Village of Campton Hills, Illinois
Comprehensive Annual Financial Report
For the Year Ended April 30, 2014

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To the Board of Trustees of
Village of Campton Hills
Campton Hills, Illinois

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the fiduciary fund, of the Village of Campton Hills, Illinois (the "Village"), as of and for the year ended April 30, 2014, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

2001 LARKIN AVENUE • SUITE 202 • ELGIN, IL 60123 • P: 847.695.2700 • F: 847.695.2748 • WWW.TKOCPA.COM

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information, including the fiduciary fund of the Village of Campton Hills, as of April 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress-Illinois Municipal Retirement Fund and budgetary comparison information on pages 4 through 11 and 37 through 42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Campton Hills, Illinois' basic financial statements. The Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance – Budget and Actual, for the Special Service Area #1 Fund, Special Service Area #2 and #3 Fund and the Building Reserve Fund are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance – Budget and Actual, for the Special Service Area #1 Fund, Special Service Area #2 and #3 Fund and the Building Reserve Fund are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit

of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Sikich Kress + Orr, P.C.

Elgin, Illinois
August 4, 2014

Village of Campton Hills
Management's Discussion and Analysis
For the Year Ended April 30, 2014

Introduction

The Village of Campton Hills, Illinois (the "Village") management discussion and analysis ("MD&A") provides an overview of the Village's financial activities for the year ended April 30, 2014. Please read it as a narrative introduction to the financial statements that follow. This report is designed to assist the reader in focusing on the significant financial issues, provide an overview of the Village's financial activity, identify changes in the Village's financial position, identify any material deviations from the approved appropriation and identify individual fund issues or concerns.

Financial Highlights

- At April 30, 2014, the Village's governmental funds reported combined ending fund balances of $2,268,249, an increase of $371,361 or 19.58% from the prior year. This increase in fund balance is largely due to fiscal responsibility of having expenditures less than revenues due to cost containment. Also to be noted there were positions within the Village that were budgeted for but remained vacant for the year.

- The Village continued its policy of not levying property taxes in the fiscal year.

- The Village has not drawn on the line of credit from First American Bank.

- The Village's total assets exceeded its total liabilities at the close of the most recent fiscal year by $23,851,371. The Village's total net position improved 0.56% or $132,433 over the previous fiscal year. See page 12 for more information.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the Village's basic financial statements. The basic financial statements include three components: government-wide financial statements, fund financial statements and notes to the financial statements. The Village also includes in this report, additional information to supplement the basic financial statements.

Government-Wide Financial Statements

The government-wide statements are designed to provide readers with a broad overview of the Village's finances. The two government-wide financial statements, Statement of Net Position and Statement of Activities, represent an overview of the Village as a whole, separating its operations between governmental and business-type activities. At this time, the Village has no business-type activities (e.g. enterprise funds such as water, electric, garbage, sewer). Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The Statement of Net Position presents information on all the Village's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village as a whole is improving or deteriorating.

The Statement of Activities presents changes in the Village's net position during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

Both government-wide financial statements distinguish governmental activities of the Village that are principally supported by state shared revenues, Road and Bridge taxes, and grants from business-type activities (not applicable to the Village) that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government and police services. Fiduciary activities such as employee pension plans are not included in the government-wide statements since these assets are not available to fund Village programs.

The government-wide financial statements are presented on pages 12 and 13 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Village uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Village's most significant funds rather than the Village as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation.

The Village has only governmental funds. Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Village's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues received, expenditures disbursed and changes in fund balances provide a reconciliation to assist in understanding the differences between these two perspectives.

Budgetary (appropriation) comparison statements are included in the required supplementary information for the general fund and other major funds. Budgetary (appropriation) comparison schedules can be found in a later section of this report. These statements and schedules demonstrate compliance with the Village's adopted annual appropriation ordinance.

The basic governmental fund financial statements are presented on pages 14 and 16 of this report.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 20 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The Village's Police Pension Fund data may be found on pages 18 and 19 of this report, which depicts the Village's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 38 through 42 of this report.

Major funds are reported in the basic financial statements as discussed. Individual fund statements and schedules are presented in a subsequent section of this report beginning on page 39.

Government-wide Financial Analysis

This Village's first complete fiscal year was FY2008. Audited financials have been issued for years subsequent to the Village's first full year. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Village as a whole.

Statement of Net Position

Below is a summary of the Village's net position. The Village currently only conducts governmental activities, and therefore, has no business-type activities to report.

	Governmental Activities 2014	Governmental Activities 2013
Assets:		
Current and other assets	$ 2,918,222	$ 2,544,319
Capital assets	22,270,466	22,620,736
Total assets	25,188,688	25,165,055
Liabilities:		
Current and other liabilities	694,530	692,341
Long term liabilities	642,787	753,776
Total liabilities	1,337,317	1,446,117
Net Position:		
Net investment in capital assets	21,665,991	21,883,253
Unrestricted net position	1,946,678	1,711,258
Restricted net position	238,702	124,427
Total Net Position	$ 23,851,371	$ 23,718,938

Statement of Activities

Below is a summary of the Village's Governmental Activities for Fiscal Years 2014 and 2013.

Revenues:	Governmental Activities 2014	Governmental Activities 2013
Program Revenues:		
Charges for services	$ 372,545	$ 510,300
Operating grants and contributions	35,972	58,077
Capital grants and contributions	-	-
General Revenues:		
State shared revenues	1,760,536	1,695,322
Road and bridge revenues	495,094	446,129
Illinois jobs now	58,552	58,552
Interest income	3,465	4,091
Rental income	27,751	23,247
Miscellaneous	1,620	10,828
Gain/(loss) on sale of asset	(5,056)	(9,294)
Total revenue:	2,750,479	2,797,252
Expenses:		
Governmental Activities:		
General government	1,666,806	1,535,616
Police protection	951,240	940,797
Total expenses:	2,618,046	2,476,413
Change in Net Position	132,433	320,839
Net Position, Beginning of Year	23,718,938	23,398,099
Net Position, End of Year	$ 23,851,371	$ 23,718,938

Governmental Activities

As stated previously, the Village's net position, increased 0.56% or $132,433. Key elements of the entity-wide performance are as follows:

- Total revenues decreased by 1.67% or $46,773, from $2,797,252 in 2013 to $2,750,479 in 2014.
- The Village continued its policy of not levying for property taxes.
- Total expenses increased 5.72% or $141,630, from $2,476,413 in 2013 to $2,618,046 in 2014.

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of $2,268,249. Unassigned fund balance was $1,024,772 and nonspendable fund balance was $94,775. The remaining fund balance of $1,148,702 was restricted, committed, or assigned by grantors, contributors, board of trustees or by law. The total ending fund balances of governmental funds reported an increase of $371,361 from the prior year. This increase is primarily the result of the programs described within the analysis of the Village's governmental activities.

Major Governmental Funds

The General, Motor Fuel Tax, Road and Bridge, and Special Service Area Funds are the major operating funds of the Village.

The General Fund fund balance as of April 30, 2014 was $1,928,236, an increase of 16.45% or $272,325 over the prior year. This increase in the General Fund Balance is largely due to cost containment initiatives implemented over the past years and due to increases in zoning and state shared revenues and rental income.

The Motor Fuel Tax fund balance of $218,284, which was a 75.24% increase or $93,722 due to a decrease in road projects for the current year.

The Road and Bridge Fund ended the fiscal year with a fund balance of $119,136, which was a 19.86% increase or $19,741 over the prior year. Most of the Road and Bridge Fund proceeds are distributed to the Campton Township Highway District as per the Intergovernmental Agreement to maintain Campton Township roads located in the Village. The balance is attributed to funds collected from Plato, Elgin, and St. Charles residents.

Other Governmental Funds include SSA #1, SSA #2 and #3, and a Building Reserve Fund which was established in fiscal year 2013.

General Fund Budgetary Highlights

The General Fund is the major operating fund of the Village, and accounts for all general government functions including administration, boards and commissions, police, and building and zoning services.

Revenues in the General Fund were $1,862,619, which was 0.44% or $8,138 below the estimate of $1,870,757. This was primarily due to the Village receiving less permits and fees income than expected.

Expenditures were $1,560,294, or $856,006 below the appropriated expenditure amounts and approximately $200,000 under the working budget due to overall cost containment measures in all departments and vacancies that were budgeted for but not filled. Revenues exceeded expenditures by $272,325. The fund balance increased to $1,928,236 at the end of the year from $1,655,911 in the prior year.

Capital Assets

The Village's investment in capital assets, net of accumulated depreciation, for governmental activities as of April 30, 2014 was $22,270,466. Please see Note 8, page 31, in the Notes to the Financial Statements for more information on Capital Assets.

Debt Administration

As of April 30, 2014, the Village of Campton Hills had a lease on a police vehicle and a lease on the Village Hall copier. During the fiscal year the Village paid off the remaining balance of a long-term note which was used to fund special service area drainage improvements (SSA#1). Also, the Village issued a long-term debt certificate of $691,488 on June 20, 2012 to fund the purchase of a building. Please see Notes 6-7 and 11, page 30 and 35, in the Notes to the Financial Statements for more information on Debt Administration.

Factors Impacting the Village's Future

While the Village's financial position improved .56%, several factors will continue to affect the Village's financial condition in the near future. Any negative change in the formula used to distribute State Shared Revenues or further economic downturns may significantly impact the Village's financial position.

Contacting the Village's Financial Management

This financial report is designed to provide a general overview of the Village's finances, compliance with finance related laws and regulation and demonstrate the Village's commitment to public accountability. If you have any questions about this report or would like to request additional information, please contact Jennifer Johnsen, Village Administrator, Village of Campton Hills, Illinois at (630) 584-5700.

Village of Campton Hills
Statement of Net Position
For the Year Ended April 30, 2014

Assets	Governmental Activities
Current Assets:	
Cash	$ 1,810,923
Accounts receivable	12,897
Local tax revenue receivable	532,326
State shared revenue receivable	480,592
Prepaid expenses	44,534
Escrow deposits	3,368
Other assets	1,058
Total current assets	2,885,698
Non-Current Assets:	
Deferred tax receivable	32,524
Capital assets at cost:	
Capital assets, non-depreciable	10,495,073
Other capital assets, net of accumulated depreciation	11,775,393
Total capital assets, net of accumulated depreciation	22,270,466
Total non-current assets	22,302,990
Total Assets	$ 25,188,688
Liabilities and Net Assets	
Current Liabilities:	
Checks in excess - SSA	$ 1,592
Accounts payable	103,635
Accrued payroll items	33,178
Compensated absences, short-term	58,687
Accrued interest	7,954
Capital leases	10,440
Deferred tax revenue	479,044
Total current liabilities	694,530
Non-Current Liabilities:	
General obligation debt certificate payable, net premium	590,410
Compensated absences	16,228
Capital leases	3,625
Deferred tax revenue - SSA	32,524
Total non-current liabilities	642,787
Total liabilities	1,337,317
Net Position:	
Net investment in capital assets	21,665,991
Unrestricted	1,946,678
Restricted	238,702
Total Net Position	$ 23,851,371

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

Village of Campton Hills
Statement of Activities
For the Year Ended April 30, 2014

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
Primary Governments:					
General government activities	$ 1,666,806	$ 372,545	$ 35,972	$ -	$ (1,258,289)
Police protection	951,240	-	-	-	(951,240)
Total primary government	$ 2,618,046	$ 372,545	$ 35,972	$ -	(2,209,529)
General Revenues:					
State shared revenues					1,760,536
Road and bridge revenues					495,094
Illinois Jobs Now					58,552
Interest					3,465
Rental income					27,751
Miscellaneous					1,620
Gain/(Loss) on sale of asset					(5,056)
Total general revenues					2,341,962
Change in Net Position					132,433
Net Position, Beginning					23,718,938
Net Position, Ending					$ 23,851,371

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

Village of Campton Hills
Balance Sheet - Governmental Funds
For the Year Ended April 30, 2014

Assets	General Fund	Motor Fuel Tax	Road and Bridge	Other Governmental Funds	Total Government Funds
Cash	$ 1,427,488	$ 249,215	$ 84,220	$ 50,000	$ 1,810,923
Accounts receivable	12,897	-	-	-	12,897
Local tax revenue receivable	-	17,729	502,926	11,671	532,326
State shared revenue receivable	460,072	20,520	-	-	480,592
Prepaid expenses	44,534	-	-	-	44,534
Other assets	1,058	-	-	-	1,058
Escrow deposits	3,368	-	-	-	3,368
Due from other funds	45,815	-	-	-	45,815
Total Assets	$ 1,995,232	$ 287,464	$ 587,146	$ 61,671	$ 2,931,513
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	$ 33,818	$ 69,180	$ 637	$ -	$ 103,635
Checks in excess	-	-	-	1,592	1,592
Accrued payroll items	33,178	-	-	-	33,178
Deferred tax revenue	-	-	467,373	11,671	479,044
Due to other funds	-	-	-	45,815	45,815
Total liabilities	66,996	69,180	468,010	59,078	663,264
Fund Balances:					
Nonspendable	94,775	-	-	-	94,775
Restricted	20,418	218,284	-	-	238,702
Committed	-	-	-	-	-
Assigned	860,000	-	-	50,000	910,000
Unassigned	953,043	-	119,136	(47,407)	1,024,772
Total fund balances	1,928,236	218,284	119,136	2,593	2,268,249
Total Liabilities and Fund Balances	$ 1,995,232	$ 287,464	$ 587,146	$ 61,671	$ 2,931,513

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

Village of Campton Hills
Reconciliation of Total Governmental Fund Balance
to Net Position of Governmental Activities
For the Year Ended April 30, 2014

Total Governmental Fund Balance	$	2,268,249
Amounts reported in governmental activities in the statement of net assets are different because:		
Capital assets used in governmental funds are not financial resources and therefore not reported in funds.		22,270,466
Long-term portion of SSA Taxes Receivable is not reported in the fund statements.		32,524
Long-term portion of SSA Deferred Tax Revenue is not reported in the fund financial statements.		(32,524)
Accrued interest is not recorded as a liability in the fund financial statements.		(7,954)
Long-term liabilities including debt certificates payable are not due and payable in the current period and therefore are not reported in the fund financial statements.		(606,000)
Debt certificate costs and discounts are reported in governmental funds as expenditures. However, in the Statement of Net Position, the costs are accrued.		15,590
Capital lease obligation in government wide financial statements fund is not a financial liability and therefore is not reported in the fund financial statements.		(14,065)
Accrued vacation is not reported in the fund financial statements.		(74,915)
Net Position of Governmental Activities	$	23,851,371

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

Village of Campton Hills
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Year Ended April 30, 2014

	General Fund	Motor Fuel Tax	Road and Bridge	Other Governmental Funds	Total Government Funds
Revenues:					
State shared	$ 1,468,335	$ 292,201	$ -	$ -	$ 1,760,536
Road and bridge taxes	-	-	495,094	-	495,094
Permits and fees	321,126	-	-	-	321,126
Special service area fees	-	-	-	11,672	11,672
Interest	2,859	426	180	-	3,465
Reimbursed items	4,956	34,791	-	-	39,747
Illinois Jobs Now	-	58,552	-	-	58,552
Grants	35,972	-	-	-	35,972
Rental income	27,751	-	-	-	27,751
Miscellaneous income	1,620	-	-	-	1,620
Total revenue	1,862,619	385,970	495,274	11,672	2,755,535
Expenditures:					
Administration	965,718	-	-	-	965,718
Contractual services	387,003	207,210	475,533	-	1,069,746
Capital outlay	85,179	85,038	-	-	170,217
Commodities	39,421	-	-	-	39,421
Contingencies	-	-	-	-	-
Other expenditures	2,273	-	-	-	2,273
Debt service - principal	66,000	-	-	55,076	121,076
Debt service - interest	14,700	-	-	1,023	15,723
Total expenditures	1,560,294	292,248	475,533	56,099	2,384,174
Excess (deficiency) of revenues Over (under) expenditures	302,325	93,722	19,741	(44,427)	371,361
Other Financing Sources and Uses					
Issuance of debt certificates	-	-	-	-	-
Transfers in	-	-	-	30,000	30,000
Transfers out	(30,000)	-	-	-	(30,000)
Net change in fund balance	272,325	93,722	19,741	(14,427)	371,361
Fund Balances, Beginning	1,655,911	124,562	99,395	17,020	1,896,888
Fund Balances, Ending	$ 1,928,236	$ 218,284	$ 119,136	$ 2,593	$ 2,268,249

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

Village of Campton Hills
Reconciliation of the Statements of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statements of Activities
For the Year Ended April 30, 2014

Net change in governmental fund balance	$	371,361
Amounts reported in governmental activities in the statement of net assets are different because:		
Change in accrued vacation is not considered an expenditure in the fund financial statements		(13,712)
Vehicle with a carrying cost of $5,056 was sold during the year, and is not reflected on the Statement of Revenue, Expenditures and Changes in Fund Balances		(5,056)
Interest accrued on general obligation debt certificates are not an expenditure in the governmental funds statements		(7,954)
Capital lease payments are not recorded in the fund financial statements		13,954
Bond payable payments are not recorded in the fund financial statements		66,000
Note payable payments are not recorded in the fund financial statements		55,003
Depreciation of capital assets is not considered an expenditure in the fund financial statements		(466,339)
Amortization of intangible assets is not considered an expenditure in the fund financial statements		(1,949)
Purchases of capital assets are not considered an expenditure in the fund financial statements		121,125
Change in net position of governmental activities	$	132,433

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

Village of Campton Hills
Police Pension Fund
Statement of Fiduciary Net Position
For the Year Ended April 30, 2014

		Balance April 30, 2014
Assets		
Cash and cash equivalents	$	892,953
Interest receivable		4,587
Total Assets		897,540
Liabilities and Net Position		
Due to other funds		-
Total Liabilities		-
Net Position Held in Trust for Police Pension Benefits	$	897,540

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

Village of Campton Hills
Police Pension Fund
Statement of Changes in Fiduciary Net Position
For the Year Ended April 30, 2014

Additions:		
Contributions		
Employer contributions	$	132,157
Plan member contributions		31,914
Total contributions		164,071
Investment income:		
Interest and dividend income		3,838
Gain (Loss) on securities		2,185
Total investment income		6,023
Total Additions		170,094
Deductions:		
Benefits and refunds paid to plan members		-
Administrative expenses		963
Total Deductions		963
Net change in Net Position		169,131
Net Position, May 1, 2013		728,409
Net Position, April 30, 2014	$	897,540

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

Note 1 - Summary of Significant Accounting Policies

The Village of Campton Hills is a municipal corporation of the State of Illinois, headquartered in the County of Kane and duly chartered pursuant to the Illinois revised statutes Chapter 127-42. The Village is governed by an elected board.

The accounting and reporting policies of the Village of Campton Hills relating to the funds included in the accompanying basic financial statements conform to generally accepted accounting principles (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

Financial Reporting Entity:

The Village of Campton Hills has concluded that no entities meet the criteria of Statement 39 for inclusion as a component unit. Likewise, the Village of Campton Hills is not required to be included as a component unit of any other entity.

The Village follows the provisions of Governmental Accounting Standards Board Statement No. 39, "Determining Whether Certain Organizations Are Component Units - an amendment of GASB Statement No. 14." As defined by generally accepted accounting principles established by GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate, tax-exempt entities. The Village of Campton Hills has concluded that no entities meet the following criteria of Statement 39 for inclusion as a component unit. Likewise, the Village of Campton Hills is not required to be included as a component unit of any other entity.

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.

2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.

3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

Note 1 - Summary of Significant Accounting Policies (Continued)

Basis of Presentation:

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. They include all funds of the reporting entity excluding fiduciary funds. Governmental activities generally are financed through taxes, state shared revenues, and other non-exchange revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The Village does not allocate indirect expenses to functions in the Statement of Activities. Program revenues include charges to residents who purchase, use or directly benefit from goods, services, or privileges provided by a given function, and grants and contributions that are restricted to meeting the operational and capital requirements of a particular function. Taxes and other income items that are not specifically related to a function are reported as general revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into individual funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund balances, revenues, and expenditures. 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.

Funds are organized as major funds or non-major funds within the governmental statements. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- Total assets, liabilities, revenues or expenditures of the individual governmental funds are at least ten percent of the corresponding total for all funds of that category or type, and
- Total assets, liabilities, revenues or expenditures of the individual governmental funds are at least five percent of the corresponding total for all governmental funds combined.

Note 1 - Summary of Significant Accounting Policies (Continued)

Governmental Funds (Governmental Activities)

Governmental fund types are those through which most governmental functions of the Village are financed. The Village's expendable financial resources are accounted for through governmental funds. The measurement focus is based upon determination of changes in financial position rather than upon net income determination. A brief explanation of the Village's governmental funds follows:

General Fund

The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required, legally or by sound financial management, to be accounted for in another fund.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditures for specific purposes. The Funds included in this fund category are the Motor Fuel Tax Fund, Road and Bridge Fund, Special Service Area #1 Fund, Special Service Area #2 and #3 Funds, and the Building Reserve Fund.

Fiduciary Fund Types

Fiduciary Funds are used to account for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds. The Police Pension Fund is used to account for assets that the Village holds in a fiduciary capacity on behalf of its sworn police officers.

Major Funds

The Village reports the following major governmental funds:

- The General Fund, which accounts for the operations of the Village.
- Motor Fuel Tax Fund, which accounts for motor fuel tax revenues and related expenditures.
- Road and Bridge Fund, which accounts for receipt of township road and bridge taxes.

Note 1 - Summary of Significant Accounting Policies (Continued)

Non-Major Funds

The Village reports the following non-major funds:

- Special Service Area #1 Fund
- Special Service Area #2 and #3 Fund
- Building Reserve Fund

Basis of Accounting:

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when the liability is incurred or the economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The current financial resources measurement focus and the modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., both measurable and available to finance the Village's operations. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

State shared taxes, property taxes, state and federal reimbursements, franchise fees, investment earnings, and charges for services are the primary revenue sources susceptible to accrual. The Village considers state shared taxes, property taxes and federal and state reimbursements available if they are vouchered within 60 days after year end. All other revenues are recognized when cash is received. Expenditures are recorded when the related fund liability is incurred.

For governmental fund financial statements, deferred revenues occur when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the Village before it has a legal claim to them. 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 Governmental Funds Balance Sheet and revenue is recognized accordingly.

Note 1 - Summary of Significant Accounting Policies (Continued)

All property tax receivables (Road and Bridge Fund) and deferred revenues are shown net of an allowance for uncollectibles. The allowance for uncollectible property taxes receivable is $2,348 (.5% of the tax levy).

The Police Pension Fund, a Fiduciary Fund Type, is accounted for using the accrual basis of accounting. Its revenues are recognized when they are earned and its expenses are recognized when they are incurred.

Measurement Focus:

On the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the flow of economic resources measurement focus, which means all assets and liabilities (whether current or non-current) are included on the Statement of Net Position, and the operating statements present increases and decreases in net total assets.

The measurement focus is the flow of current financial resources concept. Under this concept, sources and uses of financial resources, including capital outlays, are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or a reservation of fund equity. Liabilities for claims, judgments, compensated absences and pension contributions, which will not be currently liquidated using expendable available financial resources, are included as liabilities in the government-wide financial statements, but are excluded from the funds financial statements. The related expenditures are recognized in the fund financial statements when the liabilities are liquidated. The effect of interfund activity has been removed from these statements.

The Police Pension Fund is accounted for on a capital maintenance measurement focus. This means that all liabilities (whether current or non-current) associated with their activity are included on the Statement of Fund Net Position.

Budgets and Budgetary Accounting:

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

Prior to the beginning of the fiscal year, the Finance Committee submits a proposed Budget to the Village Board. The Village Board uses this Budget to prepare an Appropriations Ordinance (which include additional appropriations for contingencies) that must be approved before the end of the first quarter. The Appropriations Ordinance provides the legal authority under State Statute to allocate

Note 1 - Summary of Significant Accounting Policies (Continued)

funds for specific spending activities. This Ordinance establishes the Village's legal spending limit for the fiscal year. Within thirty days of approving the Appropriations Ordinance, the Board will submit and file the Ordinance with the County Clerk.

Cash and Cash Equivalents:

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with an original maturity of three months or less when acquired. Investments presented are stated at market value.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Capital Assets:

Government-Wide Financial Statements:

Under GASB 34 reporting standards, all capital assets are valued at historical cost, or estimated historical cost if actual cost is unavailable. Donated capital assets are stated at their fair market value as of the date donated.

Prior to GASB 34, capital assets of governmental funds were accounted for in the general fixed assets account group and were not recorded directly as a part of any individual fund's financial statements. Infrastructure of governmental funds were not previously capitalized. Upon implementing GASB 34, governmental units are required to account for all capital assets, including infrastructure, in the government wide financial statements prospectively from the date of implementation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. For vehicles and equipment, a five-year life is used. For infrastructure assets (e.g. roads), a fifty-year life is used. For land improvements, a ten year life is used. For buildings a forty five-year life is used.

Note 1 - Summary of Significant Accounting Policies (Continued)

In the fund financial statements, assets used in governmental fund operations are accounted for as capital outlays in the fund from which the expenditure was made.

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. Amounts over $5,000 are capitalized.

Debt Commitments:

In the government-wide financial statements, debt principal payments of government activities are reported as decreases in the balance of the liability on the Statement of Net Position. In the fund financial statements, payments are treated as expenditures.

Interfund Receivables/Payables:

Amounts due to and due from other funds arise during the course of the Village's operations because of transactions between funds to finance operations. To the extent that these transactions have not been repaid at April 30, 2014, an interfund receivable and payable has been recorded. See detail in Note 12.

Compensated Absences:

Vested or accumulated vacation and sick leave are reported as an expenditure and a fund liability of the governmental fund that will pay out once retirement or separation has occurred. Vested or accumulated vacation and sick leave of governmental activities are recorded as an expense and liability as the benefits accrue to employees.

Prepaid Items:

Payments made to vendors for services that will benefit periods beyond April 30, 2014 are recorded as prepaid items.

Property Taxes:

Township levied property taxes (Road and Bridge) and Village levied taxes (SSAs) are attached as enforceable liens on property as of January 1. Taxes are levied on the last Thursday in December and are generally due and payable on or before June 1 and September 1. All unpaid taxes become delinquent on June 2 and September 2. The County bills and collects property taxes and then distributes funds to the Village. Levies from 2012 are included in revenue.

Note 1 - Summary of Significant Accounting Policies (Continued)

Equity Classifications:

Government-Wide Financial Statements

Equity is classified as net position and displayed in three components:

- Net investment in capital assets - consists of capital assets, net of accumulated depreciation and net of related debt.

- Restricted net position - consists of net position with constraints placed on their use either by external groups such as creditors, grantors, contributors, or laws or regulation of other governments, or law through constitutional provisions or enabling legislation. It is the Village's policy to first apply resources to the restricted net position then unrestricted.

- Unrestricted net position - consists of all other net position that does not meet the definition of restricted or are not invested in capital assets.

Fund Financial Statements

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Village is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Nonspendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Amounts that are restricted to specific purposes, either by (a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation, are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the Board of Trustees through a resolution, are classified as committed fund balances. Amounts that are constrained by the Board of Trustees' intent or ordinance to be used for specific purposes, but are neither restricted nor committed, are classified as assigned fund balances. Negative fund balance in governmental funds, after determining the fund balance classifications described above, is reported as unassigned fund balance.

The Village's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the Village considers committed funds to be expended first followed by assigned and then unassigned.

Note 2 - Deposits and Investments

Bank Deposits:

Investments and deposits with financial institutions are pooled for the various funds and interest income earned on the investments is allocated to the various funds based upon the fund's investment balances. Illinois statutes authorize the Village to invest in obligations of the U.S. Treasury, U.S. agencies and banks and savings and loan associations covered by federal depository insurance, and the Illinois Funds.

The Village also maintained a balance in the Illinois Funds. These pooled investments with other governmental entities are similar in nature to a money market fund and consist primarily of certificates of deposit, U.S. Government securities, commercial paper, and corporate bonds. Because individual securities and not owned by the Village, amounts invested in the Illinois Fund are not categorized.

At April 30, 2014, the total cash for the Village of $1,809,331 consisted of deposits with financial institutions and the Illinois Funds.

Deposits with financial institutions had bank balances of $1,825,955 at April 30, 2014. The bank balance in the amount of $1,824,892 was insured or collateralized, not including petty cash of $495, and $1,063, was not insured or collateralized.

	Carrying Amount	Bank Balance
Category #1	$ 731,912	$ 748,689
Category #2	-	-
Category #3	720	1,063
Investment in Illinois Funds	1,076,203	1,076,203
	$ 1,808,835	$ 1,825,955

Category 1 includes deposits covered by depository insurance or collateralized, with securities held by the Village or by its agent in the Village's name.

Category 2 includes deposits which are collateralized, with securities held by the pledging financial institution's trust department or agent in the Village's name.

Category 3 includes deposits which are uncollateralized. This includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not the entity's name.

Investment Funds:

Police Pension Fund deposits with financial institutions and the Illinois Funds had carrying amounts of $892,953 at April 30, 2014. Carrying amounts are recorded at fair market value.

Note 2 - Deposits and Investments (Continued)

	Fair Value	Bank Balance
Level 1	$ 887,992	$ 887,992
Level 2	-	-
Level 3	-	-
Investment in Illinois Funds	4,961	4,961
	$ 892,953	$ 892,953

In accordance with FASB ASC 820, the Village classifies its investments into Level 1, which refers to securities traded in an active market. Level 2, which refers to securities not traded on an active market, but for which observable market inputs are readily available. Level 2 can also refer to Level 1 securities where there is a contractual restriction. And Level 3, which refers to securities not traded in an active market and for which no significant observable market inputs are available. As required by FASB ASC 820 at April 30, 2014, the Village's portfolio investments were classified, based on fair values.

Policies for Investments:

It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity and yield.

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral of bank balances in excess of federal depository insurance with the collateral held by a third party in the Village's name. At year end the Village was not in compliance with the policy.

Note 3 - Risk Management

The Village is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The Village purchases commercial insurance coverage to address these risks. The amounts of settlements have not exceeded insurance coverage for any of the past three years.

Note 4 - Deficit Fund Balances

At April 30, 2014, the Special Service Area #2 and #3 Funds had a deficit fund balance of $1,592, due to the Village repaying a loan to the County for improvements. The Special Service Area #1 Fund had a deficit balance of $45,815 due to the General Fund repaying a loan for improvements. Also, the County made an error which included a non Village parcel in the SSA which led to the deficit.

Note 5 - Excess Expenditures over Appropriations

The Village has incurred individual line item excesses of expenditures over appropriations in several funds; however, the overall individual funds indicated no aggregate excesses of expenditures over appropriations.

Note 6 – Debt Commitments – SSA #1

During the fiscal year the Village paid off the remaining balance of $55,003 on a long-term note which was used to fund special service area drainage improvements (SSA#1). The Village no longer has any commitments regarding the long-term note.

Note 7 – Debt Certificates

During the year ended April 30, 2013, the Village issued debt certificates of $691,488 which was used to fund the acquisition of a building. A summary of the debt outstanding at April 30, 2014 is as follows:

Date	Principal	Interest
6/15/2014	$ -	$ 10,605
12/15/2014	68,000	10,605
6/15/2015	-	9,415
12/15/2015	70,000	9,415
6/15/2016	-	8,190
12/15/2016	72,000	8,190
6/15/2017	-	6,930
12/15/2017	74,000	6,930
6/15/2018	-	5,635
12/15/2018	76,000	5,635
6/15/18-12/15/22	246,000	17,430
Total	$ 606,000	$ 98,980

This debt will be repaid from the General Fund.

Note 8 - Capital Assets

The following is a summary of changes in capital assets for the fiscal year. Total depreciation expense for the year charged for governmental activities was $466,339.

	Balance May 1, 2013	Additions	Deletions	Balance April 30, 2014
Capital Assets:				
Not subject to depreciation				
Right of way	$ 10,495,073	$ -	$ -	$ 10,495,073
Total Capital Assets	10,495,073	-	-	10,495,073
Subject to Depreciation				
Infrastructure	18,958,690	84,988	-	19,043,678
Buildings	800,000	-	-	800,000
Vehicles	168,256	28,740	(25,279)	171,717
Land improvements	267,812	-	-	267,812
Equipment	50,299	7,397	-	57,696
Total subject to depreciaiton	20,245,057	121,125	(25,279)	20,340,903
Less - Accumulated Depreciation				
Infrastructure	(7,910,446)	(379,357)	-	(8,289,803)
Buildings	(17,778)	(21,333)	-	(39,111)
Vehicles	(73,152)	(36,046)	20,223	(88,975)
Land improvements	(73,114)	(26,782)	-	(99,896)
Equipment	(44,904)	(2,821)	-	(47,725)
Total less accumulated depreciation	(8,119,394)	(466,339)	20,223	(8,565,510)
Governmental Activities	$ 22,620,736	$ (345,214)	$ (5,056)	$ 22,270,466

Note 9 - Line of Credit

At April 30, 2014, the Village had a $250,000 line of credit with First American Bank. The balance on the line of credit was $0 at April 30, 2014.

Note 10 - Retirement Plan

Police Pension Fund

The Village of Campton Hills operated a Police Pension Fund for its sworn Police Officers.

Plan Description

All full time police officers are covered by the Police Pension Plan, which is a single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contribution levels are mandated by Illinois State Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature.

At May 1, 2013 (the date of the latest actuarial report) the pension plan membership consisted of:

Retirees and beneficiaries receiving benefits	0
Terminated plan members entitled to but not yet receiving benefits	0
Active vested plan members	0
Active non-vested plan members	6
Total	6
Number of participating employers	1

Following is a summary of the pension plan as provided for in Illinois State Statues.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older 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 8 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.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at $106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or

Note 10 - Retirement Plan (Continued)

3.00% compounded. 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 10 years may retire at or after age 50 and receive a reduced benefit (½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by a qualified actuary. For the year ended April 30, 2014, the Village's contribution was 41.03% of annual covered earnings.

Basis of Accounting

As indicated in Note 1, the financial statements of the pension plan are prepared using the accrual basis of accounting. Contributions from the Plan's members are recognized as revenue in the period in which the contributions are due. Contributions from the Village, as calculated by the Plan's actuary are recognized as revenue when due and when the Village has made a formal commitment to provide contributions. Expenses are recognized in the accounting period incurred, if measurable. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method used to Value Investments

Investments are reported at fair value. Money market mutual funds are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price or exchange rate. Net appreciation (depreciation) in fair value of investments includes the difference between cost and fair value of investments held as well as the net realized gains or losses from securities sold. Interest and dividend income is recognized on the accrual basis when earned. Purchases and sales of investments are recorded on a trade date basis.

Note 10 - Retirement Plan (Continued)

The Village's current contribution was determined through an actuarial valuation performed as of May 1, 2013 prepared by the Illinois Department of Insurance. The plan uses the aggregate actuarial cost method to determine required contributions. Significant actuarial assumptions used to compute the annual contribution requirement are as follows:

Funding Method	Projected Unit Credit
Amortization Method	Normal cost, plus an additional amount (determined as a level percentage of pay) to bring the plan's funded ratio to 90% by the end of fiscal year 2040..
Asset Valuation Method	Investments gains and losses are recognized over a 5-year period.
Interest rate	5.00%
Interest rate, prior fiscal year	5.00%
Healthy mortality rates	RP-2000 Combined Healthy Mortality, with Blue Collar Adjustment
Disabled mortality rates	RP-2000 Disabled Retiree Mortality
Decrements other than mortality	Experience tables
Rate of service-related deaths	5%
Rate of service-related disabilities	70%
Salary Increases	Service-related table with rates grading from 11% to 4% at 30 years of service
Payroll growth	4.50%
Tier 2 cost-of-living adjustment	1.25%
Marital assumptions	80% of Members are assumed to be married; male spouses are assumed to be 3 years older than female spouses

Note 11 - Capital Leases

Capital Leases - The Village has entered into a lease agreement as lessee for financing the acquisition of a vehicle to be used for police protection. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, the asset and obligations have been recorded at the present value of the future minimum lease payments as of the inception date.

Future Minimum Capital Lease Payments
For the Year Ended April 30, 2014

2015	$	10,440
2016		3,625
2017		-
2018		-
2019		-
	$	14,065

During the year ended April 30, 2014, no new capital assets were acquired via a capital lease. The remaining lease payments on previously acquired capital assets are $14,065.

Note 12 – Interfund Activity

During the normal course of Village operations, transfers between funds arise to reimburse individual funds for expenditures incurred for the benefit of other funds. At the end of April 30, 2014 there was an outstanding balance between the General Fund and the SSA#1 fund for $45,815 due to the General Fund paying off the remaining loan balance for SSA #1. The outstanding balance will be paid as the amounts are levied.

Note 13 - Pension Plan

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

Funding Policy. As set by statute, the Village's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual required contribution rate for calendar year 2013 was 9.32 percent. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at

Note 13 - Pension Plan (Continued)

the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution for calendar year 2013 was $12,358.

Actual Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2013	$ 12,359	100%	$ -
12/31/2012	12,978	100%	-
12/31/2011	12,756	100%	-

The required contribution for 2013 was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2011, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the Village Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investment over a five-year period with a 20% corridor between the actuarial and market value of assets. The Village Regular plan's unfunded actuarial accrued liability at December 31, 2011 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2013, the most recent actuarial valuation date, the Regular plan was 71.88 percent funded. The actuarial accrued liability for benefits was $111,364 and the actuarial value of assets was $80,048, resulting in an underfunded actuarial accrued liability (UAAL) of $31,316. The covered payroll for calendar year 2013 (annual payroll of active employees covered by the plan) was $132,602 and the ratio of the UAAL to the covered payroll was 24 percent. During this fiscal year, the Village made an additional payment of $31,070 to address the previously reported UAAL.

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

Note 14 – Long-Term Debt

The compensated absences currently outstanding are as follows:

	Fund Debt Retired by	Balance, May 1	Additions	Reductions	Balance, April 30	Due Within One Year
Compensated Absences	General	$ 61,203	$ 66,603	$ (52,891)	$ 74,915	$ 58,687
Total		$ 61,203	$ 66,603	$ (52,891)	$ 74,915	$ 58,687

Compensated absences are liquidated by the fund in which the liability is incurred. For the year ended April 30, 2014, the fund with the largest portion of the liability is the General Fund.

Note 15 – Date of Management's Review

Subsequent events have been evaluated through the date of this report. There are no subsequent events to report.

Required Supplementary Information

Village of Campton Hills
Schedule of Funding Progress - Illinois Municipal Retirement Fund
For the Year Ended April 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Ratio Funded	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2013	$ 80,048	$ 111,364	$ 31,316	71.88%	$ 132,602	23.62%
12/31/2012	59,501	90,571	31,070	65.70%	131,354	23.65%
12/31/2011	45,873	71,997	26,124	63.72%	130,293	20.05%

On a market value basis, the actuarial value of assets as of December 31, 2013 is $88,550.
On a market basis, the funded ratio would be 79.51%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the Village. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

The accompanying notes to the required supplementary information are an integral part of these statements.

Village of Campton Hills
General Fund
Statement of Revenues, Expenditures, and Change in Fund Balance
Budget and Actual
For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual	Positive/ (Negative)
Revenue:				
State shared	$ 1,447,161	$ 1,447,161	$ 1,468,335	$ 21,174
Income from issuance of debt certificates	-	-	-	-
Permits and fees	345,195	345,195	321,126	(24,069)
Interest income	1,600	1,600	2,859	1,259
Reimbursed items	8,000	8,000	4,956	(3,044)
Grants	39,700	39,700	35,972	(3,728)
Rental income	27,751	27,751	27,751	-
Miscellaneous income	1,350	1,350	1,620	270
Total revenue	1,870,757	1,870,757	1,862,619	(8,138)
Expenditures:				
Administration	1,206,700	1,206,700	965,718	240,982
Contractual services	521,500	521,500	387,003	134,497
Capital outlay	187,000	187,000	85,179	101,821
Commodities	60,900	60,900	39,421	21,479
Contingencies	260,000	265,000	-	265,000
Debt Service	97,500	97,500	80,700	16,800
Other expenditures	26,900	77,700	2,273	75,427
Total expenditures	2,360,500	2,416,300	1,560,294	856,006
Other Financing Activities				
Transfers in	-	-	-	-
Transfers out	-	-	30,000	(30,000)
Net Change in Fund Balance	$ (489,743)	$ (545,543)	272,325	$ (834,144)
Fund Balance, May 1, 2013			1,655,911	
Fund Balance, April 30, 2014			$ 1,928,236	

The accompanying notes to the required supplementary information are an integral part of these statements.

Village of Campton Hills
Motor Fuel Tax Fund
Statement of Revenues, Expenditures, and Change in Fund Balances
Budget and Actual
For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual	Positive/ (Negative)
Revenue:				
State shared	$ 303,241	$ 303,241	$ 292,201	$ (11,040)
Illinois Jobs Now	58,552	58,552	58,552	-
Interest income	100	100	426	326
Federal reimbursement	-	-	34,791	34,791
Total Revenue	361,893	361,893	385,970	24,077
Expenditures:				
Contractual services	225,100	225,100	207,210	17,890
Capital outlay	186,800	186,800	85,038	101,762
Contingencies	41,200	41,200	-	41,200
Total Expenditures	453,100	453,100	292,248	160,852
Excess (deficiency) of revenue over expenditures	$ (91,207)	$ (91,207)	93,722	$ 184,929
Fund Balance May 1, 2013			124,562	
Fund Balance April 30, 2014			$ 218,284	

The accompanying notes to the required supplementary information are an integral part of these statements.

Village of Campton Hills
Road and Bridge Fund
Statement of Revenues, Expenditures, and Change in Fund Balance
Budget and Actual
For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual	Positive/ (Negative)
Revenue:				
Road and bridge taxes	$ 460,181	$ 460,181	$ 495,094	$ 34,913
Interest income	100	100	180	80
Total Revenue	460,281	460,281	495,274	34,993
Expenditures:				
Contractual services	484,700	524,700	475,533	49,167
Contingencies	48,500	53,000	-	53,000
Total Expenditures	533,200	577,700	475,533	102,167
Excess (deficiency) of revenue over expenditures	$ (72,919)	$ (117,419)	19,741	$ 137,160
Fund Balance, May 1, 2013			99,395	
Fund Balance, April 30, 2014			$ 119,136	

The accompanying notes to the required supplementary information are an integral part of these statements.

Note 1 - Summary of Significant Accounting Principles

Budgetary Process

The Village follows these procedures in establishing the budget data reflected in the required supplementary information:

1. The Board of Trustees appoints the Finance Committee to prepare a proposed Budget to the Village Board. The Village Board uses this Budget to prepare an Appropriations Ordinance (which include additional appropriations for contingencies).
2. The Appropriations Ordinance must then be approved before the end of the first quarter.

Budgeted and actual figures are presented on the accrual basis of accounting.

Supplementary Information

Village of Campton Hills
Special Service Area #1 Fund
Statement of Revenues, Expenditures, and Change in Fund Balance
Budget and Actual
For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual	Positive/ (Negative)
Revenue:				
Special service area fees	$ 10,419	$ 10,419	$ 10,419	$ -
	10,419	10,419	10,419	-
Expenditures:				
Debt certificate principal and interest paid	15,400	66,200	56,099	(10,101)
Miscellaneous expenses	-	-	-	-
	15,400	66,200	56,099	(10,101)
Excess (deficiency) of revenue over expenditures	$ (4,981)	$ (55,781)	(45,680)	$ 10,101
Fund Balance, May 1, 2013			(135)	
Fund Balance, April 30, 2014			$ (45,815)	

Village of Campton Hills
Special Service Area #2 and #3 Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual	Positive/ (Negative)
Revenue:				
Permits and fees	$ 1,252	$ 1,252	$ 1,253	$ 1
	1,252	1,252	1,253	1
Expenditures:				
Capital outlay	-	-	-	-
	-	-	-	-
Excess (deficiency) of revenue over expenditures	$ 1,252	$ 1,252	1,253	$ 1
Fund Balance, May 1, 2013			(2,845)	
Fund Balance, April 30, 2014			$ (1,592)	

Village of Campton Hills
Building Reserve Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended April 30, 2014

	Original Budget	Final Budget	Actual	Positive/ (Negative)
Revenue:				
Transfers in	$ -	$ -	$ -	$ -
	-	-	-	-
Expenditures:				
Capital outlay	40,000	40,000	-	(40,000)
	40,000	40,000	-	(40,000)
Other Financing Activities				
Transfers in	-	-	30,000	(30,000)
Transfers out	-	-	-	-
Net Change in Fund Balance	$ (40,000)	$ (40,000)	30,000	$ 10,000
Fund Balance, May 1, 2013			20,000	
Fund Balance, April 30, 2014			$ 50,000	