

VILLAGE OF CAROL STREAM, ILLINOIS

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

For the Year Ended
April 30, 2006

Prepared by Finance Department

Stan W. Helgerson
Finance Director

Dawn R. Damolaris
Assistant Finance Director

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VILLAGE OF CAROL STREAM, ILLINOIS

PRINCIPAL OFFICIALS

April 30, 2006

LEGISLATIVE

VILLAGE BOARD OF TRUSTEES

Ross Ferraro, Mayor

Rick Gieser, Trustee

Thomas Shanahan, Trustee

Frank Saverino, Trustee

Meldon Stubbs, Trustee

Pamela Fenner, Trustee

Matthew McCarthy, Trustee

Anthony Manzullo, Treasurer

Janice Koester, Clerk

ADMINISTRATIVE

Joe Breinig, Village Manager

FINANCE DEPARTMENT

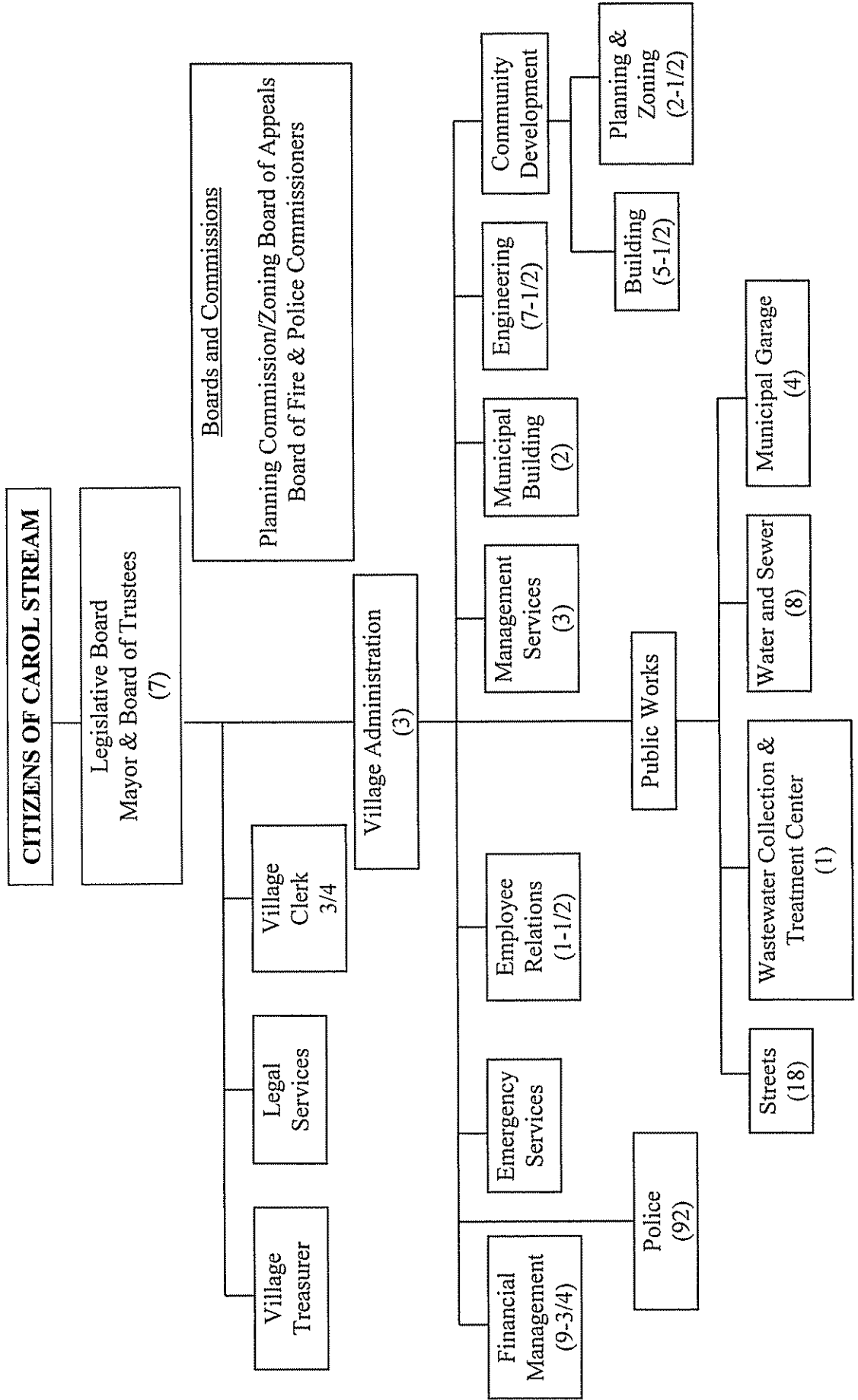
Stan W. Helgerson, Finance Director

Dawn R. Damolaris, Assistant Finance Director

Village of Carol Stream

ORGANIZATION CHART

April 30, 2006



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Carol Stream,
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
April 30, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

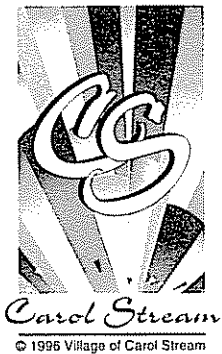


Carla E. Perge

President

Jeffrey R. Emer

Executive Director



Village of Carol Stream

ROSS FERRARO, MAYOR • JANICE KOESTER, CLERK • JOSEPH E. BREINIG, MANAGER
500 N. GARY AVENUE • CAROL STREAM, ILLINOIS 60188-1899
(630) 665-7050 • FAX (630) 665-1064
www.carolstream.org

September 1, 2006

The Honorable Mayor Ferraro
Members of the Village Board
Citizens of the Village of Carol Stream

The Comprehensive Annual Financial Report of the Village of Carol Stream (Village) for the year ended April 30, 2006, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the Village issue annually a report on its financial position and activity presented in conformance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by an independent firm of certified public accountants.

This report consists of management's representations concerning the finances of the Village of Carol Stream. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Village has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Village of Carol Stream's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Village's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. The Village has implemented GASB Statement No. 34, Basic Financial Statements - and Management Discussion and Analysis - for state and local governments, including infrastructure reporting. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Village's financial statements have been audited by Sikich LLP a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village of Carol Stream for the fiscal year ended April 30, 2006, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon audit, that there was a reasonable basis for rendering an unqualified opinion that the Village's financial statements for the fiscal year ended April 30, 2006, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Village's MD&A can be found immediately following the report of the independent auditors.

Profile of the Village of Carol Stream

The Village of Carol Stream, a home rule community as defined by the Illinois Constitution, was incorporated in 1959 and is located approximately 35 miles west of the City of Chicago in DuPage County. The Village currently has a land

area of 10.0 square miles and a population of 40,438. The Village also has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the Village Board. As in past years, the Village continued its long-standing practice of not levying a property tax (property tax received pertains to the Village's share of local road and bridge funds from townships' government levies, only).

The Village operates under the Board/Administrator form of government. Policymaking and legislative authority are vested in the Village Board, which consists of a Mayor and a six-member Board of Trustees. The Village Board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the Village's manager and attorney. The Village's manager is responsible for carrying out the policies and ordinances of the Village Board, for overseeing the day-to-day operations of the Village, and for appointing the heads of the Village's departments. The Board is elected on a non-partisan basis. Board members are elected to four-year staggered terms with three Board members elected every two years. The Mayor is elected to a four-year term. The Mayor and Village Trustees are elected at large.

The Village provides a full range of services, including police protection, the construction and maintenance of streets and other infrastructure and the operating of the water and wastewater facilities.

The annual budget serves as the foundation for the Village's financial planning and control. All departments of the Village are required to submit their budget requests to the Village Manager on or before January 31st of each year. The Village Manager uses these requests as the starting point for developing a proposed budget. The Village Manager then presents this proposed budget to the Village Board on or before February 28th of each year. The Village Board is required to hold a public hearing on the proposed budget and to adopt a final budget no later than April 30th of each year; the close of the Village's previous fiscal year. The appropriated budget is prepared by fund and department (e.g. police). The Village Manager may make transfers of appropriations within a department. Budget transfers between departments require approval of the Village Board. Budget-to-actual comparisons are provided for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Corporate Fund, this comparison is presented beginning on page 47 as required supplementary information. For governmental funds, other than the general corporate fund, with appropriated annual budgets, this comparison is presented in the non-major governmental fund subsection of this report, which starts on page 73.

Major Initiatives

The Village staff, following specific directives of the Village Board and the Village Manager, has been involved in a variety of projects throughout the year; projects which reflect the Village's commitment to ensuring that its citizens are able to live and work in an enviable environment. The most significant of these projects are discussed more thoroughly below:

- Conducted a Village Board retreat in October 2005 to discuss and prioritize long and short-term goals and objectives. The Village Board approved Resolution No. 2170, adopting statements of goals, direction and guidance for future Village decisions.
- Adopted Resolution No. 2161, establishing a youth advisory council to expose youth in the community to local government and to encourage them to participate in civic activities.
- Implemented a Retiree Health Savings Plan option for employees.
- Performed a Storm Water Management Program study.
- Successfully relocated Peacock Engineering to the Village. They moved into a long-time vacant, 360,000 sq.ft., building and will bring over 300 new jobs to the Village.
- Received an issuers credit rating from Standard's and Poor's of a "AA".

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Village operates.

Local economy. The Village has experienced a moderate recovery in the local economy similar to what has been the experience in the State and the Country. The region has a varied light manufacturing and industrial base, which adds to the relative stability of the unemployment rate in relation to the state and national unemployment rate. Major industries with headquarters or divisions located within the Village's boundaries include several printing companies, metal fabrication companies, container companies, warehousing and distribution facilities and the U. S. Postal Service (regional facility).

State shared sales tax revenue is the Village's number one revenue source. Knowing this, the Village is very vigilant in protecting and promoting its sales tax base. The Village is also very diligent in maintaining and opposing any legislation that would reduce the sharing formula. The Village has a business retention program in place and an annual business appreciation luncheon is held. The Village has offered incentives in the form of sales tax rebates and tax increment financing districts to assist in attracting new businesses.

Long-term financial planning. The Village has a detailed, stand alone, Capital Improvement Program (CIP). The CIP covers the period of 1-5 years in detail, 6-10 years in summary and 11-20 years in concept. As part of the budget preparation process, the CIP is reviewed and modified annually.

The increasing cost of fuel not only impacts the cost of operations but it also has a significant impact on the capital road program. This past year, the cost of asphalt increased by approximately 50%. With these types of increases, staff will need re-evaluate the overall road management program. More than likely, the scope of the projects will be reduced.

Cash Management policies and practices. Cash temporarily idle during the year was invested in Federal Home Loan and Fannie May discount notes, the Illinois Metropolitan Investment Fund (IMET) and the Illinois State Treasurer's pool (Illinois Funds). The maturities of the investments range from being immediately accessible (Illinois Funds) to 2 to 3 years (IMET). The average maturity for the discount notes is 180 days. The average yield on investments was 3.63% for the Village and an average yield of 14.15% for the Police Pension Fund. Investment income includes appreciation in the fair value of investments. Increases in fair value during the current year, however, do not necessarily represent trends that will continue, nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the Village intends to hold to maturity.

Pension and other postemployment benefits. The Village sponsors a single-employer defined benefit pension plan for its police officers. Each year, an independent actuary engaged by the Village and the pension plan calculates the amount of the annual contribution that the Village must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the Village fully funds each year's annual required contribution to the pension plan as determined by the actuary. As a result of the Village's conservative funding policy, the Village has succeeded as of April 30, 2005, in funding 75.5% of the actuarial accrued liabilities. At this time, the actuarial review for FY2006 is being performed. The remaining unfunded amount is being systematically funded over 30 years as part of the annual required contribution calculated by the actuary.

The Village also provides pension benefits for its non-public safety employees. These benefits are provided through a state-wide plan managed by the Illinois Municipal Retirement Plan (IMRF). The Village has no obligation in connection with employee benefits offered through this plan beyond its contractual payments to IMRF.

Additional information on the Village's pension arrangements can be found in Note #10 in the financial statements.

Awards and acknowledgments. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village for its Comprehensive Annual Financial Report

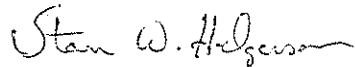
(CAFR) for the fiscal year ended April 30, 2005. This was the nineteenth consecutive year that the Village has received this prestigious award. In order to be awarded a Certificate of Achievement, the Village published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the Village also received the GFOA's Award for Distinguished Budget Presentation for its annual budget document dated March 15, 2006. This was the eighteenth year the Village has received this award. In order to qualify for the Distinguished Budget Presentation Award, the Village's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communication device.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation especially to Dawn Damolaris, Assistant Finance Director and Barbara Wydra, Accountant, and all other members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and Board of Trustees for their unfailing support for maintaining the highest standards of professionalism in the management of the Village of Carol Stream's Finances.

Respectfully submitted,



Stan W. Helgerson
Finance Director



998 Corporate Boulevard • Aurora, IL 60502

Members of American Institute of
Certified Public Accountants &
Illinois CPA Society

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
Members of the Board of Trustees
Village of Carol Stream, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate nonmajor governmental funds, and the aggregate remaining fund information of the Village of Carol Stream, Illinois, as of and for the year ended April 30, 2006, which collectively comprise the Village of Carol Stream, Illinois' basic financial statements as listed in the table of contents. We have also audited the financial statements of each nonmajor fund and each fiduciary fund as of and for the year ended April 30, 2006. These financial statements are the responsibility of the Village of Carol Stream, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate nonmajor governmental funds, and the aggregate remaining fund information of the Village of Carol Stream, Illinois, as of April 30, 2006, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, each individual nonmajor governmental fund and each fiduciary fund financial statement referred to above present fairly, in all material respects, the financial position of each of the individual funds of the Village of Carol Stream, Illinois, as of April 30, 2006, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Selected prior period individual fund financial information is presented for comparative purposes only. Such information is not intended to represent a complete presentation of financial position and changes in financial position for all individual funds of the Village of Carol Stream, Illinois in accordance with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and the other required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements and on the nonmajor funds and fiduciary funds taken as a whole. The financial information listed as schedules and supplemental data in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic, nonmajor fund and fiduciary fund financial statements of the Village of Carol Stream, Illinois. Such information has been subjected to the auditing procedures applied in the audit of the basic, nonmajor fund and fiduciary fund financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic, nonmajor fund and fiduciary fund financial statements taken as a whole.

The introductory and statistical information listed in the table of contents was not audited by us and, accordingly, we do not express an opinion thereon.

Schuch LLP

Aurora, Illinois
July 14, 2006

VILLAGE OF CAROL STREAM, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2006

The Village of Carol Stream (the "Village") discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Transmittal Letter (beginning on page IV) and the Village's financial statements (beginning on page 3).

Financial Highlights

- The Village's net assets increased by \$3,166,951 (or 1.9%) during the fiscal year ending April 30, 2006 (FY06).
- The governmental activities net assets increased by \$2,588,576 (2.2%) from fiscal year 2005 to \$120,740,312.
- The business-type activities net assets increased slightly by \$578,375 from FY05 to \$52,248,581.
- The Village reported a combined fund balance of the governmental funds of \$37,111,206.
- The Village's General Fund reported a decrease of \$9,982,872 in fund balance due to a transfer to create a Capital Improvement Program Fund.
- The total cost of all Village programs increased by \$697,171.
- The Village's general fund actual revenues exceeded the budgeted amounts by \$2,321,569 and the actual expenditures were under the budgeted amounts by \$1,028,616.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT

The financial statement's focus is on both the Village as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the Village's accountability. The Village's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements (see pages 3-5) are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns, which add to a total for the Primary Government. The focus of the Statement of Net Assets (the "Unrestricted Net Assets") is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities (see pages 4-5) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

The Governmental Activities reflect the Village's basic services, including police, public works, engineering and administration. Shared state sales, local utility and shared state income taxes finance the majority of these services. The

(See independent auditor's report.)

CAROL STREAM, ILLINOIS MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Business-type Activities reflect private sector type operations (Water and Wastewater), where the fee for service typically covers all or most of the cost of operation, including depreciation.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Fund Financial Statements allows the demonstration of sources and uses and /or budgeting compliance associated therewith. Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is on Major Funds, rather than fund types.

Governmental Funds

The Governmental Major Fund (see pages 6-9) presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is usually developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. The focus of governmental funds is narrower than that of the Government-Wide Financial Statements. The Governmental Fund Balance Sheet, and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate the comparison between Governmental Funds and governmental activities. The Governmental Major Funds Total column requires reconciliation because of the different measurement focus (current financial resources versus total economic resources), which is reflected on the page following each statement (see pages 7 and 9). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the Governmental Activities column (in the Government-wide statements).

Proprietary Funds

The Business-type Activities column on the Business-type Fund Financial Statements (see pages 10-14) is the same as the Business-type column at the Government-Wide Financial Statement. Proprietary funds account for services that are generally fully supported by user fees charged to customers. These funds are presented on a total economic resources basis. The Village has only one proprietary fund, which is the Water and Sewer Fund, which is presented in a separate column in the Fund Financial Statements.

Fiduciary Funds

The Fund Financial Statements also allow the government to address its Fiduciary Fund (Police Pension, see pages 15-16). While this Fund represents trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the Government-Wide Financial Statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The Notes to the Financial Statements can be found on pages 17-46 of this report.

Infrastructure Assets

Historically, a government's largest group of assets (infrastructure assets - i.e. roads, bridges, stormsewers, etc.) have not been reported nor depreciated in governmental financial statements. GASB Statement No. 34 requires that these assets be valued and reported within the Governmental 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. If the government develops the asset management system (the modified approach) which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The Village has chosen to depreciate assets over their useful life. If a road project is considered maintenance – a recurring cost that does not extend the road's original useful life or expand its capacity – the cost of the project will be expensed. An "overlay" of a road will be considered maintenance whereas a "rebuild" of a road will be capitalized.

(See independent auditor's report.)

GOVERNMENT-WIDE STATEMENT

Statement of Net Assets

Net assets may serve over time as a useful indicator of a government's financial position. The Village of Carol Stream's assets exceeded liabilities by \$172,988,893 at the end of the most recent fiscal year.

By far the largest portion of the Village's net assets (73.2 %) reflects its investment in capital assets, less any related debt still outstanding. Although, the Village of Carol Stream's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table reflects the condensed Statement of Net Assets:

Village of Carol Stream
Statement of Net Assets as of April 30, 2006 & 2005

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2006	2005	2006	2005	2006	2005
Assets						
Current and Other Assets	\$ 42,587,156	\$ 37,687,160	\$ 13,180,218	\$ 12,196,971	\$ 55,767,374	\$ 49,884,131
Capital Assets	87,110,825	88,732,661	45,653,958	46,460,568	132,764,783	135,193,229
Total Assets	<u>\$129,697,981</u>	<u>\$126,419,821</u>	<u>\$ 58,834,176</u>	<u>\$ 58,657,539</u>	<u>\$188,532,157</u>	<u>\$185,077,360</u>
Liabilities						
Current Liabilities	\$ 4,302,476	\$ 3,645,079	\$ 674,714	\$ 822,446	\$ 4,977,190	\$ 4,467,525
Long-Term Liabilities	4,655,193	4,623,006	5,910,881	6,164,887	10,566,074	10,787,893
Total Liabilities	<u>\$ 8,957,669</u>	<u>\$ 8,268,085</u>	<u>\$ 6,585,595</u>	<u>\$ 6,987,333</u>	<u>\$ 15,543,264</u>	<u>\$ 15,255,418</u>
Net Assets						
Invested in Capital Assets, Net of Debt	\$ 87,110,825	\$ 88,732,661	\$ 39,551,501	\$ 40,091,445	\$126,662,326	\$128,824,106
Restricted	4,092,173	4,359,029	0	0	4,092,173	4,359,029
Unrestricted	29,537,314	25,060,046	12,697,080	11,578,761	42,234,394	36,638,807
Total Net Assets	<u>\$120,740,312</u>	<u>\$118,151,736</u>	<u>\$ 52,248,581</u>	<u>\$ 51,670,206</u>	<u>\$172,988,893</u>	<u>\$169,821,942</u>

An additional portion of the Village of Carol Stream's net assets (2.4 %) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$42,234,394) may be used to meet the government's ongoing obligations to citizens and creditors.

For more detailed information see the Statement of Net Assets (page 3).

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Assets summary presentation.

Net Results of Activities – which will impact (increase/decrease) current assets and unrestricted net assets.

Borrowing for Capital – which will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital – which will reduce current assets and increase capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt which will not change the invested in capital assets, net of debt.

(See independent auditor's report.)

**CAROL STREAM, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

Spending of Non-borrowed Current Assets on New Capital – which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net assets and increase invested in capital assets, net of debt.

Principal Payment on Debt – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net assets and increase invested in capital assets, net of debt.

Reduction of Capital Assets through Depreciation – which will reduce capital assets and invested in capital assets, net of debt.

Current Year Impacts

At the end of the fiscal year, the Village of Carol Stream is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

The government's net assets increased by \$3,166,951 during the current fiscal year. Total primary government revenues increased 10.7 % while primary government expenses increased only 5.7 %. A portion of this growth is reflected in favorable investment earnings as well as building permit and impact fees associated with on going residential development.

Changes in Net Assets

The following chart shows the revenue and expenses of the Village's activities:

Village of Carol Stream
Changes in Net Assets for the Fiscal Year Ended April 30, 2006 & 2005

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2006	2005	2006	2005	2006	2005
Revenues						
Program Revenues						
Charges for Services	\$ 2,859,357	\$ 2,465,816	\$ 7,407,277	\$ 6,804,362	\$ 10,266,634	\$ 9,270,178
Operating Grant	1,270,084	1,248,786	0	0	1,270,084	1,248,786
Capital Grants	16,722	53,364	0	0	16,722	53,364
Taxes						
Property/Replacement	581,932	556,946	0	0	581,932	556,946
Other Taxes	17,227,125	16,170,213	0	0	17,227,125	16,170,213
Other Revenue	2,001,927	1,183,514	464,388	246,676	2,466,315	1,430,190
Total Revenues	\$ 23,957,147	\$ 21,678,639	\$ 7,871,665	\$ 7,051,038	\$ 31,828,812	\$ 28,729,677
Expenses						
General Government	\$ 4,538,827	\$ 3,883,821	\$ 0	\$ 0	\$ 4,538,827	\$ 3,883,821
Public Safety	10,376,838	9,304,038	0	0	10,376,838	9,304,038
Highways and Streets	6,973,253	7,002,463	0	0	6,973,253	7,002,463
Interest	185,018	334,931	0	0	185,018	334,931
Water and Sewer	0	0	7,501,035	7,448,741	7,501,035	7,448,741
Total Expenses	\$ 22,073,936	\$ 20,525,253	\$ 7,501,035	\$ 7,448,741	\$ 29,574,971	\$ 27,973,994
Excess (Deficiency) Before Contributions	\$ 1,883,211	\$ 1,153,386	\$ 370,630	\$ (397,703)	\$ 2,253,841	\$ 755,683
Contributions	705,365	1,462,365	207,745	0	913,110	1,462,365
Change in Net Assets	2,588,576	2,615,751	578,375	\$ (397,703)	\$ 3,166,951	\$ 2,218,048
Net Assets, May 1	\$118,151,736	\$115,535,985	\$ 51,670,206	\$ 52,067,909	\$169,821,942	\$167,603,894
Net Assets, April 30	<u>\$120,740,312</u>	<u>\$118,151,736</u>	<u>\$ 52,248,581</u>	<u>\$ 51,670,206</u>	<u>\$172,988,893</u>	<u>\$169,821,942</u>

(See independent auditor's report.)

**CAROL STREAM, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

Normal Impacts

There are eight basic impacts on revenues and expenses as reflected below:

Revenues:

Economic Condition – which can reflect a declining, stable or growing economic environment and has a substantial impact on state income, sales and utility tax revenue as well as public spending habits for building permits, elective user fees and volumes of consumption.

Increase/Decrease in Village approved rates – while certain tax rates are set by statute, the Village Board has significant authority to impose and periodically increase/decrease rates (water, wastewater, impact fee, building fees, home rule sales tax, etc.)

Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring) – certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year to year comparisons.

Market Impacts on Investment income – the Village's investment portfolio is managed using a longer average maturity than most governments and the market condition may cause investment income to fluctuate more than alternative shorter-term options.

Expenses:

Introduction of New Programs – within the functional expense categories (Public Safety, Public Works, General Government, etc.) individual programs may be added or deleted to meet changing community needs.

Increase in Authorized Personnel – changes in service demand may cause the Village Board to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent 75% of the Village's operating cost.

Salary Increases (annual adjustments and merit) – the ability to attract and retain human and intellectual resources requires the Village to strive to approach a competitive salary range position in the marketplace.

Inflation – while overall inflation appears to be reasonably modest, the Village is a major consumer of certain commodities such as supplies, fuels and parts. Some functions may experience unusual commodity specific increases.

Current Year Impacts

Governmental Activities

Governmental Activities increased the Village's net assets by \$2,588,576. Key elements contributing to this net change are as follows:

Revenues:

For the fiscal year ended April 30, 2006, total revenues from governmental activities totaled \$23,957,147, an increase of \$2,278,508 or 10.5%. Revenues received from charges for services increased by \$393,541 primarily for two reasons. A residential subdivision was developed which increased building permit fees by \$178,867 and developer service fees by \$104,945. Secondly, circuit court fines increased by \$208,138 because of an aggressive approach to the maintenance of traffic safety throughout the Village. This is evidenced by the 20% increase in the volume of citations issued and the continued availability of state funds to supplement expenses related to the enforcement of periodic safety checks.

Taxes received from various sources continue to play an important role in the Village's revenue structure. Other taxes including sales tax, home rule sales tax, local utility tax and state shared income tax totaled \$17,227,125, representing 71.9% of the total governmental activities revenue, increased by \$1,056,912 from fiscal year 2005. The Village's largest source of revenue, state shared sales tax and home rule sales tax increased by \$632,396 from fiscal year 2005.

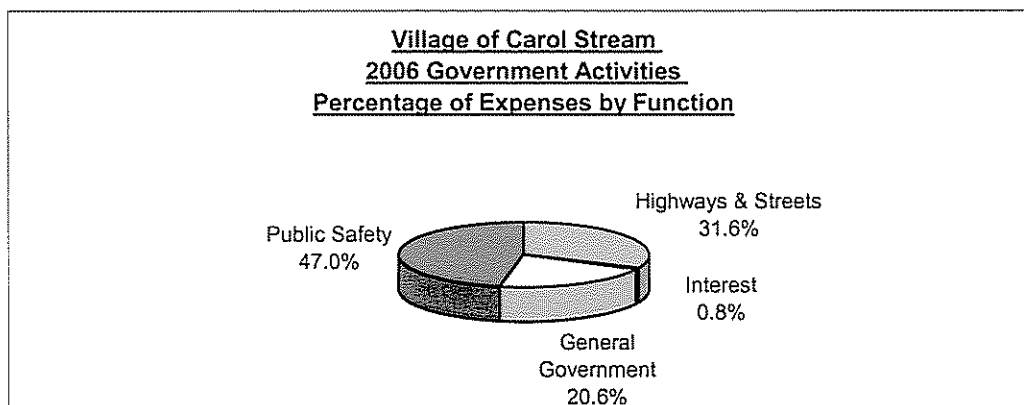
(See independent auditor's report.)

**CAROL STREAM, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

The improving economy and the additional taxes received from a retail development completed in March of 2005 contributed to the increase. State shared income tax increased by \$352,316. Utility tax revenue, which includes telecommunication tax and natural gas tax, increased slightly by \$51,511. Revenues from real estate transfer tax virtually stayed the same only decreasing by \$12,878.

As a result of an continuing improvement in the economy and the improvement in the financial market, the investment income revenue for the governmental funds increased by \$748,307 from fiscal year 2005. The amount of investments increased by \$3,624,550 along with the rate of return on investments increasing from 1.59% to 3.63% was the reasons behind the increase in investment income revenue. The Village's strategy for investing remains unchanged.

Expenses:



For the fiscal year April 30, 2006, governmental activity expenses totaled \$22,073,936, an increase of \$1,548,683 or 7.5% over fiscal year 2005. Overall, rising personnel costs contributed to the increase. The Village's personnel costs account for 61.9% of the total governmental activity expenses. A few other factors contributed to the increase in expenses under the general government expenses. Legal fees for the fiscal year 2006 increased by \$73,173 due to the increased number of legal matters that arose. Expenses for the Engineering department increased by \$143,422 due to the federal mandate to develop and implement a storm water quality management program and increased amount of pond shoreline maintenance needed in the current fiscal year. Public Safety expenses increased by \$1,072,800 mainly in salary and wages expenses due to the department adding personnel and that the department was very near to full staff. In Highway and Streets, expenses decreased slightly by \$29,210.

Business-type Activities

The business-type activities increased the Village's net assets by \$578,375 to \$52,248,581. Key elements contributing to this net change are as follows:

Revenue:

The total revenue for the business-type activities increased by \$820,627. The Village increased the sewer rate by \$0.20/1,000 gallons of water. This was the final increase of a three year planned rate increase, which was necessary to offset expenses incurred during the expansion of the water reclamation center completed in fiscal year 2005. Expansion fees increased by \$239,611 due to the new residential development. The investment income revenue increased by \$226,542 due to the increased amount of investments of \$2,092,430 and the rate of return on those investments increasing from 1.82% (in fiscal year 2005) to 3.75%.

Expenses:

Total expenses for the business-type activities at the end of the fiscal year were \$7,501,035. This is an increase of \$52,294 from fiscal year 2005. Expenses for Water Reclamation Center (WRC) increased by \$56,977. The decrease of \$133,450
(See independent auditor's report.)

**CAROL STREAM, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

in Water and Sewer expenses results from the Dupage Water Commission reducing the rate the Village pays for water by \$0.20 per gallon. Also, during fiscal year 2006, there were two IEPA loan interest installments paid versus only one in fiscal year 2005, therefore increasing interest expense by \$113,896.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as the useful measure of a government's net resources available for spending at the end of the fiscal year. At April 30, 2006, the Governmental Funds (presented on page 6) reported a combined fund balance of \$37,111,206, which is an 11.29% increase from the beginning of the year of \$33,347,224. Of the total fund balance, \$16,984,853 is unreserved indicating availability for continuing Village services. The increase of \$3,841,850 in the unreserved fund balance is mostly due to the increase of revenues and the decrease of expenditures. Total reserve fund balance of \$4,794,346, an increase of \$212,089, included \$2,980,294 committed for maintenance of roadways, \$559,621 committed to service debt and \$452,515 for liquidating encumbrances from the prior year.

The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The total General fund balance decreased by \$9,982,872 from \$29,420,844 to \$19,437,972. The reduction in total general fund balance was due to the transfer of fund balance of \$14,016,396 to create the Capital Improvement Program Fund (CIP). In addition to the transfer, revenues for the general fund of \$21,471,075 were higher then expenditures of \$17,462,926 specifically due to the increase in sales tax, income tax and investment income and the continued effort to control expenditures.

The Capital Improvement Program (CIP) fund is another major governmental fund. This fund was created in August 2005 with the above-mentioned transfer from the General Fund. The fund balance of the CIP fund at April 30, 2006, is \$13,889,007, mainly due to the transfer from the general fund and little activity for revenues and expenditures. All of the revenue received was due to investment income and the expenditures were all related to roadway capital improvements.

General Fund Budgetary Highlights

General Fund	FY 2006			
	Original Budget	Final Budget	Actual FY06	Percent of Actual to Final Budget
Revenues				
Taxes	\$ 16,140,702	\$ 16,140,702	\$ 17,238,252	1.07%
Licenses and Permits	1,069,280	1,069,280	1,245,454	1.17%
Intergovernmental	64,700	64,700	88,553	1.37%
Other	1,874,824	1,874,824	2,898,816	1.55%
Total	\$ 19,149,506	\$ 19,149,506	\$ 21,471,075	1.12%
Expenditures				
Expenditures	\$ 18,337,308	\$ 18,491,542	\$ 17,462,926	94.4%
Excess of Revenues Over Expenditures				
	\$ 812,198	\$ 657,964	\$ 4,008,149	609.2%
Transfers	\$ (533,512)	\$ (14,549,908)	\$ (13,991,021)	96.2%
Net Change in Fund Balance	\$ 278,686	\$ (13,891,944)	\$ (9,982,872)	71.9%

(See independent auditor's report.)

**CAROL STREAM, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

The General Fund actual revenues were greater than the original budgeted revenues by \$2,321,569 for the fiscal year 2006. Significant revenue items exceeding the budgeted revenues include sales tax, utility tax, state shared income tax, home rule sales tax, real estate transfer tax along with cable franchise fees, building permit fees and developer service fees.

The General Corporate Fund total actual expenditures were \$874,382 less than the original budgeted amount and \$1,028,616 less than the amended (final) budget. The variance of the budget to actual was due to expenditures under budget due to fiscally conservative approach to budgeting expenditures. During the year, only one budget amendment was done to transfer fund balance to the CIP fund and included expenditures that were budgeted in fiscal year 2005 but not received until this fiscal year such as vehicles, equipment and economic brochures.

Capital Assets

The Village's investment in capital assets for its governmental and business-type activities as of April 30, 2006, amounts to \$132,764,783. The investment in capital assets includes land, buildings, underground systems, infrastructure, and construction in process. This amount represents a net decrease of \$2,428,446. Governmental capital assets decreased by \$1,552,578 and business-type activities decreased by \$875,868 respectively. This is attributable to the fact that the amount of depreciation expense was greater than capital asset additions.

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

- Acceptance of the Carol Stream Corporate Center Subdivision public improvements of \$469,900.
- Acceptance of 2 parcels of donated land. One is a 1.54-acre storm water detention pond valued at \$231,000. The other is 1.03 acres of land with .43 acres of wetland valued at \$154,500.
- Land was acquired for eventual use as right of way for the Lies Road Bike Path at a cost of \$120,000.
- Acceptance of the improvements constructed at Town Center including the street and parking lot. There were no current year costs associated with this project.
- Completion of the replacement of the Charger Court lift station. The current year cost of the project was \$450,983.
- Continuation of the St Charles water main replacement \$437,531, Fair Oaks improvements \$334,133 and Lies Road bike path \$139,674.

Village of Carol Stream
Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2006	2005	2006	2005	2006	2005
Land	\$ 31,960,952	\$ 31,455,452	\$ 1,179,915	\$ 1,179,915	\$ 33,140,867	\$ 32,635,367
Buildings	11,926,287	9,577,496	19,185,020	19,189,179	31,111,307	28,766,675
Water & Sewer System	0	0	24,776,034	25,940,283	24,776,034	25,940,283
Machinery & Equipment	1,501,362	1,538,465	75,458	114,850	1,576,820	1,653,315
Infrastructure	40,848,100	42,596,931	0	0	40,848,100	42,596,931
Construction in Process*	874,124	3,495,059	437,531	105,599	1,311,655	3,600,658
Total Capital Assets	\$ 87,110,825	\$ 88,663,403	\$ 45,653,958	\$ 46,529,826	\$132,764,783	\$135,193,229

Additional information on the Village of Carol Stream's capital assets can be found in note 4 on pages 28-30 of this report.

(See independent auditor's report.)

**CAROL STREAM, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

Debt Outstanding

At the end of the current fiscal year, the Village of Carol Stream had total debt outstanding of \$10,182,457. Of this amount, \$6,102,457 comprises the Illinois Environmental Protection Agency loan used to expand the Water Reclamation Center completed during fiscal year 2005. The remainder of the Village's debt represents refunding bonds issued during the 2006 fiscal year.

The Village's total debt was decreased by \$311,666 during 2006. The annual debt service payment to the IEPA of \$266,666 was the key factor in the overall decrease. However, during the current fiscal year, the Village of Carol Stream participated in the advance refunding of the \$4,125,000 Senior Lien Tax Increment Revenue Bonds Series 1997. The Village issued \$4,285,000 Series 2005 Senior Lien Tax Increment Revenue Refunding Bonds and reduced its current year debt service payment by \$45,000. Because these bonds did not produce a capital asset for the Village, the unrestricted net assets for governmental activities have been reduced by the amount of these bonds.

State statute to limit the amount of general obligation debt a government entity has outstanding does not apply to home rule municipalities. The Village of Carol Stream is a home rule municipality. The Village has no immediate plans to issue bonds.

Additional information regarding the Village's long-term debt can be found in note 5 on pages 30-37 of this report.

Economic Factors

General Corporate Fund revenues came in 9% higher than fiscal year 2005. Sales taxes, both state shared and home rule, showed an increase of 8.3%, primarily due to two large box retailers being open for the entire fiscal year. Income tax revenue was up 12.9% reflecting the overall recovery that the State of Illinois is experiencing. Building permit revenues were up 31%. Circuit Court fines were up 36.4% reflecting the Village's decision to locally prosecute DUI offenders. Interest income increased by 42.4% as a result of the rising interest rate environment.

Sales taxes, local utility taxes and the Village's share of the state income taxes continue to represent the largest portion (71.9%) of the General Corporate Fund revenues. For the most part, the local utility taxes (electricity, natural gas and telecommunications) have stabilized due to deregulation. Currently, the Village is undergoing a partial census to increase the base in which the state share revenue allocation is calculated on.

The Village's unemployment rate as of April 30, 2006 is 4.2%, which is under the state unemployment rate of 5.0% and under the national unemployment rate of 4.5%. The Village's unemployment rate decreased by 26.2% from the prior year.

The 2006-2007 Operating Budget Element Revenues are projected to be \$29,432,550. The projected Operating Element Expenditures, consisting of the General Corporate and Water and Sewer Funds, are \$27,674,223.

The General Corporate Fund includes no new revenue sources although the projected revenues do reflect the improved economy. A projected operating surplus of \$342,816 includes a transfer of \$250,000 to the Capital Improvement Program Fund. The Water and Sewer Fund projected net income is \$1,683,274, which will be utilized for future capital improvements. There are no anticipated water and sewer rate increases for the next three years. The 2006-2007 budget does not include any new programs or services. The Water and Sewer budget includes the rehabilitation of the second of three sanitary sewer lift stations. As a service provider, the Village's largest single operating cost is personnel related, representing 60.4% of the total budget. The total proposed 2006-2007 full-time personnel complement is 160.5, an increase of 3.0. Of those three additional positions, two positions are police officers and the other one is for a training coordinator/budget analyst for the Police department. Pension and group health insurance represent a significant portion of the annual personnel expenditures. The pension costs in 2006-2007 are projected to be \$1,484,255 compared to \$1,274,719 in fiscal year 2005-2006. The contribution to the Police Pension Fund increased by \$164,562 (24.6%) as a result of several factors, the most significant one being the lowering of the interest rate assumption by 25 basis points.

(See independent auditor's report.)

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Stan W. Helgerson, Finance Director, Village of Carol Stream, 500 N. Gary Avenue, Carol Stream, IL 60188.

VILLAGE OF CAROL STREAM, ILLINOIS

STATEMENT OF NET ASSETS

April 30, 2006

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 33,783,886	\$ 11,029,598	\$ 44,813,484
Restricted Cash and Investments	2,589,503	9,077	2,598,580
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	513,874	-	513,874
Other	3,299,280	-	3,299,280
Accounts	86,050	940,087	1,026,137
Loan	88,160	-	88,160
IRMA Excess Surplus	690,891	-	690,891
Prepaid Expenses	452,515	183,290	635,805
Inventories	161,498	-	161,498
Due from (to) Other Funds	73,097	(73,097)	-
Due from Other Governments	123,162	-	123,162
Deposits - Equipment	-	1,995	1,995
Capital Assets Not Being Depreciated	32,835,076	1,617,446	34,452,522
Capital Assets Depreciated (Net of Accumulated Depreciation)	54,275,749	44,036,512	98,312,261
Water Purchase Rights (Net of Accumulated Amortization)	-	1,089,268	1,089,268
Deferred Charges	488,954	-	488,954
Net Pension Asset	236,286	-	236,286
Total Assets	129,697,981	58,834,176	188,532,157
LIABILITIES			
Accounts Payable	743,441	353,089	1,096,530
Contracts Payable	228,371	-	228,371
Interest Payable	62,657	6,099	68,756
Accrued Salaries	387,266	18,416	405,682
Deposits Payable	2,029,882	9,077	2,038,959
Deferred Revenues	527,699	-	527,699
Due to Employees - Flex 125 Account	9,891	-	9,891
Compensated Absences Payable - Current	133,269	14,469	147,738
Noncurrent Liabilities			
Due Within One Year	180,000	273,564	453,564
Due in More than One Year	4,655,193	5,910,881	10,566,074
Total Liabilities	8,957,669	6,585,595	15,543,264
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	87,110,825	39,551,501	126,662,326
Restricted for			
Public Safety	178,294	-	178,294
Debt Service	559,621	-	559,621
Specific Purpose	129,652	-	129,652
Maintenance of Roadways	2,980,294	-	2,980,294
Economic Development	244,312	-	244,312
Unrestricted	29,537,314	12,697,080	42,234,394
TOTAL NET ASSETS	\$ 120,740,312	\$ 52,248,581	\$ 172,988,893

See accompanying notes to financial statements.

VILLAGE OF CAROL STREAM, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2006

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants	Capital Grants
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 4,538,827	\$ 1,619,244	\$ 19,817	\$ -
Public Safety	10,376,838	1,240,113	52,014	16,722
Highways and Streets	6,973,253	-	1,198,253	-
Interest	185,018	-	-	-
Total Governmental Activities	22,073,936	2,859,357	1,270,084	16,722
Business-Type Activities				
Water and Sewer	7,501,035	7,407,277	-	-
Total Business-Type Activities	7,501,035	7,407,277	-	-
TOTAL PRIMARY GOVERNMENT	\$ 29,574,971	\$ 10,266,634	\$ 1,270,084	\$ 16,722

	Net (Expense) Revenue and Change in Net Assets		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (2,899,766)	\$ -	\$ (2,899,766)
	(9,067,989)	-	(9,067,989)
	(5,775,000)	-	(5,775,000)
	(185,018)	-	(185,018)
	(17,927,773)	-	(17,927,773)
	-	(93,758)	(93,758)
	-	(93,758)	(93,758)
	(17,927,773)	(93,758)	(18,021,531)
General Revenues			
Taxes			
Property and Replacement	581,932	-	581,932
Sales	6,083,986	-	6,083,986
Home Rule Sales	2,173,123	-	2,173,123
Utility	4,548,252	-	4,548,252
Income	3,089,954	-	3,089,954
Real Estate Transfer	1,043,745	-	1,043,745
Hotel/Motel	288,065	-	288,065
Investment Income	1,280,799	382,607	1,663,406
Miscellaneous	721,128	79,629	800,757
Gain on Sale of Capital Assets	-	2,152	2,152
Contributions	705,365	207,745	913,110
Total	20,516,349	672,133	21,188,482
CHANGE IN NET ASSETS	2,588,576	578,375	3,166,951
NET ASSETS, MAY 1	118,151,736	51,670,206	169,821,942
NET ASSETS, APRIL 30	\$ 120,740,312	\$ 52,248,581	\$ 172,988,893

See accompanying notes to financial statements.

VILLAGE OF CAROL STREAM, ILLINOIS

GOVERNMENTAL FUNDS

BALANCE SHEET

April 30, 2006

	General	Capital Improvement Plan	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 16,650,141	\$ 14,080,772	\$ 3,052,973	\$ 33,783,886
Restricted Cash and Investments	2,029,882	-	559,621	2,589,503
Receivables				
Property Taxes	207,084	-	306,790	513,874
Other Taxes	3,299,280	-	-	3,299,280
Accounts	86,050	-	-	86,050
Loan	88,160	-	-	88,160
IRMA Excess Surplus	690,891	-	-	690,891
Prepaid Items	452,515	-	-	452,515
Inventories	161,498	-	-	161,498
Due from Other Funds	85,504	-	92,521	178,025
Due from Other Governments	30,499	-	92,663	123,162
TOTAL ASSETS	\$ 23,781,504	\$ 14,080,772	\$ 4,104,568	\$ 41,966,844
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 729,890	\$ -	\$ 13,551	\$ 743,441
Contracts Payable	36,606	191,765	-	228,371
Accrued Salaries	387,266	-	-	387,266
Deposits Payable	2,029,882	-	-	2,029,882
Deferred Revenues	911,800	-	306,790	1,218,590
Due to Other Funds	104,928	-	-	104,928
Due to Employees - Flex 125 Account	9,891	-	-	9,891
Compensated Absences Payable	133,269	-	-	133,269
Total Liabilities	4,343,532	191,765	320,341	4,855,638
FUND BALANCES				
Reserved for				
Prepaid Items	452,515	-	-	452,515
Debt Service	-	-	559,621	559,621
Maintenance of Roadways	-	-	2,980,294	2,980,294
Economic Development	-	-	244,312	244,312
Inventory	161,498	-	-	161,498
Public Safety	178,294	-	-	178,294
Specific Purpose	129,652	-	-	129,652
Loans Receivable	88,160	-	-	88,160
Unreserved - Designated for Contingency	1,085,000	-	-	1,085,000
Unreserved - Designated for Stormwater Improvements	358,000	-	-	358,000
Unreserved - Undesignated				
General Fund	16,984,853	-	-	16,984,853
Capital Projects Fund	-	13,889,007	-	13,889,007
Total Fund Balances	19,437,972	13,889,007	3,784,227	37,111,206
TOTAL LIABILITIES AND FUND BALANCES	\$ 23,781,504	\$ 14,080,772	\$ 4,104,568	\$ 41,966,844

See accompanying notes to financial statements.

VILLAGE OF CAROL STREAM, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS

April 30, 2006

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 37,111,206
Amounts Reported for Governmental Activities in the Statement of Net Assets are Different because:	
Capital Assets Used in Governmental Activities are not Financial Resources and, therefore, are not Reported in the Governmental Funds	87,110,825
Other Long-Term Assets are not Available to Pay for Current Period Expenditures and, therefore, are Deferred in Governmental Funds	690,891
The Net Pension Asset is not Reported in Governmental Funds	236,286
Bond Issuance Costs are Capitalized and Amortized on the Statement of Net Assets	488,954
Long-Term Liabilities are not Due and Payable in the Current Period and, therefore, are not Reported in the Governmental Funds	
Bonds Payable	(4,080,000)
Compensated Absences Payable	(755,193)
Interest Payable	(62,657)
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 120,740,312</u>

See accompanying notes to financial statements.

VILLAGE OF CAROL STREAM, ILLINOIS

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the Year Ended April 30, 2006

	General	Capital Improvement Plan	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 17,238,252	\$ -	\$ 580,201	\$ 17,818,453
Licenses and Permits	1,245,454	-	-	1,245,454
Intergovernmental	88,553	-	1,198,253	1,286,806
Charges for Services	1,028,717	-	-	1,028,717
Fines and Forfeits	972,417	-	-	972,417
Investment Income	619,797	496,273	130,319	1,246,389
Miscellaneous	277,885	-	61,322	339,207
Total Revenues	21,471,075	496,273	1,970,095	23,937,443
EXPENDITURES				
Current				
General Government	4,462,284	-	216,803	4,679,087
Public Safety	10,181,294	-	-	10,181,294
Highways and Streets	2,819,348	-	1,105,474	3,924,822
Debt Service				
Principal Retirement	-	-	205,000	205,000
Interest and Fiscal Charges	-	-	389,678	389,678
Capital Outlay	-	623,662	-	623,662
Total Expenditures	17,462,926	623,662	1,916,955	20,003,543
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,008,149	(127,389)	53,140	3,933,900
OTHER FINANCING SOURCES (USES)				
Bond Issued, At Par	-	-	4,285,000	4,285,000
Payment to Escrow Agent	-	-	(4,454,918)	(4,454,918)
Transfers In	258,850	14,016,396	233,475	14,508,721
Transfers (Out)	(14,249,871)	-	(258,850)	(14,508,721)
Total Other Financing Sources (Uses)	(13,991,021)	14,016,396	(195,293)	(169,918)
NET CHANGE IN FUND BALANCES	(9,982,872)	13,889,007	(142,153)	3,763,982
FUND BALANCES, MAY 1	29,351,587	-	3,926,380	33,277,967
Prior Period Adjustment	69,257	-	-	69,257
FUND BALANCES, MAY 1, RESTATED	29,420,844	-	3,926,380	33,347,224
FUND BALANCES, APRIL 30	\$ 19,437,972	\$ 13,889,007	\$ 3,784,227	\$ 37,111,206

See accompanying notes to financial statements.

VILLAGE OF CAROL STREAM, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2006

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 3,763,982
Amounts Reported for Governmental Activities in the Statement of Activities are Different because:	
Governmental Funds Report Capital Outlays as Expenditures, However, they are Capitalized and Depreciated in the in the Statement of Activities	963,937
Contributions of Capital Assets by Developers are Reported as Revenue in the Statement of Activities	705,365
Proceeds from the Disposal of Capital Assets is Reported in Governmental Funds, but Gain or Loss on the Disposal of Capital Assets is Calculated and Reported in the Statement of Activities	(4,093)
The Repayment of the Principal on Long-Term Debt is Reported as an Expenditure when Due in Governmental Funds but as a Reduction of Principal Outstanding in the Statement of Activities	205,000
Certain Transactions Related to the Refunding of Long-Term Debt are Reported as an Other Financing Source (Use) on the Governmental Funds but not on the Statement of Activities	
Bond Proceeds	(4,285,000)
Payment to Escrow Agent	4,454,918
Issuance Costs are Reported as Deferred Charges on the Statement of Net Assets	159,036
The Change in Compensated Absences Payable is Shown as an Expense on the Statement of Activities	(102,186)
The Change in the Accrual of Interest is Reported as Interest Expense on the Statement of Activities	45,624
Revenues in the Statement of Activities that are not Available in Governmental Funds are not Reported as Revenue in Governmental Funds	34,409
Some Expenses (Depreciation) in the Statement of Activities do not Require the Use of Current Financial Resources and, therefore, are not Reported as Expenditures in Governmental Funds	(3,217,788)
The Change in the Net Pension Asset is not Reported in Governmental Funds	<u>(134,628)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 2,588,576</u>

See accompanying notes to financial statements.

VILLAGE OF CAROL STREAM, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

April 30, 2006

	<u>Business-Type Activities Enterprise</u>
CURRENT ASSETS	
Cash and Investments	\$ 11,029,598
Restricted Cash and Investments	9,077
Receivables	
Accounts	940,087
Prepaid Expenses	183,290
Due from Other Funds	12,407
Deposits - Equipment	<u>1,995</u>
Total Current Assets	<u>12,176,454</u>
NONCURRENT ASSETS	
Capital Assets	
Not Being Depreciated	1,617,446
Being Depreciated	68,318,596
Accumulated Depreciation	<u>(24,282,084)</u>
Net Capital Assets	45,653,958
Water Purchase Rights	1,936,476
Accumulated Amortization	<u>(847,208)</u>
Total Noncurrent Assets	<u>46,743,226</u>
Total Assets	<u>58,919,680</u>

VILLAGE OF CAROL STREAM, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS (Continued)

April 30, 2006

	<u>Business-Type Activities Enterprise</u>
CURRENT LIABILITIES	
Accounts Payable	\$ 353,089
Interest Payable	6,099
Accrued Salaries	18,416
Deposits Payable	9,077
Due to Other Funds	85,504
Compensated Absences Payable	14,469
Loan Payable	<u>273,564</u>
Total Current Liabilities	<u>760,218</u>
NONCURRENT LIABILITIES	
Compensated Absences Payable	81,988
Loan Payable	<u>5,828,893</u>
Total Noncurrent Liabilities	<u>5,910,881</u>
Total Liabilities	<u>6,671,099</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	39,551,501
Unrestricted	<u>12,697,080</u>
TOTAL NET ASSETS	<u><u>\$ 52,248,581</u></u>

See accompanying notes to financial statements.

VILLAGE OF CAROL STREAM, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

For the Year Ended April 30, 2006

	<u>Business-Type Activities Enterprise</u>
OPERATING REVENUES	
Charges for Services	\$ 7,407,277
Total Operating Revenues	<u>7,407,277</u>
OPERATING EXPENSES	
Operations	5,365,719
Depreciation and Amortization	<u>1,973,598</u>
Total Operating Expenses	<u>7,339,317</u>
OPERATING INCOME	<u>67,960</u>
NONOPERATING REVENUES (EXPENSES)	
Investment Income	382,607
Miscellaneous Revenue	79,629
Interest Expense	(161,718)
Gain on Sale of Capital Assets	<u>2,152</u>
Total Nonoperating Revenues (Expenses)	<u>302,670</u>
INCOME BEFORE CONTRIBUTIONS	<u>370,630</u>
CONTRIBUTIONS	<u>207,745</u>
CHANGE IN NET ASSETS	578,375
NET ASSETS, MAY 1	<u>51,670,206</u>
NET ASSETS, APRIL 30	<u><u>\$ 52,248,581</u></u>

See accompanying notes to financial statements.

VILLAGE OF CAROL STREAM, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

For the Year Ended April 30, 2006

	<u>Business-Type Activities Enterprise</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers and Users	\$ 7,430,385
Receipts from Miscellaneous Revenues	79,629
Payments to Suppliers	(4,431,593)
Payments for Interfund Services	59,605
Payments to Employees	<u>(1,068,915)</u>
Net Cash from Operating Activities	<u>2,069,111</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
None	<u>-</u>
Net Cash from Noncapital Financing Activities	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal Payments - Construction Loan	(266,666)
Capital Assets Purchased	(900,061)
Proceeds on Sale of Capital Assets	3,485
Interest Paid	<u>(161,985)</u>
Net Cash from Capital and Related Financing Activities	<u>(1,325,227)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	382,607
Purchase of Investments	(10,151,049)
Proceeds from Sale of Investments	<u>8,000,526</u>
Net Cash from Investing Activities	<u>(1,767,916)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,024,032)
CASH AND CASH EQUIVALENTS, MAY 1	<u>1,911,658</u>
CASH AND CASH EQUIVALENTS, APRIL 30	<u><u>\$ 887,626</u></u>

(This statement is continued on the following page.)

VILLAGE OF CAROL STREAM, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS (Continued)

For the Year Ended April 30, 2006

	<u>Business-Type Activities Enterprise</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating Income	\$ 67,960
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities	
Depreciation and Amortization	1,973,598
Miscellaneous Revenue	79,629
Changes in Assets and Liabilities	
Accounts Receivable	20,828
Prepaid Expenses	16
Deposits	2,280
Due from Other Funds	(10,822)
Accounts Payable	(163,967)
Due to Other Funds	70,427
Accrued Salaries	6,084
Deposits Payable	68
Compensated Absences	23,010
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 2,069,111</u>
CASH AND INVESTMENTS	
Cash and Cash Equivalents	\$ 887,626
Investments	10,151,049
TOTAL CASH AND INVESTMENTS	<u>\$ 11,038,675</u>
NONCASH TRANSACTIONS	
Developer Capital Asset Contributions	\$ 207,745
Change in Fair Value of Investments	58,094
TOTAL NONCASH TRANSACTIONS	<u>\$ 265,839</u>

See accompanying notes to financial statements.

VILLAGE OF CAROL STREAM, ILLINOIS

PENSION TRUST FUND

STATEMENT OF FIDUCIARY NET ASSETS

April 30, 2006

ASSETS	
Cash and Short-Term Investments	\$ 743,422
Receivables	
Accrued Interest Receivable	88,562
Investments	
U.S. Agency Obligations	3,083,704
U.S. Government Obligations	6,364,846
Mutual Funds	11,405,060
	<hr/>
Total Assets	21,685,594
	<hr/>
LIABILITIES	
Accounts Payable	1,362
	<hr/>
Total Liabilities	1,362
	<hr/>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 21,684,232</u>

See accompanying notes to financial statements.

VILLAGE OF CAROL STREAM, ILLINOIS

PENSION TRUST FUND

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

For the Year Ended April 30, 2006

ADDITIONS	
Contributions	
Employer	\$ 668,880
Employee	422,868
	<u>1,091,748</u>
Total Contributions	1,091,748
Investment Income	
Net Appreciation in Fair Value of Investments	2,011,972
Interest	301,251
	<u>2,313,223</u>
Total Investment Income	2,313,223
Less Investment Expense	<u>(29,701)</u>
Net Investment Income	2,283,522
	<u>3,375,270</u>
Total Additions	3,375,270
DEDUCTIONS	
Benefits and Refunds	
Retirement Benefits	709,939
Disability Benefits	22,800
Contribution Refunds	2,988
Operations	
Other	9,752
	<u>745,479</u>
Total Deductions	745,479
NET INCREASE	2,629,791
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
May 1	<u>19,054,441</u>
April 30	<u><u>\$ 21,684,232</u></u>

See accompanying notes to financial statements.

VILLAGE OF CAROL STREAM, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Carol Stream, Illinois (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

a. Reporting Entity

The Village is a municipal corporation governed by an elected Mayor and six-member board. As required by generally accepted accounting principles, these financial statements present the Village (the primary government). The Police Pension Fund has been included as a fiduciary fund due to the fiduciary responsibility exercised over the Police Pension Fund.

b. Fund Accounting

The accounts of the Village are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of a Village's general activities and includes the collection and disbursement of earmarked monies (special revenue funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the Village (internal service funds). Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds*, the Village has chosen to apply all GASB pronouncements as well as those pronouncements of the Financial Accounting Standards Board (FASB) issued on or before November 30, 1989 to account for enterprise funds.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Village. When these assets are held under the terms of a formal trust agreement a pension fund is used.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The Village reports the following major governmental funds:

The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Improvement Program Fund accounts for capital projects relating to maintenance and replacement of existing infrastructure as well as the development of new facilities to accommodate future growth.

The Village reports the following major proprietary fund:

The Water and Sewer Fund accounts for the activities of the water and sewerage operations. The Village operates the sewerage treatment plant, sewerage pumping stations and collection systems and the water distribution system.

The Village reports the following fiduciary fund:

The Police Pension Trust Fund accounts for the accumulation of resources to pay pension costs to the Village's police officers.

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing water and sewer services. Incidental revenues/expenses are reported as non-operating.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers revenues to be available as they are collected within 60 days of the end of the current fiscal period except for sales tax and telecommunication taxes which are 90 days. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

Property taxes, sales taxes, franchise taxes, licenses, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Village.

The Village reports deferred revenue on its financial statements. Deferred revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Village before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability for deferred revenue is removed from the financial statements and revenue is recognized.

e. Cash and Investments

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Village's proprietary funds consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are stated at fair value.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

g. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental inventories, if any, are recorded as expenditures when consumed rather than when purchased.

h. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses.

i. Loan Receivable

The Village recorded a loan receivable to a council of local governments to be repaid to the Village in annual installments each May 1 with interest through 2021.

j. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$20,000 (amounts not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Infrastructure	30-50
Water and Sewer System	30-50
Vehicles, Furniture, Machinery and Equipment	3-10

k. Intangible Assets - Water Purchase Rights

The Village is a customer of the DuPage Water Commission (the Commission), and has executed a Water Supply Contract with the Commission for a term ending in 2024. The contract provides that the Village pay its proportionate share of “fixed costs” (debt service and capital costs) to the Commission, such obligation being unconditional and irrevocable whether or not water is ever delivered. These costs were being capitalized until the Commission began to deliver water, and are now being amortized, using the straight-line method over the remaining term of the contract.

l. Compensated Absences

In the fund financial statements, vested or accumulated employee leave balances are reported as an expenditure and a fund liability of the governmental fund that will pay it once retirement or separation has occurred (i.e. the liability has matured). Vested or accumulated vacation leave of proprietary funds and in the government-wide financial statements is recorded as an expense and liability of those funds as the benefits accrue to employees.

In accordance with the provisions of GASB Statement No. 16, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave benefits that is estimated to be taken as “terminal leave” prior to retirement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. 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, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

n. Fund Balance/Net Assets

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. In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. Invested in capital assets, net of related debt, represents the Village's investments in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset.

o. Comparative Data

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of changes in the Village's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation but had no effect on previously reported activity.

2. DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds, except the pension trust fund. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust fund are held separately from those of other funds. The Village's cash on hand of \$4,068 has been excluded from the amounts shown below.

VILLAGE OF CAROL STREAM, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

Permitted Deposits and Investments - The Village's investment policy allows for deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and Illinois Funds. The Police Pension Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations, tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, and Illinois insurance company general and separate accounts, mutual funds and equity securities.

a. Deposits

To guard against credit risk for deposits with financial institutions, the Village and Police Pension Fund investment policies require that deposits with financial institutions in excess of FDIC be collateralized with collateral in an amount of 110% of the uninsured deposits with the collateral held by a third party acting as the agent of the Village and Police Pension Fund.

b. Investments

As of April 30, 2006, the Village had the following investment maturities in debt securities:

	Fair Value	Investment Maturities (in Years)				
		0 to 6 months	6 months to 1 year	1-5	6-10	More Than 10
U.S. Agencies	\$35,096,475	\$30,704,528	\$ 4,391,947	\$ -	\$ -	\$ -
IMET	5,802,274	-	-	5,802,274	-	-
Mutual Fund Money						
Market Accounts	711,412	711,412	-	-	-	-
Illinois Funds	3,760,087	3,760,087	-	-	-	-
TOTAL	\$45,370,248	\$35,176,027	\$ 4,391,947	\$ 5,802,274	\$ -	\$ -

VILLAGE OF CAROL STREAM, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments

As of April 30, 2006, the Police Pension Fund had the following investment maturities in debt securities:

	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Agencies	\$ 3,083,704	\$ 136,139	\$ 1,841,461	\$ -	\$ 1,106,104
U.S. Treasuries	6,364,846	-	1,484,253	2,987,566	1,893,027
Illinois Funds	547,224	547,224	-	-	-
TOTAL	\$ 9,995,774	\$ 683,363	\$ 3,325,714	\$ 2,987,566	\$ 2,999,131

GASB 40 - Operating Funds

In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a one-year period. The portion of the portfolio that is invested with the IMET has an average maturity of 1.56 years and a duration of 1.47 years, and is subject to interest rate risk. With a current duration of 1.47 years, if the interest rates were to increase by 1%, the value of the fund would decrease by approximately 1.5%, and vice versa if the interest rates were to decrease by 1%.

The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in securities issued by agencies of the United States Government that are implicitly guaranteed by the United States Government. The Agency Discount Notes are not rated but the overall ratings of the agency's long-term debt, except for subordinated debt of which the Village does not own any, is "AAA" as rated by Moody's and Standard and Poor. The instrumentalities that are included in the portfolio also retain the rights of access to the Federal Financing Bank (FFB) therefore the underlying creditworthiness of the organizations (corporations) is considered extremely sound.

Illinois Funds and IMET fund are both "AAA" rated funds and credit risk is very marginal. In order to limit its exposure to concentration of credit risk, the Village's investment policy limits the investment in any one financial institution to 40%, up to 10% in commercial paper and up to 50% in Illinois Funds.

The Village had greater than five percent of its overall portfolio invested in FHLB Discount Notes (38.10%), Freddie Mac (13.30%), FNMA Discount Notes (34.41%), and IMET Fund (14.19%). The investment policy does not include any limitations on how much U.S. Treasury and Agency securities can be held in the portfolio.

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

GASB 40 - Operating Funds (Continued)

Although the agency investments represent a large portion of the portfolio, the investments are diversified by maturity date and as mentioned earlier, are backed by the issuing organization.

The Village limits its exposure to custodial credit risk by utilizing an independent, third party institution, selected by the Village, to act as custodian for its securities and collateral. For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

GASB 40 - Police Pension Fund

The investment policy promotes diversification of investments, and has the following guidelines for investing: no more than 40% of the funds may be invested in a single financial institution, exclusive of U.S. Treasury securities held in safekeeping; deposits in Illinois Funds may not exceed 50% of the portfolio; brokered certificates of deposit may not exceed 25% of the portfolio. It is the policy of the Police Pension Board to invest 55% of its portfolio in fixed income securities and the remaining 45% in equities. The Police Pension Fund has hired a fund manager, Allegiance Capital, to manage the fixed income portfolio and utilizes its consultant, SmithBarney, to assist with the equity investments.

The Police Pension Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities. The managed portfolio has a duration of 4.38 years and is subject to interest rate risk. With a duration of 4.38 years, if interest rates were to increase by 1%, the value of the managed portfolio would decrease by approximately 4.4% and vice versa if interest rates were to decrease by 1%.

The Police Pension Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The overall ratings of the agency's long-term debt, except for subordinated debt of which the Police Pension Fund does not own any, is "AAA" as rated by Moody's and Standard and Poor. The instrumentalities that are included in the portfolio also retain the rights of access to the Federal Financing Bank (FFB) therefore the underlying creditworthiness of the organizations (corporations) is considered extremely sound.

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

GASB 40 - Police Pension Fund (Continued)

At April 30, 2006, other than U.S. Government guaranteed obligations, the Police Pension Fund had greater than five percent of its fixed income portfolio in FHLMC (5.45%), FNMA Notes (15.03%), and FNMA Pools (10.37%). The investment policy does not include any limitations on how much U.S. Treasury or Agency securities can be held in the portfolio.

The Police Pension Fund also owns \$4,500,000 (par value) in Treasury Zero Coupon bonds. The main investment risk associated with zero coupon bonds is not credit risk but market risk. Interest rate changes reflect significantly in the market price of the zero coupon bond. For example, a one percent (100 basis point) change in interest rates can cause a 20-year zero coupon bond to fluctuate by approximately 20 percent.

The Police Pension Fund invests 45% of its funds in equities. The Police Pension Fund's investment policy defines the strategy in which the Pension Board follows for the equity investments. The Pension Board diversifies its equity holdings as follows:

- International - a range of 3% to 10% with a target of 5%.
- Large Cap Growth and Value - a range of 20% to 30% with a target of 25%.
- Small and Mid Cap - a range of 10% to 18% with a target of 15%.
- The target for the balance between Growth and Value funds is 50%/50%.
- REIT Mutual Funds - the range is 0% to 5% with no designated target.

The Police Pension Fund, via the investment policy, has an equity criteria and selection process that it follows.

The Police Pension Board limits its exposure to custodial risk by utilizing an independent, third party institution, selected by the Police Pension Board, to act as custodian for its securities. For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Police Pension Board will not be able to recover the value of its investments that are in the possession of an outside party.

3. RECEIVABLES

The County Assessors are responsible for assessment of all taxable real property, except for certain railroad property which is assessed directly by the State.

Property taxes are levied in DuPage County by the last Tuesday in December, on the assessed valuation as of January 1. The tax levy becomes an enforceable lien against the property on January 1 of the year following the tax levy year. These taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to the Village units their respective share of the collections. Taxes levied in one year become due and payable in two installments during the following year. The DuPage County installments are due June 1 and September 1.

VILLAGE OF CAROL STREAM, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

3. RECEIVABLES (Continued)

The 2005 property tax levy is recorded as a receivable, net of estimated uncollectibles. Based upon collection histories, the Village has provided at April 30, 2006 an allowance for uncollectible real property taxes. All uncollected taxes relating to prior years' levies have been written off. For governmental funds, only property taxes which are intended to finance the current fiscal year and collected within 60 days subsequent to year-end, if any, are recorded as revenue.

The 2005 taxes are intended to finance the 2007 fiscal year and are not considered available for current operations and are, therefore, shown as deferred revenue. The 2006 tax levy has not been recorded as a receivable at April 30, 2006, as the tax has attached as a lien on property as of January 1, 2006, however, the tax will not be levied until December 2006 and, accordingly, is not measurable at April 30, 2006.

4. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2006 was as follows:

	Beginning Balances, Restated	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated				
Land	\$ 8,446,896	\$ 385,501	\$ -	\$ 8,832,397
Land Right of Way	23,008,555	120,000	-	23,128,555
Construction in Progress	3,495,060	473,806	3,094,742	874,124
Total Capital Assets Not Being Depreciated	34,950,511	979,307	3,094,742	32,835,076
Capital Assets Being Depreciated				
Buildings	11,613,494	2,669,128	-	14,282,622
Vehicles, Furniture and Equipment	3,502,085	370,130	245,209	3,627,006
Infrastructure	75,786,164	745,478	-	76,531,642
Total Capital Assets Being Depreciated	90,901,743	3,784,736	245,209	94,441,270
Less Accumulated Depreciation for				
Buildings	2,035,999	320,338	-	2,356,337
Vehicles, Furniture and Equipment	1,963,618	403,140	241,116	2,125,642
Infrastructure	33,189,232	2,494,310	-	35,683,542
Total Accumulated Depreciation	37,188,849	3,217,788	241,116	40,165,521
Total Capital Assets Being Depreciated, Net	53,712,894	566,948	4,093	54,275,749
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$88,663,405	\$ 1,546,255	\$ 3,098,835	\$87,110,825

VILLAGE OF CAROL STREAM, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

	Beginning Balances, Restated	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES				
Capital Assets Not Being Depreciated				
Land	\$ 1,179,915	\$ -	\$ -	\$ 1,179,915
Construction in Progress	105,598	437,531	105,598	437,531
Total Capital Assets Not Being Depreciated	1,285,513	437,531	105,598	1,617,446
Capital Assets Being Depreciated				
Buildings	24,756,458	487,325	20,000	25,223,783
Machinery and Equipment	1,484,388	-	16,078	1,468,310
Water and Sewer System	41,407,211	219,292	-	41,626,503
Total Capital Assets Being Depreciated	67,648,057	706,617	36,078	68,318,596
Less Accumulated Depreciation for				
Buildings	5,567,280	490,150	18,667	6,038,763
Machinery and Equipment	1,369,538	39,392	16,078	1,392,852
Water and Sewer System	15,466,928	1,383,541	-	16,850,469
Total Accumulated Depreciation	22,403,746	1,913,083	34,745	24,282,084
Total Capital Assets Being Depreciated, Net	45,244,311	(1,206,466)	(1,333)	44,036,512
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$46,529,824	\$ (768,935)	\$ 106,931	\$45,653,958

Depreciation expense was charged to functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES

General Government	\$ 336,323
Public Safety	132,275
Highways and Streets, including Depreciation of General Infrastructure Assets	2,749,190

TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES \$ 3,217,788

Construction Contracts

The Village has entered into contracts for the construction or renovation of various facilities as follows:

VILLAGE OF CAROL STREAM, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

Construction Contracts (Continued)

	Project Authorizations	Expended to Date	Commitment
Stormwater Management Program Development Study	\$ 110,650	\$ 42,066	\$ 68,584
Pond Shoreline and Wetland Mitigation	35,300	27,484	7,816
Management and Monitoring Community Park	20,850	17,481	3,369
Management and Monitoring Mill Valley Town Center	9,962	7,189	2,773
Fair Oaks Road Improvements	283,753	283,753	-
Fair Oaks Road Improvements Phase II	427,897	333,544	94,353
Lies Road Bike Path	202,475	73,939	128,536
Pond Shoreline Maintenance Contract	33,155	33,155	-
Pond Shoreline Maintenance Contract	73,906	14,580	59,326
2001 Pond Shoreline Restoration	386,157	345,801	40,356
2005 Asphalt Surface Treatment	150,000	105,922	44,078
Klein Creek and Thunderbird Creek Restoration	130,000	120,217	9,783
2006 Flexible Pavement Project	1,311,002	-	1,311,002
St. Charles Watermain Engineering	485,980	437,531	48,449
Lies Road Bikeway Phase I Engineering	86,372	85,436	936
Lies Road Bikeway Phase II Engineering	64,936	64,788	148
Lies Road Bikeway Phase III Engineering	109,674	32,664	77,010
Lies Road Construction Services LAPP	17,582	-	17,582
TOTAL	\$ 3,939,651	\$ 2,025,550	\$ 1,914,101

5. LONG-TERM DEBT

a. Tax Increment Financing Bonds

The Village issues bonds where the Village pledges incremental tax income derived from a separately created tax increment financing district. These bonds are not an obligation of the Village and are secured only by the incremental revenues generated by the district and are recorded in the governmental activities.

Tax increment financing bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances May 1	Additions	Refundings/Reductions	Balances April 30	Current Portion
\$4,690,000 Senior Lien Tax Increment Revenue Bonds, dated February 7, 1997, due in annual installments of \$60,000 to \$490,000 beginning January 1, 1997 through January 1, 2016 plus a final payment of \$795,000 due January 1, 2017 plus interest at 7.875% due each January 1 and July 1.	Geneva Crossing TIF	\$ 4,125,000	\$ -	\$ 4,125,000	\$ -	\$ -

VILLAGE OF CAROL STREAM, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

a. Tax Increment Financing Bonds (Continued)

Issue	Fund Debt Retired by	Balances May 1	Additions	Refundings/ Reductions	Balances April 30	Current Portion
\$4,285,000 Senior Lien Tax Increment Revenue Refunding Bonds, dated August 30, 2005, due in annual installments of \$205,000 to \$355,000 beginning December 30, 2005 through December 30, 2021 plus interest at 3.75 to 5.00% due each June 30 and December 30.	Geneva Crossing TIF	\$ -	\$ 4,285,000	\$ 205,000	\$ 4,080,000	\$ 180,000
Total		\$ 4,125,000	\$ 4,285,000	\$ 4,330,000	\$ 4,080,000	\$ 180,000

b. Loans Payable

The Village entered into a loan payable to provide funds for the acquisition of capital assets. The loan payable was issued for business-type activities. Therefore, the liabilities are reported in the business-type column. The loan payable currently outstanding is as follows:

Issue	Fund Debt Retired by	Balances May 1	Additions	Reductions	Balances April 30	Current Portion
\$7,550,954 EPA Loan II dated August 28, 2002 at 2.57% simple interest rate*.	Water and Sewer	\$ 6,369,123	\$ -	\$ 266,666	\$ 6,102,457	\$ 273,564

* The total amount of the loan authorized by the EPA was \$7,550,954; however, the Village only requested funds in the amount of \$6,541,992 (including accrued interest of \$252,254).

VILLAGE OF CAROL STREAM, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

c. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending April 30	Tax Increment Financing Bonds			IEPA Loan		
	Principal	Interest	Total	Principal	Interest	Total
2007	\$ 180,000	\$ 187,972	\$ 367,972	\$ 273,564	\$ 155,087	\$ 428,651
2008	190,000	180,772	370,772	280,639	148,011	428,650
2009	195,000	173,174	368,174	287,898	140,752	428,650
2010	205,000	165,372	370,372	295,345	133,306	428,651
2011	210,000	156,660	366,660	302,984	125,667	428,651
2012	220,000	147,735	367,735	310,821	117,830	428,651
2013	230,000	138,110	368,110	318,860	109,790	428,650
2014	240,000	127,760	367,760	327,107	101,543	428,650
2015	255,000	116,960	371,960	335,568	93,082	428,650
2016	265,000	105,230	370,230	344,247	84,403	428,650
2017	280,000	92,775	372,775	353,152	75,499	428,651
2018	290,000	79,615	369,615	362,286	66,365	428,651
2019	305,000	65,695	370,695	371,656	56,994	428,650
2020	320,000	50,750	370,750	381,269	47,381	428,650
2021	340,000	34,750	374,750	391,131	37,519	428,650
2022	355,000	17,750	372,750	401,248	27,403	428,651
2023	-	-	-	411,626	17,025	428,651
2024	-	-	-	353,056	6,377	359,433
TOTAL	\$ 4,080,000	\$ 1,841,080	\$ 5,921,080	\$ 6,102,457	\$ 1,544,034	\$ 7,646,491

d. Changes in other governmental activities long-term liabilities during the fiscal year were as follows:

	Balances May 1	Additions	Reductions	Balances April 30	Current Portion
Compensated Absences Payable (*)	\$ 768,243	\$ 888,462	\$ 768,243	\$ 888,462	\$ 133,269

* The General Fund has typically been used in prior years to liquidate the compensated absences payable.

VILLAGE OF CAROL STREAM, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

- e. Changes in other business-type activities long-term liabilities during the fiscal year were as follows:

	Balances			Balances	Current
	May 1	Additions	Reductions	April 30	Portion
Compensated Absences Payable (*)	\$ 73,447	\$ 96,457	\$ 73,447	\$ 96,457	\$ 14,469

* The Water and Sewer Fund has typically been used in prior years to liquidate the compensated absences payable.

- f. Legal Debt Margin

The Village is a home rule municipality.

Chapter 65, Section 5/8-5-1 Illinois Compiled Statutes governs computation of the legal debt margin.

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

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

- g. Advance Refunding - Revenue Bonds

On April 30, 1982, the Village passed an ordinance directing the execution of an escrow agreement in order to refund Water and Sewer Revenue Bond Series of 1967 issued by the Village and outstanding at the time in the amount of \$1,620,000.

Although there has been no legal defeasance (satisfaction of debt) in this transaction, all conditions which normally satisfy defeasance of the \$1,620,000 of the Water and Sewer Revenue Bond Series of 1967 have been met.

5. LONG-TERM DEBT (Continued)

g. Advance Refunding - Revenue Bonds (Continued)

Water and Sewer Revenue Bond Series of 1967 to be paid from escrow in the future are as follows:

<u>Fiscal Year Ending April 30</u>	<u>Principal</u>
2007	\$ 90,000
2008	<u>95,000</u>
TOTAL	<u>\$ 185,000</u>

h. Advance Refunding - Tax Increment Revenue Refunding Bonds

On August 30, 2005, the Village issued \$4,285,000 Series 2005 Senior Lien Tax Increment Revenue Refunding Bonds to refund \$4,125,000 Series 1997 Senior Lien Tax Increment Bonds. Through the refunding, the Village reduced its debt service by \$57,569 and had an estimated economic gain of \$50,000. Conditions for defeasance have been met and assets were placed in escrow through an irrevocable transfer and the liability has been removed from the financial statements. At April 30, 2006, \$3,970,000 of the Series 1997 bonds remained to be paid from escrow.

i. Senior Lien Tax Increment Revenue Bonds Series 2005

The ordinance authorizing the issuance of \$4,285,000 of Senior Lien Tax Increment Revenue Bonds Series 2005 provided for the creation of separate funds designated as the Special Tax Allocation Fund and the Incremental Sales Tax Fund. All of the incremental property taxes and any other revenues from any source other than incremental sales taxes shall be deposited into the Special Tax Allocation Fund. All of the incremental sales taxes shall be deposited into the Incremental Sales Tax Fund.

All amounts deposited into the Special Tax Allocation Fund shall be allocated to the following accounts in the priority listed:

The Program Expense Account - There is hereby created a special account to be known as the Program Expense Account. The amount deposited into the Program Expense Account is the amount necessary to pay program expenses for the current and succeeding bond year. The remainder will then be deposited into the following account:

5. LONG-TERM DEBT (Continued)

i. Senior Lien Tax Increment Revenue Bonds Series 2005 (Continued)

The Senior Lien Principal and Interest Account - There is hereby created a special account to be known as the Senior Lien Principal and Interest Account. The amount deposited into the account is the amount necessary to pay the principal and interest requirements due subsequent to January 1. The monies deposited into this account can be used only to pay the outstanding principal and interest on the bonds. The remainder, if any, will then be deposited into the following account:

The Senior Lien Reserve Account - There is hereby created a special account to be known as the Senior Lien Reserve Account. The amount deposited into the account is the debt service reserve requirement, which is equal to 150% of the average annual debt service of the bonds, excluding the final payment due December 30, 2021. The monies deposited into the account shall be used to replace any deficiency in the Senior Lien Principal and Interest Account and to pay the final principal and interest maturing December 30, 2021. The remainder, if any, will then be deposited into the following account:

The Junior Lien Principal and Interest Account - There is hereby created a special account to be known as the Junior Lien Principal and Interest Account. The amount deposited into the account is the principal and interest requirements for any junior lien bonds due the subsequent January 1. The monies deposited into this account can be used only to pay the outstanding principal and interest on the junior lien bonds and to replenish any deficiencies in the Senior Lien Principal and Interest Account and the Senior Lien Reserve Account. The remainder, if any, shall be deposited into the following account:

The Junior Lien Reserve Account - There is hereby created a special account to be known as the Junior Lien Reserve Account. The amount deposited into the account is the debt service reserve requirement, if any, on the Junior Lien Bonds, determined upon issuance of said bonds. The monies deposited into the account shall be used to replace any deficiency in the Junior Lien Principal and Interest Account, the Senior Lien Reserve Account and the Senior Lien Principal and Interest Account. The remainder, if any, shall be deposited into the following account:

5. LONG-TERM DEBT (Continued)

i. Senior Lien Tax Increment Revenue Bonds Series 2005 (Continued)

The General Account - There is hereby created a special account to be known as the General Account. The monies deposited into this account shall be used first to replenish any deficiencies in the accounts listed above, with any remainder used for the following purposes:

1. For the purpose of paying any project costs, including but not limited to the payment of debt service on obligations issued subordinate to the Bonds, any Additional Bonds or any Junior Lien Bonds; or
2. For the purpose of redeeming outstanding bonds; or
3. For the purpose of purchasing outstanding bonds at a price not in excess of par and accrued interest and applicable redemption premium to the date of purchase; and,
4. Thereafter, shall be used by the Village for one or more of the following purposes, without any order of priority among them:
 - a. For the purpose of refunding, advance refunding or prepaying any outstanding bonds; or
 - b. For the purpose of establishing such additional reserves as may be deemed necessary by the Corporate Authorities; or
 - c. For the purpose of reimbursing the Village for any advances from its general corporate funds made in connection with the Bonds, any Additional Bonds, any Junior Lien Bonds, the Plan, the Project or the Area; or
 - d. For the purpose of distributing funds to the taxing districts or municipal corporation having power to tax real property located in the Area, in accordance with the Act; or
 - e. For any other purpose set forth under the Plan or the Project as may be authorized under the Act.

All Incremental Sales Taxes are to be deposited into the Incremental Sales Tax Fund and shall be allocated to the following accounts in the priority listed:

VILLAGE OF CAROL STREAM, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

i. Senior Lien Tax Increment Revenue Bonds Series 2005 (Continued)

The Village Contribution Account - There is hereby created a special account to be known as the Village Contribution Account. The monies deposited into this account are restricted for any Village contribution to be made to the Special Tax Allocation Fund and related accounts for any deficiencies in accordance with the bond ordinance. The remainder, if any, shall be deposited into the following account:

The Village Account - There is hereby created a special account to be known as the Village Account. The monies shall be deposited into this account until such time as the account balance equals \$100,000 which may then be transferred to the Village to be used for any purpose.

j. Conduit Debt

The Village has issued Industrial Development Revenue Bonds (IDRBs) to provide financial assistance to private organizations for the construction and acquisition of industrial and commercial improvements deemed to be in the public interest. The bonds are secured solely by the property financed and are payable solely from the payments received on the underlying mortgage loans on the property. The Village is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not reported as a liability in these financial statements.

As of April 30, 2006, there were four IDRBs outstanding. The aggregate principal amount payable for the three series which could be determined was \$19,961,018. The aggregate principal payable for the one other series of IDRBs could not be determined; however, their original issue amounts totaled \$1,200,000.

6. INDIVIDUAL FUND DISCLOSURES

The composition of interfund balances as of April 30, 2006, is as follows:

Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
General Corporate	Water and Sewer	\$ 85,504
Nonmajor Governmental	General Corporate	92,521
Water and Sewer	General Corporate	12,407
TOTAL		<u>\$ 190,432</u>

VILLAGE OF CAROL STREAM, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

6. INDIVIDUAL FUND DISCLOSURES (Continued)

Significant interfund receivable/payables are as follows:

- \$85,504 due to the General Corporate Fund from Water and Sewer consists of \$69,265 for watermains accepted by the Village for the Fountain View Road project, \$1,370 for water and sewer fuel usage in April, \$64 for water refunds issued, and \$14,805 for water credit card activity during April.
- \$95,521 due to the Geneva Crossing TIF Fund from the General Corporate Fund is for sales tax recorded in the General Fund that are transferred to the Geneva Crossing TIF Fund.

The following transfers were recorded during the fiscal year ended April 30, 2006:

Fund Transferred From	Fund Transferred To	Amount
General Corporate	Nonmajor Governmental	\$ 233,475
General Corporate	Capital Improvement Program	14,016,396
Nonmajor Governmental	General Corporate	<u>258,850</u>
TOTAL		<u>\$ 14,508,721</u>

Significant interfund transfers are as follows:

- \$233,475 transferred from the General Corporate Fund to the Geneva Crossing TIF Fund was for sales taxes recorded in the General Fund earned on the TIF property.
- \$14,016,396 transferred from the General Corporate Fund to the Capital Improvement Program Fund was to establish the fund.
- \$258,850 transferred from the Civic Enhancement Fund to the General Corporate Fund was to transfer the residual equity from the Civic Enhancement Fund, which was closed as of April 30, 2006.

7. COMMITMENTS - DUPAGE WATER COMMISSION

The Village is a customer of the DuPage Water Commission (the Commission), and has executed a water supply contract (the Contract) with the Commission for a term ending in 2024. The Contract provides that the Village pay its proportionate share of “fixed costs” (debt service and capital costs) estimated at \$900,000 per year through fiscal year ending April 30, 2013 to the Commission, such obligation being unconditional and irrevocable whether or not water is ever delivered. The Village has established that these costs will be capitalized until delivery of water, at which time the costs will be amortized using the straight-line method over the remaining term of the contract. During the fiscal year ended April 30, 1993, the Village began receiving water from the Commission, thus fixed costs are now expensed along with the other “operation and maintenance” charges from the Commission. The fixed costs are estimates which have been calculated using the Village’s current allocation percentage of 5.2231%. In future years, the estimates and the allocation percentage will be subject to change. Estimates for the remaining years of the contract are not currently available. However, the Village does not expect the minimum amounts for the remaining years of the contract to materially vary from the amount presented above.

8. RISK MANAGEMENT

a. Intergovernmental Personnel Benefit Cooperative (IPBC)

The Village participates in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain other governmental, quasi governmental and nonprofit public service entities.

IPBC maintains specific reinsurance coverage for claims in excess of \$50,000 per individual employee participant. The Village pays premiums to IPBC based upon current employee participation and its prior experience factor with the pool. Current year overages or underages for participation in the pool are adjusted into the subsequent years experience factor for premiums.

The IPBC receives, processes and pays such claims as may come within the benefit program of each member. Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers: a Benefit Administrator and a Treasurer. The Village does not exercise any control over the activities of the IPBC beyond its representation on the Board of Directors.

8. RISK MANAGEMENT (Continued)

b. Intergovernmental Risk Management Agency (IRMA)

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an insurance pool whose members are Illinois municipalities. IRMA manages and funds first party property losses, third party liability claims, workers' compensation claims and public officials liability claims of its member municipalities. The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds.

Each member assumes the first \$2,500 of each occurrence, and IRMA has self-insurance retentions at various amounts above that level. There have been no significant changes from the prior year and settlements have not exceeded coverage in any of the prior three years.

Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers, a Risk Manager and a Treasurer. The Village does not exercise any control over the activities of IRMA beyond its representation on the Board of Directors.

Initial contributions are determined in advance of each membership year based on the individual member's eligible revenue as defined in the by-laws of IRMA and assessment factors based on past member experience and the funding need for the membership year. The Board of Directors may require that supplemental contributions be made by members to ensure adequate funds are available to meet the obligations applicable to the membership year. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. The Village is not aware of any additional amounts owed to IRMA at April 30, 2006, for the current or prior claim years.

9. CONTINGENT LIABILITIES

a. Litigation

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Village's attorney that resolution of these matters will not have a material adverse effect on the financial condition of the Village.

9. CONTINGENT LIABILITIES (Continued)

b. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal Government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

c. DuPage Water Commission

The Village's water supply agreement with the Commission provides that each customer is liable for its proportionate share of any costs arising from defaults in payment obligations by other customers.

d. Economic Development Agreement

The Village entered into an economic development agreement dated June 30, 1982, with a developer to reimburse the developer for the cost of certain land improvements regarding creek bed relocation and wetlands mitigation. The agreement requires the Village to rebate to the developer 55% of the sales tax over \$50,000 in each calendar year. The maximum amount to be rebated by the Village from sales tax revenues generated by the development is \$1,000,000 over twenty years. No liability was required to be recorded as of April 30, 2006. The total rebates incurred to date as of April 30, 2006 was \$506,393.

The Village also entered into an economic development agreement dated May 17, 2003, with a retailer to reimburse the retailer for the cost of extraordinary site development costs. The agreement requires the Village to rebate to the developer 75% of the sales tax over \$100,000 each calendar year. The maximum amount to be rebated by the Village from sales tax revenues generated by the development is \$350,000 over three years. The total rebates incurred to date as of April 30, 2006 was \$134,747. A liability of \$93,549 has been recorded as of April 30, 2006.

The Village entered into an economic development agreement dated July 21, 2003, with a retailer to reimburse the retailer the cost of extraordinary site development costs. The agreement requires the Village to rebate to the retailer (after certain benchmarks are achieved) 70% of the sales taxes each calendar year. The maximum amount to be rebated by the Village from sales tax revenues generated by the development is \$700,000 over fifteen years. The total rebates incurred to date as of April 30, 2006 was \$109,717. A liability of \$109,717 has been recorded as of April 30, 2006.

9. CONTINGENT LIABILITIES (Continued)

e. Municipal Infrastructure Maintenance Fees

Effective January 1, 1998, the Village imposed a municipal telecommunications infrastructure maintenance fee (IMF) on persons in the business of transmitting, supplying or furnishing telecommunications and all associated services (e.g., telecommunications retailers) in Illinois for the “use of public right-of-ways”. The fee was authorized by state statute (35 ILCS 635). In March 2001, a wireless telecommunications provider brought action against an Illinois government challenging the constitutionality of the municipal telecommunications infrastructure maintenance fee.

The Illinois Supreme Court (the Court) found the IMF to be unconstitutional as applied to wireless carriers. The Court’s decision held upon appeal. The IMF was eliminated effective December 31, 2002. Potential damages to the Village under this case precedent could aggregate the total of amounts remitted to the Village for IMF by all carriers during the period from January 1, 1998 through December 31, 2002. The Village has estimated a liability under potential IMF lawsuits in the amount of \$1,085,000 for amounts paid under protest during this time. Since the payment of the liability is not probable, a portion of the General Fund balance at April 30, 2006 has been designated to fund this potential liability. A payment of \$78,086 was made in April 2005, but the liability was not fully adjudicated by the date of this report.

10. DEFINED BENEFIT PENSION PLANS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for both plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. None of the pension plans issue separate reports on the pension plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions

Illinois Municipal Retirement Fund

All employees (other than those covered by the Police plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution rate for the calendar year 2005 was 9.93% of covered payroll.

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. At April 30, 2006, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	14
Terminated Employees Entitled to Benefits but not Yet Receiving Them	-
Current Employees	
Vested	36
Nonvested	25
	<hr/>
TOTAL	<u>75</u>

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter. Benefits and refunds are recorded when due in accordance with the terms of the plan.

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. Contributions are recorded when due in accordance with statutory requirements. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective July 1, 1993, the Village has until the year 2033 to fully fund the past service cost for the Police Pension Plan. For the year ended April 30, 2006, the Village's contribution was 14.43% of covered payroll.

b. Significant Investments

There are no significant investments (other than U.S. Government guaranteed obligations) in any one organization that represent 5.00% or more of plan net assets for the Police Pension Plan except for five mutual funds comprising approximately 5.91%, 7.24%, 10.70%, 11.19% and 16.54% of plan net assets, respectively. Information for the IMRF is not available.

VILLAGE OF CAROL STREAM, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLANS (Continued)

c. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension
Actuarial Valuation Date	December 31, 2003	May 1, 2005
Actuarial Cost Method	Entry-age Normal	Entry-age Normal
Asset Valuation Method	5 Year Smoothed Market	Actuarial Smoothed Market
Amortization Method	Level Percentage of Payroll	Level Percentage of Payroll
Amortization Period	28 Years, Closed	28 Years, Closed
Significant Actuarial Assumptions		
a) Rate of Return on Present and Future Assets	7.50% Compounded Annually	8.25% Compounded Annually
b) Projected Salary Increase - Attributable to Inflation	4.00% Compounded Annually	6.50% Compounded Annually
c) Additional Projected Salary Increases - Seniority/Merit	.40 to 11.60%	Not Available

VILLAGE OF CAROL STREAM, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

10. DEFINED BENEFIT PENSION PLANS (Continued)

c. Annual Pension Costs (Continued)

Employer annual pension costs (APC), actual contributions and the net pension obligation (asset) (NPO) are as follows. The NPO (asset) is the cumulative difference between the annual pension cost and the contributions actually made.

	For Calendar Year	Illinois Municipal Retirement	For Fiscal Year	Police Pension
Annual Pension Cost (APC)	2003	\$ 437,808	2004	\$ 480,833
	2004	588,967	2005	658,896
	2005	671,869	2006	N/A
Actual Contribution	2003	\$ 437,808	2004	\$ 425,400
	2004	588,967	2005	524,268
	2005	671,869	2006	668,880
Percentage of APC Contributed	2003	100.00	2004	88.48
	2004	100.00	2005	79.57
	2005	100.00	2006	N/A
NPO (Asset)	2003	\$ -	2004	\$ (370,914)
	2004	-	2005	(236,286)
	2005	-	2006	N/A

The net pension obligation (asset) has been calculated as follows for the year ended April 30, 2005 (most current information available):

	Police Pension
Annual Required Contributions	\$ 668,879
Interest on Net Pension Obligation	(30,600)
Adjustment to Annual Required Contribution	20,617
Annual Pension Cost	658,896
Contributions Made	524,268
Increase in Net Pension Asset	134,628
Net Pension Obligation (Asset) Beginning of Year	(370,914)
NET PENSION OBLIGATION (ASSET) END OF YEAR	\$ (236,286)

11. RESTATEMENT

The beginning fund balance in the General Fund was increased by \$69,257 as of May 1, 2005 for expenditures paid for by the General Fund on behalf of the Water and Sewer fund in a prior year.

VILLAGE OF CAROL STREAM, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended April 30, 2006
(with comparative actual)

	2006		2005	
	Original Budget	Final Budget	Actual	Actual
REVENUES				
Taxes	\$ 16,140,702	\$ 16,140,702	\$ 17,238,252	\$ 16,205,961
Licenses and Permits	1,069,280	1,069,280	1,245,454	1,059,311
Intergovernmental Grants	64,700	64,700	88,553	85,745
Charges for Services	799,027	799,027	1,028,717	1,008,026
Fines and Forfeits	807,393	807,393	972,417	771,834
Investment Income	235,904	235,904	619,797	435,127
Miscellaneous	32,500	32,500	277,885	142,426
Total Revenues	19,149,506	19,149,506	21,471,075	19,708,430
EXPENDITURES				
Current				
General Government	4,847,736	4,869,870	4,462,284	4,200,175
Public Safety	10,506,364	10,501,364	10,181,294	9,244,140
Highways and Streets	2,983,208	3,120,308	2,819,348	3,339,440
Total Expenditures	18,337,308	18,491,542	17,462,926	16,783,755
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	812,198	657,964	4,008,149	2,924,675
OTHER FINANCING SOURCES (USES)				
Transfers In				
Civic Enhancement Fund	-	-	258,850	-
Transfers (Out)				
Geneva Crossing TIF Fund	(194,826)	(194,826)	(233,475)	(153,474)
Capital Improvement Projects	(338,686)	(14,355,082)	(14,016,396)	-
Total Other Financing Sources (Uses)	(533,512)	(14,549,908)	(13,991,021)	(153,474)
NET CHANGE IN FUND BALANCE	\$ 278,686	\$ (13,891,944)	(9,982,872)	2,771,201
FUND BALANCE, MAY 1			29,351,587	26,580,386
Prior Period Adjustment			69,257	-
FUND BALANCE, MAY 1, RESTATED			29,420,844	26,580,386
FUND BALANCE, APRIL 30			\$ 19,437,972	\$ 29,351,587

(See independent auditor's report.)

VILLAGE OF CAROL STREAM, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2006

1. BUDGETS AND BUDGETARY ACCOUNTING

On or before January 31 of each year, all departments of the Village submit requests for budgets to the Village manager so that a budget may be prepared. Before February 28, the proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from, or change the budget, but may not change the form of the budget. A final budget must be prepared and adopted no later than April 30.

The budget is prepared by fund, department and program and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. The administrator is authorized to transfer budgeted amounts within any department; however, transfers between departments or any revisions that alter the total expenditures of any department or any fund must be approved by the governing body. During the year, several budget amendments were necessary. The amounts reflected in the financial statements represent the original and the final amended budget.

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted (at the department level) for the governmental, proprietary and the fiduciary funds. The annual appropriated budget is legally enacted and provides for a legal level of control at the department level. All annual budgets lapse at fiscal year end.

2. EXCESS OF EXPENDITURES OVER BUDGETS

The following individual fund expenditures exceeded budgets in the following amounts:

	<u>Excess</u>
Geneva Crossing TIF	\$ 111,634

VILLAGE OF CAROL STREAM, ILLINOIS
 ILLINOIS MUNICIPAL RETIREMENT FUND
 SCHEDULE OF FUNDING PROGRESS

April 30, 2006

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) As a Percentage of Covered Payroll (4) / (5)
2000	\$ 12,969,047	\$ 11,805,608	109.85%	\$ (1,163,439)	\$ 5,284,211	(22.02%)
2001	14,506,505	13,608,415	106.60%	(898,090)	5,642,730	(15.92%)
2002	14,216,177	14,579,079	97.51%	362,902	6,134,582	5.92%
2003	14,388,232	15,862,016	90.71%	1,473,784	6,227,712	23.66%
2004	14,968,730	17,503,003	85.52%	2,534,273	6,536,817	38.77%
2005	16,255,718	18,259,486	89.03%	2,003,768	6,766,057	29.62%

(See independent auditor's report.)

VILLAGE OF CAROL STREAM, ILLINOIS

POLICE PENSION FUND

SCHEDULE OF FUNDING PROGRESS

April 30, 2006

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) As a Percentage of Covered Payroll (4) / (5)
2000	\$ 13,559,807	\$ 13,908,548	97.49%	\$ 348,741	\$ 2,804,017	12.44%
2001	14,863,317	15,315,334	97.05%	452,017	3,045,235	14.84%
2002	16,196,804	17,731,962	91.34%	1,535,158	3,268,450	46.97%
2003	17,429,131	21,050,163	82.80%	3,621,032	3,335,490	108.56%
2004	18,785,979	24,430,398	76.90%	5,644,419	3,619,155	155.96%
2005	20,246,509	26,809,893	75.52%	6,563,384	3,878,148	169.24%
2006	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Information not available

(See independent auditor's report.)

VILLAGE OF CAROL STREAM, ILLINOIS
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS

April 30, 2006

<u>Calendar Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2000	\$ 439,646	\$ 439,646	100.00%
2001	366,213	366,213	100.00%
2002	380,344	380,344	100.00%
2003	437,808	437,808	100.00%
2004	588,967	588,967	100.00%
2005	671,869	671,869	100.00%

(See independent auditor's report.)

VILLAGE OF CAROL STREAM, ILLINOIS

POLICE PENSION FUND

SCHEDULE OF EMPLOYER CONTRIBUTIONS

April 30, 2006

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2000	\$ 213,796	\$ 212,917	100.41%
2001	285,246	225,693	126.39%
2002	292,984	252,610	115.98%
2003	357,314	340,390	104.97%
2004	425,400	493,060	86.28%
2005	524,268	668,879	78.38%
2006	668,880	760,378	87.97%

(See independent auditor's report.)

MAJOR GOVERNMENTAL FUNDS

General Corporate Fund - to account for all financial resources traditionally associated with governments which are not required to be accounted for in another fund.

Capital Improvement Program Fund - to account for capital projects relating to maintenance and replacement of existing infrastructure as well as the development of new facilities to accommodate future growth.

VILLAGE OF CAROL STREAM, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL

For the Year Ended April 30, 2006
(with comparative actual)

	2006		2005	
	Original Budget	Final Budget	Actual	Actual
TAXES				
Property Taxes - Current	\$ 217,260	\$ 217,260	\$ 210,166	\$ 216,709
Replacement Taxes	55,329	55,329	79,631	63,597
Sales Tax	5,878,592	5,878,592	6,083,986	5,682,305
Utility Tax	3,802,514	3,802,514	3,975,482	3,884,693
State Income Tax	2,890,907	2,890,907	3,089,954	2,737,638
Amusement Tax	13,000	13,000	9,395	9,940
Home Rule Sales Tax	1,943,500	1,943,500	2,173,123	1,942,408
Real Estate Transfer Tax	767,600	767,600	1,043,745	1,056,623
Natural Gas Use Tax	572,000	572,000	572,770	612,048
Total Taxes	16,140,702	16,140,702	17,238,252	16,205,961
LICENSES AND PERMITS				
Business/Miscellaneous Licenses	26,000	26,000	28,084	28,125
Dog Licenses	1,700	1,700	1,868	1,754
Vehicle Licenses	381,680	381,680	389,481	383,048
Liquor Licenses	53,650	53,650	55,150	52,950
Vending Machine Licenses	8,750	8,750	8,453	10,308
Game Room Licenses	1,600	1,600	1,550	1,725
Building Permits	592,000	592,000	756,768	577,901
Tobacco Licenses	3,900	3,900	4,100	3,500
Total Licenses and Permits	1,069,280	1,069,280	1,245,454	1,059,311
INTERGOVERNMENTAL GRANTS	64,700	64,700	88,553	85,745
CHARGES FOR SERVICES				
Reimbursed Police School	7,500	7,500	14,384	3,228
Reinspection Fees	500	500	300	525
Legal and Planning Fees	140,679	140,679	100,486	196,709
Annexation Fees	-	-	3,192	4,074
Liquor Investigation Fees	3,500	3,500	2,675	5,525
Cable Franchise Fees	199,375	199,375	355,791	363,857
Developer Service Fees	51,870	51,870	104,945	-
Sale of Trees	5,000	5,000	1,980	6,640
Host Benefit and Recycling Fees	27,776	27,776	40,969	28,039

(This schedule is continued on the following page.)

VILLAGE OF CAROL STREAM, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2006
(with comparative actual)

	2006		2005	
	Original Budget	Final Budget	Actual	Actual
CHARGES FOR SERVICES (Continued)				
Public Hearings	\$ 18,000	\$ 18,000	\$ 31,300	\$ 25,555
Passport Fees	15,000	15,000	9,614	12,468
Gas Sales Reimbursements	43,000	43,000	48,377	38,162
Engineering Review Fees	33,000	33,000	61,528	78,345
Reimbursement - School District	248,327	248,327	247,443	239,283
Police Report Duplications	5,500	5,500	5,733	5,616
Total Charges for Services	799,027	799,027	1,028,717	1,008,026
FINES AND FORFEITS				
Circuit Court Fines	350,000	350,000	672,683	493,100
Ordinance Forfeits	60,000	60,000	62,472	67,843
Reimbursement Fee	131,393	131,393	147,418	136,342
Court DUI Fines	240,000	240,000	71,244	42,689
False Alarms	26,000	26,000	18,600	31,860
Total Fines and Forfeits	807,393	807,393	972,417	771,834
INVESTMENTS				
Investment Income	235,904	235,904	619,797	435,127
MISCELLANEOUS				
Other	32,500	32,500	277,885	142,426
TOTAL REVENUES	\$ 19,149,506	\$ 19,149,506	\$ 21,471,075	\$ 19,708,430

(See independent auditor's report.)

VILLAGE OF CAROL STREAM, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended April 30, 2006
(with comparative actual)

	2006		2005	
	Original Budget	Final Budget	Actual	Actual
GENERAL GOVERNMENT				
Fire and Police Commission	\$ 62,960	\$ 62,960	\$ 46,189	\$ 27,215
Legislative Board	215,062	215,062	206,493	202,012
Planning and Zoning Board	12,721	12,721	11,804	10,533
E.S.D.A.	18,200	18,200	15,226	9,712
Legal Services	295,000	295,000	274,081	200,908
Village Clerk	54,959	59,459	52,067	58,071
Employee Relations	186,017	215,017	163,221	150,205
Village Administration	437,745	437,745	428,663	402,441
Financial Management	693,254	693,254	671,343	631,679
Engineering	1,087,320	1,087,320	996,503	853,079
C.D. - Planning and Zoning	272,544	289,679	265,131	248,496
C.D. - Building	621,466	624,965	588,124	573,575
Management Services	647,559	612,059	505,092	611,779
Municipal Building	440,844	440,844	321,591	309,704
Municipal Garage	686,163	689,663	612,238	631,577
Allocations to Other Funds/Departments	(884,078)	(884,078)	(695,482)	(720,811)
Total General Government	4,847,736	4,869,870	4,462,284	4,200,175
PUBLIC SAFETY				
Law Enforcement	10,506,364	10,501,364	10,181,294	9,244,140
HIGHWAYS AND STREETS				
Public Works - Streets	2,679,903	2,817,003	2,585,715	2,173,875
Public Works Center	-	-	-	35,240
Construction	303,305	303,305	233,633	1,130,325
Total Highways and Streets	2,983,208	3,120,308	2,819,348	3,339,440
TOTAL EXPENDITURES	\$ 18,337,308	\$ 18,491,542	\$ 17,462,926	\$ 16,783,755

(See independent auditor's report.)

VILLAGE OF CAROL STREAM, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended April 30, 2006
(with comparative actual)

	2006		2005	
	Original Budget	Final Budget	Actual	Actual
GENERAL GOVERNMENT				
Fire and Police Commission				
Salaries and Wages				
Personal Services	\$ 3,000	\$ 3,000	\$ 3,000	\$ 2,923
FICA	230	230	229	223
Total Salaries and Wages	3,230	3,230	3,229	3,146
Contractual Services				
Meetings	-	-	-	372
Training	2,000	2,000	-	575
Personnel Hiring	55,000	53,000	39,729	20,610
Dues and Subscriptions	380	380	375	375
Legal Fees	1,500	3,500	2,838	1,379
Public Notices/Information	100	100	-	-
Court Recorder Fees	550	550	-	747
Total Contractual Services	59,530	59,530	42,942	24,058
Commodities				
Office Supplies	100	100	18	11
Printed Materials	100	100	-	-
Total Commodities	200	200	18	11
Total Fire and Police Commission	\$ 62,960	\$ 62,960	\$ 46,189	\$ 27,215
Legislative Board				
Salaries and Wages				
Personal Services	\$ 23,400	\$ 23,400	\$ 23,400	\$ 23,400
IMRF	796	846	799	728
FICA	1,790	1,790	1,790	1,790
Total Salaries and Wages	25,986	26,036	25,989	25,918
Contractual Services				
Meetings	25,000	31,000	30,241	26,658
Dues and Subscriptions	64,000	64,000	60,957	61,645
Auditing	13,826	13,826	13,825	13,512
Public Notices/Information	27,000	27,000	29,899	30,100
Employee Recognition	21,000	21,000	20,072	17,955
Dial-A-Ride	6,500	6,500	5,844	5,398
Special Census	-	-	-	200
Blood Council	800	342	64	-
Community Appearance	2,500	2,500	1,289	2,231
Community Service	11,000	11,408	11,408	15,835
Sister Cities	4,000	4,000	2,459	499
Total Contractual Services	175,626	181,576	176,058	174,033

(This schedule is continued on the following pages.)

VILLAGE OF CAROL STREAM, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2006
(with comparative actual)

	2006		2005	
	Original Budget	Final Budget	Actual	Actual
GENERAL GOVERNMENT (Continued)				
Legislative Board (Continued)				
Commodities				
Office Supplies	\$ 825	\$ 825	\$ 532	\$ 489
Printed Materials	125	125	24	26
Uniforms	500	500	-	-
Small Equipment	-	-	-	276
Total Commodities	1,450	1,450	556	791
Capital Outlay				
Computer Equipment	12,000	6,000	3,890	1,270
Total Legislative Board	\$ 215,062	\$ 215,062	\$ 206,493	\$ 202,012
Planning and Zoning Board				
Salaries and Wages				
Personal Services	\$ 4,016	\$ 4,416	\$ 4,188	\$ 2,860
IMRF	197	347	317	159
FICA	308	358	320	219
Total Salaries and Wages	4,521	5,121	4,825	3,238
Contractual Services				
Meetings	300	300	155	48
Training	700	100	-	1,582
Dues and Subscriptions	600	600	580	543
Court Recorder	2,400	2,400	2,470	1,702
Public Notices/Information	4,000	4,000	3,731	3,420
Total Contractual Services	8,000	7,400	6,936	7,295
Commodities				
Office Supplies	200	200	43	-
Total Commodities	200	200	43	-
Total Planning and Zoning Board	\$ 12,721	\$ 12,721	\$ 11,804	\$ 10,533
E.S.D.A.				
Contractual Services				
Training	\$ 500	\$ 500	\$ 85	\$ 20
Telephone	8,800	8,485	6,132	6,577
Public Notices/Information	500	500	-	-
Maintenance and Repair	3,100	3,100	2,922	2,922
Total Contractual Services	12,900	12,585	9,139	9,519
Commodities				
Office Supplies	50	50	-	-
Operating Supplies	250	250	-	193
Total Commodities	300	300	-	193

(This schedule is continued on the following pages.)

VILLAGE OF CAROL STREAM, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2006
(with comparative actual)

	2006		2005	
	Original Budget	Final Budget	Actual	Actual
GENERAL GOVERNMENT (Continued)				
E.S.D.A. (Continued)				
Capital Outlay				
Radios	\$ 5,000	\$ 5,315	\$ 6,087	\$ -
Total Capital Outlay	5,000	5,315	6,087	-
Total E.S.D.A.	\$ 18,200	\$ 18,200	\$ 15,226	\$ 9,712
Legal Services				
Contractual Services				
Legal Fees - Prosecution	\$ 105,000	\$ 105,000	\$ 35,885	\$ 31,625
Legal Fees	190,000	190,000	238,196	169,283
Total Legal Services	\$ 295,000	\$ 295,000	\$ 274,081	\$ 200,908
Village Clerk				
Salaries and Wages				
Personal Services	\$ 36,623	\$ 41,123	\$ 40,314	\$ 38,498
Overtime	500	750	542	760
IMRF	3,521	4,021	3,933	3,847
FICA	2,811	3,211	3,126	3,356
Workers' Compensation	104	104	83	602
Compensated Absences	-	-	(68)	255
Total Salaries and Wages	43,559	49,209	47,930	47,318
Contractual Services				
Meetings	200	200	174	105
Training	150	-	-	-
Office Equipment Maintenance	150	150	174	139
Records Storage	-	100	100	75
Recording Fees	1,300	800	658	1,271
Dues and Subscriptions	200	100	72	253
Public Notices/Information	2,000	1,600	1,399	1,198
Consultant	6,000	6,000	574	6,489
Total Contractual Services	10,000	8,950	3,151	9,530
Commodities				
Office Supplies	700	1,075	811	691
Printed Materials	700	225	175	208
Small Equipment	-	-	-	324
Total Commodities	1,400	1,300	986	1,223
Total Village Clerk	\$ 54,959	\$ 59,459	\$ 52,067	\$ 58,071
Employee Relations				
Salaries and Wages				
Personal Services	\$ 110,331	\$ 110,331	\$ 109,362	\$ 100,004
Group Insurance	4,103	4,103	2,702	3,657
IMRF	11,254	11,254	11,214	9,339

(This schedule is continued on the following pages.)

VILLAGE OF CAROL STREAM, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2006
(with comparative actual)

	2006		2005	
	Original Budget	Final Budget	Actual	Actual
GENERAL GOVERNMENT (Continued)				
Employee Relations (Continued)				
Salaries and Wages (Continued)				
FICA	\$ 8,440	\$ 8,440	\$ 8,305	\$ 7,594
Workers' Compensation	309	309	245	217
Unemployment Compensation	25,000	25,000	5,771	6,052
Compensated Absences	-	-	395	342
Total Salaries and Wages	159,437	159,437	137,994	127,205
Contractual Services				
Meetings	200	200	65	32
Training	6,650	3,650	1,314	2,447
Employment Physicals	1,500	2,100	1,843	1,337
Personnel Hiring	5,000	5,000	4,754	3,783
Copy Expense	100	100	55	-
Dues and Subscriptions	625	625	535	660
Management Physicals	400	400	-	-
Consultant	-	32,000	8,076	6,498
Employee Services	10,750	10,150	8,075	7,800
Total Contractual Services	25,225	54,225	24,717	22,557
Commodities				
Office Supplies	400	400	62	249
Printed Materials	220	220	81	194
Reference Materials	125	125	-	-
Uniforms	60	60	-	-
Small Equipment	150	150	-	-
Total Commodities	955	955	143	443
Capital Outlay				
Computer Equipment	400	400	367	-
Total Capital Outlay	400	400	367	-
Total Employee Relations	\$ 186,017	\$ 215,017	\$ 163,221	\$ 150,205
Village Administration				
Salaries and Wages				
Personal Services	\$ 331,742	\$ 331,742	\$ 332,691	\$ 314,320
Seasonal Help	3,840	3,840	3,102	-
Overtime	250	250	-	-
Group Insurance	32,744	32,744	30,519	26,725
IMRF	33,863	33,863	32,920	28,717
FICA	20,772	20,772	20,179	19,085
Workers' Compensation	940	940	752	680
Compensated Absences	-	-	638	1,485
Total Salaries and Wages	424,151	424,151	420,801	391,012

(This schedule is continued on the following pages.)

VILLAGE OF CAROL STREAM, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2006
(with comparative actual)

	2006		2005	
	Original Budget	Final Budget	Actual	Actual
GENERAL GOVERNMENT (Continued)				
Village Administration (Continued)				
Contractual Services				
Auto Maintenance and Repairs	\$ -	\$ -	\$ -	\$ -
Meetings	1,400	1,400	1,324	1,469
Training	5,000	5,000	1,013	2,175
Vehicle Insurance	2,144	2,144	1,881	1,839
Office Equipment Maintenance	250	250	211	66
Dues and Subscriptions	3,000	3,000	2,934	3,338
Management Physicals	800	800	-	-
Total Contractual Services	12,594	12,594	7,363	8,887
Commodities				
Office Supplies	600	600	449	260
Reference Materials	250	250	50	317
Uniforms	150	150	-	-
Total Commodities	1,000	1,000	499	577
Capital Outlay				
Computer Equipment	-	-	-	1,965
Total Capital Outlay	-	-	-	1,965
Total Village Administration	\$ 437,745	\$ 437,745	\$ 428,663	\$ 402,441
Financial Management				
Salaries and Wages				
Personal Services	\$ 453,302	\$ 457,302	\$ 455,268	\$ 422,723
Seasonal Help	3,500	3,500	1,818	1,679
Overtime	1,750	1,750	1,163	1,221
Group Insurance	55,790	55,790	52,264	48,040
IMRF	46,415	46,415	47,065	39,757
FICA	33,284	33,284	32,067	30,033
Workers' Compensation	1,284	1,284	1,025	986
Compensated Absences	-	-	1,179	1,297
Total Salaries and Wages	595,325	599,325	591,849	545,736
Contractual Services				
Meetings	2,450	2,450	1,224	1,196
Training	7,100	6,100	3,773	4,533
Office Equipment Maintenance	6,105	3,805	2,714	1,250
Records Storage	2,525	825	5,338	2,104
Dues and Subscriptions	1,825	1,825	1,285	1,807
Management Physicals	400	400	-	-
Actuarial	1,700	1,700	1,600	2,530
Software Maintenance	23,400	23,400	22,767	23,047
Banking Services	10,387	9,687	3,981	7,135
Total Contractual Services	55,892	50,192	42,682	43,602

(This schedule is continued on the following pages.)

VILLAGE OF CAROL STREAM, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2006
(with comparative actual)

	2006		2005	
	Original Budget	Final Budget	Actual	Actual
GENERAL GOVERNMENT (Continued)				
Financial Management (Continued)				
Commodities				
Auto Gas and Oil	\$ 500	\$ 2,200	\$ 1,655	\$ 628
Office Supplies	1,300	1,300	1,111	1,328
Printed Materials	21,805	21,805	21,194	22,652
Operating Supplies	4,882	4,882	2,574	3,493
Reference Materials	200	200	189	242
Uniforms	200	200	-	-
Small Equipment	1,150	1,150	1,188	1,073
Total Commodities	30,037	31,737	27,911	29,416
Capital Outlay				
Office Equipment	-	-	-	4,697
Computer Equipment	12,000	12,000	8,901	8,228
Total Capital Outlay	12,000	12,000	8,901	12,925
Total Financial Management	\$ 693,254	\$ 693,254	\$ 671,343	\$ 631,679
Engineering				
Salaries and Wages				
Personal Services	\$ 566,903	\$ 566,903	\$ 557,794	\$ 532,070
Overtime	6,000	4,000	1,112	2,577
Group Insurance	60,894	62,894	58,654	62,834
IMRF	57,397	57,397	57,121	49,911
FICA	42,359	42,359	40,212	38,795
Workers' Compensation	15,762	15,762	13,323	12,526
Compensated Absences	-	-	215	360
Total Salaries and Wages	749,315	749,315	728,431	699,073
Contractual Services				
Auto Maintenance and Repairs	16,602	20,602	17,865	15,761
Meetings	225	225	86	20
Training	8,000	8,000	4,340	8,777
Vehicle Insurance	6,432	6,432	5,644	5,517
Office Equipment Maintenance	3,505	3,505	638	1,317
Radio Maintenance	410	410	-	-
Telephone	3,850	3,850	1,918	1,458
Records Storage	3,600	1,400	100	75
Dues and Subscriptions	3,885	3,885	3,118	3,041
Management Physicals	400	400	-	400
Consultant	153,000	149,000	137,587	75,980
Software Maintenance	1,790	4,585	3,384	2,804
GIS System	2,720	2,720	2,700	2,700
Property Maintenance - NPDES	92,100	92,100	63,277	15,429
Total Contractual Services	296,519	297,114	240,657	133,279
Commodities				
Auto Gas and Oil	3,476	3,476	3,333	2,510
Office Supplies	1,650	1,650	1,676	1,999
Printed Materials	720	720	-	-

(This schedule is continued on the following pages.)

VILLAGE OF CAROL STREAM, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2006
(with comparative actual)

	2006		2005	
	Original Budget	Final Budget	Actual	Actual
GENERAL GOVERNMENT (Continued)				
Engineering (Continued)				
Commodities (Continued)				
Operating Supplies	\$ 6,800	\$ 6,800	\$ 2,508	\$ 3,881
Reference Materials	370	370	309	-
Uniforms	980	980	775	885
Small Equipment	1,990	1,990	1,179	1,572
Total Commodities	15,986	15,986	9,780	10,847
Capital Outlay				
Other Equipment	2,500	2,500	2,000	6,441
Computer Equipment	5,000	5,000	-	3,439
Vehicles	18,000	17,405	15,635	-
Total Capital Outlay	25,500	24,905	17,635	9,880
Total Engineering	\$ 1,087,320	\$ 1,087,320	\$ 996,503	\$ 853,079
Community Development - Planning and Zoning				
Salaries and Wages				
Personal Services	\$ 181,404	\$ 181,404	\$ 169,974	\$ 167,840
Seasonal Help	5,200	5,200	4,270	-
Overtime	810	810	21	409
Group Insurance	27,796	27,796	27,403	27,298
IMRF	18,586	18,586	16,655	15,687
FICA	14,337	14,337	11,999	11,721
Workers' Compensation	566	566	447	471
Compensated Absences	-	-	(399)	322
Total Salaries and Wages	248,699	248,699	230,370	223,748
Contractual Services				
Auto Maintenance and Repairs	565	565	481	534
Meetings	300	300	30	281
Training	4,000	4,000	3,050	2,565
Vehicle Insurance	1,072	1,072	941	920
Office Equipment Maintenance	250	250	-	700
Dues and Subscriptions	2,500	2,500	1,927	1,807
Management Physicals	400	400	-	-
Economic Development	7,300	24,335	21,859	10,750
Software Maintenance	850	950	925	400
GIS System	2,700	2,700	2,700	2,700
Total Contractual Services	19,937	37,072	31,913	20,657
Commodities				
Auto Gas and Oil	408	408	238	242
Office Supplies	2,400	2,400	2,205	1,949
Printed Materials	200	200	61	-
Reference Materials	500	500	106	24
Small Equipment	400	400	238	325
Total Commodities	3,908	3,908	2,848	2,540

(This schedule is continued on the following pages.)

VILLAGE OF CAROL STREAM, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2006
(with comparative actual)

	2006		2005	
	Original Budget	Final Budget	Actual	Actual
GENERAL GOVERNMENT (Continued)				
Community Development - Planning and Zoning (Continued)				
Capital Outlay				
Computer Equipment	\$ -	\$ -	\$ -	\$ 1,551
Total Capital Outlay	-	-	-	1,551
Total Community Development - Planning and Zoning	\$ 272,544	\$ 289,679	\$ 265,131	\$ 248,496
Community Development - Building				
Salaries and Wages				
Personal Services	\$ 385,049	\$ 388,949	\$ 384,661	\$ 360,000
Overtime	3,000	3,100	3,138	2,746
Group Insurance	72,279	75,779	75,467	61,638
IMRF	39,581	39,581	39,715	33,847
FICA	29,686	29,686	28,314	25,528
Workers' Compensation	10,671	10,671	8,633	10,444
Compensated Absences	-	-	(111)	448
Total Salaries and Wages	540,266	547,766	539,817	494,651
Contractual Services				
Auto Maintenance and Repairs	6,161	6,261	5,173	5,618
Meetings	200	100	15	26
Training	3,700	3,700	2,415	4,154
Vehicle Insurance	3,216	3,216	2,822	2,759
Office Equipment Maintenance	900	900	894	-
Radio Maintenance	300	300	30	-
Telephone	3,600	3,600	2,184	2,764
Records Storage	-	127	127	1,270
Dues and Subscriptions	720	720	670	310
Paging	110	110	36	40
Consultant	48,000	43,872	23,425	19,215
Software Maintenance	60	60	-	504
Weed Mowing	1,000	1,000	800	167
Total Contractual Services	67,967	63,966	38,591	36,827
Commodities				
Auto Gas and Oil	3,213	3,213	2,358	1,836
Office Supplies	1,500	1,450	1,292	1,530
Printed Materials	3,500	4,910	4,902	2,574
Operating Supplies	-	-	-	60
Reference Materials	700	700	92	800
Uniforms	720	720	444	239
Small Equipment	2,000	640	628	387
Total Commodities	11,633	11,633	9,716	7,426

(This schedule is continued on the following pages.)

VILLAGE OF CAROL STREAM, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2006
(with comparative actual)

	2006		2005	
	Original Budget	Final Budget	Actual	Actual
GENERAL GOVERNMENT (Continued)				
Community Development - Building (Continued)				
Capital Outlay				
Computer Equipment	\$ 1,600	\$ 1,600	\$ -	\$ 6,885
Vehicles	-	-	-	27,786
Total Capital Outlay	1,600	1,600	-	34,671
Total Community Development - Building	\$ 621,466	\$ 624,965	\$ 588,124	\$ 573,575
Management Services				
Salaries and Wages				
Personal Services	\$ 213,256	\$ 213,256	\$ 208,481	\$ 198,071
Overtime	100	100	-	-
Group Insurance	17,821	17,821	16,144	29,616
IMRF	21,752	21,752	21,363	18,495
FICA	16,314	16,314	15,317	14,692
Workers' Compensation	603	603	488	485
Compensated Absences	-	-	268	214
Total Salaries and Wages	269,846	269,846	262,061	261,573
Contractual Services				
Auto Maintenance and Repairs	1,650	1,650	1,278	1,705
Meetings	250	250	110	174
Training	1,500	1,500	85	586
Vehicle Insurance	1,072	1,072	(1,453)	1,748
Office Equipment Maintenance	5,925	5,925	3,771	9,008
Postage	43,000	43,000	30,476	30,877
Telephone	59,000	59,000	40,667	43,638
Copy Fees	26,000	26,000	25,283	24,194
Dues and Subscriptions	8,050	8,050	6,415	6,276
Management Physicals	400	400	-	-
Consultant	27,000	35,000	40,006	31,380
Software Maintenance	20,000	20,000	15,756	21,340
Liability Insurance	14,557	14,557	13,033	15,577
Property Insurance	34,809	34,809	33,315	27,904
Total Contractual Services	243,213	251,213	208,742	214,407
Commodities				
Auto Gas and Oil	650	650	367	410
Office Supplies	1,100	1,100	1,160	860
Printed Materials	5,000	5,000	4,152	1,743
Operating Supplies	4,500	4,500	2,748	6,954
Uniforms	250	250	-	-
Small Equipment	500	500	450	-
Recycling Containers and Rebates	7,500	39,500	(676)	5,700
Total Commodities	19,500	51,500	8,201	15,667

(This schedule is continued on the following pages.)

VILLAGE OF CAROL STREAM, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2006
(with comparative actual)

	2006		2005	
	Original Budget	Final Budget	Actual	Actual
GENERAL GOVERNMENT (Continued)				
Management Services (Continued)				
Capital Outlay				
Other Equipment	\$ 25,000	\$ 24,900	\$ 22,929	\$ 22,974
Computer Equipment	-	100	99	1,270
Total Capital Outlay	25,000	25,000	23,028	24,244
Other				
Contingency	90,000	14,500	3,060	95,888
Total Other	90,000	14,500	3,060	95,888
Total Management Services	\$ 647,559	\$ 612,059	\$ 505,092	\$ 611,779
Municipal Building				
Salaries and Wages				
Personal Services	\$ 113,728	\$ 113,728	\$ 110,401	\$ 101,843
Overtime	1,800	1,800	471	905
Group Insurance	16,845	16,845	14,181	12,163
IMRF	11,784	11,784	12,051	9,562
FICA	8,838	8,838	7,986	7,435
Workers' Compensation	6,146	6,146	2,048	229
Compensated Absences	-	-	138	(101)
Total Salaries and Wages	159,141	159,141	147,276	132,036
Contractual Services				
Auto Maintenance and Repairs	4,333	4,483	3,649	3,027
Training	300	150	92	88
Telephone	4,000	4,000	1,416	2,066
Paging	170	170	72	139
Maintenance and Repairs	134,050	134,050	93,583	87,320
Electricity	2,250	2,250	1,675	1,579
Uniform Cleaning	350	350	347	324
Janitorial Services	45,000	45,000	31,455	33,423
Heating Gas	12,000	12,000	9,166	8,826
Total Contractual Services	202,453	202,453	141,455	136,792
Commodities				
Auto Gas and Oil	325	1,125	960	505
Office Supplies	25	25	-	-
Maintenance Supplies	15,000	14,200	11,323	13,009
Janitorial Supplies	4,500	4,500	2,681	3,608
Uniforms	400	400	207	428
Small Equipment	4,000	4,000	2,377	1,832
Total Commodities	24,250	24,250	17,548	19,382

(This schedule is continued on the following pages.)

VILLAGE OF CAROL STREAM, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2006
(with comparative actual)

	2006		2005	
	Original Budget	Final Budget	Actual	Actual
GENERAL GOVERNMENT (Continued)				
Municipal Building (Continued)				
Capital Outlay				
Other Equipment	\$ 55,000	\$ 55,000	\$ 15,312	\$ 21,494
Total Capital Outlay	55,000	55,000	15,312	21,494
Total Municipal Building	\$ 440,844	\$ 440,844	\$ 321,591	\$ 309,704
Municipal Garage				
Salaries and Wages				
Personal Services	\$ 268,012	\$ 268,012	\$ 224,032	\$ 246,689
Overtime	6,502	6,502	1,612	6,450
Group Insurance	34,104	37,604	37,192	39,927
IMRF	28,000	28,000	23,168	24,078
FICA	21,000	21,000	16,656	19,068
Workers' Compensation	9,635	9,635	7,866	7,385
Compensated Absences	-	-	899	447
Total Salaries and Wages	367,253	370,753	311,425	344,044
Contractual Services				
Auto Maintenance and Repairs	1,000	1,100	842	4,924
Training	600	700	686	386
Vehicle Insurance	1,072	1,072	941	920
Radio Maintenance	100	-	-	-
Dues and Subscriptions	205	110	110	1,012
Maintenance and Repairs	2,500	6,221	6,218	-
Equipment Rental	800	795	645	548
Uniform Cleaning	2,874	2,874	3,017	3,227
Equipment Maintenance	3,900	2,150	1,957	1,447
Total Contractual Services	13,051	15,022	14,416	12,464
Commodities				
Auto Gas and Oil	839	839	328	531
Office Supplies	400	400	268	413
Printed Materials	200	200	-	355
Tools	3,090	2,589	1,561	3,059
Operating Supplies	3,300	2,500	2,962	3,020
Reference Materials	2,550	2,080	2,080	748
Uniforms	1,200	1,300	1,265	1,049
Gas	208,280	208,280	211,430	160,199
Oil and Parts	55,000	55,000	42,086	41,668
Small Equipment	1,200	685	558	614
Outsourcing Services	25,000	25,000	18,845	21,297
Total Commodities	301,059	298,873	281,383	232,953

(This schedule is continued on the following pages.)

VILLAGE OF CAROL STREAM, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2006
(with comparative actual)

	2006		2005	
	Original Budget	Final Budget	Actual	Actual
GENERAL GOVERNMENT (Continued)				
Municipal Garage (Continued)				
Capital Outlay				
Other Equipment	\$ 4,800	\$ 5,015	\$ 5,014	\$ 15,116
Vehicles	-	-	-	27,000
Total Capital Outlay	4,800	5,015	5,014	42,116
Total Municipal Garage	\$ 686,163	\$ 689,663	\$ 612,238	\$ 631,577
PUBLIC SAFETY				
Law Enforcement				
Salaries and Wages				
Personal Services	\$ 5,766,664	\$ 5,671,664	\$ 5,617,123	\$ 5,102,411
Crossing Guards	103,748	103,748	88,842	89,766
Court Time	78,500	105,500	106,499	91,636
Overtime	445,000	505,000	495,894	463,215
Group Insurance	876,222	869,222	864,468	759,353
IMRF	134,655	134,655	134,539	111,291
FICA	485,026	485,026	454,610	421,994
Workers' Compensation	319,443	319,443	269,595	243,801
Pension Contribution	668,879	668,879	668,880	524,268
Compensated Absences	-	-	9,926	136
Total Salaries and Wages	8,878,137	8,863,137	8,710,376	7,807,871
Contractual Services				
Auto Maintenance and Repairs	209,385	234,385	200,772	245,199
Meetings	4,395	4,395	2,238	2,040
Training	100,000	102,500	113,172	77,156
Vehicle Insurance	33,215	33,215	31,955	30,502
Office Equipment Maintenance	19,350	19,350	17,316	25,114
Radio Maintenance	18,275	18,275	17,684	14,936
Telephone	25,035	21,035	11,763	17,259
Records Storage	100	100	100	13,075
Dues and Subscriptions	9,787	9,787	8,289	5,488
Management Physicals	6,700	4,200	1,900	1,154
Pistol Range	5,200	5,200	5,200	5,010
Paging	2,000	2,000	1,564	1,610
General Communications System	523,927	498,927	498,112	476,297
Records Data Processing	3,682	3,682	2,750	3,000
Animal Control	5,000	5,000	4,105	2,834
Consultant	-	1,700	1,523	-
Software Maintenance	1,527	5,527	5,056	1,999
Total Contractual Services	967,578	969,278	923,499	922,673
Commodities				
Auto Gas and Oil	99,636	109,636	110,646	77,682
Office Supplies	17,500	17,500	13,867	16,140
Printed Materials	13,000	13,000	14,653	12,724
Operating Supplies	30,000	32,000	37,314	23,856

(This schedule is continued on the following pages.)

VILLAGE OF CAROL STREAM, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2006
(with comparative actual)

	2006		2005	
	Original Budget	Final Budget	Actual	Actual
PUBLIC SAFETY (Continued)				
Law Enforcement (Continued)				
Commodities (Continued)				
Reference Materials	\$ 6,000	\$ 6,000	\$ 4,498	\$ 3,151
Ammunition	13,000	13,000	15,885	13,433
Emergency Equipment	11,319	11,319	8,569	1,235
Weapons	6,715	6,715	5,502	4,734
Uniforms	82,105	82,105	66,539	66,566
Community Relations	30,000	30,000	31,078	32,323
Prisoner Care	500	500	421	753
Investigation Fund	11,402	11,402	9,040	7,205
Small Equipment	23,722	22,022	19,686	28,920
Canine Care	-	-	-	1,292
Total Commodities	344,899	355,199	337,698	290,014
Capital Outlay				
Other Equipment	106,900	106,900	41,633	68,320
Computer Equipment	17,200	17,200	13,767	17,533
Vehicles	148,325	148,325	124,901	113,178
Radios	43,325	41,325	29,420	24,551
Total Capital Outlay	315,750	313,750	209,721	223,582
Total Law Enforcement	\$ 10,506,364	\$ 10,501,364	\$ 10,181,294	\$ 9,244,140
HIGHWAYS AND STREETS				
Public Works - Streets				
Salaries and Wages				
Personal Services	\$ 1,016,289	\$ 1,014,841	\$ 970,932	\$ 939,092
Seasonal Help	31,000	32,448	32,448	26,404
Overtime	145,024	145,024	91,481	129,759
Group Insurance	156,091	156,091	154,480	151,306
IMRF	118,454	118,454	108,475	98,885
FICA	91,041	91,041	80,243	79,049
Workers' Compensation	79,797	79,797	67,857	62,086
Compensated Absences	-	-	4,952	2,719
Total Salaries and Wages	1,637,696	1,637,696	1,510,868	1,489,300
Contractual Services				
Auto Maintenance and Repairs	201,544	220,244	188,093	204,262
Meetings	350	350	71	268
Training	6,100	6,100	5,097	3,576
Vehicle Insurance	23,567	23,567	20,678	20,216
Office Equipment Maintenance	250	250	289	-
Radio Maintenance	1,000	670	581	497
Telephone	7,500	7,400	5,944	1,774
Copy	720	490	456	19
Dues and Subscriptions	1,800	2,460	2,429	1,913
Management Physicals	400	400	334	-

(This schedule is continued on the following pages.)

VILLAGE OF CAROL STREAM, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2006
(with comparative actual)

	2006		2005	
	Original Budget	Final Budget	Actual	Actual
HIGHWAYS AND STREETS (Continued)				
Public Works - Streets (Continued)				
Contractual Services (Continued)				
Paging	\$ 950	\$ 950	\$ 650	\$ 750
Maintenance and Repairs	6,570	6,570	5,544	-
Electricity	11,200	11,200	6,495	9,918
Consultant	-	-	-	115
Software Maintenance	851	926	925	894
Equipment Rental	5,000	4,925	2,509	1,703
Hauling	11,330	11,330	10,956	7,105
Snow Removal	110,000	91,300	81,559	124,067
Uniform Cleaning	521	521	542	512
Tree Maintenance	14,700	12,900	14,261	11,761
Mosquito Spraying	27,620	27,620	27,522	26,212
Street Lighting - Maintenance	37,000	23,500	16,457	49,335
Property Maintenance	117,664	114,913	99,448	59,444
Street Lighting - Maintenance	-	13,500	8,086	-
Janitorial Supplies	8,617	11,417	11,310	-
Heating Gas	18,250	18,250	13,092	-
Street Maintenance	194,000	196,751	193,479	-
Total Contractual Services	807,504	808,504	716,807	524,341
Commodities				
Auto Gas and Oil	37,405	37,405	32,760	28,438
Office Supplies	1,150	1,150	1,172	1,247
Printed Materials	250	250	199	31
Small Tools	1,600	1,600	1,392	1,216
Operating Supplies	35,101	34,101	30,840	37,052
Maintenance Supplies	3,700	3,700	3,125	-
Uniforms	7,000	7,000	6,140	6,162
Street Signs	9,000	9,000	6,776	7,738
Small Equipment	3,700	3,700	3,475	2,226
Total Commodities	98,906	97,906	85,879	84,110
Capital Outlay				
Other Equipment	25,147	58,264	58,181	3,631
Computer Equipment	1,050	1,050	397	1,137
Vehicles	108,200	212,178	212,178	69,978
Radios	1,400	1,405	1,405	1,378
Total Capital Outlay	135,797	272,897	272,161	76,124
Total Public Works - Streets	\$ 2,679,903	\$ 2,817,003	\$ 2,585,715	\$ 2,173,875

(This schedule is continued on the following page.)

VILLAGE OF CAROL STREAM, ILLINOIS

GENERAL CORPORATE FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2006
(with comparative actual)

	2006		2005	
	Original Budget	Final Budget	Actual	Actual
HIGHWAYS AND STREETS (Continued)				
Public Works Center				
Contractual Services				
Telephone	\$ -	\$ -	\$ -	\$ 4,331
Copy Fees	-	-	-	434
Maintenance and Repairs	-	-	-	6,863
Janitorial Services	-	-	-	8,867
Heating Gas	-	-	-	8,534
Total Contractual Services	-	-	-	29,029
Commodities				
Operating Supplies	-	-	-	390
Maintenance Supplies	-	-	-	557
Janitorial Supplies	-	-	-	2,928
Maintenance and Repairs	-	-	-	2,186
Small Equipment	-	-	-	150
Total Commodities	-	-	-	6,211
Total Public Works Center	\$ -	\$ -	\$ -	\$ 35,240
Construction				
Capital Outlay				
Construction	\$ 303,305	\$ 303,305	\$ 233,633	\$ 1,130,325
Total Construction	\$ 303,305	\$ 303,305	\$ 233,633	\$ 1,130,325

(See independent auditor's report.)

VILLAGE OF CAROL STREAM, ILLINOIS
 CAPITAL IMPROVEMENT PROGRAM FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended April 30, 2006

	Original Budget	Final Budget	Actual
REVENUES			
Investment Income	\$ -	\$ -	\$ 496,273
Total Revenues	-	-	496,273
EXPENDITURES			
Capital Outlay			
Roadway Capital Improvements	-	855,097	623,662
Total Expenditures	-	855,097	623,662
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(855,097)	(127,389)
OTHER FINANCING SOURCES (USES)			
Transfers In			
General Fund	-	14,016,396	14,016,396
Total Other Financing Sources (Uses)	-	14,016,396	14,016,396
NET CHANGE IN FUND BALANCE	\$ -	\$ 13,161,299	13,889,007
FUND BALANCE, MAY 1			-
FUND BALANCE, APRIL 30			\$ 13,889,007

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Motor Fuel Tax Fund - to account for the operation of street maintenance and capital projects as authorized by the Illinois Department of Transportation. Financing is provided from the Village's share of gasoline taxes.

Civic Enhancement Fund - to account for revenues and expenditures as a result of the Village levying a 5% Hotel/Motel tax. The ordinance provides that revenue collected from the tax should be expended solely to promote tourism, conventions and civic enhancement in the Village.

Geneva Crossing TIF Fund - to account for the financing of the Geneva Crossing TIF District, including the incremental tax revenues and repayment of the senior lien TIF revenue bonds.

VILLAGE OF CAROL STREAM, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

April 30, 2006

	Motor Fuel Tax	Civic Enhancement	Geneva Crossing TIF	Total
ASSETS				
Cash and Investments	\$ 2,901,182	\$ -	\$ 151,791	\$ 3,052,973
Restricted Cash and Investments	-	-	559,621	559,621
Receivables				
Property Taxes	-	-	306,790	306,790
Due from Other Funds	-	-	92,521	92,521
Due from Other Governments	92,663	-	-	92,663
TOTAL ASSETS	\$ 2,993,845	\$ -	\$ 1,110,723	\$ 4,104,568
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 13,551	\$ -	\$ -	\$ 13,551
Deferred Revenues	-	-	306,790	306,790
Total Liabilities	13,551	-	306,790	320,341
FUND BALANCES				
Reserve for				
Debt Service	-	-	559,621	559,621
Maintenance of Roadways	2,980,294	-	-	2,980,294
Economic Development	-	-	244,312	244,312
Total Fund Balances	2,980,294	-	803,933	3,784,227
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,993,845	\$ -	\$ 1,110,723	\$ 4,104,568

See accompanying notes to financial statements.

VILLAGE OF CAROL STREAM, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Year Ended April 30, 2006

	Motor Fuel Tax			Civic Enhancement Fund		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
REVENUES						
Taxes						
Hotel Tax	\$ -	\$ -	\$ -	\$ 253,317	\$ 253,317	\$ 288,065
Incremental Taxes	-	-	-	-	-	-
Intergovernmental						
Allotments	1,196,965	1,196,965	1,198,253	-	-	-
Investment Income	31,000	31,000	97,108	100	100	5,405
Miscellaneous	-	-	-	47,500	47,500	61,322
Total Revenues	<u>1,227,965</u>	<u>1,227,965</u>	<u>1,295,361</u>	<u>300,917</u>	<u>300,917</u>	<u>354,792</u>
EXPENDITURES						
Current						
General Government	-	-	-	300,917	300,917	216,803
Highways and Streets	1,274,890	1,274,890	1,105,474	-	-	-
Debt Service						
Principal Retirement	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	<u>1,274,890</u>	<u>1,274,890</u>	<u>1,105,474</u>	<u>300,917</u>	<u>300,917</u>	<u>216,803</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(46,925)</u>	<u>(46,925)</u>	<u>189,887</u>	<u>-</u>	<u>-</u>	<u>137,989</u>
OTHER FINANCING SOURCES (USES)						
Bonds Issued, At Par	-	-	-	-	-	-
Payment to Escrow Agent	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	(258,850)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(258,850)</u>
NET CHANGE IN FUND BALANCES	<u>\$ (46,925)</u>	<u>\$ (46,925)</u>	<u>189,887</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(120,861)</u>
FUND BALANCES, MAY 1			<u>2,790,407</u>			<u>120,861</u>
FUND BALANCES, APRIL 30			<u>\$ 2,980,294</u>			<u>\$ -</u>

Geneva Crossing TIF			Totals		
Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
\$ -	\$ -	\$ -	\$ 253,317	\$ 253,317	\$ 288,065
278,260	278,260	292,136	278,260	278,260	292,136
-	-	-	1,196,965	1,196,965	1,198,253
33,000	33,000	27,806	64,100	64,100	130,319
-	-	-	47,500	47,500	61,322
311,260	311,260	319,942	1,840,142	1,840,142	1,970,095
-	-	-	300,917	300,917	216,803
-	-	-	1,274,890	1,274,890	1,105,474
155,000	155,000	205,000	155,000	155,000	205,000
328,044	328,044	389,678	328,044	328,044	389,678
483,044	483,044	594,678	2,058,851	2,058,851	1,916,955
(171,784)	(171,784)	(274,736)	(218,709)	(218,709)	53,140
-	-	4,285,000	-	-	4,285,000
-	-	(4,454,918)	-	-	(4,454,918)
194,826	194,826	233,475	194,826	194,826	233,475
-	-	-	-	-	(258,850)
194,826	194,826	63,557	194,826	194,826	(195,293)
\$ 23,042	\$ 23,042	(211,179)	\$ (23,883)	\$ (23,883)	(142,153)
		<u>1,015,112</u>			<u>3,926,380</u>
		<u>\$ 803,933</u>			<u>\$ 3,784,227</u>

(See independent auditor's report.)

VILLAGE OF CAROL STREAM, ILLINOIS

MOTOR FUEL TAX FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended April 30, 2006
(with comparative actual)

	2006		2005	
	Original Budget	Final Budget	Actual	Actual
EXPENDITURES				
Highways and Streets				
Crack filling	\$ 81,000	\$ 81,000	\$ 57,717	\$ -
Maintenance and Repairs	5,000	5,000	2,774	2,261
Electricity	55,000	55,000	42,934	45,159
Salt	95,790	95,790	94,852	92,774
Materials	3,000	6,900	6,811	2,831
Street Supplies	7,300	7,300	3,508	9,228
Street Resurfacing	995,000	995,000	869,994	933,851
Street Signs	12,000	12,000	11,941	10,524
Sand	2,800	2,800	1,377	236
CA-6	8,000	2,300	1,500	7,296
Concrete	10,000	11,800	12,066	4,630
TOTAL EXPENDITURES	\$ 1,274,890	\$ 1,274,890	\$ 1,105,474	\$ 1,108,790

(See independent auditor's report.)

VILLAGE OF CAROL STREAM, ILLINOIS

CIVIC ENHANCEMENT FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended April 30, 2006
(with comparative actual)

	2006		2005	
	Original Budget	Final Budget	Actual	Actual
EXPENDITURES				
General Government				
Municipal Promotion	\$ 300,517	\$ 300,517	\$ 216,699	\$ 217,434
Bricks	400	400	104	516
Total General Government	300,917	300,917	216,803	217,950
TOTAL EXPENDITURES	\$ 300,917	\$ 300,917	\$ 216,803	\$ 217,950

(See independent auditor's report.)

ENTERPRISE FUND

Water and Sewer Fund - to account for the operation of the Village's water/sewer and water reclamation facilities and distribution/collection systems. Financing is provided by user fees which are calculated on a break-even basis.

VILLAGE OF CAROL STREAM, ILLINOIS

WATER AND SEWER FUND

SCHEDULE OF NET ASSETS

April 30, 2006
(with comparative actual)

	2006	2005
CURRENT ASSETS		
Cash and Investments	\$ 11,029,598	\$ 9,903,175
Restricted Cash and Investments	9,077	9,009
Receivables		
Accounts	940,087	960,915
Prepaid Expenses	183,290	183,306
Due from Other Funds	12,407	1,585
Deposits - Equipment	1,995	4,275
	<hr/>	<hr/>
Total Current Assets	12,176,454	11,062,265
NONCURRENT ASSETS		
Capital Assets		
Not Being Depreciated	1,617,446	1,285,513
Being Depreciated	68,318,596	67,578,801
Accumulated Depreciation	(24,282,084)	(22,403,746)
	<hr/>	<hr/>
Net Capital Assets	45,653,958	46,460,568
Water Purchase Rights	1,936,476	1,936,476
Accumulated Amortization	(847,208)	(786,693)
	<hr/>	<hr/>
Total Noncurrent Assets	46,743,226	47,610,351
	<hr/>	<hr/>
Total Assets	58,919,680	58,672,616

VILLAGE OF CAROL STREAM, ILLINOIS

WATER AND SEWER FUND

SCHEDULE OF NET ASSETS (Continued)

April 30, 2006
(with comparative actual)

	2006	2005
CURRENT LIABILITIES		
Accounts Payable	\$ 353,089	\$ 427,314
Contracts Payable	-	89,742
Interest Payable	6,099	6,366
Accrued Salaries	18,416	12,332
Deposits Payable	9,077	9,009
Due to Other Funds	85,504	15,077
Compensated Absences Payable	14,469	11,017
Loan Payable	273,564	266,666
	<u>760,218</u>	<u>837,523</u>
NONCURRENT LIABILITIES		
Compensated Absences Payable	81,988	62,430
Loan Payable	5,828,893	6,102,457
	<u>5,910,881</u>	<u>6,164,887</u>
	<u>6,671,099</u>	<u>7,002,410</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	39,551,501	40,091,445
Unrestricted	12,697,080	11,578,761
	<u>\$ 52,248,581</u>	<u>\$ 51,670,206</u>

(See independent auditor's report.)

VILLAGE OF CAROL STREAM, ILLINOIS

WATER AND SEWER FUND

SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL

For the Year Ended April 30, 2006
(with comparative actual)

	2006		2005	
	Original Budget	Final Budget	Actual	Actual
OPERATING REVENUES				
Charges for Services				
Customer Charges - Water	\$ 4,221,344	\$ 4,221,344	\$ 4,106,448	\$ 4,158,910
Customer Charges - Sewer	2,587,359	2,587,359	2,689,199	2,342,082
Connection Fees - Water	21,750	21,750	27,400	8,725
Connection Fees - Sewer	35,000	35,000	53,326	15,500
Connection Fees - Expansion	272,475	272,475	347,811	108,200
Penalties - Water	54,877	54,877	42,044	48,888
Penalties - Sewer	33,636	33,636	29,045	27,790
Shutoff Notices and Administrative Fees	66,000	66,000	75,059	79,076
Meter Sales	24,575	24,575	36,945	15,191
Total Operating Revenues	7,317,016	7,317,016	7,407,277	6,804,362
OPERATING EXPENSES				
Operations				
Water Reclamation Center	2,137,631	2,168,119	2,008,674	1,951,697
Water and Sewer	3,831,114	3,831,114	3,357,045	3,490,495
Amortization	-	-	60,515	60,515
Depreciation	-	-	1,913,083	1,898,212
Total Operating Expenses	5,968,745	5,999,233	7,339,317	7,400,919
OPERATING INCOME (LOSS)	1,348,271	1,317,783	67,960	(596,557)
NONOPERATING REVENUES (EXPENSES)				
Investment Income	166,626	166,626	382,607	156,060
Miscellaneous Revenue	82,150	82,150	79,629	89,086
Interest Expense	(161,019)	(161,019)	(161,718)	(47,822)
Gain on Sale of Capital Assets	-	-	2,152	1,530
Total Nonoperating Revenues (Expenses)	87,757	87,757	302,670	198,854
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,436,028	1,405,540	370,630	(397,703)
CONTRIBUTIONS				
Capital Contributions	89,000	89,000	207,745	-
TRANSFERS IN (OUT)				
Transfers In	-	-	100,000	100,000
Transfers (Out)	(100,000)	(100,000)	(100,000)	(100,000)
Total Transfers In (Out)	(100,000)	(100,000)	-	-
CHANGE IN NET ASSETS	\$ 1,425,028	\$ 1,394,540	578,375	(397,703)
NET ASSETS, MAY 1			51,670,206	52,067,909
NET ASSETS, APRIL 30			\$ 52,248,581	\$ 51,670,206

(See independent auditor's report.)

VILLAGE OF CAROL STREAM, ILLINOIS

WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL

For the Year Ended April 30, 2006
(with comparative actual)

	2006		2005	
	Original Budget	Final Budget	Actual	Actual
WATER RECLAMATION CENTER				
Salaries and Wages				
Personal Services	\$ 268,581	\$ 268,581	\$ 261,801	\$ 249,161
Overtime	8,514	8,514	7,836	10,471
Group Insurance	48,193	48,193	51,524	41,241
IMRF	28,264	28,264	27,704	24,271
FICA	21,198	21,198	19,221	18,921
Workers' Compensation	6,102	6,102	5,216	5,221
Compensated Absences	-	-	9,023	(5,742)
Total Salaries and Wages	380,852	380,852	382,325	343,544
Contractual Services				
Auto Maintenance and Repairs	8,591	8,691	7,220	19,275
Utility Bill Processing	56,263	56,263	53,505	50,329
Meetings	100	-	-	70
Training	3,000	3,000	2,315	1,413
Vehicle Insurance	5,360	5,360	4,703	4,598
Postage	19,134	19,134	19,126	21,023
Telephone	3,000	3,000	3,255	3,029
Copy Expense	408	408	245	423
Records Storage	1,000	1,000	376	255
Dues and Subscriptions	150	150	97	145
Property Insurance	17,762	17,012	15,968	15,472
Public Notices/Information	250	250	61	207
Auditing	2,962	2,962	2,963	6,389
Electricity	4,500	8,500	8,113	9,565
OMI Contract	1,451,053	1,451,053	1,321,518	1,358,912
Plant Maintenance	25,000	21,000	19,866	11,658
Consultant	1,000	1,000	-	-
Liability Insurance	13,517	13,517	12,039	11,609
Heating Gas	-	400	241	-
Lab Services	5,000	5,000	2,529	2,655
Municipal Service Charges	65,730	65,730	65,730	63,589
Sewer System Maintenance	10,000	11,500	11,202	9,119
NPDES Permit Fee	31,066	62,304	62,430	-
Total Contractual Services	1,724,846	1,757,234	1,613,502	1,589,735
Commodities				
Auto Gas and Oil	1,583	1,183	803	690
Office Supplies	500	500	466	237
Printed Materials	300	300	-	168
Sewer System Supplies	14,000	12,500	3,502	9,850
Small Equipment Expense	500	500	420	-
Total Commodities	16,883	14,983	5,191	10,945

(This schedule is continued on the following pages.)

VILLAGE OF CAROL STREAM, ILLINOIS

WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2006
(with comparative actual)

	2006		2005	
	Original Budget	Final Budget	Actual	Actual
WATER RECLAMATION CENTER				
(Continued)				
Capital Outlay				
Other Equipment	\$ 9,650	\$ 9,650	\$ 7,656	\$ 34,563
Contingency	5,000	5,000	-	-
Computer Equipment	400	400	-	2,951
Construction	170,000	530,000	450,983	257,842
Total Capital Outlay	185,050	545,050	458,639	295,356
Total Water Reclamation Center	2,307,631	2,698,119	2,459,657	2,239,580
Less Nonoperating Items				
Capital Assets Capitalized	(170,000)	(530,000)	(450,983)	(287,883)
TOTAL WATER RECLAMATION CENTER OPERATING EXPENSES EXCLUDING DEPRECIATION AND AMORTIZATION	\$ 2,137,631	\$ 2,168,119	\$ 2,008,674	\$ 1,951,697
WATER AND SEWER				
Salaries and Wages				
Personal Services	\$ 476,079	\$ 476,079	\$ 467,206	\$ 443,483
Seasonal Help	8,000	8,000	2,553	6,576
Overtime	30,041	30,041	27,238	30,166
Group Insurance	103,168	103,168	102,531	98,412
IMRF	51,321	51,321	50,681	44,480
FICA	39,330	39,330	35,072	34,906
Workers' Compensation	18,637	18,637	16,416	16,210
Compensated Absences	-	-	13,987	(4,487)
Total Salaries and Wages	726,576	726,576	715,684	669,746
Contractual Services				
Auto Maintenance and Repairs	43,651	43,651	40,247	31,769
Utility Bill Processing	56,263	56,263	53,505	50,329
Meetings	100	100	-	-
Training	2,000	2,000	1,392	4,143
Vehicle Insurance	10,720	10,720	9,406	9,196
Radio Maintenance	200	200	-	140
Postage	19,934	19,934	19,867	21,402
Telephone	18,500	18,500	18,927	15,089
Copy Expense	200	200	14	-
Records Storage	1,000	1,000	376	255
Dues and Subscriptions	610	610	250	480
Auditing	2,962	2,962	2,963	2,989
Paging	400	400	348	389

(This schedule is continued on the following page.)

VILLAGE OF CAROL STREAM, ILLINOIS

WATER AND SEWER FUND

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2006
(with comparative actual)

	2006		2005	
	Original Budget	Final Budget	Actual	Actual
WATER AND SEWER (Continued)				
Contractual Services (Continued)				
Water and Well Maintenance	\$ 211,060	\$ 184,060	\$ 79,559	\$ 125,518
Electricity	42,300	69,300	66,233	50,599
Liability Insurance	13,517	13,517	12,039	11,609
Property Insurance	14,294	14,294	12,850	12,451
Equipment Rental	500	200	-	1,010
Uniform Cleaning	1,600	1,600	1,170	1,278
Property Maintenance	1,067	1,067	1,216	-
Heating Gas	1,000	1,300	1,136	796
Lab Services	5,400	5,400	5,385	6,300
Municipal Service Charges	65,730	65,730	65,730	63,589
Meter Maintenance	10,815	10,815	10,000	10,000
DuPage Water Commission	2,470,685	2,470,685	2,137,382	2,334,316
Equipment Maintenance	1,500	1,500	1,344	1,427
Total Contractual Services	2,996,008	2,996,008	2,541,339	2,755,074
Commodities				
Auto Gas and Oil	12,630	12,630	12,451	10,418
Office Supplies	600	600	502	561
Printed Materials	600	600	24	218
Small Tools	1,800	1,800	1,534	864
Operating Supplies	26,300	24,800	24,907	28,329
Uniforms	4,300	4,300	3,300	3,577
Chemicals	100	100	-	-
New Meters	31,200	32,700	34,204	13,628
Small Equipment Expense	2,000	2,000	1,145	3,056
Total Commodities	79,530	79,530	78,067	60,651
Capital Outlay				
Other Equipment	24,000	24,000	21,655	1,003
Computer Equipment	-	-	-	3,121
Construction	828,000	828,000	437,531	-
Contingency	5,000	5,000	300	900
Total Capital Outlay	857,000	857,000	459,486	5,024
Total Water and Sewer	4,659,114	4,659,114	3,794,576	3,490,495
Less Nonoperating Items				
Capital Assets Capitalized	(828,000)	(828,000)	(437,531)	-
TOTAL WATER AND SEWER OPERATING EXPENSES EXCLUDING DEPRECIATION AND AMORTIZATION	\$ 3,831,114	\$ 3,831,114	\$ 3,357,045	\$ 3,490,495

(See independent auditor's report.)

VILLAGE OF CAROL STREAM, ILLINOIS
WATER AND SEWER FUND
SCHEDULE OF CAPITAL ASSETS AND DEPRECIATION
For the Year Ended April 30, 2006

	Capital Assets				
	Balances May 1, Restated	Additions and Transfers	Retirements and Transfers	Balances April 30	
Water and Sewer System	\$ 41,407,211	\$ 219,292	\$ -	\$ 41,626,503	
Land	1,179,915	-	-	1,179,915	
Buildings	24,756,458	487,325	20,000	25,223,783	
Machinery and Equipment	1,484,388	-	16,078	1,468,310	
Construction in Process	105,598	437,531	105,598	437,531	
TOTAL	\$ 68,933,570	\$ 1,144,148	\$ 141,676	\$ 69,936,042	

	Accumulated Depreciation				Net Asset Value
	Balances May 1	Additions	Retirements		
Water and Sewer System	\$ 15,466,928	\$ 1,383,541	\$ -	\$ 16,850,469	\$ 24,776,034
Land	-	-	-	-	1,179,915
Buildings	5,567,280	490,150	18,667	6,038,763	19,185,020
Machinery and Equipment	1,369,538	39,392	16,078	1,392,852	75,458
Construction in Process	-	-	-	-	437,531
TOTAL	\$ 22,403,746	\$ 1,913,083	\$ 34,745	\$ 24,282,084	\$ 45,653,958

(See independent auditor's report.)

FIDUCIARY FUND

Pension Trust Fund

Police Pension Trust Fund - to account for the accumulation of resources to pay pension costs. Resources are contributed by police department members at fixed rates per state statutes and by the Village via transfers, in amounts that have been determined by an independent actuary.

VILLAGE OF CAROL STREAM, ILLINOIS

POLICE PENSION TRUST FUND

SCHEDULE OF CHANGES IN FIDUCIARY NET ASSETS -
BUDGET AND ACTUAL

For the Year Ended April 30, 2006
(with comparative actual)

	2006		2005	
	Original Budget	Final Budget	Actual	Actual
ADDITIONS				
Contributions				
Employer	\$ 668,879	\$ 668,879	\$ 668,880	\$ 524,268
Employee	430,020	430,020	422,868	385,752
Total Contributions	1,098,899	1,098,899	1,091,748	910,020
Investment Income				
Net Appreciation in Fair Value of Investments	767,410	767,410	2,011,972	1,074,136
Interest	522,650	522,650	301,251	225,164
Total Investment Income	1,290,060	1,290,060	2,313,223	1,299,300
Less Investment Expense	(34,200)	(34,200)	(29,701)	(28,282)
Net Investment Income	1,255,860	1,255,860	2,283,522	1,271,018
Total Additions	2,354,759	2,354,759	3,375,270	2,181,038
DEDUCTIONS				
Benefits and Refunds				
Retirement Benefits	712,916	712,466	709,939	655,481
Disability Benefits	22,800	22,800	22,800	17,538
Contribution Refunds	10,000	9,600	2,988	175
Operations				
Other	10,977	11,827	9,752	8,108
Total Deductions	756,693	756,693	745,479	681,302
NET INCREASE	<u>\$ 1,598,066</u>	<u>\$ 1,598,066</u>	2,629,791	1,499,736
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS				
May 1			19,054,441	17,554,705
April 30			<u>\$ 21,684,232</u>	<u>\$ 19,054,441</u>

(See independent auditor's report.)

CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS

Capital assets used in operations are not accounted for in governmental funds in the fund financial statements but are included in the governmental activities column in the government-wide financial statements. These include all capital assets including infrastructure assets not accounted for in Proprietary Funds or in Fiduciary Funds.

VILLAGE OF CAROL STREAM, ILLINOIS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE BY SOURCE

April 30, 2006

CAPITAL ASSETS	
Land	\$ 31,960,952
Buildings	14,282,622
Construction in Progress	874,124
Furniture and Equipment	908,389
Vehicles	2,718,617
Infrastructure	<u>76,531,642</u>
TOTAL CAPITAL ASSETS	<u>\$ 127,276,346</u>
INVESTMENT IN CAPITAL ASSETS	
General Revenues	\$ 121,231,558
Installment Contracts	1,400,000
General Obligation Bonds	1,140,000
Contributions - Developers	<u>3,504,788</u>
TOTAL INVESTMENT IN CAPITAL ASSETS	<u>\$ 127,276,346</u>

(See independent auditor's report.)

VILLAGE OF CAROL STREAM, ILLINOIS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE BY FUNCTION

April 30, 2006

Function	Land	Buildings	Construction in Progress
General Government	\$ 2,981,985	\$ 11,675,685	\$ 874,124
Public Safety	-	-	-
Public Works	28,978,967	2,606,937	-
TOTAL GENERAL CAPITAL ASSETS	\$ 31,960,952	\$ 14,282,622	\$ 874,124

Furniture and Equipment	Vehicles	Infrastructure	Totals
\$ 422,101	\$ 149,445	\$ -	\$ 16,103,340
71,402	805,372	-	876,774
414,886	1,763,800	76,531,642	110,296,232
<u>\$ 908,389</u>	<u>\$ 2,718,617</u>	<u>\$ 76,531,642</u>	<u>\$ 127,276,346</u>

(See independent auditor's report.)

VILLAGE OF CAROL STREAM, ILLINOIS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE OF CHANGES BY FUNCTION

For the Year Ended April 30, 2006

Function	Balances May 1, Restated	Additions and Transfers	Retirements and Transfers	Balances April 30
General Government	\$ 16,066,699	\$ 3,158,569	\$ 3,121,928	\$ 16,103,340
Public Safety	827,360	124,901	75,487	876,774
Public Works	108,958,195	1,480,573	142,536	110,296,232
TOTAL NET CAPITAL ASSETS	\$ 125,852,254	\$ 4,764,043	\$ 3,339,951	\$ 127,276,346

(See independent auditor's report.)

LONG-TERM DEBT PAYABLE BY
GOVERNMENTAL FUNDS

The noncurrent portion of the Village's bond issues and compensated absences are not reported in governmental funds in the fund financial statements but are included in the governmental activity column in the government-wide financial statements.

VILLAGE OF CAROL STREAM, ILLINOIS
LONG-TERM DEBT PAYABLE BY GOVERNMENTAL FUNDS
SCHEDULE OF GENERAL LONG-TERM DEBT

April 30, 2006
(with comparative totals for 2005)

	Compensated Absences	Tax Increment Financing Bonds	Totals	
			2006	2005
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT				
Amount Available for Debt Service	\$ -	\$ 559,621	\$ 559,621	\$ 695,623
Amount to be Provided for Retirement of General Long-Term Debt	755,193	-	755,193	653,007
Amount to be Provided for Retirement of Tax Increment Financing Debt	-	3,520,379	3,520,379	3,429,377
TOTAL AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT	\$ 755,193	\$ 4,080,000	\$ 4,835,193	\$ 4,778,007
GENERAL LONG-TERM DEBT PAYABLE				
Compensated Absences Payable	\$ 755,193	\$ -	\$ 755,193	\$ 653,007
Tax Increment Financing Bonds Payable	-	4,080,000	4,080,000	4,125,000
TOTAL GENERAL LONG-TERM DEBT PAYABLE	\$ 755,193	\$ 4,080,000	\$ 4,835,193	\$ 4,778,007

(See independent auditor's report.)

VILLAGE OF CAROL STREAM, ILLINOIS

LONG-TERM DEBT REQUIREMENTS

SENIOR LIEN TAX INCREMENT REVENUE REFUNDING BONDS SERIES 2005

April 30, 2006

Date of Issue	August 30, 2005
Date of Maturity	December 30, 2021
Authorized Issue	\$ 4,285,000
Denomination of Bonds	\$ 5,000
Interest Rates	3.75% to 5.00%
Interest Dates	June 30 and December 30
Principal Maturity Date	December 30

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Tax Levy			Interest Due On			
	Principal	Interest	Totals	June 30	Amount	Dec. 30	Amount
2007	\$ 180,000	\$ 187,972	\$ 367,972	2006	\$ 93,986	2007	\$ 93,986
2008	190,000	180,772	370,772	2007	90,386	2008	90,386
2009	195,000	173,174	368,174	2008	86,587	2009	86,587
2010	205,000	165,372	370,372	2009	82,686	2010	82,686
2011	210,000	156,660	366,660	2010	78,330	2011	78,330
2012	220,000	147,735	367,735	2011	73,868	2012	73,867
2013	230,000	138,110	368,110	2012	69,055	2013	69,055
2014	240,000	127,760	367,760	2013	63,880	2014	63,880
2015	255,000	116,960	371,960	2014	58,480	2015	58,480
2016	265,000	105,230	370,230	2015	52,615	2016	52,615
2017	280,000	92,775	372,775	2016	46,387	2017	46,388
2018	290,000	79,615	369,615	2017	39,808	2018	39,807
2019	305,000	65,695	370,695	2018	32,847	2019	32,848
2020	320,000	50,750	370,750	2019	25,375	2020	25,375
2021	340,000	34,750	374,750	2020	17,375	2021	17,375
2022	355,000	17,750	372,750	2021	8,875	2022	8,875
	<u>\$ 4,080,000</u>	<u>\$ 1,841,080</u>	<u>\$ 5,921,080</u>		<u>\$ 920,540</u>		<u>\$ 920,540</u>

(See independent auditor's report.)

SUPPLEMENTAL DATA

VILLAGE OF CAROL STREAM, ILLINOIS

SCHEDULE OF INSURANCE IN FORCE

April 30, 2006

Insureds	Description of Coverage	Amount of Coverage	Expiration Date of Policy
Village of Carol Stream	Village Mayor's Bond	\$ 3,000	12/31/06
Village of Carol Stream	Village Clerk's Bond	3,000	12/31/06
Village of Carol Stream	Treasurer's Bond	120,000	12/31/06
Village of Carol Stream	Police Pension Fund Bond	1,000,000	12/31/06
Village of Carol Stream	Public Employees Position Schedule	5,000 each position	12/31/06

The Village participates in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain other governmental, quasigovernmental and nonprofit public service entities. IPBC pays each member's claims and purchases excess risk coverage.

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA manages and funds first party property losses, third party liability claims, Workers' Compensation claims and Public Officials Liability claims of its member municipalities.

Member deductibles, self-insured retentions and excess coverages are as follows:

	Member Deductibles	IRMA Self-Insured Retentions	(Excess Maximum Coverage Inclusive of Deductibles and Retentions)
Property	\$ 2,500	\$ 447,500	\$ 250,000,000
General Liability	2,500	2,997,500	10,000,000
Auto Liability	2,500	2,997,500	10,000,000
Workers' Compensation	2,500	1,497,500	31,500,000
Public Officials Liability	2,500	2,997,500	10,000,000
Underground Storage Tank (UST)	10,000	N/A	1,000,000
Employer's Liability	2,500	N/A	10,000,000

(See independent auditor's report.)



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
STATE OF ILLINOIS PUBLIC ACT 85-1142

The Honorable Mayor
Members of the Board of Trustees
Village of Carol Stream, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Carol Stream, Illinois as of and for the year ended April 30, 2006, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated July 14, 2006. The financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on the eligibility for costs incurred incidental to the implementation of the redevelopment plan and redevelopment projects associated with the Geneva Crossing TIF District pursuant to Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act.

Our audit was made in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic 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.

The Village of Carol Stream, Illinois' management is responsible for the Village's compliance with laws and regulations. In connection with our audit referred to above, we selected and tested transactions and records to determine the Village's compliance with State of Illinois Public Act 85-1142, "An Act in Relation to Tax Increment Financing".

The results of our test indicated that for the items tested, the Village of Carol Stream, Illinois complied with Subsection (q) of Section 11-74.4-3 of Public Act 85-1142.

A handwritten signature in black ink that reads 'Schuch LLP'.

Aurora, Illinois
July 14, 2006

STATISTICAL SECTION

This part of the Village of Carol Stream's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Village's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	93
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the sales tax.	99
Debt Capacity These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	102
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	106
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the city provides and the activities it performs.	108

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Village of Carol Stream implemented GASB Statement 34 in 2001; schedules presenting government-wide information include information beginning in that year.

VILLAGE OF CAROL STREAM, ILLINOIS

NET ASSETS BY COMPONENT

Last Six Fiscal Years

	Fiscal Year					
	2001	2002	2003	2004	2005	2006
GOVERNMENTAL ACTIVITIES						
Invested in Capital Assets Net of Related Debt	\$ 90,200,813	\$ 89,435,354	\$ 89,700,238	\$ 89,295,258	\$ 88,732,661	\$ 87,110,825
Restricted	2,727,470	3,143,545	3,233,240	3,364,772	4,359,029	4,092,173
Unrestricted	20,811,681	22,207,751	21,539,504	22,875,955	25,060,046	29,537,314
TOTAL GOVERNMENTAL ACTIVITIES	\$ 113,739,964	\$ 114,786,650	\$ 114,472,982	\$ 115,535,985	\$ 118,151,736	\$ 120,740,312
BUSINESS-TYPE ACTIVITIES						
Invested in Capital Assets Net of Related Debt	\$ 34,642,549	\$ 35,956,679	\$ 37,029,512	\$ 41,773,557	\$ 40,091,445	\$ 39,551,501
Restricted	-	-	-	-	-	-
Unrestricted	16,371,676	15,040,655	15,017,748	10,294,352	11,578,761	12,697,080
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 51,014,225	\$ 50,997,334	\$ 52,047,260	\$ 52,067,909	\$ 51,670,206	\$ 52,248,581
PRIMARY GOVERNMENT						
Invested in Capital Assets Net of Related Debt	\$ 124,843,362	\$ 125,392,033	\$ 126,729,750	\$ 131,068,815	\$ 128,824,106	\$ 126,662,326
Restricted	2,727,470	3,143,545	3,233,240	3,364,772	4,359,029	4,092,173
Unrestricted	37,183,357	37,248,406	36,557,252	33,170,307	36,638,807	42,234,394
TOTAL PRIMARY GOVERNMENT	\$ 164,754,189	\$ 165,783,984	\$ 166,520,242	\$ 167,603,894	\$ 169,821,942	\$ 172,988,893

Data Source

Audited Financial Statements

The implementation of GASB Statement No. 34 was completed for fiscal year ending April 30, 2001. Therefore, information prior to fiscal year 2001 is unavailable.

VILLAGE OF CAROL STREAM, ILLINOIS

CHANGE IN NET ASSETS

Last Six Fiscal Years

	Fiscal Year					
	2001	2002	2003	2004	2005	2006
EXPENSES						
Governmental Activities						
General Government	\$ 3,629,107	\$ 3,452,851	\$ 1,661,941	\$ 2,311,634	\$ 3,883,821	4,538,827
Public Safety	7,217,248	7,864,434	8,232,951	8,701,143	9,304,038	10,376,838
Highways and Streets	7,313,073	7,045,618	8,820,733	8,131,065	7,002,463	6,973,253
Interest	367,275	359,869	352,856	344,550	334,931	185,018
Total Governmental Activities Expenses	18,526,703	18,722,772	19,068,481	19,488,392	20,525,253	22,073,936
Business-Type Activities						
Water and Sewer	7,773,534	7,843,152	7,740,106	7,271,583	7,448,741	7,501,035
Total Business-Type Activities Expenses	7,773,534	7,843,152	7,740,106	7,271,583	7,448,741	7,501,035
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 26,300,237	\$ 26,565,924	\$ 26,808,587	\$ 26,759,975	\$ 27,973,994	\$ 29,574,971
PROGRAM REVENUES						
Governmental Activities						
Charges for Services						
General Government	\$ 1,322,573	\$ 1,369,932	\$ 1,423,493	\$ 1,799,298	\$ 1,437,254	\$ 1,619,244
Public Safety	702,862	705,566	811,261	868,892	1,028,562	1,240,113
Highways and Streets	-	-	-	-	-	-
Operating Grants and Contributions	1,275,265	1,195,546	1,222,365	1,215,836	1,248,786	1,270,084
Capital Grants and Contributions	205,975	71,547	9,481	13,375	53,364	16,722
Total Governmental Activities Program Revenues	3,506,675	3,342,591	3,466,600	3,897,401	3,767,966	4,146,163
Business-Type Activities						
Charges for Services						
Water and Sewer	6,300,743	6,527,486	7,063,368	6,987,158	6,804,362	7,407,277
Operating Grants and Contributions	-	-	-	-	-	-
Capital Grants and Contributions	-	-	873,000	-	-	-
Total Business-Type Activities Program Revenues	6,300,743	6,527,486	7,936,368	6,987,158	6,804,362	7,407,277
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 9,807,418	\$ 9,870,077	\$ 11,402,968	\$ 10,884,559	\$ 10,572,328	\$ 11,553,440
NET (EXPENSE) REVENUE						
Governmental Activities	\$ (15,020,028)	\$ (15,380,181)	\$ (15,601,881)	\$ (15,590,991)	\$ (16,757,287)	\$ (17,927,773)
Business-type Activities	(1,472,791)	(1,315,666)	196,262	(284,425)	(644,379)	(93,758)
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	\$ (16,492,819)	\$ (16,695,847)	\$ (15,405,619)	\$ (15,875,416)	\$ (17,401,666)	\$ (18,021,531)

VILLAGE OF CAROL STREAM, ILLINOIS

CHANGE IN NET ASSETS (Continued)

Last Six Fiscal Years

	Fiscal Year					
	2001	2002	2003	2004	2005	2006
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS						
Governmental Activities						
Taxes						
Property and Replacement	\$ 546,149	\$ 564,404	\$ 551,605	\$ 560,994	\$ 556,946	\$ 581,932
Sales	6,236,451	5,887,019	5,754,009	5,035,423	5,682,305	6,083,986
Home Rule Sales	-	-	-	1,407,501	1,942,408	2,173,123
Utility	4,715,536	4,177,890	4,115,657	4,487,359	4,496,741	4,548,252
Income	2,915,348	2,843,143	2,642,220	2,443,909	2,737,638	3,089,954
Real Estate Transfer	624,085	635,407	682,025	1,000,493	1,056,623	1,043,745
Hotel/Motel	275,361	269,780	242,094	238,377	254,498	288,065
Investment Earnings	1,734,375	987,781	688,152	387,430	532,492	1,280,799
Miscellaneous	483,896	286,248	502,162	653,281	651,022	721,128
Gain on Sale of Capital Assets	31,385	(340,752)	28,046	(96,923)	-	-
Contributions	-	1,115,947	82,243	138,868	1,462,365	705,365
Total Governmental Activities	17,562,586	16,426,867	15,288,213	16,256,712	19,373,038	20,516,349
Business-Type Activities						
Investment Earnings	1,324,137	695,924	890,743	43,352	156,060	382,607
Miscellaneous	113,603	58,947	50,783	53,968	89,086	79,629
Gain on Sale of Capital Assets	7,374	3,230	(203,780)	5,599	-	2,152
Contributions	258,876	540,674	115,918	202,155	1,530	207,745
Total Business-Type Activities	1,703,990	1,298,775	853,664	305,074	246,676	672,133
TOTAL PRIMARY GOVERNMENT	\$ 19,266,576	\$ 17,725,642	\$ 16,141,877	\$ 16,561,786	\$ 19,619,714	\$ 21,188,482
CHANGE IN NET ASSETS						
Governmental Activities	\$ 2,542,558	\$ 1,046,686	\$ (313,668)	\$ 665,721	\$ 2,615,751	\$ 2,588,576
Business-Type Activities	231,199	(16,891)	1,049,926	20,649	(397,703)	578,375
TOTAL PRIMARY GOVERNMENT CHANGE IN NET ASSETS	\$ 2,773,757	\$ 1,029,795	\$ 736,258	\$ 686,370	\$ 2,218,048	\$ 3,166,951

Data Source

Audited Financial Statements

The implementation of GASB Statement No. 34 was completed for fiscal year ending April 30, 2001. Therefore, information prior to fiscal year 2001 is unavailable.

VILLAGE OF CAROL STREAM, ILLINOIS
 FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
GENERAL FUND										
Reserved	\$ 38,025	\$ 48,094	\$ 40,593	\$ 142,775	\$ 539,555	\$ 630,299	\$ 868,062	\$ 888,961	\$ 749,188	\$ 1,010,119
Unreserved - Designated	-	-	-	-	-	-	-	1,085,000	1,085,000	1,085,000
Designated for Contingency ¹	-	-	-	-	-	-	-	358,000	358,000	358,000
Designated for Stormwater Improvements	-	-	-	-	-	-	250,000	250,000	-	-
Designated for Capital Projects	-	-	-	-	-	-	-	-	-	-
Designated for Capital Outlay ²	-	-	-	-	-	-	-	-	14,016,396	-
Designated for TIF Closure	-	-	-	111,444	-	-	-	-	-	-
Unreserved - Undesignated	19,380,123	18,526,088	19,616,996	22,853,297	24,148,818	25,373,220	24,407,372	23,998,425	13,143,003	16,984,853
TOTAL GENERAL FUND	\$ 19,418,148	\$ 18,574,182	\$ 19,657,589	\$ 23,107,516	\$ 24,688,373	\$ 26,003,519	\$ 25,525,434	\$ 26,580,386	\$ 29,351,587	\$ 19,437,972
ALL OTHER GOVERNMENTAL FUNDS										
Reserved	\$ 1,944,129	\$ 3,215,320	\$ 4,940,294	\$ 2,293,326	\$ 2,792,540	\$ 3,191,171	\$ 3,257,999	\$ 3,326,876	\$ 3,833,069	\$ 3,784,227
Unreserved, Reported In	2,284,981	1,316,860	1,636,157	552,669	303,806	279,378	265,781	370,415	93,311	-
Special Revenue Funds	-	-	-	-	-	-	-	-	-	-
Capital Project Funds	-	-	-	-	-	-	-	-	-	13,889,007
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 4,229,110	\$ 4,532,180	\$ 6,576,451	\$ 2,845,995	\$ 3,096,346	\$ 3,470,549	\$ 3,523,780	\$ 3,697,291	\$ 3,926,380	\$ 17,673,234

Data Source

Audited Financial Statements

¹ Unreserved designated for Contingency is for pending class action lawsuit relating to the Infrastructure Maintenance Fee collected during 1998-2002.

² Unreserved designated for Capital Outlay is to be used for the CIP Fund created in fiscal year 2006.

VILLAGE OF CAROL STREAM, ILLINOIS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
REVENUES										
Taxes ³	\$ 10,845,924	\$ 12,693,151	\$ 14,215,660	\$ 16,782,671	\$ 14,669,961	\$ 13,906,852	\$ 13,809,689	\$ 15,187,406	\$ 16,737,100	\$ 17,818,453
Licenses and Permits	1,074,564	1,288,781	1,463,810	1,393,245	988,926	1,008,961	1,057,415	1,322,128	1,059,311	1,245,454
Intergovernmental	957,620	1,299,122	1,196,268	1,390,055	1,481,240	1,267,092	1,231,845	1,229,211	1,302,149	1,286,806
Charges for Services	1,048,423	1,155,991	1,617,125	1,959,417	1,184,448	1,127,211	1,106,378	1,036,183	1,008,026	1,028,717
Fines and Forfeitures	451,877	408,897	490,583	553,822	516,655	474,092	595,083	627,252	771,834	972,417
Investment Income	1,440,859	1,358,517	1,287,716	1,201,093	1,734,375	1,003,516	669,844	292,862	491,993	1,246,389
Miscellaneous	148,514	204,682	187,868	420,957	207,124	231,993	332,162	747,869	213,847	339,207
Total Revenues	15,967,781	18,409,141	20,459,030	23,701,260	20,782,729	19,019,717	18,802,416	20,442,911	21,584,260	23,937,443
EXPENDITURES										
General Government	7,006,377	3,740,730	4,287,370	4,506,549	3,857,060	4,275,162	4,132,589	4,170,312	4,418,125	4,679,087
Public Safety	5,114,994	5,524,654	5,845,017	6,194,449	7,162,549	7,917,016	8,202,988	8,724,147	9,244,140	10,181,294
Highways and Streets	7,974,047	8,632,883	6,141,637	5,951,214	7,212,635	4,691,090	6,640,442	5,857,420	4,448,230	3,924,822
Debt Service										
Principal	4,314,825	430,000	450,000	60,000	70,000	85,000	100,000	115,000	135,000	205,000
Interest	774,174	583,727	602,601	476,294	364,612	359,100	352,406	344,531	335,475	227,642
Other Charges	165,536	18	3,000	27,500	4,501	3,000	3,075	3,038	3,000	162,036
Capital Outlay	-	-	-	-	-	-	-	-	-	623,662
Intergovernmental ²	-	-	-	2,372,958	-	-	-	-	-	-
Total Expenditures¹	25,349,953	18,912,012	17,329,625	19,588,964	18,671,357	17,330,368	19,431,500	19,214,448	18,583,970	20,003,543
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(9,382,172)	(502,871)	3,129,405	4,112,296	2,111,372	1,689,349	(629,084)	1,228,463	3,000,290	3,933,900

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
OTHER FINANCING SOURCES (USES)										
Transfers In	\$ 713,175	\$ 177,112	\$ -	\$ -	\$ 562,341	\$ 191,287	\$ 382,888	\$ 170,903	\$ 153,474	\$ 14,508,721
Transfers Out	(713,175)	(177,112)	-	-	(168,508)	(191,287)	(178,658)	(170,903)	(153,474)	(14,508,721)
Bonds Issued	10,270,749	-	-	-	-	-	-	-	-	4,285,000
Discount on Bonds Issued	-	-	-	-	-	-	-	-	-	-
Payment to Escrow Agent	(4,935,249)	-	-	(4,392,825)	-	-	-	-	-	(4,454,918)
Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	5,335,500	-	-	(4,392,825)	393,833	-	204,230	-	-	(169,918)
NET CHANGE IN FUND BALANCES	\$ (4,046,672)	\$ (502,871)	\$ 3,129,405	\$ (280,529)	\$ 2,505,205	\$ 1,689,349	\$ (424,854)	\$ 1,228,463	\$ 3,000,290	\$ 3,763,982
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	4.90%	6.58%	6.52%	2.82%	2.78%	3.01%	2.82%	2.80%	2.98%	2.36%

Data Source

Audited Financial Statements

- ¹ Increase in fiscal year 1997 expenditures were due to one-time development costs for the Geneva TIF District. Also, issued Carol Point Refunding revenue bonds.
- ² Increase in fiscal year 1998 expenditures were due to construction costs for Gary Avenue Improvements including Town Center.
- ³ Defeasance of Carol Point TIF district excess tax distribution to DuPage County.
- ³ Sales Tax Revenue declined during 2002 and 2003 because two major businesses changed their point of sale to different towns. However, their operations remained in Carol Stream, but the sales tax revenue was received by the city/village where the point of sale was recorded.

VILLAGE OF CAROL STREAM, ILLINOIS

TAXABLE SALES BY CATEGORY

Last Ten Calendar Years

Calendar Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General Merchandise ²	\$ 228,069	\$ 216,202	\$ 207,291	\$ 189,281	\$ -	\$ -	\$ -	\$ 127,289	\$ 124,237	\$ 1,359
Food	540,717	638,594	850,863	891,596	1,020,089	1,124,834	934,229	935,885	968,617	922,797
Drinking and Eating Places	240,498	256,129	253,516	267,304	266,434	268,379	280,831	284,421	311,632	300,727
Apparel ²	11,163	13,052	9,737	10,875	-	-	-	21,876	23,157	26,307
Furniture & H.H. & Radio	49,484	63,331	89,941	121,071	186,912	281,223	331,429	338,749	323,482	311,514
Lumber, Building Hardware	217,448	293,047	107,597	206,123	568,136	760,620	451,412	104,672	470,473	688,780
Automobile and Filling Stations	580,261	685,064	488,720	557,698	595,673	551,627	462,214	401,744	422,843	475,407
Drugs and Miscellaneous Retail	693,580	756,184	730,274	912,035	1,182,722	1,291,677	1,658,490	1,629,931	1,515,612	1,571,678
Agriculture and All Others ¹	98,619	131,726	1,089,465	1,361,190	1,119,221	802,444	744,310	685,335	618,352	871,984
Manufacturers ¹	161,053	170,978	332,719	357,537	352,616	320,729	256,754	280,864	326,014	263,180
TOTAL ³	\$ 2,820,892	\$ 3,224,307	\$ 4,160,123	\$ 4,874,710	\$ 5,523,144	\$ 5,621,206	\$ 5,257,010	\$ 4,810,766	\$ 5,104,419	\$ 5,433,733

VILLAGE DIRECT SALES TAX RATE

	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
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Data Source

Illinois Department of Revenue

Data available for Calendar Year only

¹ During 1997-1998, Twenty- Two new businesses opened.

² Data by category is not available from the State of Illinois for categories with less than 4 taxpayers. However, they are included in the totals for 2000, 2001 and 2002.

Per the State of Illinois, there must not have been 4 taxpayers during the years 2000, 2001 and 2002.

³ Sales Tax Revenue declined during 2002 and 2003 because two major businesses changed their point of sale to different towns. However, their operations remained in Carol Stream, but the sales tax revenue was received by the city/village where the point of sale was recorded.

VILLAGE OF CAROL STREAM, ILLINOIS
TAXABLE SALES BY CATEGORY - HOME RULE

Last Ten Calendar Years

Calendar Year	1996	1997	1998	1999	2000	2001	2002	2003*	2004	2005
General Merchandise	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,139	\$ 61,125	\$ 651
Food	-	-	-	-	-	-	-	78,090	156,490	152,677
Drinking and Eating Places	-	-	-	-	-	-	-	67,651	150,601	146,968
Apparel	-	-	-	-	-	-	-	6,125	12,038	13,154
Furniture & H.H. & Radio	-	-	-	-	-	-	-	82,479	160,539	155,416
Lumber, Building Hardware	-	-	-	-	-	-	-	26,229	198,998	344,020
Automobile and Filling Stations	-	-	-	-	-	-	-	28,988	57,647	69,480
Drugs and Miscellaneous Retail	-	-	-	-	-	-	-	302,620	628,003	679,417
Agriculture and All Others	-	-	-	-	-	-	-	138,328	295,137	417,076
Manufacturers	-	-	-	-	-	-	-	68,770	154,223	129,761
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 835,419	\$ 1,874,801	\$ 2,108,620

VILLAGE DIRECT SALES TAX RATE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.50%	0.50%	0.50%
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Data Source

Illinois Department of Revenue

Data available for Calendar Year only

* Taxes imposed 7/1/2003

VILLAGE OF CAROL STREAM, ILLINOIS
DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Calendar Years

Calendar Year	Village Direct Rate	DuPage County Water Commission	Regional Transportation Authority	County Rate	State Rate	Total
1996	1.00%	0.25%	0.25%	0.25%	5.00%	6.75%
1997	1.00%	0.25%	0.25%	0.25%	5.00%	6.75%
1998	1.00%	0.25%	0.25%	0.25%	5.00%	6.75%
1999	1.00%	0.25%	0.25%	0.25%	5.00%	6.75%
2000	1.00%	0.25%	0.25%	0.25%	5.00%	6.75%
2001	1.00%	0.25%	0.25%	0.25%	5.00%	6.75%
2002	1.00%	0.25%	0.25%	0.25%	5.00%	6.75%
2003*	1.50%	0.25%	0.25%	0.25%	5.00%	7.25%
2004	1.50%	0.25%	0.25%	0.25%	5.00%	7.25%
2005	1.50%	0.25%	0.25%	0.25%	5.00%	7.25%

Data Source

Village and County Records

*Village Board imposed a .50% Home Rule Sales Tax

VILLAGE OF CAROL STREAM, ILLINOIS
RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities		Business-Type Activities	Total Primary Government	Percentage of Personal Income*	Per Capita*
	Tax Increment Financing Bonds	Tax Increment Refunding Bonds	IEPA Loan Payable			
1997 ¹	\$ 4,690,000	\$ 5,295,000	\$ 9,147,634	\$ 19,132,634	2.13%	\$ 506
1998	4,690,000	4,865,000	8,732,457	18,287,457	1.71%	481
1999	4,690,000	4,415,000	8,302,284	17,407,284	1.63%	458
2000 ²	4,630,000	-	7,856,573	12,486,573	1.23%	309
2001	4,560,000	-	7,394,762	11,954,762	1.18%	296
2002	4,475,000	-	6,916,271	11,391,271	1.12%	282
2003 ³	4,375,000	-	9,998,446	14,373,446	1.41%	355
2004	4,260,000	-	6,297,340	10,557,340	1.04%	261
2005	4,125,000	-	6,369,123	10,494,123	1.03%	260
2006 ⁴	-	4,080,000	6,102,457	10,182,457	1.00%	252

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

* See the Schedule of Demographic and Economic Statistics on page 106 for personal income and population data

Personal income is the largest sole source income type, usually either property or sales tax. In the case of special districts, it may be fees

¹ August 1996, the Village issued 5,675,000 in Tax Increment Refunding Revenue Bonds for the purpose of refunding prior to maturity previously issued Tax Increment Revenue Bonds for the Carol Point project. The proceeds of the Bond issue combined with cash and investments on hand were used to refund the principal amount. February 1997, the Village issued \$4,690,000 in Senior Lien Tax Increment Revenue Bonds pursuant to the Geneva Crossing project. The proceeds of the bonds will be used for land acquisition costs. This debt is not a general obligation of the Village and is secured solely by incremental tax revenue generated by the district.

² July 1999, the Village deposited cash on hand of \$4,392,825 into an irrevocable escrow, to advance refund, through an in-substance defeasance, \$4,415,000 of the Carol Point TIF refunding bonds. An additional, \$2,372,958 was paid to DuPage County for re-distribution to the various taxing jurisdictions within the TIF upon its dissolution.

³ During 2004, the Village retired the 1991 IEPA Revolving Loan of \$10.3 million. The proceeds of the 1991 Loan were used to acquire Water and Sewer System capital assets. The Village also received \$7.6 million IEPA loan under the revolving loan program to construct the Water Reclamation Center.

⁴ Refunded 1997 tax increment financing bonds by issuing on August 30, 2005, Senior lien tax refunding bonds in the amount of \$4,285,000. This debt is not a general obligation of the Village and is secured incremental tax revenue generated by the district.

VILLAGE OF CAROL STREAM, ILLINOIS
DIRECT AND OVERLAPPING BONDED DEBT

April 30, 2006

Governmental unit	Gross Bonded Debt	Percentage Debt Applicable to the Village of Carol Stream ¹	Village of Carol Stream Share of Debt
Village of Carol Stream ¹	\$ -	100.00%	\$ -
DuPage County	195,100,000	3.41%	6,652,910
DuPage County Forest Preserve District	229,526,311	3.41%	7,826,847
DuPage Water Commission	56,480,000	3.55%	2,005,040
Geneva Crossing TIF District ²	4,080,000	100.00%	4,080,000
Park Districts			
Carol Stream	18,597,644	86.84%	16,150,194
Glen Ellyn	3,601,951	1.09%	39,261
Wheaton	42,175,000	0.0006%	253
Schools			
District No. 25	6,955,117	43.54%	3,028,258
District No. 46	380,083,840	2.29%	8,703,920
District No. 93	20,925,000	63.40%	13,266,450
District No. 87	43,225,000	15.52%	6,708,520
District No. 200	147,550,000	6.16%	9,089,080
District No. 41	22,199,340	1.98%	439,547
District No. 94	25,715,000	9.46%	2,432,639
District No. 502	110,185,000	2.84%	3,129,254
District No. 509	62,695,044	0.97%	608,142
Fire Districts			
Bartlett Fire District	-	0.17%	-
Carol Stream Fire District	3,333,000	91.33%	3,044,029
Winfield Fire District	-	0.0020%	-
	<u>1,372,427,247</u>		<u>87,204,344</u>
	<u>\$ 1,372,427,247</u>		<u>\$ 87,204,344</u>
Per Capita Overlapping Debt			<u>\$ 2,156.49</u>

¹ Determined by ratio of assessed value of property subject to taxation in the Village to value of property subject to taxation in the overlapping unit. Includes the Village of Carol Stream Library.

² Tax increment financing (TIF) debt is secured by the incremental taxes collected from the respective districts and are not the general obligations of the Village. Therefore, TIF debt is not included as direct debt of the Village but overlapping debt.

Data Source

DuPage County Clerk

VILLAGE OF CAROL STREAM, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN

April 30, 2006

The Village is a home rule municipality.

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

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

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

VILLAGE OF CAROL STREAM, ILLINOIS

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year	Incremental Taxes	Sales Tax General	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
1997	\$ 1,252,293	\$ 403,161	\$ 1,655,454	\$ 380,000	\$ 774,174	1.43
1998	1,952,869	177,112	2,129,981	430,000	583,727	2.10
1999	2,287,395	361,045	2,648,440	450,000	602,601	2.52
2000*	2,996,653	166,543	3,163,196	60,000	476,294	5.90
2001	268,308	168,508	436,816	70,000	364,612	1.01
2002	279,429	191,287	470,716	85,000	359,100	1.06
2003	289,702	178,658	468,360	100,000	352,406	1.04
2004	275,504	170,903	446,407	115,000	344,531	0.97
2005	276,641	153,474	430,115	135,000	335,475	0.91
2006 ¹	292,136	233,475	525,610	205,000	227,642	1.21

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

* Defeased Carol Point revenue bonds in 2000.

¹ Issued Senior lien tax increment refunding bonds - 2005 to refund the 1997 tax increment financing bonds. Interest was paid on 1997 bonds as well as for the 2005 bonds.

VILLAGE OF CAROL STREAM, ILLINOIS
 DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	Population	Equalized Assessed Value	Personal Income	Per Capita Personal Income	Unemployment Rate
2006 ¹	40,438	N/A	\$ 1,017,096,576	\$ 25,152	4.20%
2005	40,438	\$ 1,185,144,242	1,017,096,576	25,152	5.30%
2004	40,438	1,117,457,331	1,017,096,576	25,152	4.70%
2003	40,438	1,030,357,807	1,017,096,576	25,152	5.30%
2002	40,438	969,383,481	1,017,096,576	25,152	5.80%
2001	40,438	884,176,175	1,017,096,576	25,152	3.50%
2000	40,438	830,989,287	1,017,096,576	25,152	3.00%
1999	37,982	779,782,004	1,071,168,364	28,202	2.90%
1998	37,982	694,526,467	1,071,168,364	28,202	3.00%
1997	37,793	659,986,204	898,301,817	23,769	3.70%

Data Source

Village Records, U.S. Census Bureau and Office of the County Clerk

¹ 2006 Equalized Assessed Valuation is unavailable until 2007.

VILLAGE OF CAROL STREAM, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Three Years Ago

Employer	2006			2003		
	Rank	Employees	% of Total Village Population	Rank	Employees	% of Total Village Population
FIC America Corp.	1	535	1.32%	4	400	0.99%
Berlin Industries	2	349	0.86%	1	600	1.48%
CNS Home Health	3	325	0.80%	6	325	0.80%
Michael Nicholas Carpentry LLC	4	300	0.74%	9	300	0.74%
FedEx Ground Package System Inc	5	300	0.74%	8	300	0.74%
Office Depot Business Services	6	274	0.68%	3	412	1.02%
Wickes Furniture	7	263	0.65%			
Tyndale House Publishers	8	250	0.62%	10	300	0.74%
Jefferson Smurfitt Corporation	9	239	0.59%	7	320	0.79%
Dominick's Finer Foods #1149	10	225	0.56%			
Ingram Micro				2	540	1.34%
Party Lite Gifts				5	330	0.82%

Data Source

Village Records and Illinois Department of Commerce and Economic Opportunity website.

Information prior to 2003 was unavailable.

VILLAGE OF CAROL STREAM, ILLINOIS
 FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Government										
Administration	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Management Services	3.00	2.50	2.50	2.50	2.50	3.50	3.50	3.50	3.50	3.00
Employee Relations	2.25	2.00	2.00	2.00	2.00	2.00	2.00	1.50	1.50	1.50
Financial Management	11.00	11.00	11.00	11.00	11.00	11.00	10.50	10.25	10.25	9.75
Community Development	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	8.00
Engineering Services	8.75	8.75	8.75	8.75	8.75	8.75	8.75	8.75	8.75	7.50
Municipal Garage	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00
Municipal Building	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Village Clerk	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
	41.75	41.00	42.00	42.00	43.00	44.00	43.50	42.75	42.75	39.50
Public Safety										
Police										
Officers	54.00	56.00	57.00	58.00	59.00	63.00	63.00	64.00	64.00	66.00
Civilians	24.50	24.50	24.50	25.50	27.00	27.00	27.00	27.00	27.00	28.00
	78.50	80.50	81.50	83.50	86.00	90.00	90.00	91.00	91.00	94.00
Public Works										
Streets	16.50	16.50	17.50	17.50	17.50	18.50	18.50	18.50	19.50	18.00
Water and Sewer	9.50	9.50	9.50	9.50	8.50	9.50	9.50	9.50	9.50	8.00
Water Reclamation Center	7.00	7.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	33.00	33.00	28.00	28.00	27.00	29.00	29.00	29.00	30.00	27.00
Total Full-time Equivalent Employees	153.25	154.50	151.50	153.50	156.00	163.00	162.50	162.75	163.75	160.50

Data Source

Village budget office

VILLAGE OF CAROL STREAM, ILLINOIS

OPERATING INDICATORS

Last Ten Calendar Years

Function/Program	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General Government										
Village Clerk										
Passports Issued*	NA	NA	NA	NA	NA	NA	357	732	391	292
Finance										
Vehicle Stickers Issued	21,126	22,001	21,464	22,957	22,725	22,516	23,567	23,952	23,917	23,958
Real Estate Transfer Tax:										
Number of Transactions	1,322	1,287	1,360	1,459	1,292	1,309	1,354	1,591	1,150	1,269
Refunds Issued	113	79	112	131	109	75	97	98	80	76
Accounts Payable Checks Processed	NA	NA	NA	3,650	3,621	3,921	3,861	3,569	2,935	1,980
Business Licenses Issued	667	601	728	809	773	850	810	879	840	904
Engineering										
Flexible Pavement Projects (Miles)*	NA	NA	NA	NA	NA	NA	4.33	2.6	5.02	6.05
Crack Filling (pds of Material)	135,000	143,000	182,000	78,000	64,000	82,000	77,000	62,000	65,000	65,450
Pavement Rejuvenation (sq yds)	244,000	219,000	174,000	202,000	334,000	410,000	379,000	347,000	372,000	375,000
Wetland Burns (Acres)*	NA	NA	NA	NA	NA	NA	NA	NA	39.6	96
Community Development										
Building Permits Issued										
Residential Permits Issued:										
New Construction	NA	45	82	77	19	24	76	98	28	82
Remodel	NA	67	70	47	62	56	71	64	74	60
Industrial/Commercial Permits Issued:										
New Construction	NA	18	16	12	8	8	4	7	9	7
Remodel	NA	117	110	153	129	125	110	115	90	75
Accessory Permits Issued*	NA	1,434	1,382	1,530	1,253	1,316	1,342	1,615	1,701	1,930
Total Building Permit Valuation	NA	\$ 121,813,254	\$ 113,582,580	\$ 125,635,251	\$ 68,010,416	\$ 55,833,454	\$ 44,891,889	\$ 71,333,258	\$ 61,761,527	\$ 48,176,232
Public Safety										
Police										
Calls for Service:										
Officer Initiated	NA	NA	NA	NA	NA	NA	41,267	45,472	38,084	41,589
9-1-1	1,157	1,261	1,304	1,362	1,365	1,323	1,255	1,152	1,258	1,086
Total Accident Investigations:	NA	NA	NA	NA	NA	1,179	1,066	1,013	1,119	970
Property Damage	NA	NA	NA	NA	NA	143	189	136	138	116
Personal Injury	NA	NA	NA	NA	NA	1	0	0	1	1
Fatalities	NA	NA	NA	NA	NA	0	0	0	0	0
Crime Index Part I Offense:										
Homicide	0	0	1	1	0	0	0	1	0	0
Criminal Sexual Assault	3	6	6	4	5	10	9	12	13	9
Robbery	8	17	6	10	15	16	15	7	9	14
Aggravated Assault/Battery	164	152	108	112	141	98	95	96	99	93
Burglary	177	130	119	106	102	128	120	93	112	117
Theft	931	895	901	937	693	731	721	660	656	616
Motor Vehicle Theft	39	17	31	46	44	23	19	25	29	33
Arson	8	5	11	7	10	18	11	15	7	12
Total Part I Offenses	1,330	1,222	1,183	1,223	1,003	1,024	990	909	925	894
Total Part I Arrests	156	175	188	233	146	137	125	141	140	138

VILLAGE OF CAROL STREAM, ILLINOIS

OPERATING INDICATORS

Last Ten Calendar Years

Function/Program	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Public Safety (Continued)										
Police (Continued)										
Parking Violations	7,383	5,852	4,551	4,309	7,123	6,045	5,442	5,435	5,106	5,914
Traffic Violations (Includes DUI Violations)	8,978	9,164	10,081	13,597	11,240	9,936	11,226	11,276	12,893	15,557
DUI Violations	171	116	176	165	195	178	281	443	366	426
False Alarm Responses:										
Commercial	NA	NA	NA	NA	NA	317	370	417	448	470
Residential	NA	NA	NA	NA	NA	176	292	367	431	477
Public Works										
Streets										
Street Sweeping:										
Curb Lane Miles Swept	NA	NA	NA	NA	NA	NA	2,886	2,677	3,708	2,955
Cubic Yards of Waste Collected	NA	NA	NA	NA	NA	NA	1,775	1,458	956	701
Snow Plowing:										
Number of Snow Events	NA	NA	15	20	21	23	14	26	16	17
Inches of Snow Fall	NA	NA	36	52	35	53	35	38	30	45
Right of Way Mowing:										
Acres Mowed	NA	NA	NA	NA	1,664	2,365	2,558	2,230	2,030	1,900
Total Number of Parcel Segments Moved	NA	NA	NA	NA	391	897	921	848	663	686
Sidewalk Replaced/Repaired (Squares)	157	236	290	267	212	304	632	649	398	408
Regulatory Signs Installed	47	236	56	192	205	311	366	319	272	260
Garage										
Number of PM Services Performed	NA	NA	NA	304	346	281	405	436	400	427
Number of Outsourced Services	NA	NA	NA	153	101	175	92	52	53	44
Water										
Average Daily Consumption:										
Residential	2.81 MGD	2.76 MGD	2.94 MGD	2.96 MGD	2.93 MGD	2.94 MGD	2.96 MGD	2.81 MGD	2.77 MGD	2.76 MGD
Industrial/Commercial	.58 MGD	.7 MGD	.66 MGD	.84 MGD	.83 MGD	.82 MGD	.76 MGD	.72 MGD	.79 MGD	.68 MGD
Peak Daily Consumption	6.56 MGD	6.32 MGD	6.83 MGD	6.74 MGD	6.50 MGD	7.56 MGD	7.44 MGD	6.95 MGD	5.80 MGD	6.81 MGD
Water Main Breaks	29	11	13	24	16	7	14	16	11	23
Number of Valves Exercised	NA	NA	NA	NA	NA	NA	NA	NA	175	7
Water Billing Accounts on 12/31:										
Residential	NA	9,328	9,412	9,505	9,651	9,649	9,693	9,819	9,881	9,882
Industrial/Commercial	NA	492	514	540	570	578	591	602	617	615
Municipal/Church/School	NA	42	44	47	49	49	49	52	54	55
Wastewater										
Average Daily Treatment	3.93 MGD	4.12 MGD	4.62 MGD	4.78 MGD	4.56 MGD	5.1 MGD	4.93 MGD	4.65 MGD	4.38 MGD	3.700 MGD
Excursions/Violations	NA	NA	NA	6	12	17	0	4	2	1

Data Source

Various village departments

NA = Information Unavailable/Program non-existent

MGD = Million Gallons Daily

i. Passport program began in April, 2001.

j. Flexible pavement projects include street resurfacing, replacement and structural overlay. Data was provided from IDOT reports.

k. Maintenance program for wetland burns began in 2004.

* Accessory Permits include pools, patios, decks, fireplaces, shed, etc.

VILLAGE OF CAROL STREAM, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Public Safety										
Police										
Stations/Municipal Center	1	1	1	1	1	1	1	1	1	1
Patrol vehicles	34	39	38	42	46	53	45	45	43	45
Public Works										
Residential streets (miles)	100	101	104	106	101	102	107	107	107	108
Storm sewers (miles)	95	96	100	102	102	103	105	105	105	106
Water and Sewer										
Water mains (miles)	125	126	131	133	134	135	137	137	137	137
Storage capacity (MG)	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Sanitary sewers (miles)	101	102	105	107	107	108	109	109	109	109
Treatment capacity (MG)*	5.4	5.4	5.4	5.4	5.4	5.4	5.4	6.5	6.5	6.5

Data Source

Village's Comprehensive Annual Financial Report Statistic Section

Various village departments

*Water Reclamation Expansion project began in the fall of 2002 was completed during 2004.