            | <u>-</u>                              | <u>686,337</u>         |
| As restated  | <u>10,001,074</u>                   | <u>(16,927)</u>                     | <u>9,984,147</u>                      | <u>10,054,735</u>      |
| <b>NET ASSETS, END OF YEAR</b>                           | <u>\$ 11,067,158</u>                | <u>\$ (15,772)</u>                  | <u>\$ 11,051,386</u>                  | <u>\$ 9,984,147</u>    |

The accompanying notes are an integral part of the financial statements.

**VILLAGE OF BOURBONNAIS**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED APRIL 30, 2011**  
**(With Comparative Totals for the Year Ended April 30, 2010)**

|   | <u>2011</u>                         |                                     |                     | <u>2010</u>            |
|---|-------------------------------------|-------------------------------------|---------------------|------------------------|
|   | <u>Enterprise Funds</u>             |                                     |                     | <u>Enterprise Fund</u> |
|   | <u>Sewer<br/>Operating<br/>Fund</u> | <u>Refuse<br/>Disposal<br/>Fund</u> | <u>Total</u>        | <u>Total</u>           |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                                     |                                     |                     |                        |
| Receipts from customers   | \$ 2,673,961                        | \$ 981,887                          | \$ 3,655,848        | \$ 2,346,951           |
| Other receipts  | 28,432                              | 2,833                               | 31,265              | 116,416                |
| Payments to suppliers   | (1,515,221)                         | (899,165)                           | (2,414,386)         | (1,661,529)            |
| Payments to employees   | (632,660)                           | -                                   | (632,660)           | (641,922)              |
| Net cash provided by (used in) operating activities   | <u>554,512</u>                      | <u>85,555</u>                       | <u>640,067</u>      | <u>159,916</u>         |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>  |                                     |                                     |                     |                        |
| Payments from (to) other funds, net   | <u>(25,889)</u>                     | <u>168,715</u>                      | <u>142,826</u>      | <u>290,829</u>         |
| Net cash provided by (used in) noncapital financing activities  | <u>(25,889)</u>                     | <u>168,715</u>                      | <u>142,826</u>      | <u>290,829</u>         |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>   |                                     |                                     |                     |                        |
| Purchase of capital assets  | (177,027)                           | -                                   | (177,027)           | (280,798)              |
| Principal paid on capital debt  | (330,000)                           | -                                   | (330,000)           | (320,000)              |
| Interest paid on capital debt   | <u>(191,667)</u>                    | <u>-</u>                            | <u>(191,667)</u>    | <u>(274,719)</u>       |
| Net cash provided by (used in) operating activities   | <u>(698,694)</u>                    | <u>-</u>                            | <u>(698,694)</u>    | <u>(875,517)</u>       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                                     |                                     |                     |                        |
| Proceeds from the sale or maturity of investments   | -                                   | -                                   | -                   | 400,000                |
| Interest received   | <u>20,409</u>                       | <u>-</u>                            | <u>20,409</u>       | <u>29,113</u>          |
| Net cash provided by (used in) investing activities   | <u>20,409</u>                       | <u>-</u>                            | <u>20,409</u>       | <u>429,113</u>         |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>   | (149,662)                           | 254,270                             | 104,608             | 4,341                  |
| <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>   | <u>215,586</u>                      | <u>-</u>                            | <u>215,586</u>      | <u>211,245</u>         |
| <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>   | <u>\$ 65,924</u>                    | <u>\$ 254,270</u>                   | <u>\$ 320,194</u>   | <u>\$ 215,586</u>      |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b> |                                     |                                     |                     |                        |
| Operating income (loss)   | \$ 241,505                          | \$ 1,155                            | \$ 242,660          | \$ 273,338             |
| Adjustments to reconcile operating income to net cash provided by (used in) operating activities        |                                     |                                     |                     |                        |
| Depreciation expense  | 230,241                             | -                                   | 230,241             | 228,664                |
| Changes in assets and liabilities   |                                     |                                     |                     |                        |
| Accounts receivable, net  | 154,676                             | 2,046                               | 156,722             | (135,036)              |
| Prepaid expense   | (99,238)                            | -                                   | (99,238)            | (192,700)              |
| Accounts payable  | 22,642                              | 82,354                              | 104,996             | (9,108)                |
| Accrued payroll expenses  | 5,225                               | -                                   | 5,225               | (16,452)               |
| Accrued compensated absences  | (539)                               | -                                   | (539)               | 11,210                 |
| <b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>  | <u>\$ 554,512</u>                   | <u>\$ 85,555</u>                    | <u>\$ 640,067</u>   | <u>\$ 159,916</u>      |
| <b>NON-CASH ITEMS:</b>  |                                     |                                     |                     |                        |
| Increase in investment in joint venture   | <u>\$ 1,020,087</u>                 | <u>\$ -</u>                         | <u>\$ 1,020,087</u> | <u>\$ 328,443</u>      |

The accompanying notes are an integral part of the financial statements.

**VILLAGE OF BOURBONNAIS  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
APRIL 30, 2011**

|   | Pension<br>(and other employee benefit) |                     | Agency Funds  |              |
|---|---|---------------------|---------------|--------------|
|   | Trust Funds                             |                     |               |              |
|   | Police                                  | Deferred            | Building      |              |
|   | Pension                                 | Compensation        | Escrow        | Community    |
|   | Fund                                    | Plan                | Fund          | Fund         |
| <b>ASSETS</b>   |   |                     |               |              |
| Cash and cash equivalents   | \$ 815,700                              | \$ -                | \$ 43,653     | \$ 5,277     |
| Interest receivable   | 20,641                                  | -                   | -             | -            |
| Investments, at fair value  |   |                     |               |              |
| Certificates of deposit   | 159,477                                 | -                   | -             | -            |
| Mortgage and asset backed securities                                | 3,142,735                               | -                   | -             | -            |
| U.S. Government Bonds and GSE Bonds                                 | 1,791,035                               | -                   | -             | -            |
| Mutual funds  | 3,105,776                               | -                   | -             | -            |
| Investment contract with insurance company                          | -                                       | 1,124,810           | -             | -            |
|   | <u>9,035,364</u>                        | <u>1,124,810</u>    | <u>43,653</u> | <u>5,277</u> |
| <b>Total Assets</b>   |   |                     |               |              |
|   | <u>9,035,364</u>                        | <u>1,124,810</u>    | <u>43,653</u> | <u>5,277</u> |
| <b>LIABILITIES</b>  |   |                     |               |              |
| Accounts payable  | 3,400                                   | -                   | 4,200         | -            |
| Due to other related entities                                       | -                                       | -                   | 34,061        | -            |
| Refunds payable and other liabilities                               | -                                       | -                   | 5,392         | 5,277        |
|   | <u>3,400</u>                            | <u>-</u>            | <u>43,653</u> | <u>5,277</u> |
| <b>Total Liabilities</b>  |   |                     |               |              |
|   | <u>3,400</u>                            | <u>-</u>            | <u>43,653</u> | <u>5,277</u> |
| <b>NET ASSETS</b>   |   |                     |               |              |
| Net assets held in trust for pension benefits<br>and other purposes | <u>\$ 9,031,964</u>                     | <u>\$ 1,124,810</u> | <u>\$ -</u>   | <u>\$ -</u>  |

The accompanying notes are an integral part of the financial statements.

**VILLAGE OF BOURBONNAIS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED APRIL 30, 2011**

|   | <b>Pension<br/>(and other employee benefit)<br/>Trust Funds</b> |   |
|---|---|---|
|   | <b>Police<br/>Pension<br/>Fund</b>                              | <b>Deferred<br/>Compensation<br/>Plan</b> |
|   | <u>                    </u>                                     | <u>                    </u>               |
| <b>ADDITIONS</b>  |   |   |
| Contributions   |   |   |
| Employer  | \$ 389,722  | \$ -                                      |
| Plan members  | <u>152,101</u>  | <u>59,022</u>                             |
| Total contributions   | <u>541,823</u>  | <u>59,022</u>                             |
| Investment income   |   |   |
| Net increase (decrease) in fair value of investments                        | 467,115   | -   |
| Interest  | 222,057   | 91,087                                    |
| Dividends   | <u>34,836</u>   | <u>-</u>                                  |
|   | 724,008   | 91,087                                    |
| Less investment expenses  | <u>3,096</u>  | <u>-</u>                                  |
| Net investment income (loss)  | <u>720,912</u>  | <u>91,087</u>                             |
| Total additions (reductions)  | <u>1,262,735</u>  | <u>150,109</u>                            |
| <b>DEDUCTIONS</b>   |   |   |
| Administrative expenses   | 16,988  | 6,212                                     |
| Benefits paid to participants   | 323,190   | -   |
| Refund of contributions   | <u>-</u>  | <u>34,820</u>                             |
| Total deductions  | <u>340,178</u>  | <u>41,032</u>                             |
| <b>NET INCREASE (DECREASE)</b>  | 922,557   | 109,077                                   |
| <b>NET ASSETS HELD IN TRUST FOR PENSION<br/>BENEFITS AND OTHER PURPOSES</b> |   |   |
| <b>BEGINNING OF YEAR</b>  | <u>8,109,407</u>  | <u>1,015,733</u>                          |
| <b>END OF YEAR</b>  | <u>\$ 9,031,964</u>   | <u>\$ 1,124,810</u>                       |

The accompanying notes are an integral part of the financial statements.

**VILLAGE OF BOURBONNAIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2011**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying basic financial statements of the Village of Bourbonnais (Village) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as established by the Governmental Accounting Standards Board (“GASB”).

**Financial Reporting Entity**

As defined by GAAP, the financial reporting entity consists of a primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

1. Appointment of a voting majority of the component unit's board, and either (a) the ability by the primary government to impose its will, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
2. Fiscal dependency on the primary government.

Based upon the required criteria, the Village has no component units. The accompanying basic financial statements present only the Village of Bourbonnais, Illinois.

**Basis of Presentation**

The financial activities of the Village consist of both governmental-type activities and business-type activities. A brief description of the Village's government-wide and fund financial statements is as follows:

**Government-wide Financial Statements:** The government-wide Statement of Net Assets and Statement of Activities report the overall financial activity of the Village, excluding fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the Village. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for services.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e. general government) or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) fines, fees and 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 requirement of a particular function or segment. Taxes and other items not included in program revenues are presented as general revenues.

**Fund Financial Statements:** The fund financial statements provide information about the Village's funds, including its fiduciary funds. Separate statements are presented for each fund category, governmental, proprietary and fiduciary. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All

**VILLAGE OF BOURBONNAIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2011**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. For the year ended April 30, 2011, the Village has reported all funds as major.

**Major Funds**

The Village has presented the following governmental funds as major:

**General Fund** - This fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Tax Allocation Fund** - The Special Tax Allocation Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for special purposes. The Special Tax Allocation Fund includes the transactions of the Village's two tax increment financing districts. The property tax portion of the larger tax increment financing district ended December 31, 2010.

**Motor Fuel Tax Fund** – This fund accounts for motor fuel taxes received by the Village.

**Motor Fuel Tax Bond Fund** – This fund accounts for debt service expenditures related to revenue bonds issued by the Village.

**Impact Fees Fund** - This fund accounts for impact fees collected by the Village.

The Village has presented the following proprietary funds as major:

**Sewer Operating Fund** - This fund accounts for the Village's sewer and solid waste operations.

**Refuse Disposal Fund** - This fund accounts for the Village's refuse disposal operations.

**Other Funds**

Additionally, the Village reports the following fiduciary-type funds:

**Pension (and other employee benefit) Trust Funds** - These funds account for the accumulation of retirement and disability benefits held in trust for the police pension plan and the Village's deferred compensation plan.

**Building Escrow Fund** - This agency-type fund accounts for the accumulation of fees assessed to contractors arising from residential development held by the Village in a purely custodial capacity.

**Community Fund** - This agency-type fund accounts for accumulated donations received from individuals and businesses which are then redistributed to charitable organizations. These funds are held by the Village in a purely custodial capacity.

**VILLAGE OF BOURBONNAIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2011**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Measurement Focus and Basis of Accounting**

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Village receives value without directly giving equal value in exchange, include property tax revenue, grants and other contributions. On an accrual basis, revenues from property taxes are recognized in the period for which the levy is intended to finance, which is the year after the taxes are levied. For example, the 2010 property tax levy is recognized as revenue in the year ended April 30, 2011. Property taxes levied for the calendar year 2010, which will be collected in fiscal year 2012, are recorded as receivables in the year ended April 30, 2011. This revenue is recognized in the government-wide level financial statements, but is deferred in the governmental funds financial statements because it is not collected soon enough after the end of the year to pay current liabilities.

Revenue from grants, contributions, and other similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Village must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the Village on a reimbursement basis.

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 Village's enterprise funds are charges to customers for sales and services which include sewer and solid waste charges and charges for refuse disposal. Operating expenses for enterprise 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Village has elected not to follow subsequent private-sector guidance.

The Village has adopted Government Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* during the year ended April 30, 2011. The Village will be required to implement GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions* and GASB Statement No. 59, *Financial Instruments Omnibus* during the fiscal year ended April 30, 2012.

**VILLAGE OF BOURBONNAIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2011**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Pension trust funds recognize employer and participant contributions in the period in which contributions are due and the Village has made a formal commitment to provide the contributions. Retirement benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

**Governmental Fund Financial Statements:** Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible in the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collectible within sixty days after the end of the fiscal year. Expenditures generally are recorded when the related liability is incurred. However, principal and interest on general long-term debt, claims and judgments, and compensated absences are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, income taxes, utility taxes, intergovernmental revenues, franchise taxes, licenses, and interest associated with the current fiscal period are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period to the extent that they are measurable and available. Service fees are recognized as revenues as they are earned.

Property taxes receivable which are expected to be collected within sixty days are considered available and are recognized as revenue. Sales, income and other taxes are considered to be measurable when they have been collected by the state or other collection agent and are recognized as revenue at that time. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned because they are both measurable and available.

The Village reports certain revenues as deferred on its financial statements. Deferred revenues arise when potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Deferred revenues also arise when the resources are received by the Village before it has a legal claim to them or prior to the provision of services.

Revenue from grants, entitlements, and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

**Budgets and Budgetary Accounting**

The Village adopts annual budgets for the General Fund and Special Revenue Funds. No legally adopted budgets are prepared for capital project funds. Expenditures for capital project funds are controlled on a project basis. No adjustments were necessary in order to reconcile the budgetary information to the GAAP information presented in the Village's basic financial statements.

**VILLAGE OF BOURBONNAIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2011**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

The following fund had an excess of expenditure/expenses over budgeted amounts for the year ended April 30, 2011:

| Fund         | Excess     |
|--------------|------------|
| General Fund | \$ 272,662 |

**Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**Investments**

Investments include certificates of deposit with maturities in excess of 90 days at the time of acquisition. Investments for the Bourbonnais Police Pension Fund are reported at fair value, determined by closing market prices at year-end as reported by the investment custodian.

**Interfund Transactions**

The Village has the following types of interfund transactions:

**Loans** - Amounts provided with a requirement for repayment. Interfund loans are reported as interfund receivables (i.e. due from other funds) in lender funds and interfund payables (i.e. due to other funds) in borrower funds.

**Reimbursements** - Repayments from funds responsible for certain expenditures or expenses made to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

**Transfers** - Flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.

**Prepaid Expense**

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

**VILLAGE OF BOURBONNAIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2011**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Restricted Assets – Enterprise Fund**

Certain cash and investments in the Sewer Operating Fund are restricted in accordance with the ordinances authorizing the issuance of the revenue bonds. These assets are reflected as restricted investments and restrictions of net assets in the Proprietary Fund Statement of Net Assets.

**Capital Assets**

Capital assets includes land, buildings, improvements, equipment, and infrastructure assets, purchased or acquired which are carried at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date donated. Improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

In accordance with GASB Statement No. 34, infrastructure assets are reported prospectively from the date of implementation and therefore infrastructure assets acquired prior to May 1, 2004 have not been recorded in the Village’s basic financial statements.

Depreciation on capital assets is calculated on the straight-line basis over the following estimated useful lives:

|                            | <u>Useful Life</u> | <u>Threshold</u> |
|----------------------------|--------------------|------------------|
| Buildings and improvements | 20-50 years        | \$ 10,000        |
| Land                       | N/A                | \$ 100,000       |
| Land improvements          | 10-30 years        | \$ 10,000        |
| Equipment                  | 2-20 years         | \$ 5,000         |
| Water & sewer lines        | 33-100 years       | \$ 10,000        |
| Streets and improvements   | 25 years           | \$ 100,000       |
| Intangible assets          | 2-20 years         | \$ 5,000         |

**Long-Term Debt, Bond Premiums, Discounts and Issuance Costs**

In the government-wide and proprietary fund financial statements, outstanding debts are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, government fund types recognize bond premiums and discounts, as well as bond issuance costs, incurred during the current period. The face amount of debt issued is reported as an other financing source. Premiums on debt issuances are reported as an other financing source while discounts on debt issuances are reported as an other financing use. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**VILLAGE OF BOURBONNAIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2011**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Accrued Compensated Absences**

The liability for compensated absences reported in the government-wide and proprietary fund financial statements consists of unpaid, accumulated vacation and sick leave balances for Village employees. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Village employees are entitled to certain compensated absences based on their length of employment. The liability has been calculated using the employees' current salary level and includes salary related cost (e.g. FICA and Medicare Tax).

**Fund Balances**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Unreserved fund balances for governmental funds represent the amount available for budgeting future operations.

Reserved fund balances in pension trust funds represent the net assets held in trust that are required to be reserved for the employees' pension benefits.

**Net Assets**

In the government-wide and proprietary fund financial statements, equity is displayed in three components as follows:

**Invested in Capital Assets, Net of Related Debt** - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, mortgages, notes, or other liabilities that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted** - This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the Village's policy to use restricted resources first, then unrestricted resources when they are needed.

**Unrestricted** - This consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

**Deficit Fund Balances/Net Assets**

The following funds had a deficit fund balance/net assets for the year ended April 30, 2011:

| <u>Fund</u>              | <u>Deficit</u> |
|--------------------------|----------------|
| Motor Fuel Tax Bond Fund | \$ 428         |

**VILLAGE OF BOURBONNAIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2011**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Property Taxes**

Property taxes are levied annually on all taxable real property located in the Village. The Village must file its tax levy ordinance by the last Tuesday of December of each year. The owner of real property on January 1 (lien date) in any year is liable for taxes of that year. Property taxes are collected by the Kankakee County Collector/Treasurer who remits to the Village its share of the collection. Taxes levied for calendar year 2009 were due, payable, and collected in two installments in June and September of 2010.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 expenses during the reporting period. Actual results could differ from those estimates.

**Reclassifications**

Certain reclassifications have been made to the 2010 financial statement amounts in order to conform with the 2011 financial statement presentation.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

Statutes authorize the Village to invest in obligations of the U.S. Treasury and U.S. agencies, banker's acceptances, repurchase agreements (meeting certain statutory requirements), certain rated instruments of commercial paper and Illinois State Treasurer's investment pool (Illinois Funds). Similar investments are permitted for the Police Pension trust funds, which is governed by the Illinois Pension Code. The Bourbonnais Police Pension Fund, under the direction of a separate Board of Trustees, contractually delegates investment oversight to investment managers.

The Village and the Bourbonnais Police Pension Fund's investment policies require all uninsured deposits with financial institutions to be fully collateralized with the collateral held by an independent third party acting as the Village's agent and held in the name of the Village and pension trust fund, respectively.

**VILLAGE OF BOURBONNAIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2011**

**NOTE 2 – DEPOSITS AND INVESTMENTS** (continued)

A reconciliation of deposits and investments presented in this disclosure and the financial statement captions shown on the government-wide Statement of Net Assets is as follows:

|                                |                     |
|--------------------------------|---------------------|
| Carrying amount of Deposits    | \$ 8,927,780        |
| Carrying amount of Investments | <u>8,728</u>        |
| Total                          | <u>\$ 8,936,508</u> |

|                           |                     |
|---------------------------|---------------------|
| Cash and Cash Equivalents | \$ 3,505,927        |
| Investments               | <u>5,430,581</u>    |
| Total                     | <u>\$ 8,936,508</u> |

**Deposits**

At April 30, 2011, the carrying amount of the Village's deposits with financial institutions for governmental and business-type activities was \$8,927,780 and the bank balance was \$9,508,020. These amounts represent cash in banks and certificates of deposit.

*Custodial Credit Risk* – Custodial credit risk is the risk that, in the event of a bank failure, deposits may not be returned. At April 30, 2011, deposits were fully insured by the Federal Deposit Insurance Corporation (FDIC) or pledged collateral.

At April 30, 2011, the carrying amount of deposits of fiduciary activities was \$657,878 and the bank balance was \$466,264. At certain times during the fiscal year, bank balances exceeded FDIC limits. Uncollateralized deposits not covered by FDIC insurance as of April 30, 2011 totaled \$167,334.

**Investments**

At April 30, 2011, the carrying amount (and market value) of the Village's investments for governmental and business-type activities was \$8,728. These amounts represent investments in Illinois Funds, a pooled investment fund.

*Custodial Credit Risk* – Custodial credit risk is the risk that, in the event of a custodian failure, investment principal may not be returned. The Illinois Funds are arranged and contracted by the Treasurer of the State of Illinois and collateralized as required by that contract. Illinois Funds was rated AAAM by Standard and Poor's as of April 30, 2011.

*Interest Rate Risk* – Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investments value. The Village has not adopted a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**VILLAGE OF BOURBONNAIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2011**

**NOTE 2 – DEPOSITS AND INVESTMENTS (continued)**

**Police Pension Fund (Fund)**

The Fund manages its investments in accordance with the regulations prescribed by the Illinois Pension Code. Investments at April 30, 2011 consisted of the following managed funds:

| <u>Investment Types</u>                 | <u>Fair Value</u>   | <u>Investment Maturities (in Years)</u> |                       |                   |                     |
|---|---------------------|---|-----------------------|-------------------|---------------------|
|   |                     | No<br>Maturity<br><u>Date</u>           | Less<br><u>Than 1</u> | <u>1-10</u>       | <u>Over 10</u>      |
| Mortgage and Asset<br>Backed securities | \$ 3,142,735        | \$ -                                    | \$ -                  | \$ -              | \$ 3,142,735        |
| U.S. Government Bonds<br>and GSE Bonds  | 1,791,035           | -                                       | -                     | 921,984           | 869,051             |
| Mutual Funds                            | <u>3,105,776</u>    | <u>3,105,776</u>                        | -                     | -                 | -                   |
| Total                                   | <u>\$ 8,039,546</u> | <u>\$ 3,105,776</u>                     | <u>\$ -</u>           | <u>\$ 921,984</u> | <u>\$ 4,011,786</u> |

In addition to the above investments, the Fund maintained a money market fund (reported as cash equivalents on the statement of fiduciary net assets) in investment accounts that had a carrying amount and fair market value of \$366,229 at April 30, 2011. This fund has a maturity of less than 90 days. No rating information is available for this fund.

The Fund's investments at April 30, 2011 include uninsured and unregistered investments for which the securities are held by the broker's, dealer's trust department or agent in the Fund's name.

**Credit Risk:** Credit risk exists when there is a possibility that the issuer or other counterparty to an investment may be unable to fulfill its obligations. As of April 30, 2011, the Fund held the following investments which have been rated.

| <u>Investment Type</u>                  | <u>Standard &amp;<br/>Poor's Rating</u> | <u>2011 Fair<br/>Market Value</u> |
|---|---|-----------------------------------|
| U.S. Treasury Strips                    | AAA                                     | \$ 921,984                        |
| GNMA Mortgage & Asset Backed Securities | *                                       | 2,505,158                         |
| FHLMC Bonds                             | AAA                                     | <u>869,051</u>                    |
|   | Total                                   | <u>\$ 4,296,193</u>               |

\* Guaranteed by the full faith and credit of the United States Government.

**Concentration of Credit Risk:** More than five percent of the Fund's investments are held in the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

**Interest Rate Risk:** Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect an investment's value. The Fund has not adopted a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**VILLAGE OF BOURBONNAIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2011**

**NOTE 2 – DEPOSITS AND INVESTMENTS** (continued)

The Fund invests in mortgage backed securities. These securities are reported at fair value and are based on the cash flows from interest and principal payments by the underlying mortgages. As a result, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates.

Foreign currency risk: The Fund's exposure to foreign currency risk (valued in U.S. dollars) is as follows as of April 30, 2011:

| <u>Investment</u>       | <u>Currency</u> | <u>Maturity</u> | <u>Fair Value</u>        |
|-------------------------|-----------------|-----------------|--------------------------|
| Europacific Growth Fund | Various         | N/A             | <u>\$ 557,931</u>        |
| Total                   |                 |                 | <u><u>\$ 557,931</u></u> |

The Fund has not adopted a formal policy that limits the Fund's exposure to foreign currency risk.

**NOTE 3 – RECEIVABLES**

A summary of accounts receivable as of April 30, 2011 is as follows:

|                           | <u>Total</u><br><u>Receivable</u> | <u>Allowance for</u><br><u>Doubtful Accounts</u> | <u>Net</u><br><u>Receivable</u> |
|---------------------------|-----------------------------------|--|---------------------------------|
| Governmental Activities:  |                                   |  |                                 |
| Taxes receivable          | \$ 2,296,588                      | \$ -   | \$ 2,296,588                    |
| Other receivables         | 93,185                            | -  | 93,185                          |
| Business-Type Activities: |                                   |  |                                 |
| Sewer services            | 382,156                           | 21,400   | 360,756                         |
| Refuse disposal services  | 34,064                            | 16,830   | 17,234                          |
| Interest receivable       | 10,615                            | -  | 10,615                          |
| Total                     | <u>\$ 2,816,608</u>               | <u>\$ 38,230</u>                                 | <u>\$ 2,778,378</u>             |

Taxes receivable include amounts due from the County of Kankakee and the State of Illinois for property and sales tax collected on behalf of the Village of Bourbonnais. For receivables other than sewer services receivable and refuse disposal services receivable, the Village believes these amounts are fully collectible and therefore no allowance for doubtful accounts has been established.

In prior years, the Village was the recipient of a grant totaling \$315,000 from the Illinois Department of Commerce and Community Affairs under the Illinois Community Development Assistance Program. The grant was used to assist the economic and development needs of low to moderate income people through the execution of below-market loans to area businesses. Upon repayment of the loans, the Village's use of the funds is restricted to general community development. The principal balance of loans receivable as of April 30, 2011 was \$36,959 and is included in "Other Receivables".

**VILLAGE OF BOURBONNAIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2011**

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2011, was as follows:

|  | Balance<br>May 1, 2010 | Additions        | Retirements | Transfers    | Balance<br>April 30, 2011 |
|--|------------------------|------------------|-------------|--------------|---------------------------|
| <b>Governmental activities:</b>                  |                        |                  |             |              |                           |
| Land, non-depreciable                            | \$ 2,686,092           | \$ -             | \$ -        | \$ -         | \$ 2,686,092              |
| Land improvements                                | 8,296,954              | 280,600          | -           | 345,750      | 8,923,304                 |
| Buildings and improvements                       | 7,979,705              | 12,883           | -           | -            | 7,992,588                 |
| Construction in progress                         | 440,650                | 15,181           | -           | (353,082)    | 102,749                   |
| Equipment  | 5,654,233              | 225,867          | -           | -            | 5,880,100                 |
| Streets and improvements                         | <u>8,202,702</u>       | <u>138,698</u>   | -           | <u>7,332</u> | <u>8,348,732</u>          |
| Total general fixed assets                       | 33,260,336             | 673,229          | -           | -            | 33,933,565                |
| Less accumulated depreciation                    | <u>13,820,172</u>      | <u>1,056,108</u> | -           | -            | <u>14,876,280</u>         |
| Governmental activities,<br>capital assets, net  | <u>\$ 19,440,164</u>   |                  |             |              | <u>\$ 19,057,285</u>      |
| <b>Business-type activities:</b>                 |                        |                  |             |              |                           |
| Land and improvements                            | \$ 9,843,895           | \$ 157,233       | \$ -        | \$ 14,503    | \$ 10,015,631             |
| Buildings and improvements                       | 250,000                | -                | -           | -            | 250,000                   |
| Construction in progress                         | 106,411                | -                | -           | (14,503)     | 91,908                    |
| Equipment  | <u>402,974</u>         | <u>19,794</u>    | -           | -            | <u>422,768</u>            |
| Total proprietary fixed assets                   | 10,603,280             | 177,027          | -           | -            | 10,780,307                |
| Less accumulated depreciation                    | <u>2,388,787</u>       | <u>230,241</u>   | -           | -            | <u>2,619,028</u>          |
| Business-type activities,<br>capital assets, net | <u>\$ 8,214,493</u>    |                  |             |              | <u>\$ 8,161,279</u>       |
| Total capital assets,<br>net of depreciation     | <u>\$ 27,654,657</u>   |                  |             |              | <u>\$ 27,218,564</u>      |

**NOTE 5 – INTERFUND BALANCES AND ACTIVITY**

**Balances Due to/from Other Funds**

Balances due to/from other funds at April 30, 2011, consist of the following:

|  |                   |
|--|-------------------|
| Due from other funds, Governmental Funds | <u>\$ 579,355</u> |
| Due to other funds, Proprietary Funds    | <u>\$ 579,355</u> |

These balances resulted from the time lag between the dates that 1) reimbursable expenditures occurred, 2) transactions were recorded in the accounting system, and 3) payments between funds are made. All interfund balances are expected to be repaid within one year.

**VILLAGE OF BOURBONNAIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2011**

**NOTE 5 – INTERFUND BALANCES AND ACTIVITY (continued)**

**Transfers to/from Other Funds**

There were no transfers to/from other funds during the year ended April 30, 2011.

**NOTE 6 – LONG-TERM OBLIGATIONS**

Bonds have been issued to provide funds for redevelopment projects, motor fuel tax fund projects and for sewer projects.

Long-term debt issued and outstanding as of April 30, 2011 is comprised of the following:

\$6,525,000 Sewerage Refunding Revenue Bonds (Series 2001) due in annual installments of \$230,000 to \$525,000 through December 1, 2020 with interest at 4.07% to 5.75%, payable semiannually.

\$1,655,000 Motor Fuel Tax General Obligation Bonds (Series 2003) due in annual installments of \$45,000 to \$115,000 through December 1, 2028 with interest at 2.5% to 5.25%, payable semiannually.

\$2,710,000 Sewerage Refunding Revenue Bonds (Series 2006) due in annual installments of \$30,000 to \$305,000 through December 1, 2020 with interest at 3.45% to 4.125%, payable semiannually.

**Advance Refunding of Debt**

In prior years, the Village defeased a portion of the Sewerage Revenue Refunding Bonds (Series 2001) by placing the proceeds of a new bond issue in escrow to provide for future debt service payments on the issue. Accordingly, the escrow account assets and the liability for the defeased bonds are not included in the Village's financial statements. At April 30, 2011, \$2,405,000 of bonds were extinguished.

**Conduit Debt**

In July 2007, the Village issued \$45,000,000 in industrial project revenue bonds for the express purpose of providing capital financing to Olivet Nazarene University. At April 30, 2011, the conduit debt obligation outstanding was \$45,000,000. The Village has no obligation for this debt.

**VILLAGE OF BOURBONNAIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2011**

**NOTE 6 – LONG-TERM OBLIGATIONS** (continued)

Changes in long-term obligations for the year ended April 30, 2011 are as follows:

|   | <u>May 1, 2010</u>  | <u>Increases</u> | <u>Decreases</u>    | <u>April 30, 2011</u> | <u>Due Within<br/>One Year</u> |
|---|---------------------|------------------|---------------------|-----------------------|--------------------------------|
| <b>Governmental activities:</b>                           |                     |                  |                     |                       |                                |
| Bonds Payable:  |                     |                  |                     |                       |                                |
| Motor Fuel Tax General Obligation Bonds,<br>(Series 2003) | 1,450,000           | -                | (50,000)            | 1,400,000             | 50,000                         |
| Total bonds payable                                       | 1,450,000           | -                | (50,000)            | 1,400,000             | 50,000                         |
| Compensated absences                                      | 529,141             | -                | (18,160)            | 510,981               | -                              |
| Total long-term debt                                      | <u>\$ 1,979,141</u> | <u>\$ -</u>      | <u>\$ (68,160)</u>  | <u>\$ 1,910,981</u>   | <u>\$ 50,000</u>               |
| <b>Business-type activities:</b>                          |                     |                  |                     |                       |                                |
| Bonds Payable:  |                     |                  |                     |                       |                                |
| Sewerage Refunding Revenue Bonds (2001)                   | \$ 2,030,000        | \$ -             | \$ (300,000)        | \$ 1,730,000          | \$ 135,000                     |
| Sewerage Refunding Revenue Bonds (2006)                   | 2,630,000           | -                | (30,000)            | 2,600,000             | 220,000                        |
| Unamortized loss on refunding                             | (182,915)           | -                | 18,670              | (164,245)             | -                              |
| Total bonds payable                                       | 4,477,085           | -                | (311,330)           | 4,165,755             | 355,000                        |
| Compensated absences                                      | 11,210              | -                | (539)               | 10,671                | -                              |
| Total long-term debt                                      | <u>\$ 4,488,295</u> | <u>\$ -</u>      | <u>\$ (311,869)</u> | <u>\$ 4,176,426</u>   | <u>\$ 355,000</u>              |

**Debt Service Requirements**

Debt service requirements on bonds outstanding at April 30, 2011 are as follows:

| <u>Year ending April 30</u> | <u>Governmental Activities</u> |                   | <u>Business-type Activities</u> |                     |
|-----------------------------|--------------------------------|-------------------|---------------------------------|---------------------|
|                             | <u>Principal</u>               | <u>Interest</u>   | <u>Principal</u>                | <u>Interest</u>     |
| 2012                        | \$ 50,000                      | \$ 68,144         | \$ 355,000                      | \$ 199,371          |
| 2013                        | 55,000                         | 66,331            | 365,000                         | 183,984             |
| 2014                        | 55,000                         | 64,338            | 385,000                         | 168,029             |
| 2015                        | 55,000                         | 62,344            | 400,000                         | 150,709             |
| 2016                        | 60,000                         | 59,594            | 420,000                         | 132,796             |
| 2017-2021                   | 345,000                        | 249,544           | 2,405,000                       | 352,759             |
| 2022-2026                   | 450,000                        | 150,638           | -                               | -                   |
| 2027-2031                   | 330,000                        | 32,661            | -                               | -                   |
|                             | <u>\$ 1,400,000</u>            | <u>\$ 753,594</u> | <u>\$ 4,330,000</u>             | <u>\$ 1,187,648</u> |

**VILLAGE OF BOURBONNAIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2011**

**NOTE 6 – LONG-TERM OBLIGATIONS** (continued)

**Legal Debt Margin**

According to Illinois statutes, the legal debt limit is 8.625% of assessed valuation. The following is the legal debt margin calculation for the year ending April 30, 2011.

|   |                       |
|---|-----------------------|
| Assessed valuation - 2011 levy year                   | \$ 349,420,344        |
| Tax Increment Financing Districts                     | <u>(619,004)</u>      |
| Assessed valuation, net of abatements                 | <u>\$ 348,801,340</u> |
| <br>  |                       |
| Statutory debt limit - 8.625% of assessed valuation   | <u>\$ 30,084,116</u>  |
| <br>  |                       |
| Total debt:   |                       |
| Motor Fuel Tax General Obligation Bonds (Series 2003) | <u>\$ 1,400,000</u>   |
| Total debt  | <u>\$ 1,400,000</u>   |
| <br>  |                       |
| Legal debt margin                                     | <u>\$ 28,684,116</u>  |

**NOTE 7 – RESERVED FUND BALANCES**

The Village has collected impact fees from developers to be used in improving roads and parks near new developments. In previous years, the fees have been collected in the General Fund. However, the Village set up a new fund in 2010 (Impact Fees Fund) to account for the collection and use of these fees. The accumulation of fees received over the years is reserved.

Revenue bond ordinances of the Motor Fuel Tax Fund and Sewer Operating Fund require certain reserve amounts be maintained for bond retirement. Additionally, the Sewer Operating Fund ordinance requires reserves for repair and maintenance.

At April 30, 2011, amounts restricted in the Village's funds are as follows:

|                                 | Governmental Funds  |                        |                   | Business-<br>Type          |
|---------------------------------|---------------------|------------------------|-------------------|----------------------------|
|                                 | Impact Fees<br>Fund | Motor Fuel<br>Tax Fund | Total             | Sewer<br>Operating<br>Fund |
| Bond retirement                 | \$ -                | \$ 343,990             | \$ 343,990        | \$ 630,028                 |
| Repair and maintenance reserves | -                   | -                      | -                 | 560,100                    |
| Impact fees                     | <u>557,173</u>      | <u>-</u>               | <u>557,173</u>    | <u>-</u>                   |
| <br>                            |                     |                        |                   |                            |
| Total                           | <u>\$ 557,173</u>   | <u>\$ 343,990</u>      | <u>\$ 901,163</u> | <u>\$ 1,190,128</u>        |

**VILLAGE OF BOURBONNAIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2011**

**NOTE 7 – RESERVED FUND BALANCES** (continued)

As of April 30, 2011, amounts held in trust for pension benefits and other purposes were as follows:

|                            | Fiduciary<br>Funds |
|----------------------------|--------------------|
| Police Pension Fund        | \$ 9,031,964       |
| Deferred Compensation Plan | 1,124,810          |
| Total                      | \$ 10,156,774      |

**NOTE 8 – RESTRICTED NET ASSETS**

As of April 30, 2011, net assets restricted for specific purposes consisted of the following:

|                                 | Governmental<br>Activities | Business-Type<br>Activities |
|---------------------------------|----------------------------|-----------------------------|
| Bond retirement                 | \$ 343,990                 | \$ 630,028                  |
| Repair and maintenance reserves | -                          | 560,100                     |
| Impact fees                     | 557,173                    | -                           |
| Total                           | \$ 901,163                 | \$ 1,190,128                |

**NOTE 9 – PENSION PLANS**

**Defined Contribution Plan**

In accordance with the Internal Revenue Code Section 457, the Village sponsors a defined contribution plan for which employees may elect to have contributions withheld from their gross wages and deposited into the plan on their behalf. The Village has contracted Nationwide Retirement Solutions to administer the plan and has no oversight or control over funds deposited into the plan by employees. Employees manage and invest funds held in their own accounts. There is no matching requirement by the Village for this plan.

**Defined Benefit Pension Plan**

**Plan Description** - The Village of Bourbonnais, Illinois' defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

**VILLAGE OF BOURBONNAIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2011**

**NOTE 9 – PENSION PLANS** (continued)

**Funding Policy** - As set by statute, Regular employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2010 was 13.89 percent. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

**Annual Pension Cost** - For the year ended April 30, 2011, the Village's annual pension cost of \$268,471 for the Regular Plan was equal to the Village's required and actual contributions.

**Three-Year Trend Information for the Regular Plan**

| Fiscal Year<br>Ending | Annual Pension<br>Cost (APC) | Percentage of<br>APC Contributed | Net Pension<br>Obligation |
|-----------------------|------------------------------|----------------------------------|---------------------------|
| 4/30/2011             | \$ 268,471                   | 100%                             | \$ -                      |
| 4/30/2010             | \$ 230,582                   | 100%                             | \$ -                      |
| 4/30/2009             | \$ 206,218                   | 100%                             | \$ -                      |

The required contribution for 2010 was determined as part of the December 31, 2008 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, included (a) 7.50 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the employer Regular plan assets was determined using techniques that spread the effects of short term volatility in the market value of investments over a five year period with a 20% corridor between the actuarial and market value of assets. The Village's plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30 year basis.

**Funded Status and Funding Progress** - As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 62.64 percent funded. The actuarial accrued liability for benefits was \$4,750,166 and the actuarial value of assets was \$2,975,468, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,774,698. The covered payroll for 2010 (annual payroll of active employees covered by the plan) was \$1,898,359 and the ratio of the UAAL to the covered payroll was 93 percent.

**VILLAGE OF BOURBONNAIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2011**

**NOTE 9 – PENSION PLANS** (continued)

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Police Pension Plan**

**Plan Description** - The Bourbonnais Police Pension Fund is a single-employer defined benefit pension plan that covers the full-time police officers of the Village of Bourbonnais. It was created and is administered as prescribed by "Article 3, Police Pension Fund - Municipalities 500,000 and Under" of the Illinois Pension Code (40 Illinois Compiled statutes, 5, Article 3) The Bourbonnais Police Pension Fund issued a separate financial report dated September 28, 2011. A copy of that report may be obtained by contacting the Village of Bourbonnais.

**Summary of Significant Accounting Policies** - The Bourbonnais Police Pension Fund financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**Method Used to Value Investments** - Investments are reported at fair value based upon quoted market prices. Cash deposits are reported at carrying amounts which reasonably estimates fair value.

**Annual Pension Cost and Net Pension Obligation** - The Village's annual pension cost of \$389,722 for the Police Pension Plan was equal to the Village's required and actual contribution.

**Three-Year Trend Information for the Police Pension Plan**

| Fiscal Year<br>Ending | Annual Pension<br>Cost (APC) | Percentage of<br>APC Contributed | Net Pension<br>Obligation |
|-----------------------|------------------------------|----------------------------------|---------------------------|
| 4/30/2011             | \$ 389,722                   | 100%                             | \$ -                      |
| 4/30/2010             | \$ 366,956                   | 100%                             | \$ -                      |
| 4/30/2009             | \$ 255,144                   | 100%                             | \$ -                      |

**Funded Status and Funding Progress** - As of April 30, 2010, the most recent actuarial valuation date, the police pension plan was 73.47 percent funded. The actuarial accrued liability for benefits was \$11,037,178 and the actuarial value of assets was \$8,109,407, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,927,771. The covered payroll (annual payroll of active employees covered by the plan) was \$1,580,364 and the ratio of the UAAL to the covered payroll was 185.26 percent.

**VILLAGE OF BOURBONNAIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2011**

**NOTE 9 – PENSION PLANS** (continued)

A schedule of funding progress, presented in the Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Actuarial Methods and Assumptions** - In the April 30, 2010 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included (a) 7.0 percent investment rate of return and (b) projected salary increases of 5.5 percent per year. Both (a) and (b) included a cost of living adjustment of 3.0 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments. The remaining amortization period at April 30, 2010 was approximately 23 years.

**NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS**

**Plan Description**

In addition to providing pension benefits as described in Note 9, the Village provides post-employment health care benefits (OPEB) for retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and any employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activities of the plan are reported in the Village's General Fund.

**Benefits Provided**

The Village offers post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans or meet COBRA requirements, except for the Public Works union employees, who are covered under the union's insurance plan.

All health care benefits are provided through the Village's health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; and prescriptions. Eligibility in the Village sponsored health care plan is not discontinued upon eligibility for federally sponsored health care benefits. The retirees may continue on the Village's health plan as a supplement to other plans for which the retirees are eligible.

**VILLAGE OF BOURBONNAIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2011**

**NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (continued)**

**Membership**

At April 30, 2011, membership consisted of:

|  |           |
|--|-----------|
| Retirees and beneficiaries currently receiving benefits              | 4         |
| Terminated employees entitled to benefits but not yet receiving them | -         |
| Active vested plan members   | 64        |
| Active nonvested plan members  | <u>-</u>  |
| Total  | <u>68</u> |

**Funding Policy**

The Village negotiates the contribution percentages between the Village and employees through the union contracts and personnel policy. All retirees contribute 100% of the actuarially determined premium to the plan to cover the cost of providing the benefits to the current members via the insured plan (pay as you go) which results in an implicit subsidy to the Village as defined by the GASB Statement No. 45. For the fiscal year ending April 30, 2011, the Village contributed \$4,568 toward the implicit subsidy. The Village is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

**Annual OPEB Costs and Net OPEB Obligation**

The Village performed a valuation for the plan as of April 30, 2011 using actuarial software to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended April 30, 2011. The Village's annual OPEB cost (expense) of \$36,698 was equal to the ARC for the fiscal year ended April 30, 2011. The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for April 30, 2011 were as follows (information for the years preceding 2010 is not available as a valuation was performed for the first time as of April 30, 2010):

| <u>Year Ending<br/>April 30,</u> | <u>Annual<br/>OPEB Cost</u> | <u>Employer<br/>Contributions</u> | <u>Percentage of<br/>Annual OPEB<br/>Cost Contributed</u> | <u>Net OPEB<br/>Obligation</u> |
|----------------------------------|-----------------------------|-----------------------------------|---|--------------------------------|
| 2011                             | \$ 36,698                   | \$ 4,568                          | 12.4%   | \$ 68,628                      |
| 2010                             | \$ 67,813                   | \$ 31,315                         | 46.2%   | \$ 36,498                      |

**VILLAGE OF BOURBONNAIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2011**

**NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS** (continued)

The net OPEB obligation as of April 30, 2011, was calculated as follows:

|  |                         |
|--|-------------------------|
| Annual required contribution               | \$ 37,140               |
| Interest on net OPEB obligation            | -                       |
| Adjustment to annual required contribution | <u>(442)</u>            |
| Annual OPEB cost                           | 36,698                  |
| Age adjusted contributions made            | <u>(4,568)</u>          |
| Change in net OPEB obligation              | 32,130                  |
| Net OPEB obligation, beginning of year     | <u>36,498</u>           |
| Net OPEB obligation, end of year           | <u><u>\$ 68,628</u></u> |

**Funded Status and Funding Progress**

The Funded status of the plan as of April 30, 2011 was as follows:

|   |                          |
|---|--------------------------|
| Actuarial accrued liability (AAL)                 | \$ 695,920               |
| Actuarial value of plan assets                    | <u>-</u>                 |
| Unfunded actuarial accrued liability (UAAL)       | <u><u>\$ 695,920</u></u> |
| Funded ratio (actuarial value of plan assets/AAL) | 0.0%                     |
| Covered payroll (active plan members)             | \$ 3,844,714             |
| UAAL as a percentage of covered payroll           | 18.1%                    |

Actuarial valuations of an ongoing plan involve estimates of 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 the 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 the plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**VILLAGE OF BOURBONNAIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2011**

**NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS** (continued)

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and historical pattern of sharing of 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 the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2011 valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 7.0% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate starting at 7.5% initially and 4.7% ultimately. Both rates include a 3.0% inflation assumption. The actuarial value of assets was not determined as the Village has not advanced funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at April 30, 2011, was 28 years.

**NOTE 11 – FIDUCIARY FUNDS**

In 1995 the Village established a Community Fund which received donations from taxpayers to be used for Youth Groups and Senior Citizens' programs. The balance in this fund at April 30, 2011 was \$5,277. The Village also has a Building Escrow Fund for financing of public facilities arising from residential development. The balance in this fund at April 30, 2011 was \$43,653.

**NOTE 12 – REDEVELOPMENT CONTRACTS**

The Village has a series of redevelopment contracts connected with its Tax Increment Financing District. These contracts are set up to refund a portion of sales tax and/or property taxes to the businesses. Monetary maximums and time limitations are set forth for each reimbursement agreement.

**NOTE 13 – RISK MANAGEMENT**

The Village, through membership in the Illinois Municipal League Risk Management Association, insures all major areas of risk. This insurance program combines elements of self-insurance (at the Association level) with pure insurance. Member contributions are based on the loss experience of the Village and that of the Association as a whole.

The Village's cost is based on rates determined by the Trustees of the Fund. Members of the Fund may also be subject to additional contributions not to exceed 10 percent of such member's contribution for the most recent fiscal year of the Fund if additional reserves are deemed necessary by the Fund's trustees. Assessments, if any, for the Fund fiscal year ended April 30, 2011 are not determinable.

**VILLAGE OF BOURBONNAIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2011**

**NOTE 14 – CAPITAL LEASE OBLIGATIONS**

The Village leases equipment with an original cost of \$90,675 and accumulated depreciation of \$22,669 under a capital lease arrangement at April 30, 2011. Future minimum lease payments at April 30, 2011 are as follows:

| <u>Fiscal Year</u>                      | <u>Amount</u>           |
|---|-------------------------|
| 2012                                    | \$ 23,010               |
| 2013                                    | 23,010                  |
| 2014                                    | <u>23,010</u>           |
| Total minimum lease payments            | 69,030                  |
| Less: amounts representing interest     | <u>10,261</u>           |
| Present value of minimum lease payments | <u><u>\$ 58,769</u></u> |

**NOTE 15 – SEGMENT INFORMATION**

The Village has an enterprise fund to account for sewer services provided to residents. The revenue stream of this fund is pledged to support the debt service of the Sewerage Refunding Revenue Bonds. Segment information for the year ended April 30, 2011 is as follows:

| <u>Condensed Statement of Net Assets:</u>       | <u>Sewer<br/>Operating Fund</u> |
|---|---------------------------------|
| <b>Assets</b>                                   |                                 |
| Current assets                                  | \$ 2,086,673                    |
| Due from other funds                            | 501,766                         |
| Capital assets                                  | 8,161,279                       |
| Other assets                                    | <u>5,492,436</u>                |
| <br>Total assets                                | <br><u>16,242,154</u>           |
| <b>Liabilities</b>                              |                                 |
| Current liabilities                             | 477,371                         |
| Due to other funds                              | 876,199                         |
| Long-term liabilities                           | <u>3,821,426</u>                |
| <br>Total Liabilities                           | <br><u>5,174,996</u>            |
| <b>Net Assets</b>                               |                                 |
| Invested in capital assets, net of related debt | 3,995,524                       |
| Restricted                                      | 1,190,128                       |
| Unrestricted                                    | <u>5,881,506</u>                |
|   | <br><u><u>\$ 11,067,158</u></u> |

**VILLAGE OF BOURBONNAIS**  
**NOTES TO FINANCIAL STATEMENTS**  
**APRIL 30, 2011**

**NOTE 15 – SEGMENT INFORMATION** (continued)

| Condensed Statement of Revenues,<br>Expenses and Changes in Fund Net Assets: | Sewer<br>Operating Fund |
|--|-------------------------|
| Operating revenues   | \$ 2,554,620            |
| Operating expenses   | (2,082,874)             |
| Depreciation   | <u>(230,241)</u>        |
| Operating income (loss)  | 241,505                 |
| <br>Non-operating revenues (expenses)  | <br><u>824,579</u>      |
| Change in net assets   | 1,066,084               |
| <br>Beginning net assets   | <br><u>10,001,074</u>   |
| Ending net assets  | <u>\$ 11,067,158</u>    |
| <br><u>Condensed Statement of Cash Flows:</u>                                |                         |
| Net cash provided (used) by:   |                         |
| Operating activities   | \$ 554,512              |
| Noncapital financing activities  | (25,889)                |
| Capital and related financing activities                                     | (698,694)               |
| Investing activities   | <u>20,409</u>           |
| Net increase (decrease) in cash and<br>cash equivalents                      | (149,662)               |
| <br>Beginning cash and cash equivalents                                      | <br><u>215,586</u>      |
| <br>Ending cash and cash equivalents   | <br><u>\$ 65,924</u>    |

**NOTE 16 – LOSS CONTINGENCIES**

The Village is involved in litigation from time to time on a variety of matters in connection with the services it provides. The Village Attorney estimates that the amount of actual or potential claims against the Village as of April 30, 2011 will not materially affect the financial condition of the Village or any of the individual funds. Settlement amounts are not expected to exceed insurance coverage. Therefore, the General Fund contains no provision for estimated claims.

The Special Tax Allocation Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for special purposes. The Special Tax Allocation Fund includes the transactions of the Village's two tax increment financing districts. The property tax portion of Tax Increment Financing District No. 5 ended December 31, 2010. The remaining sales tax portion of this district is set to end on December 31, 2013. All funds held, but not committed to projects allowed under the TIF Act as of December 31, 2013 are required to be returned to the State of Illinois at that time. Such amounts cannot be determined as of the date of this report.

**VILLAGE OF BOURBONNAIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2011**

**NOTE 17 – INTERGOVERNMENTAL JOINT VENTURE**

Effective May 1, 1996, pursuant to a Municipal Joint Sewage Treatment Agency Intergovernmental Agreement, the City of Kankakee and the villages of Aroma Park, Bourbonnais, and Bradley agreed to the establishment of an independent agency with authority to operate the Regional Wastewater Treatment Facility (RWTF), raise revenue and exercise other powers as necessary. The independent agency created is the Kankakee River Metropolitan Agency (KRMA). The agreement requires a seven member board comprised of four persons appointed by the Mayor of the City of Kankakee and one person appointed by the Mayor of each village. A majority of five affirmative votes is required to modify this agreement, modify the methodology or the amounts of user charges, and approve bond issues or any appropriation in excess of \$50,000 or to change the membership of the agency. On April 22, 1999, KRMA acquired ownership of the RWTF.

As of April 30, 2011, the Village's net investment in the joint venture was \$5,283,559. Charges for services to the Village during the year ended April 30, 2011 were \$1,122,029

Financial statements of the joint venture can be obtained by contacting the Village of Bourbonnais. Pertinent financial information for the joint venture as of April 30, 2011 is as follows:

| Statement of Net Assets:  | Intergovernmental<br>Joint Venture |
|---|------------------------------------|
| Current assets  | \$ 6,817,323                       |
| Restricted assets   | 877,773                            |
| Capital assets, net   | 19,343,092                         |
| Total assets  | 27,038,188                         |
| Liabilities   |                                    |
| Current liabilities   | 4,781,281                          |
| Non-current liabilities   | 19,043,253                         |
| Total Liabilities   | 23,824,534                         |
| Total Net Assets (Deficit)  | \$ 3,213,654                       |
| Statement of Revenues, Expenses and<br>Changes in Net Assets:                               |                                    |
| Operating revenues  | \$ 5,844,229                       |
| Operating expenses  | (5,588,580)                        |
| Non-operating income (expenses)   | (919,019)                          |
| Special item - gain on insurance recovery   | 4,095,694                          |
| Change in net assets  | 3,432,324                          |
| Ownership percentage  | 29.72%                             |
| Village's share of net income (loss)<br>(equity interest in joint venture's income or loss) | \$ 1,020,087                       |

**VILLAGE OF BOURBONNAIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2011**

**NOTE 17 – INTERGOVERNMENTAL JOINT VENTURE (continued)**

On December 27, 2010, an explosion at the Kankakee River Metropolitan Agency caused extensive damage to the facility. The costs to repair the facility, including additional upgrades, are estimated at approximately \$46.6 million. These costs, net of insurance reimbursements, will be passed through to the participants of the joint venture including the Village of Bourbonnais. The Agency has recorded a \$6,000,000 estimated insurance recovery related to the fair value of the loss assets based on consultant's estimates. The insurance company and management have not yet settled on a final amount. This estimate could significantly change. Any additional insurance recoveries related to changed ordinance or laws are contingent upon such upgrades being made and have not been recorded.

In August 2011, the Kankakee River Metropolitan Agency approved an \$11.8 million contract to improve the treatment plant facility. This improvement will be financed by a low interest loan from the Illinois Environmental Protection Agency.

**NOTE 18 – PLEDGED REVENUE AND DEBT SERVICE REQUIREMENTS**

The Village has pledged specific revenue, net of specific operating expenses, to repay the principal and interest of revenue bonds. The following is a schedule of the pledged revenues and related debt:

| <u>Bond Issue</u>                             | <u>Purpose</u>  | <u>Source of<br/>Revenue<br/>Pledged</u>   | <u>Future Net<br/>Revenues<br/>Pledged (1)</u> | <u>Term of<br/>Commitment</u> | <u>Current Year<br/>Pledged Net<br/>Revenue to Debt<br/>Service (2)</u> |
|---|---|--|--|-------------------------------|---|
| Sewerage Refunding Revenue Bonds, Series 2001 | Acquiring, constructing and installing capital projects within the sewer system and to advance refund the Series 1993 revenue bonds | Net revenues of the Village's sewer system | \$ 2,318,705                                   | 2021                          | 20.3%   |
| Sewerage Refunding Revenue Bonds, Series 2006 | To advance refund a portion of the Series 2001 revenue bonds  | Net revenues of the Village's sewer system | \$ 3,198,943                                   | 2021                          | 14.7%   |

(1) Total future principal and interest payments on debt.

(2) Current year pledged net operating revenue (excluding depreciation) vs. total future debt service.

**VILLAGE OF BOURBONNAIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2011**

**NOTE 19 – INTERGOVERNMENTAL REVENUE**

As of April 30, 2011, intergovernmental revenue reported in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance consisted of the following:

|                  | 2011                |                                |                        |                     | 2010<br>(Memo Only) |
|------------------|---------------------|--------------------------------|------------------------|---------------------|---------------------|
|                  | General Fund        | Special Tax<br>Allocation Fund | Motor Fuel Tax<br>Fund | Total               |                     |
| State income tax | \$ 1,599,654        | \$ -                           | \$ -                   | \$ 1,599,654        | \$ 1,429,760        |
| State sales tax  | 1,309,406           | 1,304,293                      | -                      | 2,613,699           | 3,186,208           |
| State use tax    | 260,009             | -                              | -                      | 260,009             | 229,689             |
| Motor fuel tax   | -                   | -                              | 542,778                | 542,778             | 435,857             |
| Other            | 92,987              | -                              | -                      | 92,987              | 106,768             |
| Total            | <u>\$ 3,262,056</u> | <u>\$ 1,304,293</u>            | <u>\$ 542,778</u>      | <u>\$ 5,109,127</u> | <u>\$ 5,388,282</u> |

**NOTE 20 – SUBSEQUENT EVENTS**

On March 19, 2012 the Board of Trustees of the Village of Bourbonnais passed an ordinance authorizing the issuance of general obligation bonds in an aggregate principal amount not to exceed \$7,600,000 for the purpose of paying the costs of road improvements and refunding certain outstanding alternate bonds of the Village.

In addition, on March 19, 2012 the Board of Trustees of the Village of Bourbonnais passed an ordinance authorizing the issuance of sewerage refunding revenue bonds in an aggregate principal amount not to exceed \$1,850,000 or in lieu thereof, general obligation refunding bonds in an aggregate principal amount not to exceed \$1,850,000.

In addition, on March 19, 2012 the Board of Trustees of the Village of Bourbonnais passed an ordinance authorizing the execution of an asset purchase agreement with Aqua IL, Inc. This agreement will allow the Village to purchase the sewer system within Tri-Star Estates in Bourbonnais, Illinois for a total price of \$455,000 payable at closing.

**REQUIRED SUPPLEMENTAL INFORMATION**

**VILLAGE OF BOURBONNAIS  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED APRIL 30, 2011**

|  | <b>2011</b>                |                         |                       |
|--|----------------------------|-------------------------|-----------------------|
|  | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b>         |
| <b>REVENUES</b>                              |                            |                         |                       |
| Tax revenue                                  | \$ 5,150,666               | \$ 5,150,666            | \$ 4,478,409          |
| Fine revenue                                 | 124,600                    | 124,600                 | 196,627               |
| Franchise revenue                            | 260,000                    | 260,000                 | 261,795               |
| Licenses revenue                             | 21,250                     | 21,250                  | 30,275                |
| Miscellaneous revenue                        | 126,000                    | 126,000                 | 108,181               |
| Permit revenue                               | 196,200                    | 196,200                 | 182,836               |
| Reimbursement revenue                        | 187,000                    | 187,000                 | 344,800               |
| Total revenues                               | <u>6,065,716</u>           | <u>6,065,716</u>        | <u>5,602,923</u>      |
| <b>EXPENDITURES</b>                          |                            |                         |                       |
| President and board of trustees department   | 104,572                    | 104,572                 | 105,583               |
| Administrative department                    | 89,626                     | 89,626                  | 109,555               |
| Community development                        | 66,109                     | 66,109                  | 70,693                |
| Police department                            | 3,209,622                  | 3,209,622               | 3,269,252             |
| Public works department                      | 1,042,335                  | 1,042,335               | 1,062,091             |
| Code enforcement department                  | 222,919                    | 222,919                 | 251,653               |
| Central services department                  | 894,860                    | 894,860                 | 918,362               |
| Finance department                           | 151,979                    | 151,979                 | 172,068               |
| Street department                            | 172,565                    | 172,565                 | 232,339               |
| Park department                              | 61,587                     | 61,587                  | 101,217               |
| Capital projects                             | 315,198                    | 315,198                 | 311,221               |
| Total expenditures                           | <u>6,331,372</u>           | <u>6,331,372</u>        | <u>6,604,034</u>      |
| Excess of revenues over (under) expenditures | <u>(265,656)</u>           | <u>(265,656)</u>        | <u>(1,001,111)</u>    |
| <b>OTHER FINANCING SOURCES (USES)</b>        |                            |                         |                       |
| Transfers in                                 | <u>125,000</u>             | <u>125,000</u>          | <u>-</u>              |
| Total other financing sources (uses)         | <u>125,000</u>             | <u>125,000</u>          | <u>-</u>              |
| Net change in fund balances                  | <u>\$ (140,656)</u>        | <u>\$ (140,656)</u>     | <u>\$ (1,001,111)</u> |

**VILLAGE OF BOURBONNAIS  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND  
SPECIAL TAX ALLOCATION FUND  
FOR THE YEAR ENDED APRIL 30, 2011**

|  | <b>2011</b>                |                         |                     |
|--|----------------------------|-------------------------|---------------------|
|  | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b>       |
| <b>REVENUES</b>                              |                            |                         |                     |
| Tax revenue                                  | \$ 2,458,554               | \$ 2,458,554            | \$ 2,568,744        |
| Miscellaneous revenue                        | 56,000                     | 56,000                  | 20,143              |
| Total revenues                               | <u>2,514,554</u>           | <u>2,514,554</u>        | <u>2,588,887</u>    |
| <b>EXPENDITURES</b>                          |                            |                         |                     |
| Highway and streets                          | 146,400                    | 146,400                 | 89,306              |
| Economic development                         | 177,580                    | 177,580                 | 78,906              |
| Sewer improvements                           | 25,000                     | 25,000                  | 196,392             |
| Legal and professional                       | 18,500                     | 18,500                  | 9,758               |
| Dues and seminars                            | 5,825                      | 5,825                   | 2,596               |
| Administrative and other                     | 327,407                    | 327,407                 | 194,569             |
| Other capital projects                       | <u>1,813,842</u>           | <u>1,813,842</u>        | <u>341,342</u>      |
| Total expenditures                           | <u>2,514,554</u>           | <u>2,514,554</u>        | <u>912,869</u>      |
| Excess of revenues over (under) expenditures | <u>\$ -</u>                | <u>\$ -</u>             | <u>\$ 1,676,018</u> |

**VILLAGE OF BOURBONNAIS REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND  
 MOTOR FUEL TAX FUND  
 FOR THE YEAR ENDED APRIL 30, 2011**

|  | <b>2011</b>                |                         |                 |
|--|----------------------------|-------------------------|-----------------|
|  | <b>Original<br/>Budget</b> | <b>Final<br/>Budget</b> | <b>Actual</b>   |
| <b>REVENUES</b>                              |                            |                         |                 |
| Tax revenue                                  | \$ 471,040                 | \$ 471,040              | \$ 542,778      |
| Reimbursement revenue                        | -                          | -                       | 123,417         |
| Miscellaneous revenue                        | <u>1,100</u>               | <u>1,100</u>            | <u>721</u>      |
| Total revenues                               | <u>472,140</u>             | <u>472,140</u>          | <u>666,916</u>  |
| <b>EXPENDITURES</b>                          |                            |                         |                 |
| Contractual service                          | 307,399                    | 307,399                 | 480,069         |
| Commodities                                  | 101,900                    | 101,900                 | 49,937          |
| Capital projects                             | -                          | -                       | 10,544          |
| Debt service:                                |                            |                         |                 |
| Bonds redeemed                               | -                          | -                       | 50,000          |
| Interest and fiscal charges                  | <u>-</u>                   | <u>-</u>                | <u>70,441</u>   |
| Total expenditures                           | <u>409,299</u>             | <u>409,299</u>          | <u>660,991</u>  |
| Excess of revenues over (under) expenditures | <u>62,841</u>              | <u>62,841</u>           | <u>5,925</u>    |
| <b>OTHER FINANCING SOURCES (USES)</b>        |                            |                         |                 |
| Transfers in                                 | 57,600                     | 57,600                  | -               |
| Transfers out - debt service                 | <u>(120,441)</u>           | <u>(120,441)</u>        | <u>-</u>        |
| Total other financing sources (uses)         | <u>(62,841)</u>            | <u>(62,841)</u>         | <u>-</u>        |
| Net change in fund balances                  | <u>\$ -</u>                | <u>\$ -</u>             | <u>\$ 5,925</u> |

**VILLAGE OF BOURBONNAIS  
NOTE TO BUDGETARY COMPARISON SCHEDULES  
APRIL 30, 2010**

**NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING**

The Village adopts annual budgets for the General Fund, Special Tax Allocation Funds, Motor Fuel Tax Fund, Sewer Fund and Motor Fuel Bond Fund. Expenditures for capital project funds are controlled on a project basis.

The Village follows these procedures in establishing the budgetary data reflected in financial statements:

1. Prior to July 1, the Village Treasurer submits to the Village Board of Trustees a proposed operating budget for the fiscal year which had commenced May 1.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to August 1, the budget is legally enacted through passage of the annual appropriation ordinance. This ordinance places legal restrictions on expenditures for the General Fund and at the fund level for the Special Revenue Funds. Once approved, the Village Board of Trustees may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.
4. Control of and amendments to the budget rest with the Village Board of Trustees. No supplemental appropriations were necessary during the year. However, certain amounts budgeted for expenditures were revised during the year ended April 30, 2011. Original and final approved budget amounts have been presented in the budgetary comparison schedules.
5. Appropriations for all funds are adopted on a basis consistent with the accrual basis of accounting.

## **STATISTICAL SECTION**

**VILLAGE OF BOURBONNAIS  
SCHEDULES OF FUNDING PROGRESS  
FOR THE YEAR ENDED APRIL 30, 2011**

**Illinois Municipal Retirement Fund**

| Actuarial<br>Valuation<br>Date | Actuarial Value<br>of Assets<br>(a) | Actuarial Accrued<br>Liability (AAL) -<br>Entry Age<br>(b) | Unfunded AAL<br>(UAAL)<br>(b-a) | Funded Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL as a<br>Percentage of<br>Covered Payroll<br>((b-a)/c) |
|--------------------------------|-------------------------------------|--|---------------------------------|-----------------------|---------------------------|--|
| 12/31/2010                     | \$ 2,975,468                        | \$ 4,750,166   | \$ 1,774,698                    | 62.64                 | \$ 1,898,359              | 93.49%   |
| 12/31/2009                     | \$ 2,657,420                        | \$ 4,359,469   | \$ 1,702,049                    | 60.96                 | \$ 1,917,541              | 88.76%   |
| 12/31/2008                     | \$ 2,429,657                        | \$ 4,290,770   | \$ 1,861,113                    | 56.63                 | \$ 1,707,951              | 108.97%  |

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$3,168,905. On a market value basis, the funded ratio would be 66.71%

**Bourbonnais Police Pension Fund**

| Actuarial<br>Valuation<br>Date | Actuarial Value<br>of Assets<br>(a) | Actuarial Accrued<br>Liability (AAL) -<br>Entry Age<br>(b) | Unfunded AAL<br>(UAAL)<br>(b-a) | Funded Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL as a<br>Percentage of<br>Covered Payroll<br>((b-a)/c) |
|--------------------------------|-------------------------------------|--|---------------------------------|-----------------------|---------------------------|--|
| 4/30/2010                      | \$ 8,109,407                        | \$ 11,037,178  | \$ 2,927,771                    | 73.47                 | \$ 1,580,364              | 185.26%  |
| 4/30/2009                      | \$ 7,092,522                        | \$ 10,301,449  | \$ 3,208,927                    | 68.85                 | \$ 1,375,632              | 233.27%  |
| 4/30/2008                      | \$ 7,537,709                        | \$ 8,668,490   | \$ 1,130,781                    | 86.96                 | \$ 1,375,631              | 82.20%   |

**Other Post-Employment Benefits**

| Actuarial<br>Valuation<br>Date | Actuarial Value<br>of Assets<br>(a) | Actuarial Accrued<br>Liability (AAL) -<br>Entry Age<br>(b) | Unfunded AAL<br>(UAAL)<br>(b-a) | Funded Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL as a<br>Percentage of<br>Covered Payroll<br>((b-a)/c) |
|--------------------------------|-------------------------------------|--|---------------------------------|-----------------------|---------------------------|--|
| 4/30/2010                      | \$ -                                | \$ 695,920   | \$ 695,920                      | 0.00                  | \$ 3,844,714              | 18.1%  |
| 4/30/2009                      | \$ -                                | \$ 971,153   | \$ 971,153                      | 0.00                  | \$ 3,572,260              | 27.2%  |

**VILLAGE OF BOURBONNAIS**  
**ASSESSED VALUATIONS, RATES, EXTENSIONS AND COLLECTIONS**  
**FOR THE TAX LEVY YEARS 2001 - 2010**

|                                      | <u>2010</u>         | <u>2009</u>         | <u>2008</u>         | <u>2007</u>         | <u>2006</u>         | <u>2005</u>       | <u>2004</u>       | <u>2003</u>       | <u>2002</u>       | <u>2001</u>       |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>ASSESSED VALUATION</b>            | \$ 349,420,344      | \$ 329,085,517      | \$ 323,032,716      | \$ 293,060,541      | \$ 259,001,987      | \$ 234,471,154    | \$ 210,672,228    | \$ 203,876,490    | \$ 190,760,002    | \$ 182,695,825    |
| <b>TAX RATES</b>                     |                     |                     |                     |                     |                     |                   |                   |                   |                   |                   |
| Corporate                            | 0.095               | 0.110               | 0.105               | 0.116               | 0.115               | 0.122             | 0.128             | 0.129             | 0.150             | 0.159             |
| Emergency Services                   | 0.005               | 0.004               | 0.003               | 0.002               | 0.002               | 0.003             | 0.003             | 0.003             | 0.003             | 0.003             |
| Street lighting                      | 0.031               | 0.031               | 0.029               | 0.029               | 0.032               | 0.030             | 0.034             | 0.032             | 0.033             | 0.033             |
| Parks                                | 0.016               | 0.016               | 0.015               | 0.014               | 0.016               | 0.017             | 0.018             | 0.019             | 0.021             | 0.022             |
| Police protection                    | 0.059               | 0.062               | 0.059               | 0.060               | 0.064               | 0.062             | 0.061             | 0.057             | 0.052             | 0.050             |
| Police pension                       | 0.055               | 0.057               | 0.054               | 0.055               | 0.059               | 0.056             | 0.063             | 0.057             | 0.052             | 0.047             |
| Audit                                | 0.010               | 0.009               | 0.008               | 0.007               | 0.008               | 0.008             | 0.009             | 0.009             | 0.010             | 0.010             |
| Social security                      | 0.039               | 0.040               | 0.038               | 0.039               | 0.042               | 0.040             | 0.036             | 0.037             | 0.037             | 0.036             |
| School crossing guard                | 0.008               | 0.007               | 0.006               | 0.005               | 0.005               | 0.006             | 0.006             | 0.006             | 0.007             | 0.007             |
| IMRF                                 | 0.031               | 0.031               | 0.029               | 0.029               | 0.032               | 0.033             | 0.036             | 0.037             | 0.039             | 0.042             |
| Liability insurance                  | 0.035               | 0.035               | 0.033               | 0.034               | 0.038               | 0.040             | 0.045             | 0.046             | 0.047             | 0.050             |
| Worker's compensation                | 0.004               | 0.003               | 0.002               | 0.001               | 0.001               | 0.001             | 0.001             | 0.001             | 0.001             | 0.001             |
| Unemployment                         | 0.004               | 0.003               | 0.002               | 0.001               | 0.001               | 0.001             | 0.001             | 0.001             | 0.001             | 0.001             |
| Total tax rates                      | <u>0.392</u>        | <u>0.408</u>        | <u>0.383</u>        | <u>0.392</u>        | <u>0.415</u>        | <u>0.419</u>      | <u>0.441</u>      | <u>0.434</u>      | <u>0.453</u>      | <u>0.461</u>      |
| <b>TAX EXTENSIONS</b>                |                     |                     |                     |                     |                     |                   |                   |                   |                   |                   |
| Corporate                            | \$ 332,093          | \$ 325,795          | \$ 339,175          | \$ 339,950          | \$ 297,852          | \$ 286,055        | \$ 269,660        | \$ 263,001        | \$ 286,140        | \$ 290,486        |
| Emergency Services                   | 17,479              | 13,163              | 9,691               | 5,861               | 5,180               | 7,034             | 6,320             | 6,116             | 5,723             | 5,481             |
| Street lighting                      | 108,367             | 95,435              | 93,677              | 84,988              | 82,881              | 70,341            | 71,629            | 65,240            | 62,951            | 60,290            |
| Parks                                | 55,931              | 49,363              | 48,454              | 41,028              | 41,440              | 39,860            | 37,921            | 38,736            | 40,060            | 40,193            |
| Police protection                    | 206,247             | 190,870             | 190,584             | 175,836             | 165,761             | 145,372           | 128,510           | 116,210           | 99,195            | 91,348            |
| Police pension                       | 192,264             | 177,706             | 174,433             | 161,183             | 152,811             | 131,304           | 132,724           | 116,210           | 99,195            | 85,867            |
| Audit                                | 34,957              | 29,618              | 25,842              | 20,514              | 20,720              | 18,758            | 18,961            | 18,349            | 19,076            | 18,270            |
| Social security                      | 136,333             | 125,053             | 122,749             | 114,294             | 108,781             | 93,788            | 75,842            | 75,434            | 70,581            | 65,771            |
| School crossing guard                | 27,966              | 23,036              | 19,381              | 14,653              | 12,950              | 14,068            | 12,640            | 12,233            | 13,353            | 12,789            |
| IMRF                                 | 108,367             | 95,435              | 93,677              | 84,988              | 82,881              | 77,375            | 75,842            | 75,434            | 74,396            | 76,732            |
| Liability insurance                  | 122,350             | 108,598             | 106,598             | 99,640              | 98,421              | 93,788            | 94,803            | 93,783            | 89,657            | 91,348            |
| Worker's compensation                | 13,983              | 9,872               | 6,460               | 2,931               | 2,590               | 2,345             | 2,107             | 2,039             | 1,908             | 1,827             |
| Unemployment                         | 13,983              | 9,872               | 6,460               | 2,931               | 2,590               | 2,345             | 2,107             | 2,039             | 1,908             | 1,827             |
| Total tax extensions                 | <u>\$ 1,370,320</u> | <u>\$ 1,253,816</u> | <u>\$ 1,237,181</u> | <u>\$ 1,148,797</u> | <u>\$ 1,074,858</u> | <u>\$ 982,433</u> | <u>\$ 929,066</u> | <u>\$ 884,824</u> | <u>\$ 864,143</u> | <u>\$ 842,229</u> |
| <b>TAX COLLECTIONS</b>               |                     |                     |                     |                     |                     |                   |                   |                   |                   |                   |
| General fund                         |                     | \$ 1,246,735        | \$ 1,229,453        | \$ 1,139,895        | \$ 1,061,904        | \$ 972,528        | \$ 915,450        | \$ 873,832        | \$ 854,973        | \$ 814,836        |
| Road and bridge collections          |                     | <u>16,342</u>       | <u>12,853</u>       | <u>23,382</u>       | <u>23,133</u>       | <u>23,232</u>     | <u>25,046</u>     | <u>24,304</u>     | <u>24,426</u>     | <u>24,854</u>     |
| Total tax collections                |                     | <u>\$ 1,263,077</u> | <u>\$ 1,242,306</u> | <u>\$ 1,163,277</u> | <u>\$ 1,085,037</u> | <u>\$ 995,760</u> | <u>\$ 940,496</u> | <u>\$ 898,136</u> | <u>\$ 879,399</u> | <u>\$ 839,690</u> |
| Percentage of Village levy collected |                     | <u>99.4%</u>        | <u>99.4%</u>        | <u>99.2%</u>        | <u>98.8%</u>        | <u>99.0%</u>      | <u>98.5%</u>      | <u>98.8%</u>      | <u>98.9%</u>      | <u>96.7%</u>      |

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

Board of Trustees  
Village of Bourbonnais  
Bourbonnais, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Bourbonnais, as of and for the year ended June 30, 2011, which collectively comprise the Village of Bourbonnais' basic financial statements and have issued our report thereon dated April 27 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Village of Bourbonnais is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Village of Bourbonnais' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements and not for the purpose of expressing an opinion on the effectiveness of the Village of Bourbonnais' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village of Bourbonnais' internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in findings 11-1 and 11-2 in the accompanying schedule of findings to be material weaknesses.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Bourbonnais' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We also noted a certain matter that we reported to Village management in a separate letter dated April 27, 2012.

The Village of Bourbonnais' response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Village of Bourbonnais' response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the Board of Trustees, management, and the State of Illinois and is not intended to be and should not be used by anyone other than these specified parties.

*Borschneck, Pelletier + Co.*

April 27, 2012

**VILLAGE OF BOURBONNAIS  
SCHEDULE OF FINDINGS  
APRIL 30, 2010**

**FINDING 11-1: PREPARATION OF FINANCIAL STATEMENTS AND DISCLOSURES**

**Condition**

The Village of Bourbonnais did not prepare financial statements and disclosures in accordance with accounting principles generally accepted in the United States of America. Certain material adjustments were needed to correct the Village's account balances as of April 30, 2011. These adjustments have been provided to Village management and have been approved for posting to the Village's accounts by Village management.

**Cause**

Due to the limited amount of resources available, the Village has historically depended on its auditors to reconcile year end balances, to prepare financial statements and to prepare disclosures in accordance with accounting principles generally accepted in the United States of America. The Village of Bourbonnais' accounting records have essentially been maintained on the cash basis of accounting and required several adjustments to convert the account balances to the accrual basis of accounting.

**Recommendation**

We recommend the Village reconcile all account balances as a part of its year end closing process in order to provide accurate account balances in accordance with accounting principles generally accepted in the United States.

As your auditors, we may continue to help with typing and formatting of the financial statements, but cannot perform reconciliation procedures or make management decisions regarding the preparation of the Village's financial statements. Accordingly, we wish to remind Village management that your independent auditors are not part of the Village's internal control system.

We understand the Village has assigned an individual to oversee the preparation of the financial statements and disclosures. We recommend the Village continue to do so in the future.

**Management's Response**

Village management will reconcile account balances prior to providing such information to our auditors and will continue to assign an individual to oversee the preparation of the financial statements and disclosures in order to ensure that all management decisions related to this process are made by Village management.

**VILLAGE OF BOURBONNAIS  
SCHEDULE OF FINDINGS  
APRIL 30, 2010**

**FINDING 11-2: LACK OF SUPPORTING DOCUMENTATION FOR RECIEPTS**

**Condition**

The Village of Bourbonnais did not maintain supporting documentation for certain receipts during fiscal year 2011. During our audit we selected 40 receipts for testing and attempted to examine supporting documentation for these items. Based on our testing, we noted the Village did not maintain supporting documents for ten (25%) of the 40 receipts selected.

**Cause**

During fiscal 2010 the employee in the Finance Department that regularly was responsible for documenting receipts left the Village's employ. When those duties were assumed by a subsequent Village employee, that employee was unaware of department policy and did not photocopy complete documentation.

**Recommendation**

We recommend the Village maintain supporting documentation for all receipts.

**Management's Response**

Village management agrees with the recommendation. Village management has established a procedure to ensure that all receipts are now scanned with the financial accounting system documentation and stored by fiscal year, month and date of receipt. This documentation is stored on the Village's server and backed up on a daily basis.