

VILLAGE OF CARPENTERSVILLE, ILLINOIS



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2018

The Village of Carpentersville is committed to providing to its citizens the best possible health, safety, and public service to allow for balanced growth with effective financial management and planning.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
December 31, 2018

Prepared by the Finance Department

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INTRODUCTORY SECTION

PRINCIPAL OFFICIALS

December 31, 2018

Village President

John Skillman

Interim Village Manager

Marc Huber

Board of Trustees

Maria Vela

Paul Humpfer

Jeff Frost

Diane Lawrence

John O'Sullivan

Kevin Rehberg

Village Clerk

Kelly Mastera

Department Directors

Bob Cole, *Director of Public Works*

Thomas Lyons, *Director of Finance*

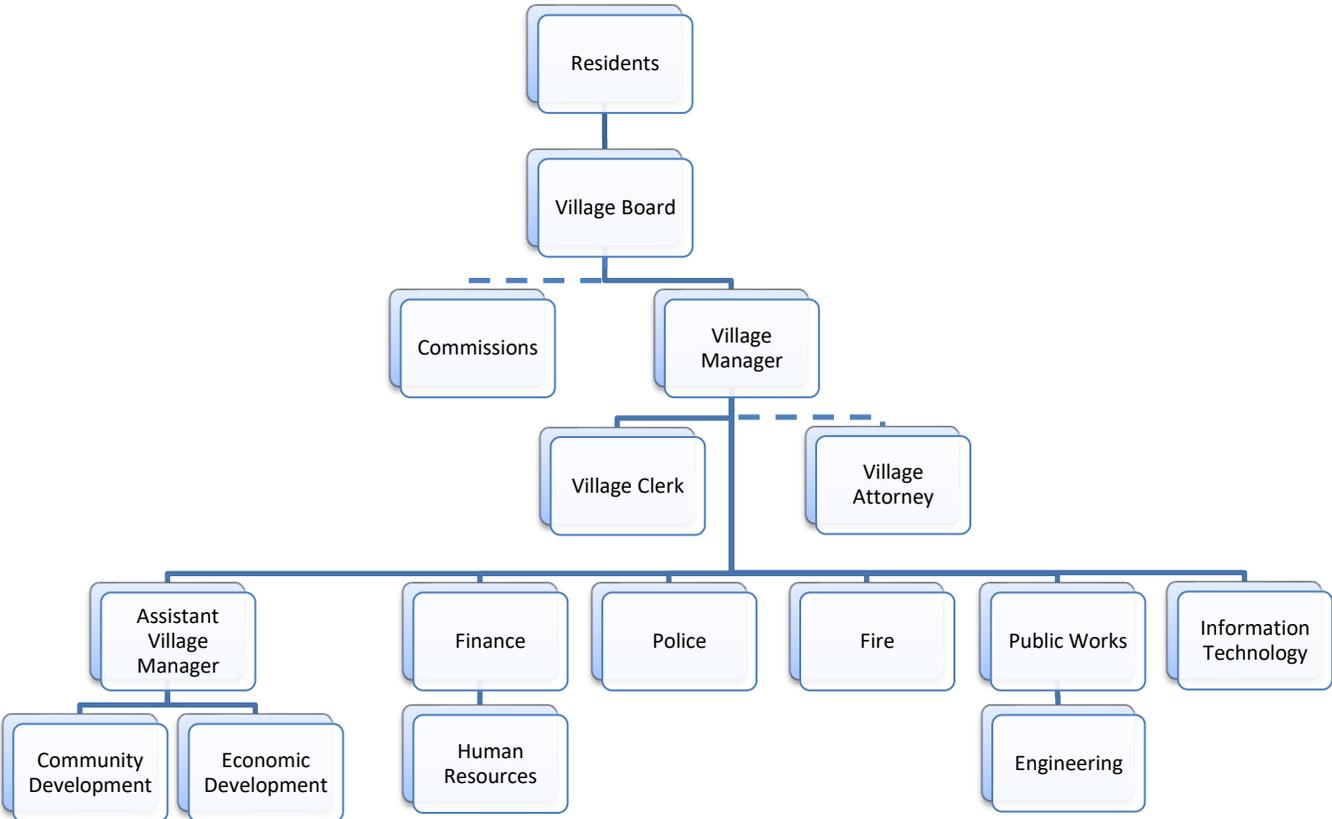
Kevin Roberts, *Director of Information Technology*

Marc Huber, *Director of Community Development*

Michael Kilborne, *Police Chief*

John-Paul Schilling, *Fire Chief*

ORGANIZATIONAL CHART





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Village of Carpentersville
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrill

Executive Director/CEO



1200 L.W. Besinger Drive | Carpentersville, IL 60110
Telephone (847) 551-3478 | Fax (847) 426-0864

July 22, 2019

To the Honorable Village President, Village Clerk, Trustees and Residents of the Village of Carpentersville:

The Comprehensive Annual Financial Report (CAFR) of the Village of Carpentersville for the year ending December 31, 2018 is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the Village issue an annual 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 Carpentersville. Consequently, management assumes full responsibility for the completeness and reliability of all 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 Carpentersville'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. 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 Carpentersville for the fiscal year ending December 31, 2018, 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

the audit, that there was a reasonable basis for rendering an unmodified opinion that the Village's financial statements for the year ending December 31, 2018, 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.

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

Village of Carpentersville Profile

The Village of Carpentersville, incorporated in 1887, is located in the northwest suburbs of Chicago, just minutes from the Golden Corridor, I-90 Jane Addams Tollway with 3 full access interchanges at Route 25, Route 31, and Randall Road. It currently occupies 9 square miles and serves a population of 38,291. The town has grown from the industrial riverfront community with major expansions occurring in the 1960's moving east and the 2000's moving west. Carpentersville has a diverse housing stock from affordable to high end homes. The Village of is empowered to levy a property tax on real property located within its boundaries. The Village is also empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

The Village of Carpentersville operates under the Council-Manager form of government. Policymaking and legislative authority are vested in the Village Board, which consists of a president and six trustees, all of whom are elected at large. Board members serve four-year terms, with three trustees elected every two years. The Board appoints the Village Manager to oversee the administrative operations, who in turn appoints the heads of various departments.

The Village of Carpentersville provides a full range of services, including police and fire protection; ambulance service for emergency medical situations; design, construction and maintenance of roads, streets and infrastructure; water distribution; storm and sanitary sewer system maintenance and repair; community and economic development and planning; building inspections; licenses and permits; social services; and general and financial administration and services.

The Village Board is required to adopt a budget prior to the start of the fiscal year. This annual budget serves as the foundation for financial planning and control. The budget is prepared by fund, function (e.g. public safety), and department (e.g. police). The Village Manager may transfer resources between departments, programs or line items within the same fund without Board approval. Transfers that increase the total fund budget require special approval from the Village Board.

As demonstrated by the statements and schedules included in the financial section of this report, the Village continues to meet its responsibility for sound financial management.

Major Initiatives

Village staff, following specific directives from the Village Board and the Village Manager, were involved in a variety of projects throughout the year ending December 31, 2018 which reflect the Village's commitment towards its citizens to provide them with the best possible services. Some of the major projects are detailed below:

- Awarded the following funding:
 - IEPA Section 319 grant of \$649,507 for upcoming construction costs of stream restoration improvements in Keith Andres Memorial Park.
 - Kane County Community Development Block grant of \$223,249 for construction costs associated with the 2018 Eastside Resurface Program
 - Chicago Metropolitan Agency for Planning – Congestion Mitigation and Air Quality Improvement Program grant of an additional \$500,000 for construction costs associated with the IL-31 at Huntley/Main Intersection Improvement Project.
- Completed the in-house construction management/inspection and/or engineering plans/documents for the following public construction projects:
 - 2018 Westside Resurface Program (areas in Kimball Farms Subdivision)
 - 2018 CDBG Resurface Program (Wakefield Drive)
 - Williams Road Resurface Project
 - Westerly Utility Extension Project (Huntley Road)
 - Washington and Spring Streets Culvert Replacement Project
 - 2018 MFT Sidewalk Cutting Program (select locations)
 - 2018 MFT Sidewalk Replacement Program (select locations)
- The Police Department fostered and/or participated in the several community outreach programs.
- The Fire Department has spear headed many initiatives which support collaborative efforts with our neighboring departments to provide better outcomes for our residents, business owners, and guests. The Department has begun to implement organizational and operational changes as directed by the Village Board.

Local Economy

A skilled and diverse area workforce supports healthy manufacturing areas within Carpentersville and the Village has actively supported industrial development. Because of its location in a region with a varied economic base, unemployment had been relatively stable until the effect of the recession was felt in 2009 (12.9%). However, the Village's unemployment rate improved in the last couple of years. At the end of 2018, the unemployment rate was 6.6%.

State shared sales tax revenue is one of the Village's largest single revenue sources supporting governmental activities, nearly equivalent to property tax revenues. The Village fosters measures that have a positive impact on the revenues critical to supporting the delivery of basic government services.

The Village's economic assistance policy is designed improve the business climate and has offered development assistance in the form of sales tax rebates and tax increment financing incentives where appropriate to assist in attracting new businesses and retaining current businesses. The Village has a mix of commercial and industrial business, resulting in a diversified tax base.

Long-term Financial Planning and Major Initiatives

The Village utilizes a Capital Improvement Program (CIP) to provide for infrastructure and capital asset repair and replacement. As a part of the budget preparation process, the CIP is reviewed and updated.

Village staff /consultants worked on several major infrastructure projects during 2018. Some of the projects included MFT Resurfacing Program, Route 31 & Huntley, Huntley Road improvements, and Washington/Spring Street Culvert replacement.

Relevant Financial Policies

The Village Board established financial management policies in 2014 to provide an effective tool for internal controls and fiscal discipline. One of the financial policies establishes minimum fund balance levels for the General Fund, the main operating fund of the Village. This fund balance policy was revised in 2016 to have total fund balance of 25% of annual operating expenditures. As of December 31, 2018, the total fund balance in the General Fund was \$14,225,242, representing 49% of annual General fund operating expenditures. A portion of this fund balance is nonspendable in nature, as it is being loaned to TIF #3 for capital and infrastructure improvements. This loan will be paid down as incremental property tax revenue is generated in the TIF.

The Village has been maximizing investments in categories covered under the Village's investment policy to continue diversifying revenue streams. The policy outlines the type of investments the Village may purchase and creates various guidelines related to diversification, maturities, collateralization, and internal controls. Currently, funds are invested in local bank certificates of deposit, brokered certificates of deposit, the Illinois Metropolitan Investment Fund (IMET), Municipal Bonds and US Treasury/Agency securities. The maturities of the investments range from being immediately accessible (IMET) to 12-30 months term (certificates of deposit, Municipal Bonds, US Agencies). Investments are made considering the safety, liquidity and investment returns. This diversified approach has helped maximize investment earnings for the Village.

The Village sponsors single-employer defined benefit pension plans for its police officers and firefighters. Each year, an independent actuary engaged by the pension plans 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 meet its obligations to retired employees as required by State statute. The actuary calculates this obligation using the Entry-Age Normal Method. As a matter of policy, the Village funds each year's annual required contribution to the pension plan according to the Entry Age Normal method as determined by the actuary, which is greater than the amount required by State statute.

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 contribution is determined on an annual basis by IMRF.

The capital asset policy provides a basis for determining appropriate insurable values and to establish responsibility for property control. The policy requires that the Village maintain capital asset records to comply with governmental financial reporting standards. Capital assets include land, infrastructure, buildings, machinery, equipment and vehicles.

The Village has a Capital Equipment Replacement Fund (CERF) policy, which requires the Village to set aside funds each year for the eventual replacement of capital assets. Annual contributions to the CERF fund ensure that sufficient funds exist to replace an item at the end of its useful life without having to borrow to cover those costs.

With the implementation GASB 67 and 68 in the past audits, additional information regarding Net Pension Liability and related ratios, investment returns and employer contributions for IMRF, Police and Fire Pension Funds have been provided in the Required Supplementary Information section of the Comprehensive Annual Financial Report. An accounting liability for pensions is also recorded now in the financials (e.g. Net Pension Liability added to the Statement of Net Position).

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to Villages that publish an easily readable and efficiently organized CAFR that satisfies both GAAP and applicable legal requirements. Recently, the Village received the award for its 2017 Comprehensive Annual Financial Report, for a fifth year in a row and will work to achieve the award going forward.

Credit must be given to the Village President and the Board of Trustees for their support in maintaining the highest standards of professionalism in the management of the Village of Carpentersville's finances. Department heads and their staff who assisted and contributed to the timely completion of the audit should also be recognized. Finally, the preparation of this report could not have been accomplished without the efficient and dedicated services of the entire Finance Department staff.

Respectfully submitted,



Eric Johnson
Village Manager

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

The Honorable President
Members of the Board of Trustees
Village of Carpentersville, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Carpentersville, Illinois (the Village) as of and for the year ended December 31, 2018 and the related notes to 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village'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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Carpentersville, Illinois, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 10, the Village adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources, and expenses for OPEB liabilities; modified certain disclosures in the notes to financial statements; and the required supplementary information. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The introductory section, combining and individual fund financial statements and schedules and statistical section as listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 16, 2019, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Sikich LLP

Naperville, Illinois
July 16, 2019

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

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

The Honorable President
Members of the Board of Trustees
Village of Carpentersville, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Carpentersville, Illinois (the Village), as of and for the year ended December 31, 2018, and the related notes to financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated July 16, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sikich LLP

Naperville, Illinois
July 16, 2019

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

VILLAGE OF CARPENTERSVILLE, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DECEMBER 31, 2018

As management of the Village of Carpentersville, we offer readers of the Village of Carpentersville's financial statements this narrative overview and analysis of the financial activities of the Village of Carpentersville for the fiscal year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Village of Carpentersville exceeded its liabilities and deferred inflows of resources by \$88,852,760 (*net position*). \$(28,916,626) of this amount is considered unrestricted net position, which is negative because of a change in reporting method and net pension liabilities being reported.
- The Village's total net position increased by \$860,191. Governmental activities net position increased by \$708,941. Business-type net position increased by \$151,250.
- On December 31, 2018, the Village's governmental funds reported combined fund balances of \$19,345,737, an increase of \$2,963,544 in comparison with the prior year.
- At the end of the current fiscal period, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the General Fund was \$10,813,089, or approximately 37% of the general fund's expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. These financial statements consist of three parts: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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

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

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

Both the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

The governmental activities reflect the Village's basic services, including police, fire, public works, community development, culture/recreation and general government. The business-type activities of the Village include a Water and Sewer operation.

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

DECEMBER 31, 2018

The government-wide financial statements can be found on pages 6-9 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements allow the demonstration of compliance with finance-related legal requirements. The focus is on major funds, rather than fund types. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

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

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

The Village maintains eighteen (18) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, TIF #3 Route 25 Fund, and the Capital Improvement Projects Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual appropriated budget for its governmental and enterprise funds. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 10-14 of this report.

Proprietary Funds – The Village maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Village uses an enterprise fund to account for its Water and Sewer operations. *Internal Service funds* are an accounting device used to accumulate and allocate costs internally among the Village's various functions. The Village uses an internal service fund to account for Health Insurance and Risk Management.

Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary fund financial statements present the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 15-19 of this report.

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

DECEMBER 31, 2018

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting for fiduciary funds is much like that used for proprietary funds.

The Village maintains one type of fiduciary fund. The Police and Firefighters' pension funds are used to report resources held in trust for retirees and beneficiaries covered by the Police or Fire pension plans.

The fiduciary fund financial statements can be found on pages 20-21 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22-74 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information which include the budgetary comparison schedule for the General Fund and TIF #3 Route 25 Fund and information concerning the Village's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on page 75-86 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund statements and schedules can be found on pages 87-117 of this report.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

An analysis of the Village's financial position begins with a review of the Statement of Net position and the Statement of Activities. These two statements report the Village's net position and changes therein. It should be noted that the financial position could also be affected by non-financial factors, including economic conditions, population growth and new regulations.

Government-wide Statements

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Carpentersville, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$88,852,760 as of December 31, 2018. A summary of the Village's Statement of Net position is presented below in Table 1.

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

DECEMBER 31, 2018

Table 1: Condensed Statements of Net Position

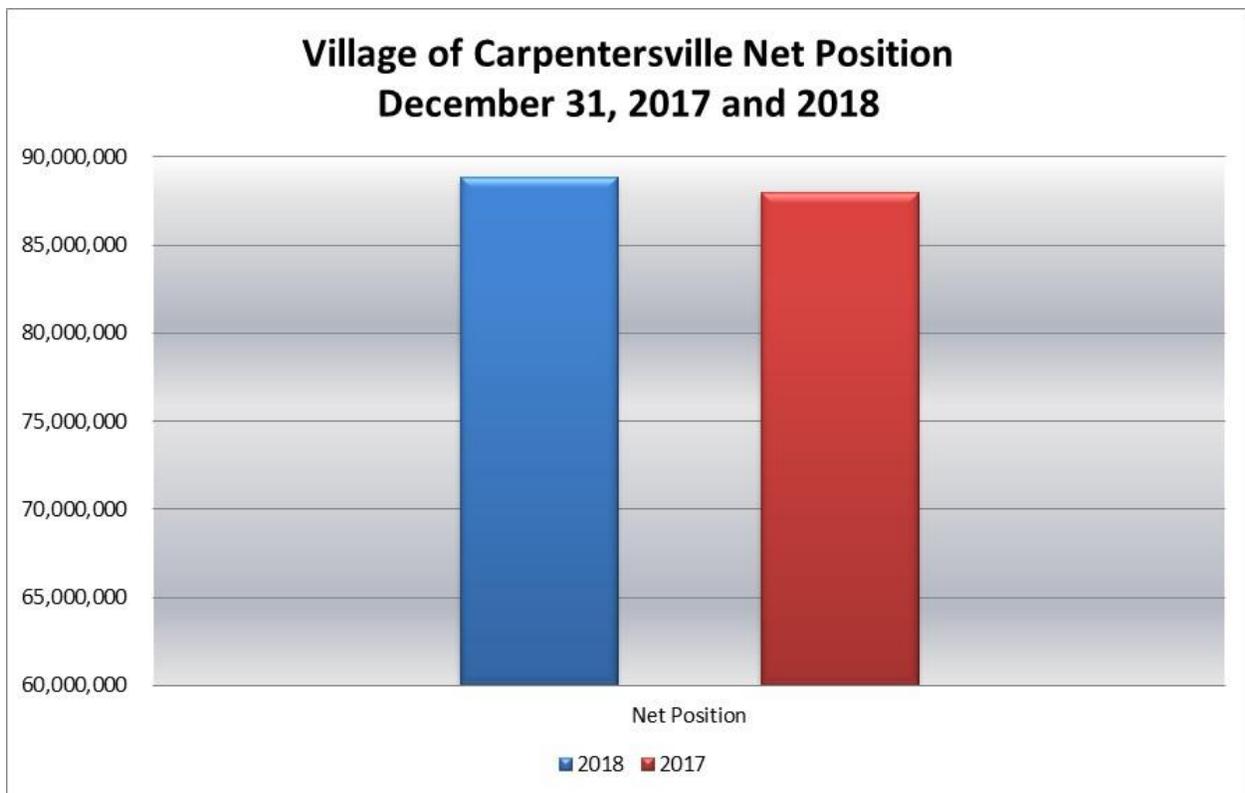
	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Assets						
Current assets	\$ 39,497,175	\$ 39,768,306	\$ 12,555,871	\$ 11,857,581	\$ 52,053,046	\$ 51,625,887
Capital assets	105,653,178	105,367,803	45,990,279	48,117,053	151,643,457	153,484,856
Total Assets	145,150,353	145,136,109	58,546,150	59,974,634	203,696,503	205,110,743
Deferred Outflows of Resources						
Pension items	10,641,099	3,254,302	229,029	630,348	10,870,128	3,884,650
Deferred charge on refunding	317,450	349,195	156,356	171,992	473,806	521,187
Total Deferred outflows	10,958,549	3,603,497	385,385	802,340	11,343,934	4,405,837
Total Assets and Deferred outflows	156,108,902	148,739,606	58,931,535	60,776,974	215,040,437	209,516,580
Liabilities						
Current liabilities	2,961,262	7,106,774	1,773,480	1,083,083	4,734,742	8,189,857
Long-term liabilities	77,874,411	73,449,468	13,249,672	16,632,060	91,124,083	90,081,528
Total Liabilities	80,835,673	80,556,242	15,023,152	17,715,143	95,858,825	98,271,385
Deferred Inflows of Resources						
Unavailable property taxes	15,504,770	14,890,719	-	-	15,504,770	14,890,719
Other post employment benefit items	1,561,051	-	112,950	-	1,674,001	-
Pension items	12,380,117	8,174,295	769,964	187,612	13,150,081	8,361,907
Total Deferred inflows	29,445,938	23,065,014	882,914	187,612	30,328,852	23,252,626
Total Liabilities and Deferred Inflows	110,281,611	103,621,256	15,906,066	17,902,755	126,187,677	121,524,011
Net Position						
Net investment						
in capital assets	79,537,829	78,656,860	33,628,101	34,305,976	113,165,930	112,962,836
Restricted	4,603,456	5,187,438	-	-	4,603,456	5,187,438
Unrestricted	(38,313,994)	(38,725,948)	9,397,368	8,568,243	(28,916,626)	(30,157,705)
Total Net Position	\$45,827,291	\$45,118,350	\$43,025,469	\$42,874,219	\$88,852,760	\$87,992,569

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

DECEMBER 31, 2018

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

An additional portion of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligation to citizens and creditors.



The Village's overall net position increased \$860,191 from the prior fiscal year.

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

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

DECEMBER 31, 2018

Table 2: Condensed Statement of Activities

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues						
Charges for services	\$ 3,318,955	\$ 3,205,298	\$ 8,607,997	\$ 8,578,759	\$ 11,926,952	\$ 11,784,057
Operating grants and contributions	2,313,423	2,478,172	-	-	2,313,423	2,478,172
Capital grants and contributions	281,519	1,446,530	-	-	281,519	1,446,530
General Revenues						
Taxes						
Property taxes	14,863,211	14,610,907	-	-	14,863,211	14,610,907
Sales tax	9,200,504	9,019,909	-	-	9,200,504	9,019,909
Use tax	1,124,817	990,456	-	-	1,124,817	990,456
Utility tax	1,557,320	1,480,023	-	-	1,557,320	1,480,023
Local motor fuel	279,049	357,185	-	-	279,049	357,185
Telecommunications	434,071	510,490	-	-	434,071	510,490
Other taxes	320,988	239,824	-	-	320,988	239,824
Intergovernmental						
Income tax	3,666,979	3,516,997	-	-	3,666,979	3,516,997
Replacement tax	151,250	165,768	-	-	151,250	165,768
Investment income	343,239	219,868	112,249	90,626	455,488	310,494
Other/miscellaneous	567,635	521,533	96,176	90,040	663,811	611,573
Gain on sale of capital assets	-	-	-	-	-	-
Total Revenues	<u>38,422,960</u>	<u>38,762,960</u>	<u>8,816,422</u>	<u>8,759,425</u>	<u>47,239,382</u>	<u>47,522,385</u>
Expenses						
General government	5,797,126	5,716,921	-	-	5,797,126	5,716,921
Public safety	19,091,750	19,017,381	-	-	19,091,750	19,017,381
Public works	6,016,386	7,834,909	-	-	6,016,386	7,834,909
Community development	2,362,334	3,079,480	-	-	2,362,334	3,079,480
Culture and recreation	344,341	211,155	-	-	344,341	211,155
Waterworks and sewerage	-	-	8,471,699	8,271,157	8,471,699	8,271,157
Interest and fiscal charges	1,363,879	1,384,460	-	-	1,363,879	1,384,460
Total Expenses	<u>34,975,816</u>	<u>37,244,306</u>	<u>8,471,699</u>	<u>8,271,157</u>	<u>43,447,515</u>	<u>45,515,463</u>
Increase (Decrease) in Net Position						
Before Transfers	3,447,144	1,518,654	344,723	488,268	3,791,867	2,006,922
Transfers	(65,098)	-	65,098	-	-	-
Change in Net Position	3,382,046	1,518,654	409,821	488,268	3,791,867	2,006,922
Beginning Net Position	45,118,350	42,908,835	42,874,219	41,982,625	87,992,569	84,891,460
Change in Accounting Principle	(2,673,105)	690,861	(258,571)	403,326	(2,931,676)	1,094,187
Net Position, Restated	<u>42,445,245</u>	<u>43,599,696</u>	<u>42,615,648</u>	<u>42,385,951</u>	<u>85,060,893</u>	<u>85,985,647</u>
Ending Net Position	<u>\$45,827,291</u>	<u>\$45,118,350</u>	<u>\$43,025,469</u>	<u>\$42,874,219</u>	<u>\$88,852,760</u>	<u>\$87,992,569</u>

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

DECEMBER 31, 2018

Governmental Activities

During the current fiscal period, net position for governmental activities increased \$708,941 from the prior fiscal year for an ending balance of \$45,827,291.

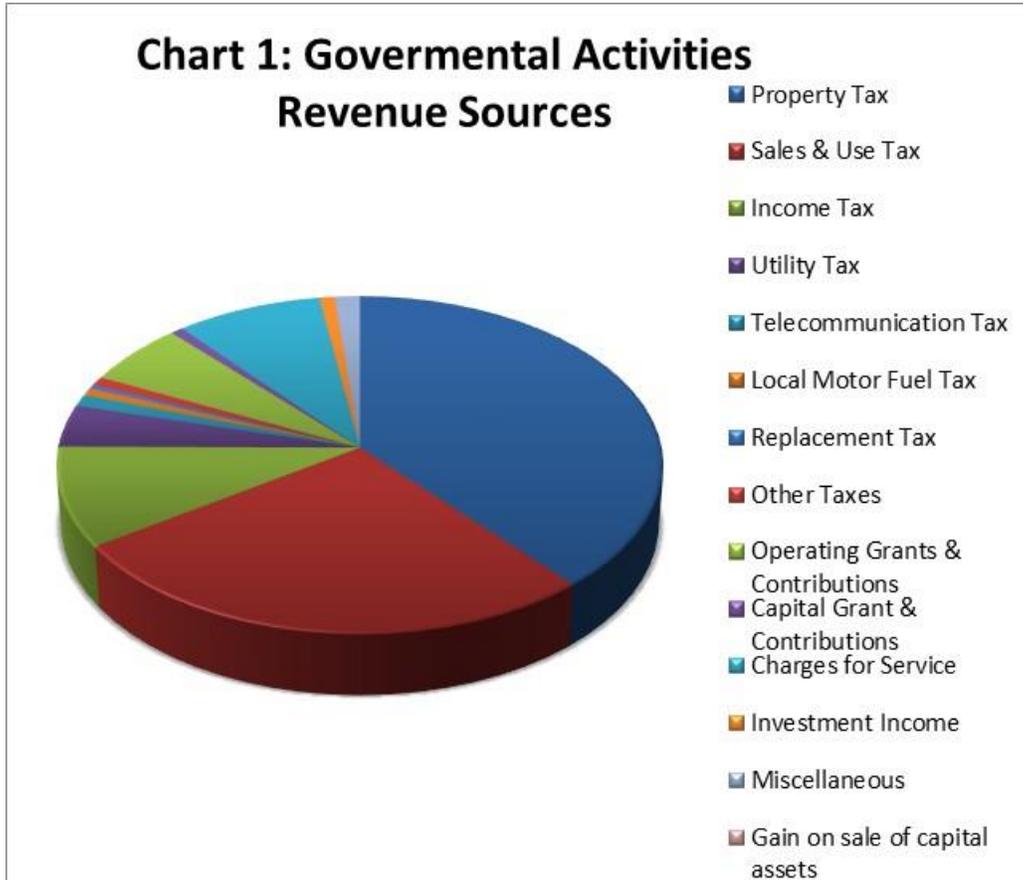
Current Year Impacts

- ◆ Municipal and Home Rule Sales tax realized a 2% increase.
- ◆ Telecommunication taxes decreased 36% from the prior year. The 2016 and 2017 fiscal years had 11% and 14% decreases, respectively. The Village anticipates continued reductions in revenue and will continue to budget accordingly.
- ◆ Income taxes increased 4.3% over the prior year. The 2016 and 2017 fiscal years had 13.2% and 4.1% decreases, respectively. Prior to this, income tax had previously risen all of the previous five fiscal years as the economy continued to rebound from the decline of 2007.
- ◆ The Village continues to receive construction grants from the State of Illinois and Federal Government to mitigate construction costs. This year, the Village recognized \$2.59 million in grants and contributions.
- ◆ Interest rates increased over the prior year and contributed to greater than budgeted interest income.
- ◆ Continued investment in capital assets for the Village, with \$2,701,185 in new capital assets added to the governmental activities.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2018

Revenues

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

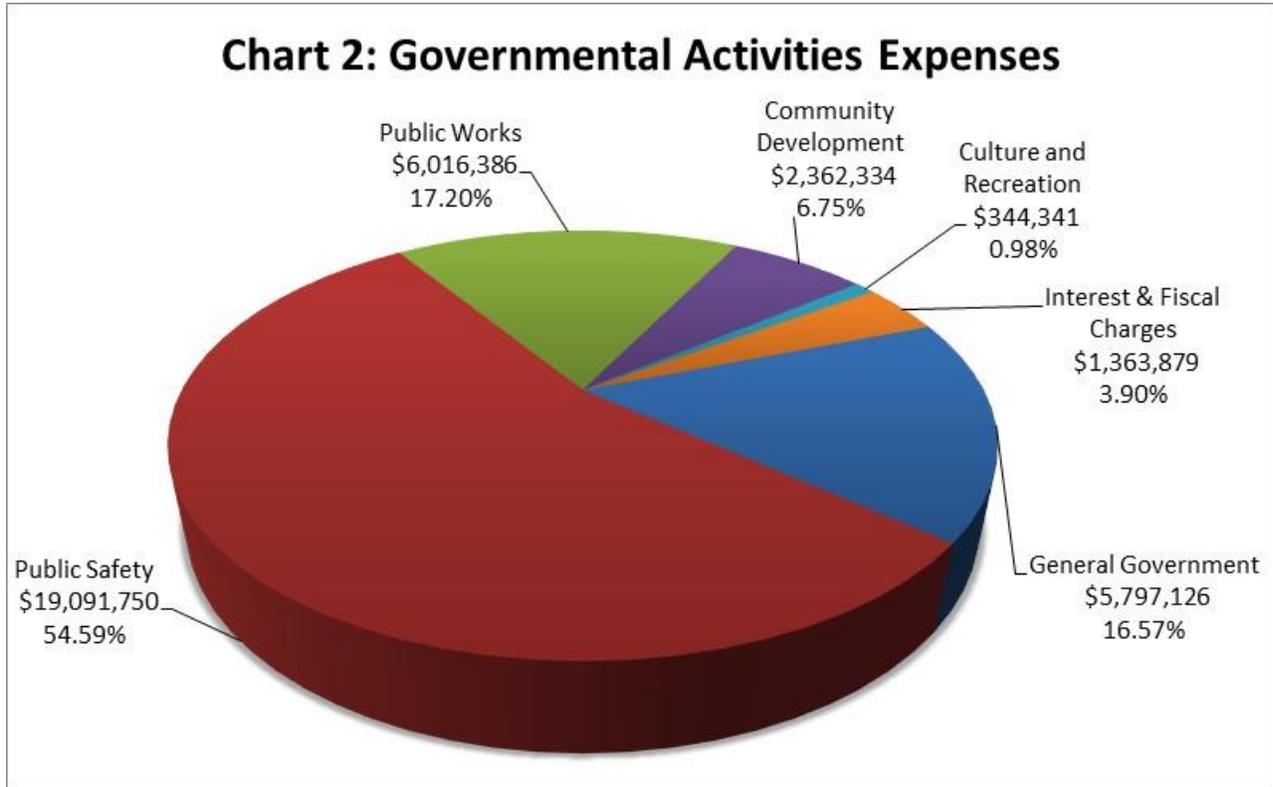


For the fiscal year ended December 31, 2018, revenues from governmental activities totaled \$38,422,960. Property taxes totaled \$14,863,211 representing 39% of total governmental funds’ revenue. Sales and use taxes account for 27% of revenue and local utility tax combined with state income tax represents 14% of total governmental activity revenue.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2018

Expenses

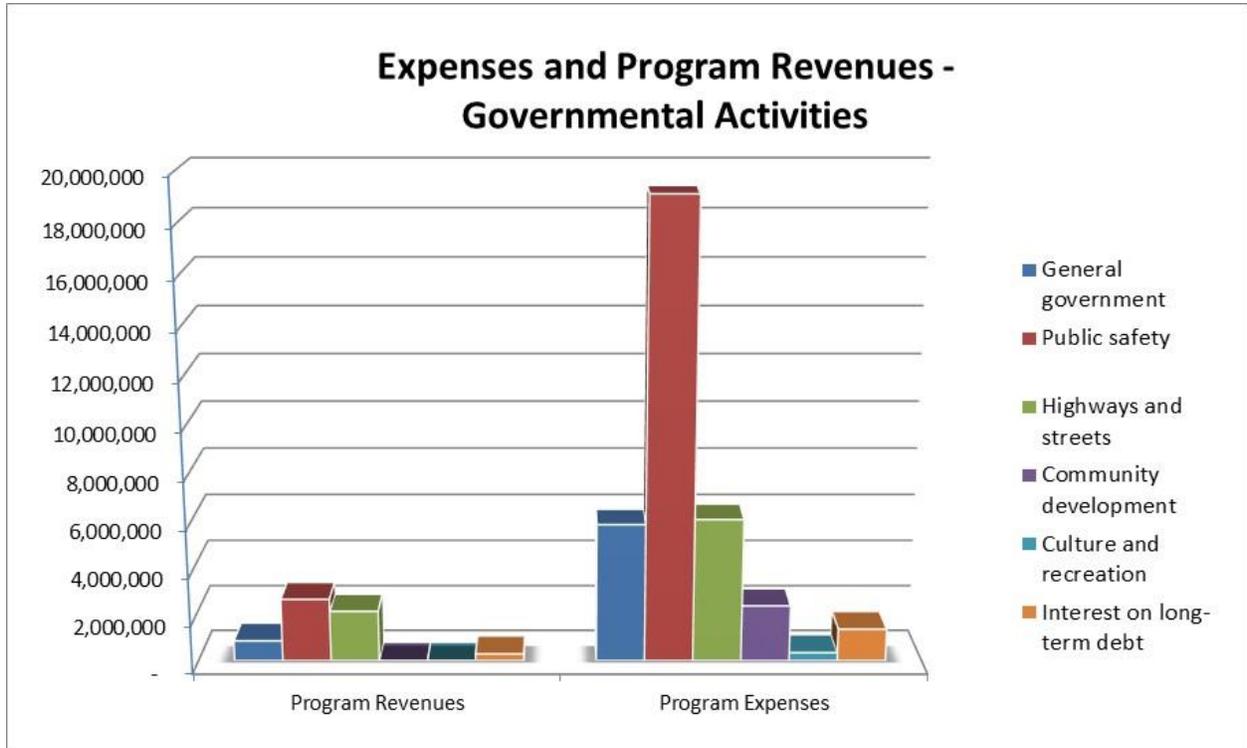
An analysis of the Village’s governmental activities expenses by category is presented below in Chart 2.



For the fiscal year ended December 31, 2018 expenses from governmental activities totaled \$34,975,816. Public Safety, Public Works, and Community Development account for 55%, 17%, and 7% of all governmental activities’ expenses, respectively.

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

DECEMBER 31, 2018



Business-Type Activities

During the current fiscal period, net position for business-type activities increased \$151,250 from the prior fiscal year for an ending balance of \$43,025,469. This is the fifth increase in net position in a row and demonstrates the Water/Sewer fund is moving toward financial sustainability.

Current Year Impacts

- ◆ Operating expenses, including depreciation of \$8,168,505 were less than operating revenues by \$526,937.
- ◆ Water and sewer charges were approximately 4% over budget. The majority of this increase is the addition of a large water customer during the previous year, and not having a full year of data to budget.

Financial Analysis of the Village Funds

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

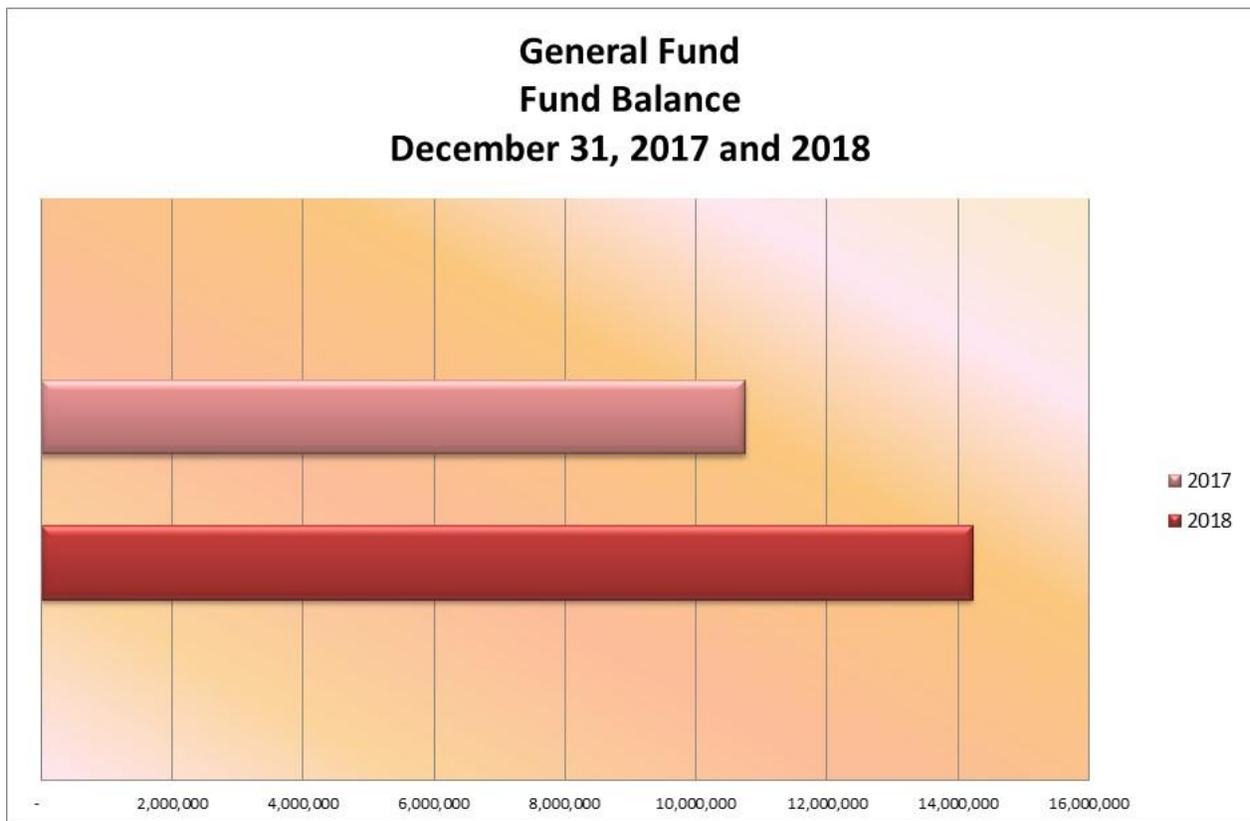
VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)

DECEMBER 31, 2018

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 financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Village of Carpentersville itself, or a group or individual that has been delegated authority to assign resources for use of particular purposes by the Village’s Board.

At December 31, 2018, the governmental funds reported a combined fund balance of \$19,345,737, which is a 18.1% increase from the beginning of the year of \$16,382,193. Positive fund balances are *nonspendable, restricted, or assigned* to indicate that it is 1) not in spendable form (\$3,272,932), 2) legally required to be maintained intact (\$8,427,022), 3) assigned for particular purposes (\$3,118,862).

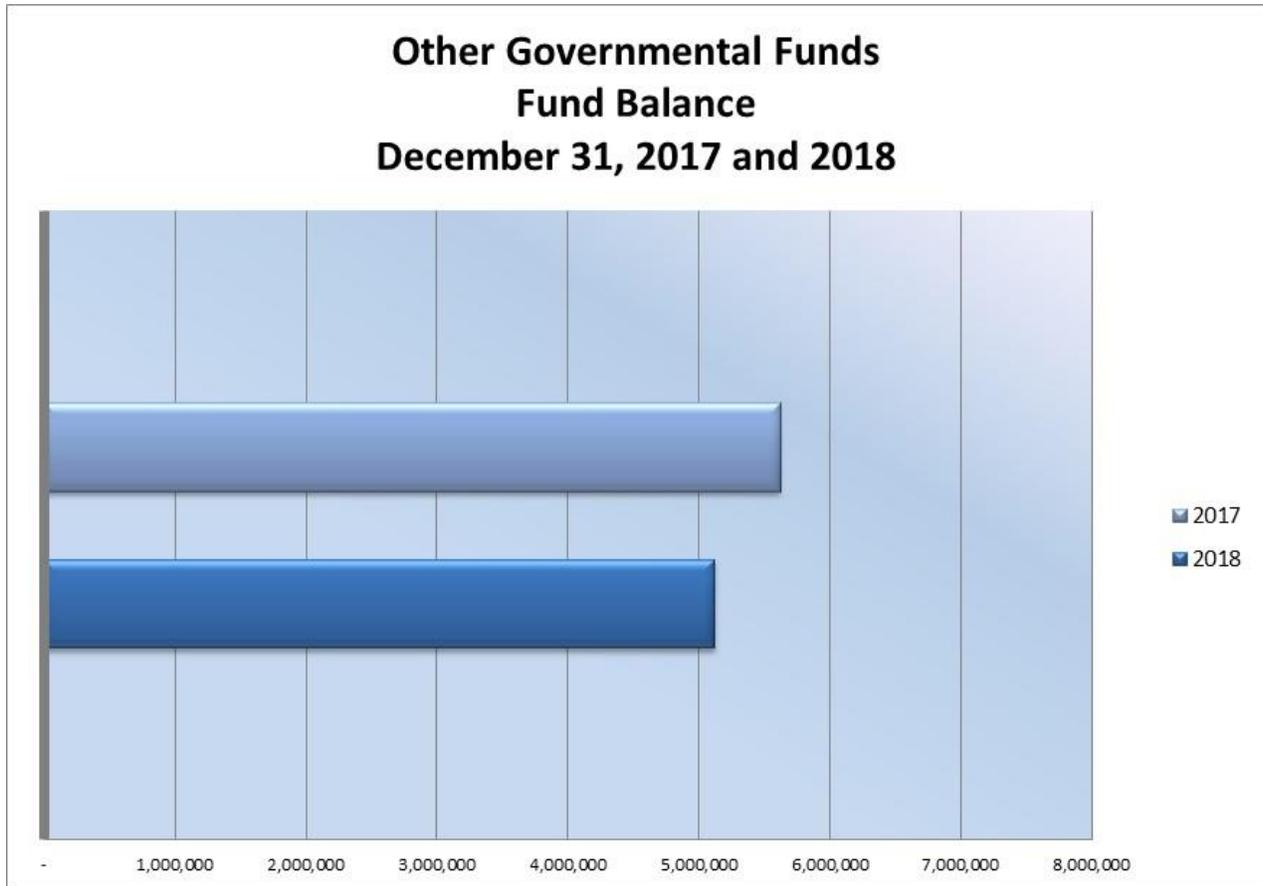


The General Fund is the Village’s primary operating fund and the largest source of day-to-day service delivery. At the end of the current fiscal period, unassigned fund balance of the general fund was \$10,508,634 while total fund balance in the General Fund increased from \$10,758,199 in fiscal year 2017 to \$14,225,242 or 32.2% in fiscal year 2018.

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

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As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 36.6% of total general fund expenditures, while total fund balance represents approximately 49.5% of that same amount. The increase in fund balance is largely due to revenues being more than budgeted and some expenditures coming in under budget.



The Capital Improvement Projects Fund, a major governmental fund, was established when the Village sold bonds in June 2006. The Village later issued a \$10,000,000 bond in September 2008. The bond proceeds were spent on street improvements and water and sewer infrastructure upgrades, repair and replacement. The projects were determined by the Village’s engineering and public works departments. In August 2010, the Village sold a \$20,000,000 Build America Bond to continue funding the capital improvement project fund and construct a new Public Works facility. The Village sold bonds in 2014 for general capital improvements for \$9,560,000. The debt service for the 2006, 2008, and 2014 bonds is shared by the funds on a weighted basis, but the debt service for the 2010 bonds is funded entirely through the Village’s Property Tax levy.

The Capital Improvement Project Fund reported fund balance of \$6,061,383 as of December 31, 2018, a decrease of \$661,587 from the 2017 fund balance of \$6,722,970. TIF #3 Route 25 Fund had deficit fund balance of \$5,980,253 as of December 31, 2018. This deficit will decrease as incremental property taxes are received.

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

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Proprietary Funds

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

Unrestricted net position of the Waterworks and Sewerage Fund was \$9,397,368. At December 31, 2018 the proprietary funds’ total net position increased by \$151,250, or 0.4%, from \$42,874,219 in 2017 to \$43,025,469 in 2018. Beginning net position was restated for the Village’s implementation of GASB Statement No. 75 related to other postemployment benefits for retirees.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year, the Village made amendments to the original budgeted appropriations. The amendments included carryovers of certain appropriations from the Fiscal Year 2017 that were not spent until Fiscal Year 2018 and to cover excess expenditures over appropriations at fiscal year-end for Fiscal Year 2018.

Fund budget compared to actual results.

The most significant differences between estimated and actual revenues were as follows:

Revenue Source	Budgeted Revenues	Actual Revenues	Difference	% Difference
Sales Tax	\$ 8,096,000	\$ 9,200,504	\$ 1,104,504	13.64%
Income Tax	3,500,000	3,666,979	166,979	4.77%
Local Use Tax	920,000	1,124,817	204,817	22.26%
Telecommunication Tax	400,000	325,553	(74,447)	-18.61%
Video Gaming Tax	150,000	284,517	134,517	89.68%

Sales Tax and Local Use Tax receipts have been making a steady comeback over the last few fiscal years. In addition, Walmart provided additional Sales Tax this year as they entered their second full year of operation. Income Tax previously had shown a decline over the past few years and has rebounded slightly in the current year. Video Gaming Tax is higher than budget due to the addition of Video Gaming licenses during the year, and budgeting conservatively in the first few years of the program.

The most significant differences between budgeted and actual expenditures were as follows:

Expenditure Type	Budgeted Expenditures	Actual Expenditures	Difference	% Difference
Administration	\$ 411,126	\$ 112,618	\$ (298,508)	-72.61%
Information Technology	413,798	310,085	(103,713)	-25.06%
Streets and Highways	2,658,904	2,264,116	(394,788)	-14.85%
Community Development	1,152,525	1,483,336	330,811	28.70%

Administration saw some savings due to position vacancies. The vacancy of the information technology director position for a portion of the 2018 fiscal year contributed to the cost saving during 2018. The Streets and Highways Department noted savings in several department line items. A developer contribution in the Community Development Department which was not budgeted led to that department’s budget overage for the year.

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

DECEMBER 31, 2018

Table 3: Capital Assets

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Land	\$ 3,799,475	\$ 3,799,475	\$ 1,249,761	\$ 1,249,761	\$ 5,049,236	\$ 5,049,236
Right of ways	13,465,485	13,410,654	-	-	13,465,485	13,410,654
Construction in Progress	3,818,147	1,976,828	597,128	502,390	4,415,275	2,479,218
Land Improvements	1,485,398	1,383,655	-	-	1,485,398	1,383,655
Buildings	21,800,885	21,595,109	45,221,157	45,221,157	67,022,042	66,816,266
Vehicles	4,285,796	4,304,174	1,538,024	1,429,846	5,823,820	5,734,020
Equipment	3,474,536	3,474,536	3,333,230	3,255,783	6,807,766	6,730,319
Infrastructure	85,364,271	85,053,201	-	-	85,364,271	85,053,201
Water distribution system	-	-	42,275,377	42,275,377	42,275,377	42,275,377
Total Capital Assets	137,493,993	134,997,632	94,214,677	93,934,314	231,708,670	228,931,946
Less: Accumulated depreciation	(31,840,815)	(29,629,829)	(48,224,398)	(45,817,261)	(80,065,213)	(75,447,090)
Net Capital Assets	\$ 105,653,178	\$ 105,367,803	\$ 45,990,279	\$ 48,117,053	\$ 151,643,457	\$ 153,484,856

Capital assets. The Village's investment in capital assets net of related debt for its governmental and business-type activities as of December 31, 2018 amounts to \$113,165,930. The investment in capital assets includes land, buildings, equipment, underground distribution and collection systems, infrastructure, and construction work in progress. The Village experienced a slight decrease of capital assets due to depreciation expense exceeding new capital outlay additions in the current year.

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

- ◆ The purchase of various vehicles and equipment for a cost of \$186,446 in governmental activities and \$210,429 in business-type activities.
- ◆ Completion of the following projects:
 - Williams Road resurfacing
 - Washington and Spring Street culvert replacement
- ◆ Continued purchase of Right of Way and construction on Route 31 & Huntley project and Hopi Lane drainage improvement project.

Additional information on the Village's capital assets can be found in Note 4 on pages 34-35 of this report.

Long-term Debt. The Village currently has six General Obligation Bond series and one Illinois EPA loan outstanding. Total general obligation debt is \$39,450,100, of which \$29,536,900 is attributed to governmental activities and \$9,913,200 is attributed to business-type activities.

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

DECEMBER 31, 2018

The Village's loan from the Illinois Environmental Protection Agency for construction and engineering on the dewatering project carries an outstanding principal balance of \$1,963,062 in the Waterworks and Sewerage Fund. The Village, under its home rule authority, does not have a legal debt limit and carries moderate debt burdens. The Village's current bond rating is Aa3.

Table 4: Outstanding Debt and Other Liabilities

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Bonds and notes payable						
General obligation bonds	\$ 29,536,900	\$ 29,939,940	\$ 9,913,200	\$ 12,146,060	\$ 39,450,100	\$ 42,086,000
IEPA loan	-	-	1,963,062	2,063,296	1,963,062	2,063,296
Premium on bonds payable	719,464	715,722	642,271	824,601	1,361,735	1,540,323
Other liabilities						
Vested compensated absences	928,071	901,103	141,095	141,572	1,069,166	1,042,675
Net pension liability	42,211,260	39,122,297	316,702	1,339,345	42,527,962	40,461,642
Other postemployment benefits	3,779,168	2,520,133	273,442	117,186	4,052,610	2,637,319
Insurance claims payable	699,548	250,273	-	-	699,548	250,273
Total	\$ 77,874,411	\$ 73,449,468	\$ 13,249,772	\$ 16,632,060	\$ 91,124,183	\$ 90,081,528

Additional information on the Village's long-term debt can be found in the Note 5 on pages 35-39 of this report.

Economic factors and next year's budget

The following economic factors currently affect the Village of Carpentersville and were considered in developing the December 31, 2019 fiscal year budget.

- The property tax levy increased slightly due to the debt service fund levy only. The Corporate levy remained at \$7,475,000 for a fourth year in a row.
- The State of Illinois still has not made a determination on the impact to the Local Government Distributive Fund at the time this report was printed. It brings uncertainty to future State revenues.
- On the expenditure side, increases are expected in wages of contracted union positions as well as other nonunion positions and commodities and contractual services.
- The Village of Carpentersville continues to be self-insured for General Liability and Worker's Compensation losses.

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 the Finance Department, Village of Carpentersville, 1200 L. W. Besinger Drive, Carpentersville, Illinois 60110.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 21,742,050	\$ 8,099,196	\$ 29,841,246
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	15,504,770	-	15,504,770
Other taxes	2,885,137	-	2,885,137
Accounts	444,890	1,330,199	1,775,089
Accrued interest	56,688	21,926	78,614
Other	1,839,501	-	1,839,501
Prepaid expenses	43,171	1,000	44,171
Due from other governments	83,167	1,351	84,518
Internal balances	(3,102,199)	3,102,199	-
Capital assets			
Not depreciated	21,083,107	1,846,889	22,929,996
Depreciated (net of accumulated depreciation)	84,570,071	44,143,390	128,713,461
	145,150,353	58,546,150	203,696,503
DEFERRED OUTFLOWS OF RESOURCES			
Pension items	10,641,099	229,029	10,870,128
Deferred charge on refunding	317,450	156,356	473,806
	10,958,549	385,385	11,343,934
Total assets and deferred outflows of resources	156,108,902	58,931,535	215,040,437

(This statement is continued on the following page.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2018

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable	\$ 1,485,373	\$ 1,320,453	\$ 2,805,826
Accrued payroll	658,909	107,371	766,280
Unearned revenue	53,016	6,520	59,536
Accrued interest payable	-	102,268	102,268
Deposits payable	763,964	236,868	1,000,832
Long-term liabilities			
Due within one year	2,592,922	1,559,542	4,152,464
Due in more than one year	75,281,489	11,690,130	86,971,619
Total liabilities	80,835,673	15,023,152	95,858,825
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	15,504,770	-	15,504,770
Other post employment benefits	1,561,051	112,950	1,674,001
Pension items	12,380,117	769,964	13,150,081
Total deferred inflows of resources	29,445,938	882,914	30,328,852
Total liabilities and deferred inflows of resources	110,281,611	15,906,066	126,187,677
NET POSITION			
Net investment in capital assets	79,537,829	33,628,101	113,165,930
Restricted for			
Police department programs	94,189	-	94,189
Asset forfeiture	140,221	-	140,221
Street maintenance	1,279,287	-	1,279,287
Parks	297,172	-	297,172
Public improvements	1,374,194	-	1,374,194
Fire purposes	41,486	-	41,486
Debt service	1,376,907	-	1,376,907
Unrestricted (deficit)	(38,313,994)	9,397,368	(28,916,626)
TOTAL NET POSITION	\$ 45,827,291	\$ 43,025,469	\$ 88,852,760

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2018

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 5,797,126	\$ 854,776	\$ -	\$ -
Public safety	19,091,750	1,666,247	974,098	-
Public works	6,016,386	795,002	1,046,846	281,519
Community development	2,362,334	2,930	-	-
Culture and recreation	344,341	-	-	-
Interest	1,363,879	-	292,479	-
Total governmental activities	34,975,816	3,318,955	2,313,423	281,519
Business-Type Activities				
Waterworks and sewerage	8,471,699	8,607,997	-	-
Total business-type activities	8,471,699	8,607,997	-	-
TOTAL PRIMARY GOVERNMENT	\$ 43,447,515	\$ 11,926,952	\$ 2,313,423	\$ 281,519

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (4,942,350)	\$ -	\$ (4,942,350)
	(16,451,405)	-	(16,451,405)
	(3,893,019)	-	(3,893,019)
	(2,359,404)	-	(2,359,404)
	(344,341)	-	(344,341)
	(1,071,400)	-	(1,071,400)
	<u>(29,061,919)</u>	<u>-</u>	<u>(29,061,919)</u>
	-	136,298	136,298
	-	136,298	136,298
	<u>(29,061,919)</u>	<u>136,298</u>	<u>(28,925,621)</u>
General Revenues			
Taxes			
Property	14,863,211	-	14,863,211
Sales	9,200,504	-	9,200,504
Use	1,124,817	-	1,124,817
Utility	1,557,320	-	1,557,320
Local motor fuel	279,049	-	279,049
Telecommunications	434,071	-	434,071
Other	320,988	-	320,988
Intergovernmental			
Income tax	3,666,979	-	3,666,979
Replacement tax	151,250	-	151,250
Investment income	343,239	112,249	455,488
Miscellaneous	567,635	96,176	663,811
Transfers in (out)	(65,098)	65,098	-
Total	<u>32,443,965</u>	<u>273,523</u>	<u>32,717,488</u>
CHANGE IN NET POSITION	<u>3,382,046</u>	<u>409,821</u>	<u>3,791,867</u>
NET POSITION, JANUARY 1	45,118,350	42,874,219	87,992,569
Change in accounting principle	(2,673,105)	(258,571)	(2,931,676)
NET POSITION, JANUARY 1 (RESTATED)	<u>42,445,245</u>	<u>42,615,648</u>	<u>85,060,893</u>
NET POSITION, DECEMBER 31	<u>\$ 45,827,291</u>	<u>\$ 43,025,469</u>	<u>\$ 88,852,760</u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2018

	General	TIF #3 Route 25	Capital Improvement Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 8,991,562	\$ 251,487	\$ 6,739,189	\$ 5,358,942	\$ 21,341,180
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	11,554,450	767,180	-	3,183,140	15,504,770
Other taxes	2,860,026	-	-	25,111	2,885,137
Accounts	412,666	-	-	-	412,666
Accrued interest	20,706	-	25,594	10,388	56,688
Other	191,964	-	-	75,732	267,696
Prepaid items	40,405	-	-	1,000	41,405
Due from other governments	-	-	-	83,167	83,167
Due from other funds	231,155	-	-	1,057	232,212
Advances to other funds	3,231,527	-	-	-	3,231,527
TOTAL ASSETS	\$ 27,534,461	\$ 1,018,667	\$ 6,764,783	\$ 8,738,537	\$ 44,056,448

	General	TIF #3 Route 25	Capital Improvement Projects	Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 626,523	\$ 213	\$ 703,400	\$ 130,189	\$ 1,460,325
Accrued payroll	658,706	-	-	203	658,909
Deposits payable	379,858	-	-	384,106	763,964
Unearned revenue	30,246	-	-	-	30,246
Due to other funds	59,436	-	-	1,534	60,970
Advances from other funds	-	6,231,527	-	-	6,231,527
Total liabilities	1,754,769	6,231,740	703,400	516,032	9,205,941
DEFERRED INFLOWS OF RESOURCES					
Unavailable property taxes	11,554,450	767,180	-	3,183,140	15,504,770
Total deferred inflows of resources	11,554,450	767,180	-	3,183,140	15,504,770
Total liabilities and deferred inflows of resources	13,309,219	6,998,920	703,400	3,699,172	24,710,711
FUND BALANCES					
Nonspendable					
Prepaid items	40,405	-	-	1,000	41,405
Advances	3,231,527	-	-	-	3,231,527
Restricted					
Police department programs	-	-	-	94,189	94,189
Asset forfeiture	140,221	-	-	-	140,221
Capital projects	-	-	3,823,566	-	3,823,566
Street maintenance	-	-	-	1,279,287	1,279,287
Parks	-	-	-	297,172	297,172
Public improvements	-	-	-	1,374,194	1,374,194
Fire purposes	-	-	-	41,486	41,486
Debt service	-	-	-	1,376,907	1,376,907
Assigned					
Community improvements	304,455	-	-	-	304,455
Carryforwards	-	-	2,237,817	-	2,237,817
Capital projects	-	-	-	576,590	576,590
Unassigned (deficit)	10,508,634	(5,980,253)	-	(1,460)	4,526,921
Total fund balances (deficit)	14,225,242	(5,980,253)	6,061,383	5,039,365	19,345,737
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 27,534,461	\$ 1,018,667	\$ 6,764,783	\$ 8,738,537	\$ 44,056,448

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

December 31, 2018

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 19,345,737
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	105,653,178
Unamortized loss on refunding are other financing uses in governmental funds in the year of issuance, but are capitalized and amortized on the statement of net position	317,450
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings are recognized as deferred outflows and inflows of resources on the statement of net position	
Illinois Municipal Retirement Fund	(925,015)
Police Pension Fund	(987,972)
Firefighters' Pension Fund	173,969
Other postemployment benefit payable	(1,561,051)
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Compensated absences payable	(928,071)
Bonds payable	(29,536,900)
Claims payable	(699,548)
Other postemployment benefit payable	(3,779,168)
Net pension liability for the Illinois Municipal Retirement Fund	(541,567)
Net pension liability for the Police Pension Fund	(30,380,496)
Net pension liability for the Firefighters' Pension Fund	(11,289,197)
Less amounts included in internal service funds below	699,548
Bond premiums (discounts) are other financing sources (uses) in governmental funds in the year of issuance but are capitalized and amortized on the statement of net position	(719,464)
The net position of the internal service fund is included in the governmental activities in the statement of net position	<u>985,858</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 45,827,291</u></u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2018

	General	TIF #3 Route 25	Capital Improvement Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 24,016,886	\$ 621,666	\$ -	\$ 3,141,408	\$ 27,779,960
Intergovernmental	4,794,895	-	260,341	1,392,783	6,448,019
Licenses and permits	688,925	-	-	-	688,925
Charges for services	1,993,916	-	-	40,929	2,034,845
Fines and forfeitures	451,677	-	-	-	451,677
Investment income	124,354	1,833	133,363	31,316	290,866
Miscellaneous	647,226	-	-	18,240	665,466
Total revenues	32,717,879	623,499	393,704	4,624,676	38,359,758
EXPENDITURES					
Current					
General government	5,476,306	-	60	-	5,476,366
Public safety	18,456,545	-	-	52,195	18,508,740
Public works	3,090,270	-	-	413,152	3,503,422
Community development	1,483,336	1,341	-	863,562	2,348,239
Culture and recreation	243,839	-	-	4,572	248,411
Capital outlay	-	-	2,106,119	1,471,589	3,577,708
Debt service					
Principal retirement	-	-	-	1,453,928	1,453,928
Interest and fiscal charges	-	-	-	1,393,490	1,393,490
Total expenditures	28,750,296	1,341	2,106,179	5,652,488	36,510,304
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,967,583	622,158	(1,712,475)	(1,027,812)	1,849,454
OTHER FINANCING SOURCES (USES)					
Transfers in	3,888	-	1,050,888	1,138,817	2,193,593
Transfers (out)	(504,428)	-	-	(638,277)	(1,142,705)
Sale of capital assets	-	-	-	63,202	63,202
Total other financing sources (uses)	(500,540)	-	1,050,888	563,742	1,114,090
NET CHANGE IN FUND BALANCES	3,467,043	622,158	(661,587)	(464,070)	2,963,544
FUND BALANCES (DEFICIT), JANUARY 1	10,758,199	(6,602,411)	6,722,970	5,503,435	16,382,193
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 14,225,242	\$ (5,980,253)	\$ 6,061,383	\$ 5,039,365	\$ 19,345,737

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, 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 December 31, 2018

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 2,963,544
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	2,701,185
The change in the net pension liabilities are only reported only in the statement of activities	
Illinois Municipal Retirement Fund	1,748,748
Police Pension Fund	(2,522,612)
Firefighters' Pension Fund	(2,315,099)
Net OPEB obligation	1,414,070
The change in deferred inflows and outflows of resources for net pension liabilities are reported only in the statement of activities	
Illinois Municipal Retirement Fund	(1,682,105)
Police Pension Fund	2,777,464
Firefighters' Pension Fund	2,085,616
Other postemployment benefit	(1,561,051)
Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities	29,611
The repayment of the principal portion 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	1,453,928
Some expenses in the statement of activities do not required the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation	(2,415,810)
Compensated absences	(26,968)
Transfer of long-term debt	(1,115,986)
The change in net position of internal service funds is reported with governmental activities	<u>(152,489)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 3,382,046</u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2018

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service Funds
CURRENT ASSETS		
Cash and investments	\$ 8,099,196	\$ 400,870
Receivables (net of allowances)		
Accounts	1,330,199	32,224
Accrued interest	21,926	-
Other	1,351	1,571,805
Prepaid expenses	1,000	1,766
Due from other funds	102,199	-
Total current assets	<u>9,555,871</u>	<u>2,006,665</u>
NONCURRENT ASSETS		
Capital assets		
Nondepreciable	1,846,889	-
Depreciable	92,367,788	-
Accumulated depreciation	<u>(48,224,398)</u>	<u>-</u>
Net capital assets	<u>45,990,279</u>	<u>-</u>
Other assets		
Advances to other funds	<u>3,000,000</u>	<u>-</u>
Total noncurrent assets	<u>48,990,279</u>	<u>-</u>
Total assets	<u>58,546,150</u>	<u>2,006,665</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension items - IMRF	229,029	-
Deferred charge on refunding	<u>156,356</u>	<u>-</u>
Total deferred outflows of resources	<u>385,385</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>58,931,535</u>	<u>2,006,665</u>

(This statement is continued on the following page.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF NET POSITION (Continued)
 PROPRIETARY FUNDS

December 31, 2018

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service Funds
CURRENT LIABILITIES		
Accounts payable	\$ 1,320,453	\$ 25,048
Accrued payroll	107,371	-
Unearned revenue	6,520	22,770
Accrued interest payable	102,268	-
Claims payable	-	349,774
Due to other funds	-	273,441
Deposits payable	236,868	-
Compensated absences payable	28,219	-
Bonds payable	1,429,080	-
IEPA loans payable	102,243	-
Total current liabilities	<u>3,333,022</u>	<u>671,033</u>
LONG-TERM LIABILITIES		
Compensated absences payable	112,877	-
Claims payable	-	349,774
Bonds payable	9,126,291	-
Net other postemployment benefit obligation	273,442	-
IEPA loans payable	1,860,819	-
IMRF net pension liability	316,701	-
Total long-term liabilities	<u>11,690,130</u>	<u>349,774</u>
Total liabilities	<u>15,023,152</u>	<u>1,020,807</u>
DEFERRED INFLOWS OF RESOURCES		
Other postemployment benefits	112,950	-
Pension items - IMRF	769,964	-
Total deferred inflows of resources	<u>882,914</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>15,906,066</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	33,628,101	-
Unrestricted	9,397,368	985,858
TOTAL NET POSITION	<u>\$ 43,025,469</u>	<u>\$ 985,858</u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the Year Ended December 31, 2018

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service Funds
OPERATING REVENUES		
Charges for services	\$ 8,334,652	\$ 4,473,869
Service fees and penalties	273,345	-
Miscellaneous	87,445	-
	8,695,442	4,473,869
OPERATING EXPENSES		
Administration	610,684	-
Operations	5,125,880	4,626,358
Depreciation and amortization	2,431,941	-
	8,168,505	4,626,358
OPERATING INCOME (LOSS)	526,937	(152,489)
NON-OPERATING REVENUES (EXPENSES)		
Investment income	112,249	-
Disposal of capital assets	8,731	-
Transfer of debt	1,115,986	-
Interest and fiscal charges	(303,194)	-
	933,772	-
NET INCOME (LOSS) BEFORE TRANSFERS	1,460,709	(152,489)
TRANSFERS		
Transfers (out)	(1,050,888)	-
	(1,050,888)	-
CHANGE IN NET POSITION	409,821	(152,489)
NET POSITION, JANUARY 1	42,874,219	1,138,347
Change in accounting principle	(258,571)	-
NET POSITION, JANUARY 1 (RESTATEd)	42,615,648	1,138,347
NET POSITION, DECEMBER 31	\$ 43,025,469	\$ 985,858

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended December 31, 2018

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 8,633,877	\$ 333,476
Receipts from interfund services transactions	-	3,767,386
Receipts from others	-	342,942
Receipts from miscellaneous	87,445	-
Payments for interfund services transactions	(584,769)	-
Payments to suppliers	(2,274,670)	(4,042,934)
Payments to employees	(2,237,887)	-
	3,623,996	400,870
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Advances to other funds	(3,099,694)	-
Transfer to other funds	(985,790)	-
	(4,085,484)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital assets purchased	(253,877)	-
Proceeds from disposal of capital assets	8,731	-
Principal payments on long-term debt	(1,282,306)	-
Interest payments on long-term debt	(480,609)	-
	(2,008,061)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of investments	4,465,075	-
Interest received on investments	139,045	-
	4,604,120	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,134,571	400,870
CASH AND CASH EQUIVALENTS, JANUARY 1	1,323,030	-
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 3,457,601	\$ 400,870

(This statement is continued on the following page.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
 PROPRIETARY FUNDS

For the Year Ended December 31, 2018

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Waterworks and Sewerage</u>	<u>Internal Service Fund</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ 526,937	\$ (152,489)
Adjustments to reconcile operating income (loss) to net cash from operating activities		
Depreciation and amortization	2,431,941	-
Changes in assets and liabilities		
Accounts receivable	44,160	(32,000)
Other receivables	-	141,913
Prepaid expenses	(56)	-
Accounts payable	650,760	(7,764)
Accrued payroll	17,348	-
Deposits payable	(14,070)	-
Claims payable	-	449,275
Total OPEB liability	(102,315)	-
Unearned revenue	(4,210)	1,935
Pension amounts	(38,973)	-
OPEB amounts	112,950	-
Compensated absences	(476)	-
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 3,623,996</u>	<u>\$ 400,870</u>
CASH AND INVESTMENTS		
Cash and cash equivalents	\$ 3,457,601	\$ 400,870
Investments	4,641,595	-
TOTAL CASH AND INVESTMENTS	<u>\$ 8,099,196</u>	<u>\$ 400,870</u>
NONCASH TRANSACTIONS		
Transfer of debt	\$ 1,115,986	\$ -
TOTAL NONCASH TRANSACTIONS	<u>\$ 1,115,986</u>	<u>\$ -</u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS

December 31, 2018

	Pension Trust
	<u> </u>
ASSETS	
Cash and short-term investments	\$ 7,358
Investments, at fair value	
Money market mutual funds	1,700,672
U.S. Treasury obligations	12,304,830
U.S. agency obligations	10,416,045
Municipal bonds	1,493,969
Equities	14,824,878
Corporate bonds	1,216,924
Equity mutual funds	21,649,578
Receivables	
Accrued interest	140,792
Prepaid expenses	<u>4,298</u>
 Total assets	 <u>63,759,344</u>
 LIABILITIES	
Accounts payable	<u>33,425</u>
 Total liabilities	 <u>33,425</u>
 NET POSITION RESTRICTED FOR PENSIONS	 <u><u>\$ 63,725,919</u></u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS**

For the Year Ended December 31, 2018

ADDITIONS

Contributions	
Employer contributions	\$ 3,828,909
Employee contributions	<u>870,742</u>
Total contributions	<u>4,699,651</u>
Investment income	
Net depreciation in fair value of investments	(4,317,588)
Interest	<u>1,869,355</u>
Total investment income	(2,448,233)
Less investment expense	<u>(250,163)</u>
Net investment income (loss)	<u>(2,698,396)</u>
Total additions	<u>2,001,255</u>

DEDUCTIONS

Administration	105,672
Pension benefits	<u>3,864,088</u>
Total deductions	<u>3,969,760</u>

NET DECREASE (1,968,505)

**NET POSITION RESTRICTED
FOR PENSIONS**

January 1	<u>65,694,424</u>
December 31	<u>\$ 63,725,919</u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Carpentersville, Illinois (the Village) was incorporated in 1851. The Village provides services to the community that includes public safety (police and fire), water and sewer utility, community development, public works, culture and recreation and general services.

The accounting policies of the Village conform to accounting principles generally accepted in the United States of America, as applicable to governments (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 following is a summary of the more significant policies:

a. Reporting Entity

The Village is a municipal corporation governed by the Village President and an elected six-member board. As defined by GAAP established by GASB, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

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

Based on the above criteria, the Village does not have any component units.

b. Fund Accounting

The Village uses funds to report on its financial position and the change in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The minimum number of funds are maintained consistent with legal and managerial requirements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

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

Governmental funds are used to account for all or most of the Village's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds), the funds committed, restricted or assigned for the servicing of long-term debt (debt service funds) and the funds restricted to the extent that only earnings, and not principal, may be used for purposes that support the Village's programs (permanent funds). The General Fund is used to account for all activities of the Village not accounted for in some other fund.

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).

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. The Village utilizes pension trust funds which are generally used to account for assets that the Village holds in a fiduciary capacity.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position 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. Interfund services provided and used are not eliminated on 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 contributions 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.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

The Village reports the following major governmental funds:

The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those accounted for in another fund.

The TIF #3 (Route 25) Fund is used to account for the funds restricted for the redevelopment activities of the tax increment financing district established to rehabilitate and redevelop the corridor around Route 25 through an integrated and comprehensive strategy that utilizes public resources to stimulate additional private investment in an area that would not otherwise be commercially productive.

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

The Village reports the following major proprietary funds:

The Waterworks and Sewerage Fund is used to account for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance and improvements.

Additionally, the Village reports the following Internal Service Fund:

Internal Service Fund (Insurance) is used to account for accumulation of resources and costs associated with insurance for the Village. This fund is reported as part of the governmental activities on the government-wide financial statements as they provide services to the Village's governmental funds/activities.

The Village reports pension trust funds as fiduciary funds to account for the Police Pension Fund and Firefighters' Pension Fund.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and expenses are directly attributable to the operation of the proprietary funds. Non-operating revenue/expenses are incidental to the operations of these funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “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, generally 60 days except for sales taxes and telecommunication taxes which use 90 days. The Village recognizes property taxes when they become both measurable and available in the year for which they are levied (i.e., intended to finance). Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

Property taxes, sales taxes owed from the state at year end, franchise taxes, licenses, charges for services and investment income associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

In applying the susceptible to accrual concept to intergovernmental revenues (e.g., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidelines. There are, however, essentially two types of revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Village; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity.

These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Village reports unearned revenue and unavailable/deferred revenue on its financial statements. Unavailable/deferred revenues arise when a potential revenue does not meet both the measurable and available criteria (unavailable) or earned criteria (deferred) for recognition in the current period. Unearned revenue arises when a revenue is measurable but not earned under the accrual basis of accounting. Unearned revenues also arise when resources are received by the Village before it has a legal claim to them or prior to the provision of services, 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 and deferred inflows of resource for unearned and unavailable/deferred revenue are removed from the financial statements and revenue is recognized.

e. Cash and Investments

For purposes of the statement of cash flows, the Village considers cash and cash equivalents to include cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

f. Interfund Receivables/Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “interfund receivables/payables” (current portion of interfund loans) or “advances to/from other funds” (noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “internal balances.”

Interfund service transactions are accounted for as revenues, expenditures or expenses.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Interfund Receivables/Payables (Continued)

Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

g. Property Taxes

Property taxes are levied in December of each year on all taxable real property in the Village and attach as an enforceable lien on the property as of the preceding January 1. Property taxes receivable represent the balance due on the 2018 levy. Tax bills are prepared by the County and issued on or about May 1 and are payable in two installments on or about June 1 and September 1. The County Collector collects such taxes and remits them periodically. Since the 2018 levy is intended to finance the next fiscal year, the levy has been recorded as a receivable and unavailable/deferred revenue.

h. Inventories and Prepaid Items/Expenses

Governmental fund inventory items are expensed when purchased. Proprietary fund inventories are valued at cost based on weighted average and expensed when consumed. Proprietary fund inventory was not significant at December 31, 2018.

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses. Prepaid items/expenses are recorded as expenditures/expenses when consumed rather than when purchased.

i. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads and bridges) 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 in excess of \$10,000 for machinery, equipment and vehicles, \$50,000 for buildings improvements, \$100,000 for land improvements and infrastructure, \$1 for land and right of way 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 acquisition value at the date of donation.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Capital Assets (Continued)

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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	30-50
Machinery and equipment	5-20
Utility system	5-75
Infrastructure	10-75

j. Compensated Absences

Vested or accumulated compensated absences that is owed to retirees or terminated employees, if applicable, is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements. Vested or accumulated compensated absences of proprietary funds and governmental activities is recorded as an expense and liability as the benefits accrue to employees.

k. 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 the unamortized loss on refunding, are deferred and amortized over the life of the bonds. Bonds payable are reported net of any applicable bond premium or discount. Issuance costs are reported as expenses.

In the fund financial statements, governmental funds recognize bond premiums and discounts 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.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

m. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance resulted from enabling legislation adopted by the Village Board of Trustees. Committed fund balance is constrained by formal actions of the Village's Board of Trustees, which is considered the Village's highest level of decision-making authority. Formal actions include ordinances approved by the Board of Trustees. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Village Manager through the fund balance policy adopted by the Village Board of Trustees. Any residual fund balance of the General Fund and any deficit balances in other governmental funds are reported as unassigned.

The Village's fund balance policy for the General Fund specifies a targeted minimum fund balance of 25% of annual operating expenditures.

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 funds.

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any outstanding long-term debt issued to acquire or construct the capital assets.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. 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, deferred outflows of resources, liabilities and deferred inflows of resources 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.

2. DEPOSITS AND INVESTMENTS

The Village categorizes the fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

a. Village Investments

The Village's investment policy authorizes the Village to invest in all investments allowed by Illinois Compiled Statutes (ILCS). These include 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 Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services. The Village's investment policy does limit their deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance. Additionally, the Village will not invest in any institution in which the Village's funds on deposit are in excess of 75% of the institution's capital stock and surplus.

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 objectives of the policy are, in order of priority, safety of principal, liquidity and rate of return.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Investments (Continued)

The Village maintains a cash pool that is available for use by all funds, except the permanent fund and pension trust funds. Investments are separately held by several of the Village's funds.

The deposits and investments of the permanent fund and the pension trust funds are held separately from those of other funds.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 110% of the fair market value of the funds secured, with the collateral held in safekeeping by a third party depository designated by the Village.

Investments

The following table presents the investments and maturities of the Village's debt securities as of December 31, 2018:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Municipal bonds	\$ 6,543,965	\$ 5,375,913	\$ 1,168,052	\$ -	\$ -
Bond mutual funds	45,643	6,209	6,449	32,985	-
Negotiable CDs	3,996,482	2,181,768	1,814,714	-	-
TOTAL	\$ 10,586,090	\$ 7,563,890	\$ 2,989,215	\$ 32,985	\$ -

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market. Unless matched to a specific cash flow, the Village does not invest operating funds in securities maturing more than three years from the date of purchase.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Investments (Continued)

Investments (Continued)

The Village has the following recurring fair value measurements as of December 31, 2018. The municipal obligations and negotiable certificates of deposit are valued using quoted matrix pricing models (Level 2 inputs). The bond mutual fund is measured based on the net asset value of the shares in the fund, which is based on the fair value of the underlying investments in the mutual fund (Level 3 input).

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 U.S. agency securities, external investment pools and state and local government bonds rated within the four highest general classifications established by a national rating service. The Illinois Funds and the Illinois Metropolitan Investment Fund (IMET) are both rated AAA. The bond mutual funds and negotiable certificates of deposit are not rated. Municipal bonds are rated Aa1 to Aa3.

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

IMET is a not-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.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment basis (DVP) with the underlying investments held in a custodial account with the trust department of an approved financial institution. The Illinois Funds, IMET and the bond mutual funds are not subject to custodial credit risk.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Investments (Continued)

Investments (Continued)

Concentration of credit risk is the risk that the Village has a high percentage of their investments invested in one type of investment. The Village's investment policy requires diversification of investment to avoid unreasonable risk but has no set percentage limits.

3. RECEIVABLES

The following receivables are included in other receivables on the statement of net position at December 31, 2018:

GOVERNMENTAL ACTIVITIES	
Insurance receivables	\$ 1,571,805
Telecommunications tax	100,445
Franchise fee	104,483
Other	<u>62,768</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u><u>\$ 1,839,501</u></u>

The following receivables are included in due from other governments on the statement of net position at December 31, 2018:

GOVERNMENTAL ACTIVITIES	
Illinois Department of Transportation - MFT allotments	<u>\$ 83,167</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u><u>\$ 83,167</u></u>
BUSINESS-TYPE ACTIVITIES	
Other	<u>\$ 1,351</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u><u>\$ 1,351</u></u>

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 3,799,475	\$ -	\$ -	\$ 3,799,475
Right of ways	13,410,654	54,831	-	13,465,485
Construction in progress	1,976,828	2,023,247	181,928	3,818,147
Total capital assets not being depreciated	19,186,957	2,078,078	181,928	21,083,107
Capital assets being depreciated				
Land improvements	1,383,655	101,743	-	1,485,398
Building and improvements	21,595,109	205,776	-	21,800,885
Vehicles	4,304,174	186,446	204,824	4,285,796
Equipment	3,474,536	-	-	3,474,536
Roads	48,256,116	-	-	48,256,116
Storm sewers	32,908,611	300,000	-	33,208,611
Bridges	3,425,670	-	-	3,425,670
Retaining walls	97,418	11,070	-	108,488
Parking lot	365,386	-	-	365,386
Total capital assets being depreciated	115,810,675	805,035	204,824	116,410,886
Less accumulated depreciation for				
Land improvements	75,370	95,635	-	171,005
Buildings and improvements	4,954,151	434,161	-	5,388,312
Vehicles	3,124,565	252,285	204,824	3,172,026
Equipment	1,952,318	233,179	-	2,185,497
Roads	12,593,818	965,122	-	13,558,940
Storm sewers	6,349,925	368,431	-	6,718,356
Bridges	464,370	45,676	-	510,046
Retaining walls	39,190	3,052	-	42,242
Parking lot	76,122	18,269	-	94,391
Total accumulated depreciation	29,629,829	2,415,810	204,824	31,840,815
Total capital assets being depreciated, net	86,180,846	(1,610,775)	-	84,570,071
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 105,367,803	\$ 467,303	\$ 181,928	\$ 105,653,178

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

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

GOVERNMENTAL ACTIVITIES

General government	\$ 84,350
Public safety	422,707
Public works	1,812,140
Culture and recreation	<u>96,613</u>

TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES **\$ 2,415,810**

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 1,249,761	\$ -	\$ -	\$ 1,249,761
Construction in progress	502,390	94,738	-	597,128
Total capital assets not being depreciated	<u>1,752,151</u>	<u>94,738</u>	<u>-</u>	<u>1,846,889</u>
Capital assets being depreciated				
Water and wastewater treatment improvements	45,221,157	-	-	45,221,157
Water distribution and sewer collection	42,275,377	-	-	42,275,377
Vehicles	1,429,846	132,982	24,804	1,538,024
Equipment	3,255,783	77,447	-	3,333,230
Total capital assets being depreciated	<u>92,182,163</u>	<u>210,429</u>	<u>24,804</u>	<u>92,367,788</u>
Less accumulated depreciation for				
Water and wastewater treatment improvements	27,690,348	1,440,964	-	29,131,312
Water distribution and sewer collection	16,026,293	721,832	-	16,748,125
Vehicles	1,057,769	121,251	24,804	1,154,216
Equipment	1,042,851	147,894	-	1,190,745
Total accumulated depreciation	<u>45,817,261</u>	<u>2,431,941</u>	<u>24,804</u>	<u>48,224,398</u>
Total capital assets being depreciated, net	<u>46,364,902</u>	<u>(2,221,512)</u>	<u>-</u>	<u>44,143,390</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 48,117,053</u>	<u>\$ (2,126,774)</u>	<u>\$ -</u>	<u>\$ 45,990,279</u>

5. LONG-TERM DEBT

a. General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Village.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

b. Changes in General Obligation Bonds

A summary of changes in long-term debt of the Village for the year ended December 31, 2018 is as follows:

Issue	Fund Debt Retired By	Purpose	Balances January 1	Transfer	Additions	Reductions/ Refunding	Balances December 31	Current
General Obligation Bonds, Series 2008 (dated September 11, 2008; maturing December 30, 2028; original issue \$10,000,000; interest rates 3.00% to 4.50%; principal payable annually on December 30).	General Debt Service	Public Improvements	\$ 113,900	\$ -	\$ -	\$ 113,900	\$ -	\$ -
	Waterworks and Sewerage	Public Improvements	56,100	-	-	56,100	-	-
General Obligation Bond Series 2010 - Build America Bonds (dated August 9, 2010; maturing December 30, 2030; original issue \$20,000,000; interest rates 1.12% to 6.35%; principal payable annually on December 30).	General Debt Service	Street Improvements and Public Works Building	15,015,000	-	-	760,000	14,255,000	780,000
General Obligation Bonds, Series 2014 (dated December 10, 2014; maturing December 30, 2034; original issue \$9,560,000; interest rates 2.00% to 4.00%; principal payable annually on December 30).	General Debt Service	Public Improvements	7,488,120	1,050,888	-	353,908	8,185,100	395,000
	Waterworks and Sewerage	Public Improvements	1,076,880	-	-	1,076,880	-	-
General Obligation Refunding Bond Series 2015A (dated March 5, 2015; maturing July 25, 2023; original issue \$8,105,000; interest rates 2.50% to 4.00%; principal payable semiannually on July 15 and January 15).	Waterworks and Sewerage	Refunding	6,045,000	-	-	920,000	5,125,000	945,000

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

b. Changes in General Obligation Bonds (Continued)

Issue	Fund Debt Retired By	Purpose	Balances January 1	Transfers	Additions	Reductions/ Refunding	Balances December 31	Current
General Obligation Refunding Bonds, Series 2015B (dated November 5, 2015; maturing December 30, 2026; original issue \$5,840,000; interest rate at 4.00%, principal payable annually on December 30).	General Debt Service	Public Improvements	\$ 2,682,500	\$ -	\$ -	\$ 135,000	\$ 2,547,500	\$ 277,500
	Waterworks and Sewerage	Public Improvements	2,682,500	-	-	135,000	2,547,500	277,500
General Obligation Refunding Bonds, Series 2016 (dated August 29, 2016; maturing December 30, 2028; original issue \$6,926,000; interest rate at 1.80%, principal payable annually on December 30).	General Debt Service	Refunding	4,640,420	-	-	91,120	4,549,300	419,420
	Waterworks and Sewerage	Refunding	2,285,580	-	-	44,880	2,240,700	206,580
TOTAL			\$ 42,086,000	\$ 1,050,888	\$ -	\$ 3,686,788	\$ 39,450,100	\$ 3,301,000

c. Legal Debt Margin

The Village is a home rule municipality.

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

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

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

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

d. Debt Service Requirements to Maturity

Year Ending December 31,	General Obligation Bonds					
	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2019	\$ 1,871,920	\$ 1,336,136	\$ 3,208,056	\$ 1,429,080	\$ 337,932	\$ 1,767,012
2020	1,923,720	1,267,806	3,191,426	1,482,380	284,914	1,767,294
2021	1,981,170	1,197,443	3,178,613	1,539,830	229,836	1,769,666
2022	2,037,200	1,124,886	3,162,086	1,592,800	172,570	1,765,370
2023	2,098,410	1,043,321	3,141,731	1,649,590	113,248	1,762,838
2024	2,172,120	959,100	3,131,220	563,880	63,052	626,932
2025	2,241,990	871,698	3,113,688	580,010	45,476	625,486
2026	2,321,190	769,850	3,091,040	595,810	27,336	623,146
2027	2,693,070	664,041	3,357,111	237,930	8,636	246,566
2028	2,791,110	526,995	3,318,105	241,890	4,354	246,244
2029	2,390,000	384,560	2,774,560	-	-	-
2030	2,490,000	245,720	2,735,720	-	-	-
2031	595,000	101,000	696,000	-	-	-
2032	620,000	77,200	697,200	-	-	-
2033	640,000	52,400	692,400	-	-	-
2034	670,000	26,800	696,800	-	-	-
TOTAL	\$ 29,536,900	\$ 10,648,956	\$ 40,185,756	\$ 9,913,200	\$ 1,287,354	\$ 11,200,554

Year Ending December 31,	IEPA Loans	
	Business-Type Activities	
	Principal	Interest
2019	\$ 102,243	\$ 38,921
2020	104,293	36,871
2021	106,384	34,780
2022	108,517	32,647
2023	110,693	30,471
2024	112,912	28,252
2025	115,176	25,988
2026	117,485	23,679
2027	119,841	21,323
2028	122,244	18,920
2029	124,695	16,469
2030	127,195	13,969
2031	129,745	11,419
2032	132,347	8,817
2033	135,000	6,164
2034	137,706	3,457
2035	56,586	697
TOTAL	\$ 1,963,062	\$ 352,844

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

e. Changes in Long-Term Liabilities

During the year ended December 31, 2018 the following changes occurred in liabilities reported in the governmental activities:

	Balances January 1 (restated)	Issuances	Transfers	Reductions/ Refunding	Balances December 31	Current Portion
General obligation bonds payable	\$ 29,939,940	\$ -	\$ 1,050,888	\$ 1,453,928	\$ 29,536,900	\$ 1,871,920
Premium on bonds payable	715,722	65,098	-	61,356	719,464	-
Compensated absences payable	901,103	928,071	-	901,103	928,071	371,228
Net pension liability - IMRF	2,290,315	-	-	1,748,748	541,567	-
Net pension liability - Police	27,857,884	2,522,612	-	-	30,380,496	-
Net pension liability - Fire	8,974,098	2,315,099	-	-	11,289,197	-
Total OPEB obligation	5,193,238	-	-	1,414,070	3,779,168	-
Insurance claims payable	250,273	449,275	-	-	699,548	349,774
TOTAL GOVERNMENTAL ACTIVITIES	\$ 76,122,573	\$ 6,280,155	\$ 1,050,888	\$ 5,579,205	\$ 77,874,411	\$ 2,592,922

The compensated absences, net pension liabilities and net other postemployment benefit obligation liabilities have typically been liquidated in prior years by the General Fund.

During the year ended December 31, 2018 the following changes occurred in liabilities reported in the business-type activities:

	Balances January 1 (restated)	Issuances	Reductions/ Refunding	Transfer	Balances December 31	Current Portion
General obligation bonds payable	\$ 12,146,060	\$ -	\$ 1,181,972	\$ 1,050,888	\$ 9,913,200	\$ 1,429,080
Premium on bonds payable	824,601	-	182,430	-	642,171	-
IEPA loan	2,063,296	-	100,234	-	1,963,062	102,243
Compensated absences	141,572	141,096	141,573	-	141,095	28,219
Net pension liability - IMRF	1,339,345	-	1,022,643	-	316,702	-
Total OPEB obligation	-	273,442	-	-	273,442	-
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 16,514,874	\$ 414,538	\$ 2,628,852	\$ 1,050,888	\$ 13,249,672	\$ 1,559,542

6. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RISK MANAGEMENT (Continued)

Beginning January 1, 2000, the Village became self-insured for general liability, property and workers' compensation claims and established a risk financing fund (Insurance Fund) (the Fund) for these risks. It is accounted for as an internal service fund where assets are set aside for claim settlements. For liability claims and errors and omissions, the uninsured risk of loss is \$75,000 per incident and \$200,000 in the aggregate for a policy year. For workers' compensation claims, the uninsured risk of loss is \$650,000 per incident. There is no aggregate amount for workers' compensation. The Village purchases commercial insurance for claims in excess of the coverages provided by the Fund. Settled claims did not exceed the Fund's coverage and the commercial coverage was not exceeded in the past three years.

The General Fund and Waterworks and Sewerage Fund participate and make payments to the Fund based upon estimates of the amounts needed to pay prior and current year claims. Liabilities of the Fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and societal factors.

Changes in the balances of claims liabilities during the fiscal years ended December 31, 2018 and 2017 are as follows:

	2018	2017
UNPAID CLAIMS - BEGINNING OF YEAR	\$ 250,273	\$ 346,158
Incurred claims (including IBNR)	561,729	2,868
Claims payments	(112,454)	(98,753)
UNPAID CLAIMS - END OF YEAR	<u>\$ 699,548</u>	<u>\$ 250,273</u>

Intergovernmental Personnel Benefit Cooperative

The Village participates in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC is a public entity risk pool established in 1979 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. Management consists of a Board of Directors comprised of one appointed representative from each member. The officers of IPBC are chosen by the Board of Directors from among their membership.

The Village does not exercise any control over the activities of IPBC beyond its representation on the Board of Directors.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. RISK MANAGEMENT (Continued)

IPBC acts as an administrative agency to receive, process and pay such claims as may come within the benefit program of each member. Through IPBC, the Village offers both a PPO plan and an HMO plan. For those employees enrolled in the PPO plan, the Village is responsible for the first \$35,000 in claims for each individual employee participant every claim year. The members of IPBC share claims (for each individual employee) between \$35,000 and \$125,000. IPBC maintains stop-loss insurance to cover claims in excess of \$125,000. Approximately 87% of the Village's employees and retirees are PPO participants.

The HMO plan is also self-insured through a special arrangement. Members of IPBC pay for fixed costs of capitation and administration and then fund for claims not covered under the capitation fee. This plan is fully pooled and the Village is not individually rated based on claims experience. All members of the IPBC pay the same rates based on plan design choices. Approximately 13% of the Village's employees and retirees are HMO participants.

The Village makes payments to IPBC monthly based on its participation in the plan. The rates per individual participant are determined annually based on each member's prior experience within the pool and projected future claims. This rate also includes a provision for the cost of excess insurance purchased by IPBC.

The Village also makes monthly payments to IPBC for administration of the plan. The Village had an estimated terminal reserve net of deficit of other accounts as of December 31, 2018 of \$1,521,805. This amount was declared as a dividend to the Village and, therefore, has been recorded as a receivable in the Insurance Fund as of December 31, 2018.

7. CONTINGENT LIABILITIES

a. Litigation

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

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, constitute a liability of the applicable funds.

The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. INDIVIDUAL FUND DISCLOSURES

a. Due From/To Other Funds

Individual fund interfund receivables/payables are as follows:

Receivable Fund	Payable Fund	Amount
Waterworks and Sewerage	Internal Service	\$ 42,763
Waterworks and Sewerage	General	59,436
General	Internal Service	230,678
General	Nonmajor Governmental	477
Nonmajor Governmental	Nonmajor Governmental	<u>1,057</u>
TOTAL		<u>\$ 334,411</u>

The purposes of the due to/due from other funds are as follows:

- \$273,350 due from the Internal Service Fund to the General Fund and the Waterworks and Sewerage Fund to eliminate a deficit cash position due to prepaid liability insurance. Repayment is expected within one year.

b. Advances To/From Other Funds

Individual fund interfund advances to/from are as follows:

Receivable Fund	Payable Fund	Amount
Waterworks and Sewerage	TIF #3 (Route 25)	\$ 3,000,000
General	TIF #3 (Route 25)	<u>3,231,527</u>
TOTAL		<u>\$ 6,231,527</u>

- \$6,231,527 due from TIF #3 (Route 25) Fund to the General Fund and the Waterworks and Sewerage Fund to cover temporary cash deficits. Repayment is not expected within one year.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. INDIVIDUAL FUND DISCLOSURES (Continued)

c. Interfund Transfers

Interfund transfers between funds for the year ended December 31, 2018 were as follows:

	Transfers In	Transfers Out
General		
Nonmajor Governmental (Park Trust)	\$ 3,888	\$ -
Nonmajor Governmental (Capital Equipment Replacement)	-	400,000
Nonmajor Governmental (Debt Service)	-	104,428
Total General	<u>3,888</u>	<u>504,428</u>
Nonmajor governmental		
General	104,428	3,888
Nonmajor governmental	<u>1,034,389</u>	<u>634,389</u>
Total nonmajor governmental	<u>1,138,817</u>	<u>638,277</u>
Capital Improvement Projects		
Waterworks and Sewerage	<u>1,050,888</u>	-
Waterworks and Sewerage		
Capital Improvement Projects	-	1,050,888
Governmental activities	<u>1,115,986</u>	-
Total Waterworks and Sewerage	<u>1,115,986</u>	<u>1,050,888</u>
Governmental Activities		
Waterworks and Sewerage	<u>-</u>	<u>1,115,986</u>
TOTAL	<u>\$ 3,309,579</u>	<u>\$ 3,309,579</u>

The purpose of significant transfers is as follows:

- \$1,050,888 was transferred to the Capital Improvement Projects Fund from the nonmajor governmental funds to fund capital purchases and maintenance. This transfer will not be repaid.
- \$400,000 was transferred to the nonmajor governmental funds from the General Fund. \$400,000 was transferred to the Capital Equipment Replacement Fund to fund capital purchases and maintenance. This transfer will not be repaid.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. INDIVIDUAL FUND DISCLOSURES (Continued)

c. Interfund Transfers (Continued)

- \$638,277 was transferred to nonmajor governmental funds from nonmajor governmental funds. \$499,995 was transferred to TIF #5 from TIF #1 to port TIF Funds and \$124,393 was transferred to the Debt Service Fund from the Motor Fuel Tax Fund to transfer the Motor Fuel Tax portion of the 2014 bonds. These transfers will not be repaid.
- \$1,115,986 was transferred from the Governmental Activities Fund to the Waterworks and Sewerage Fund to transfer the balance of the 2014 bonds. This transfer will not be repaid.

d. Deficit Fund Balances

- TIF #4 (Spring Hill Mall Redevelopment) had a deficit fund balance of \$(1,043), TIF #3 (Route 25) had a deficit fund balance of \$(5,980,253), and Veterans Memorial Gardens had a deficit fund balance of \$(417) as of December 31, 2018.

9. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described in the preceding note, the Village provides other postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. Individuals retiring from the Village who are eligible to receive or are receiving a retirement or disability pension may elect to continue their medical insurance coverage through the Village. The Village is required to offer this coverage to such individuals under Illinois State Law (ILCS Ch. 215, Sec. 5/367f & 5/367j) as revised or under the Consolidated Omnibus Budget Reconciliation Act (COBRA). The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual, except for the implicit subsidy which is governed by the State Legislature and ILCS. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan does not issue a separate report.

b. Benefits Provided

The Village provides postemployment health care and life insurance benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

b. Benefits Provided (Continued)

All health care benefits are provided through the Village’s health insurance plan with IPBC. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the Village’s plan becomes secondary. The retirees pay 100% of the blended premium. The Village pays 100% of the cost of retiree and dependent coverage for disabled police officers and firefighters receiving PSEBA benefits.

c. Membership

At December 31, 2018, membership consisted of:

Retirees and beneficiaries currently receiving benefits	16
Terminated employees entitled to benefits but not yet receiving them	-
Active plan members	<u>154</u>
TOTAL	<u><u>170</u></u>
Participating employers	<u><u>1</u></u>

d. Total OPEB Liability

The Village’s total OPEB liability of \$4,052,611 was measured as of December 31, 2018 and was determined by an actuarial valuation as of December 31, 2018.

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2018, as determined by an actuarial valuation as of December 31, 2018, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Actuarial Assumptions and Other Inputs (Continued)

Actuarial cost method	Entry-age normal
Actuarial value of assets	N/A
Salary increases	3.50%
Discount rate	4.10%
Healthcare cost trend rates	5.00% to 7.50%

The actuarial assumptions used in the December 31, 2018 valuation are based on 75% participation assumed and 50% are assumed to elect spousal coverage.

Probabilities of death for participants were according to RP2014 Blue Collar base rates projected to 2018 using scale MP2018 for Police and Fire. For all others the RP2014 base rates projected to 2018 using scale MP2018 was used. No additional provision (besides those already embedded) were included for mortality improvements beyond 2018.

The discount rate was based on the S&P Municipal Bond 20-Year High-Grade Rate Index at December 31, 2018.

f. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JANUARY 1, 2018	<u>\$ 5,568,995</u>
Changes for the period	
Service cost	272,815
Interest	189,183
Difference between expected and actual experience	(1,598,418)
Changes in benefit terms	-
Changes in assumptions	(240,979)
Benefit payments	<u>(138,986)</u>
Net changes	<u>(1,516,384)</u>
BALANCES AT DECEMBER 31, 2018	<u>\$ 4,052,610</u>

Changes in assumptions related to the discount rate were made in 2018.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

g. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Village calculated using the discount rate of 4.10% as well as what the Village total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.10%) or 1 percentage point higher (5.10%) than the current rate:

	1% Decrease (3.10%)	Current Discount Rate (4.10%)	1% Increase (5.10%)
Total OPEB liability	\$ 4,234,036	\$ 4,052,610	\$ 3,878,328

The table below presents the total OPEB liability of the Village calculated using the healthcare rate of 5.00% to 7.50% as well as what the Village's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (3.00% to 6.50%) or 1 percentage point higher (6.00% to 9.50%) than the current rate:

	1% Decrease (4.00% to 6.50%)	Current Healthcare Rate (5.00% to 7.50%)	1% Increase (6.00% to 8.50%)
Total OPEB liability	\$ 3,803,096	\$ 4,052,610	\$ 4,323,180

h. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the Village recognized OPEB expense of \$296,603. At December 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,454,691
Changes in assumptions	-	219,310
TOTAL	\$ -	\$ 1,674,001

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

h. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	<u>Net Deferred Inflows</u>
2019	\$ (165,395)
2020	(165,395)
2021	(165,395)
2022	(165,395)
2023	(165,395)
Thereafter	<u>(847,026)</u>
 TOTAL	 <u><u>\$ (1,674,001)</u></u>

10. CHANGE IN ACCOUNTING PRINCIPLES

In 2018, the Village implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. With the implementation, the Village is required to retroactively record the total OPEB liability.

	<u>Increase (Decrease)</u>
CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES	
Change in accounting principal	
To write-off the net OPEB obligation	\$ 2,520,133
To record the total OPEB liability	<u>(5,193,238)</u>
 TOTAL CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES	 <u><u>\$ (2,673,105)</u></u>
 CHANGE IN ACCOUNTING PRINCIPLE - BUSINESS-TYPE ACTIVITIES	
Change in accounting principal	
To write-off the net OPEB obligation	\$ 117,186
To record the total OPEB liability	<u>(375,757)</u>
 TOTAL CHANGE IN ACCOUNTING PRINCIPLE - BUSINESS-TYPE ACTIVITIES	 <u><u>\$ (258,571)</u></u>

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Police Pension Plan, which is a single-employer pension plan; and the Firefighters' Pension Plan, which is also a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all three plans are governed by ILCS and can only be amended by the Illinois General Assembly. IMRF issues 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 or at imrf.org. The Police and Firefighters' Pension Plans do not issue separate reports.

The aggregate pension expense and net pension liability for the three defined benefit pension plans was \$4,694,373 and \$42,527,962, respectively, for the year ended December 31, 2018.

a. Plan Descriptions

Illinois Municipal Retirement Fund

Plan Administration

All employees (other than those covered by the Police and Firefighters' Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At December 31, 2017, IMRF membership consisted of:

Inactive employees or their beneficiaries	
currently receiving benefits	64
Inactive employees entitled to but not yet receiving benefits	95
Active employees	82
	<hr/>
TOTAL	<u>241</u>

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Benefits Provided

All employees (other than those covered by the Police or Firefighters' Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) 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.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten 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 are established by state statute.

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the year ended December 31, 2018 was 10.87% of covered payroll.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

The Village's net pension liability was measured as of December 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2017
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.39% to 14.25%
Interest rate	7.50%
Cost of living adjustments	3.00% (Tier 1) 2.00% (Tier 2)
Asset valuation method	Market value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2018	\$ 27,364,603	\$ 23,734,943	\$ 3,629,660
Changes for the period			
Service cost	623,149	-	623,149
Interest	2,034,251	-	2,034,251
Difference between expected and actual experience	29,469	-	29,469
Changes in assumptions	(867,530)	-	(867,530)
Employer contributions	-	636,390	(636,390)
Employee contributions	-	299,909	(299,909)
Net investment income	-	4,045,972	(4,045,972)
Benefit payments and refunds	(1,105,672)	(1,105,672)	-
Administrative expense	-	(391,541)	391,541
Net changes	713,667	3,485,058	(2,771,391)
BALANCES AT DECEMBER 31, 2018	\$ 28,078,270	\$ 27,220,001	\$ 858,269

Changes in assumptions related price inflation, salary increases, retirement age and mortality rates were made since the last valuation.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2018, the Village recognized pension expense of \$483,403.

At December 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 22,146	\$ 281,012
Changes in assumption	8,907	686,744
Net difference between projected and actual earnings on pension plan investments	-	1,118,865
Contributions subsequent to the measurement date	603,749	-
TOTAL	\$ 634,802	\$ 2,086,621

\$603,749 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Net Deferred Inflows</u>
2019	\$ (506,543)
2020	(445,989)
2021	(640,732)
2022	(462,304)
2023	-
Thereafter	-
TOTAL	\$ (2,055,568)

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 7.50% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset)	\$ 4,621,541	\$ 858,269	\$ (2,220,582)

Police Pension Plan

Plan Administration

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.

The plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership

At December 31, 2018, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	44
Inactive plan members entitled to but not yet receiving benefits	6
Active plan members	58
	<hr/>
TOTAL	108
	<hr/> <hr/>

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided

The Police Pension Plan provides retirement 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% 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 2.50% of salary for each year of service. The monthly benefit 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% of the original pension and 3% 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 3% 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% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., 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.

Contributions

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 an enrolled actuary. Effective January 1, 2011, the Village has until 2040 to fund 90% of the past service cost for the Police Pension Plan. The Village has chosen a policy to fund 100% of the past service costs by 2040. For the year ended December 31, 2018, the Village's contribution was 45.27% of covered payroll.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy

ILCS limits the Police Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorizes the Fund to make deposits/invest 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 Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds and The Illinois Funds. The 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, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities and real estate investment trusts. The Fund's investment policy was not revised during the year ended December 31, 2018.

The Fund's investment policy, in accordance with ILCS, establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
U.S. government and agency obligations	30.00%	2.00%
State, local, and corporate bonds	5.00%	2.50%
Mutual funds	25.00%	7.10%
Equity	40.00%	7.10%

The long-term expected real rates of return presented in the table above are net of estimated inflation of 3.51%. ILCS limits the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy (Continued)

The long-term expected rate of return on the Fund's investments was determined using the intermediate returns of the indexes included in the Fund's investment policy target. The best estimate ranges of expected nominal rates of return (net of inflation) were developed for each investable index for the Fund as of December 31, 2018. These indexes include investments that are allowed by current Illinois state statute. These ranges were combined to produce long-term expected rate of return by weighting the expected future nominal rates of return by the target asset allocation percentage and by time period. Best estimates or arithmetic real rates of return for each index included in the Fund's target asset allocation as of December 31, 2018 are listed in the table above.

Investment Valuations

All investments in the plan are stated at fair value and are recorded as of the trade-date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Illinois Funds, an investment pool created by the State Legislature under the control of the State Treasurer, is a money market mutual fund that maintains a \$1 per share value.

Investment Rate of Return

For the year ended December 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (4.11)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's policy does not require collateralization.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2018:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 11,158,166	\$ 984,543	\$ 8,498,428	\$ 1,675,195	\$ -
U.S. agency obligations	1,963,231	947,361	941,728	-	74,142
Corporate bonds	1,216,924	219,591	997,333	-	-
TOTAL	\$ 14,338,321	\$ 2,151,495	\$ 10,437,489	\$ 1,675,195	\$ 74,142

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for all reasonably anticipated operating requirements while providing a reasonable rate of return based on the current market.

Fair Value

The Fund has the following recurring fair value measurements as of December 31, 2018: The U.S. Treasury obligations are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. agency obligations and the corporate bonds are valued using quoted matrix pricing models (Level 2 inputs). The equity investments and equity mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs).

Credit Risk

The 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 U.S. Treasury and U.S. agency obligations and other obligations which are rated in the top three classes by a national rating agency. The U.S. agency obligations are rated AAA to AA+. The corporate bonds range in rating from Baa1 to Aa2 by Moody's.

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Concentration of Credit Risk

Concentration of credit risk is the risk that the Fund has a high percentage of their investments invested in one type of investment. The Fund's investment policy requires diversification of investment to avoid unreasonable risk. There are no significant investments (other than United States Government guaranteed obligations and mutual funds) in any one organization that represent 5% or more of the Fund's investments.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. The Fund's investment policy does not address custodial credit risk. To limit its exposure, the Fund requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Fund's agent separate from where the investment was purchased in the Fund's name. The money market mutual funds and equity mutual funds are not subject to custodial credit risk.

Discount Rate

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2018	\$ 70,409,837	\$ 42,551,953	\$ 27,857,884
Changes for the period			
Service cost	1,086,658	-	1,086,658
Interest	4,911,610	-	4,911,610
Difference between expected and actual experience	(3,107,992)	-	(3,107,992)
Changes in assumptions	958,237	-	958,237
Employer contributions	-	2,586,666	(2,586,666)
Employee contributions	-	562,893	(562,893)
Net investment income	-	(1,758,343)	1,758,343
Benefit payments and refunds	(2,661,262)	(2,661,262)	-
Administrative expense	-	(65,315)	65,315
Net changes	1,187,251	(1,335,361)	2,522,612
BALANCES AT DECEMBER 31, 2018	\$ 71,597,088	\$ 41,216,592	\$ 30,380,496

There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2018
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.50% to 11.00%
Interest rate	7.00%
Cost of living adjustments	3.00% (Tier 1) 2.00% (Tier 2)
Asset valuation method	Market

Mortality rates were based on the RP 2014 Mortality Table (BCHA) projected to 2018 using the improvement scale MP-2017. The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance in 2018.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 7.00% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net pension liability	\$ 41,096,909	\$ 30,380,496	\$ 21,684,483

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2018, the Village recognized pension expense of \$2,325,849. At December 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 3,403,574
Changes in assumptions	1,934,501	2,492,709
Net difference between projected and actual earnings on pension plan investments	2,973,810	-
TOTAL	<u>\$ 4,908,311</u>	<u>\$ 5,896,283</u>

Changes in the net pension liability related to the difference in actual and expected experience or changes in assumptions regarding future events, are recognized in pension expense over the expected remaining service life of all employees (active and retired) in the plan. Differences in projected and actual earnings over the measurement period are recognized over a five-year period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the police pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Net Deferred Inflows</u>
2019	\$ 229,205
2020	(321,296)
2021	(834,568)
2022	(6,225)
2023	(55,088)
Thereafter	-
TOTAL	<u>\$ (987,972)</u>

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan

Plan Administration

Firefighter sworn personnel are covered by the Firefighters' Pension Plan, a single-employer defined benefit pension plan sponsored by the Village. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-101) and may be amended only by the Illinois legislature. The Village accounts for the Firefighters' Pension Plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active firefighter employees.

Plan Membership

At December 31, 2018, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	25
Inactive plan members entitled to but not yet receiving benefits	4
Active plan members	<u>35</u>
 TOTAL	 <u><u>64</u></u>

Benefits Provided

The following is a summary of benefits of the plan as provided for in ILCS:

The Firefighters' Pension Plan provides retirement 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 at the date of retirement. 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% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit 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% of the original pension and 3% compounded annually thereafter.

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Benefits Provided (Continued)

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 firefighter 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. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% 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% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with fewer than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. Contributions are recognized when due pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Firefighters' Pension Plan. The costs of administering the Firefighters' Pension Plan are financed through investment earnings. The Village is required to finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until 2040 to fund 90% of the past service cost for the Firefighters' Pension Plan. The Village has chosen a policy to fund 100% of the past service costs by 2040. For the year ended December 31, 2018, the Village's contribution was 38.42% of covered payroll.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Investment Policy

The Firefighters' Pension Fund's (the Fund) investment policy authorizes the Fund to invest in all investments allowed by ILCS. These include deposits/investments in insured commercial banks, savings and loan institutions, interest-bearing obligations of the U.S. Treasury and U.S. agencies, interest-bearing bonds of the State of Illinois or any county, township or municipal corporation of the State of Illinois, direct obligations of the State of Israel, money market mutual funds whose investments consist of obligations of the U.S. Treasury or U.S. agencies, separate accounts managed by life insurance companies, mutual funds, common and preferred stock, corporate bonds and The Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value).

It is the policy of the Fund 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 Fund 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 objectives of the policy are, in order of priority, preservation of principal, return on investment, maintenance of public trust and liquidity.

The Fund's investment policy was not revised during the year ended December 31, 2018.

The Fund's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Large cap domestic equity	35.00%	6.60%
Small cap domestic equity	10.00%	8.50%
International equity	5.00%	6.40%
Fixed income	50.00%	1.40%

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Investment Policy (Continued)

The long-term expected real rates of return are net of a 2.90% factor for inflation and investment expense. ILCS limit the Fund's investments in equities, mutual funds and variable annuities to 65%.

Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using *Stocks, Bonds, Bills and Inflation 2013 Yearbook - Morningstar*, for the period of December 31, 1977 through December 31, 2015. The long-term expected rate of return on the International Equity class was based on the MCSI EAFE index for the period of December 31, 1969 through December 31, 2018. The long-term expected rates of return are the best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) for each major assets class. Best estimates or geometric real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of December 31, 2018 are listed in the table above.

Investment Rate of Return

For the year ended December 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (4.06)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy requires all bank balances to be covered by federal depository insurance.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2018:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 1,146,664	\$ 396,500	\$ 698,273	\$ 51,891	\$ -
U.S. agency obligations	8,452,814	177,588	3,323,919	4,951,307	-
Municipal bonds	1,493,969	139,620	1,149,485	99,798	105,066
TOTAL	\$ 11,093,447	\$ 713,708	\$ 5,171,677	\$ 5,102,996	\$ 105,066

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy does not limit the maximum maturity length of investments in the Fund.

Fair Value

The Fund has the following recurring fair value measurements as of December 31, 2018: The U.S. Treasury obligations are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. agency obligations and the municipal bonds are valued using quoted matrix pricing models (Level 2 inputs). The equity mutual funds are priced daily at net asset value and are considered Level 1 inputs.

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Credit Risk

The 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 U.S. Treasury and U.S. agency obligations and municipal bonds. The U.S. agency obligations are rated Aaa and AA+ by Moody's and Standard and Poor's, respectively. The municipal bonds range in rating from Aa1 to A2 and AAA to A+ by Moody's and Standard and Poor's, respectively.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Fund's requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment basis (DVP) with the underlying investments held in a third party custodial account.

Concentration of Credit Risk

Concentration of credit risk is the risk that the Fund has a high percentage of their investments invested in one type of investment. The Fund's investment policy does not specifically address diversification by investment type. There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Fund's investments.

Discount Rate

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2018	\$ 32,116,569	\$ 23,142,471	\$ 8,974,098
Changes for the period			
Service cost	806,356	-	806,356
Interest	2,262,506	-	2,262,506
Difference between expected and actual experience	(1,316,744)	-	(1,316,744)
Changes in assumptions	1,132,663	-	1,132,663
Employer contributions	-	1,242,243	(1,242,243)
Employee contributions	-	307,849	(307,849)
Net investment income	-	(940,053)	940,053
Benefit payments and refunds	(1,202,826)	(1,202,826)	-
Administrative expense	-	(40,357)	40,357
Net changes	1,681,955	(633,144)	2,315,099
BALANCES AT DECEMBER 31, 2018	\$ 33,798,524	\$ 22,509,327	\$ 11,289,197

There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2018
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.50 to 12.50%
Interest rate	7.00%
Cost of living adjustments	Tier 1 at 3.00% Tier 2 at 2.00%
Asset valuation method	Market

Mortality rates were based on the RP 2014 Mortality Table (BCHA) projected to 2019 using improvement scale MP-2018. The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance in 2018.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 7.00% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net pension liability	\$ 16,816,333	\$ 11,289,197	\$ 6,843,421

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2018, the Village recognized pension expense of \$1,471,726. At December 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to the firefighters' pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 261,796	\$ 1,846,930
Changes in assumption	1,452,851	1,405,396
Net difference between projected and actual earnings on pension plan investments	1,708,648	-
TOTAL	\$ 3,423,295	\$ 3,252,326

Changes in the net pension liability related to the difference in actual and expected experience or changes in assumptions regarding future events, are recognized in pension expense over the expected remaining service life of all employees (active and retired) in the plan. Differences in projected and actual earnings over the measurement period are recognized over a five-year period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the firefighters' pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows</u>
2019	\$ 304,075
2020	93,540
2021	(4,287)
2022	169,155
2023	(365,217)
Thereafter	(26,297)
TOTAL	\$ 170,969

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

b. Pension Fund Disclosures

Plan Net Position

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 50	\$ 7,308	\$ 7,358
Investments, at fair value			
Money market mutual funds	1,690,630	10,042	1,700,672
U.S. Treasury obligations	11,158,166	1,146,664	12,304,830
U.S. agency obligations	1,963,231	8,452,814	10,416,045
Municipal bonds	-	1,493,969	1,493,969
Equities	14,824,878	-	14,824,878
Corporate bonds	1,216,924	-	1,216,924
Equity mutual funds	10,295,560	11,354,018	21,649,578
Accrued interest	78,217	62,575	140,792
Prepaid items	250	4,048	4,298
	<u>41,227,906</u>	<u>22,531,438</u>	<u>63,759,344</u>
LIABILITIES			
Accounts payable	<u>11,314</u>	<u>22,111</u>	<u>33,425</u>
	<u>11,314</u>	<u>22,111</u>	<u>33,425</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
	<u>\$ 41,216,592</u>	<u>\$ 22,509,327</u>	<u>\$ 63,725,919</u>

VILLAGE OF CARPENTERSVILLE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

b. Pension Fund Disclosures (Continued)

Changes in Plan Net Position

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 2,586,666	\$ 1,242,243	\$ 3,828,909
Employee	562,893	307,849	870,742
Total contributions	3,149,559	1,550,092	4,699,651
Investment income			
Net depreciation in fair value of investments	(2,477,661)	(1,839,927)	(4,317,588)
Interest	898,966	970,389	1,869,355
Total investment income	(1,578,695)	(869,538)	(2,448,233)
Less investment expense	(179,648)	(70,515)	(250,163)
Net investment income	(1,758,343)	(940,053)	(2,698,396)
Total additions	1,391,216	610,039	2,001,255
DEDUCTIONS			
Administration	65,315	40,357	105,672
Pension benefits and refunds	2,661,262	1,202,826	3,864,088
Total deductions	2,726,577	1,243,183	3,969,760
NET DECREASE	(1,335,361)	(633,144)	(1,968,505)
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
January 1	42,551,953	23,142,471	65,694,424
December 31	\$ 41,216,592	\$ 22,509,327	\$ 63,725,919

12. TAX ABATEMENTS

The Village rebates home rule sales tax to encourage economic development in the Village. The terms of these rebate arrangements are specified within written agreements with the business concerned through the Village's economic development program. There are no recapture provisions if the business fails to meet or maintain the criteria established in the written agreements. These agreements are authorized through resolutions approved by the Village Board of Trustees. The Village did not rebate any home rule sales tax during the year ended December 31, 2018.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF CARPENTERSVILLE, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 22,478,733	\$ 22,478,733	\$ 24,016,886
Intergovernmental	4,635,000	4,635,000	4,794,895
Licenses and permits	516,762	516,762	688,925
Charges for services	2,027,630	2,027,630	1,993,916
Fines and forfeitures	399,500	404,500	451,677
Interest	20,000	20,000	124,354
Miscellaneous	546,300	546,300	647,226
Total revenues	<u>30,623,925</u>	<u>30,628,925</u>	<u>32,717,879</u>
EXPENDITURES			
General government	6,200,076	6,200,076	5,476,306
Public safety	18,639,878	18,750,053	18,456,545
Public works	3,496,712	3,496,712	3,090,270
Community development	1,152,525	1,152,525	1,483,336
Culture and recreation	302,021	302,021	243,839
Total expenditures	<u>29,791,212</u>	<u>29,901,387</u>	<u>28,750,296</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>832,713</u>	<u>727,538</u>	<u>3,967,583</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	36,420	36,420	3,888
Transfers (out)	(716,450)	(716,450)	(504,428)
Total other financing sources (uses)	<u>(680,030)</u>	<u>(680,030)</u>	<u>(500,540)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 152,683</u>	<u>\$ 47,508</u>	<u>3,467,043</u>
FUND BALANCE, JANUARY 1			<u>10,758,199</u>
FUND BALANCE, DECEMBER 31			<u>\$ 14,225,242</u>

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TIF #3 (ROUTE 25) FUND**

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 650,000	\$ 650,000	\$ 621,666
Interest	-	-	1,833
Total revenues	<u>650,000</u>	<u>650,000</u>	<u>623,499</u>
EXPENDITURES			
Current			
Community development			
Contractual services	8,313	8,313	1,341
Total expenditures	<u>8,313</u>	<u>8,313</u>	<u>1,341</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>641,687</u>	<u>641,687</u>	<u>622,158</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(6,070)</u>	<u>(6,070)</u>	-
Total other financing sources (uses)	<u>(6,070)</u>	<u>(6,070)</u>	-
NET CHANGE IN FUND BALANCE	<u>\$ 635,617</u>	<u>\$ 635,617</u>	622,158
FUND BALANCE (DEFICIT), JANUARY 1			<u>(6,602,411)</u>
FUND BALANCE (DEFICIT), DECEMBER 31			<u>\$ (5,980,253)</u>

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2018

BUDGETS

Annual budgets are adopted for all governmental and proprietary funds, except for the Park Trust Fund. Budgets are adopted on a basis consistent with GAAP. All annual budgets lapse at fiscal year end unless specifically carried over.

The legal level of control is the department level. The Village may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds board action. During the year, there were several budget amendments.

The following funds had expenditures in excess of budget in the current year:

<u>Fund</u>	<u>Actual Expense/Expenditures</u>	<u>Final Budget</u>	<u>Excess</u>
Foreign Fire Tax Board	\$ 35,807	\$ 26,400	\$ 9,407
Special Service Area No. 2	768	750	18
Insurance	4,626,358	4,451,541	174,817

VILLAGE OF CARPENTERSVILLE, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Four Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2015	2016	2017	2018
Actuarially determined contribution	\$ 643,088	\$ 659,799	\$ 636,390	\$ 591,192
Contributions in relation to the actuarially determined contribution	643,088	659,799	636,390	591,672
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ (480)
Covered payroll	\$ 5,611,585	\$ 5,772,517	\$ 5,702,426	\$ 5,443,171
Contributions as a percentage of covered payroll	11.46%	11.43%	11.16%	10.87%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior calendar year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was aggregate entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 27 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually and postretirement benefit increases of 3.50%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND**

Last Five Fiscal Periods

FISCAL PERIOD ENDED DECEMBER 31,	2015	2015*	2016	2017	2018
Actuarially determined contribution	\$ 1,890,507	\$ 2,085,014	\$ 1,530,352	\$ 2,615,965	\$ 2,592,631
Contributions in relation to the actuarially determined contribution	2,018,731	2,085,015	2,346,705	2,615,967	2,586,666
CONTRIBUTION DEFICIENCY (Excess)	\$ (128,224)	\$ (1)	\$ (816,353)	\$ (2)	\$ 5,965
Covered payroll	\$ 5,313,697	\$ 5,672,798	\$ 5,448,711	\$ 5,569,576	\$ 5,713,254
Contributions as a percentage of covered payroll	37.99%	36.75%	43.07%	46.97%	45.27%

* The Police Pension Fund changed its fiscal year end from April 30 to December 31 effective December 31, 2015.

Note: Information not available for prior years.

Covered payroll has been annualized to reflect the change in fiscal year end.

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal period. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 22 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return at 7.00% annually, projected salary increases assumption of 3.50% to 11.00% compounded annually and postretirement benefit increases of 3.00% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND**

Last Five Fiscal Periods

FISCAL PERIOD ENDED DECEMBER 31,	2015	2015*	2016	2017	2018
Actuarially determined contribution	\$ 654,008	\$ 1,010,754	\$ 722,056	\$ 1,213,828	\$ 1,245,102
Contributions in relation to the actuarially determined contribution	654,009	1,010,757	1,107,232	1,213,829	1,242,243
CONTRIBUTION DEFICIENCY (Excess)	\$ (1)	\$ (3)	\$ (385,176)	\$ (1)	\$ 2,859
Covered payroll	\$ 3,065,913	\$ 3,215,405	\$ 3,086,539	\$ 3,068,111	\$ 3,233,470
Contributions as a percentage of covered payroll	21.33%	31.43%	35.87%	39.56%	38.42%

* The Firefighters' Pension Fund changed its fiscal year end from April 30 to December 31 effective December 31, 2015.

Note: Information not available for prior years.

Covered payroll has been annualized to reflect the change in fiscal year end.

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal period. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 22 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return at 7.00% annually, projected salary increases assumption of 3.50% to 12.50% compounded annually and postretirement benefit increases of 3.00% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

Last Fiscal Year

MEASUREMENT DATE DECEMBER 31,	2018
TOTAL OPEB LIABILITY	
Service cost	\$ 272,815
Interest	189,183
Changes in benefit terms	-
Differences between expected and actual experience	(1,598,418)
Changes of assumptions	(240,978)
Benefit payments, including refunds of member contributions	<u>(138,986)</u>
Net change in total OPEB liability	(1,516,384)
Total OPEB liability - beginning	<u>5,568,995</u>
TOTAL OPEB LIABILITY - ENDING	<u><u>\$ 4,052,611</u></u>
Covered payroll	\$ 12,938,406
Employer's net pension liability as a percentage of covered payroll	31.32%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Changes in assumptions related to the discount rate were made in 2018.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Four Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015	2016	2017
TOTAL PENSION LIABILITY				
Service cost	\$ 694,873	\$ 621,377	\$ 595,614	\$ 623,149
Interest	1,694,285	1,866,746	1,959,737	2,034,251
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	23,997	(225,721)	(460,272)	29,469
Changes of assumptions	812,522	35,454	(71,404)	(867,530)
Benefit payments, including refunds of member contributions	(817,433)	(895,018)	(1,121,907)	(1,105,672)
Net change in total pension liability	2,408,244	1,402,838	901,768	713,667
Total pension liability - beginning	22,651,753	25,059,997	26,462,835	27,364,603
TOTAL PENSION LIABILITY - ENDING	\$ 25,059,997	\$ 26,462,835	\$ 27,364,603	\$ 28,078,270
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 657,205	\$ 643,088	\$ 659,799	\$ 636,390
Contributions - member	257,840	252,522	259,764	299,909
Net investment income	1,292,033	114,281	1,558,386	4,045,972
Benefit payments, including refunds of member contributions	(817,433)	(895,018)	(1,121,907)	(1,105,672)
Administrative expense	334,250	(269,739)	(322,191)	(391,541)
Net change in plan fiduciary net position	1,723,895	(154,866)	1,033,851	3,485,058
Plan fiduciary net position - beginning	21,132,063	22,855,958	22,701,092	23,734,943
PLAN FIDUCIARY NET POSITION - ENDING	\$ 22,855,958	\$ 22,701,092	\$ 23,734,943	\$ 27,220,001
EMPLOYER'S NET PENSION LIABILITY	\$ 2,204,039	\$ 3,761,743	\$ 3,629,660	\$ 858,269
Plan fiduciary net position as a percentage of the total pension liability	91.20%	85.78%	86.74%	96.94%
Covered payroll	\$ 5,515,696	\$ 5,611,585	\$ 5,772,517	\$ 5,702,426
Employer's net pension liability as a percentage of covered payroll	39.96%	67.04%	62.88%	15.05%

Notes to Required Supplementary Information

The retirement age and mortality assumptions were changed in 2014.

The discount rate assumption was changed in 2015, 2016 and 2018.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION FUND

Last Five Fiscal Periods

MEASUREMENT DATE DECEMBER 31,	2015	2015*	2016	2017	2018
TOTAL PENSION LIABILITY					
Service cost	\$ 1,397,914	\$ 986,247	\$ 1,588,339	\$ 1,491,977	\$ 1,086,658
Interest	3,918,413	2,899,473	4,681,518	4,846,657	4,911,610
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(1,402,369)	(292,474)	(605,963)	(490,941)	(3,107,992)
Changes of assumptions	4,078,160	3,228,932	(680,503)	(3,396,386)	958,237
Benefit payments, including refunds of member contributions	(2,215,557)	(1,460,181)	(2,689,679)	(2,558,848)	(2,661,262)
Net change in total pension liability	5,776,561	5,361,997	2,293,712	(107,541)	1,187,251
Total pension liability - beginning	57,085,108	62,861,669	68,223,666	70,517,378	70,409,837
TOTAL PENSION LIABILITY - ENDING	\$ 62,861,669	\$ 68,223,666	\$ 70,517,378	\$ 70,409,837	\$ 71,597,088
PLAN FIDUCIARY NET POSITION					
Contributions - employer	\$ 2,018,731	\$ 2,085,015	\$ 2,346,705	\$ 2,615,967	\$ 2,586,666
Contributions - member	516,271	374,280	531,488	544,302	562,893
Net investment income	2,214,608	(194,321)	1,768,216	5,050,122	(1,758,343)
Benefit payments, including refunds of member contributions	(2,215,557)	(1,460,181)	(2,689,679)	(2,558,848)	(2,661,262)
Administrative expense	(32,809)	(31,603)	(35,811)	(45,887)	(65,315)
Net change in plan fiduciary net position	2,501,244	773,190	1,920,919	5,605,656	(1,335,361)
Plan fiduciary net position - beginning	31,750,944	34,252,188	35,025,378	36,946,297	42,551,953
PLAN FIDUCIARY NET POSITION - ENDING	\$ 34,252,188	\$ 35,025,378	\$ 36,946,297	\$ 42,551,953	\$ 41,216,592
EMPLOYER'S NET PENSION LIABILITY	\$ 28,609,481	\$ 33,198,288	\$ 33,571,081	\$ 27,857,884	\$ 30,380,496
Plan fiduciary net position as a percentage of the total pension liability	54.49%	51.34%	52.39%	60.43%	57.57%
Covered payroll	\$ 5,313,697	\$ 5,672,798	\$ 5,448,711	\$ 5,569,576	\$ 5,713,254
Employer's net pension liability as a percentage of covered payroll	538.41%	585.22%	616.13%	500.18%	531.75%

* The Police Pension Fund changed its fiscal year end from April 30 to December 31 effective December 31, 2015.

Notes to Required Supplementary Information

There was a change in 2015, 2015*, 2016, 2017 and 2018 with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality tables.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS' PENSION FUND

Last Five Fiscal Periods

MEASUREMENT DATE DECEMBER 31,	2015	2015*	2016	2017	2018
TOTAL PENSION LIABILITY					
Service cost	\$ 977,566	\$ 630,209	\$ 1,007,357	\$ 963,744	\$ 806,356
Interest	1,680,310	1,303,294	2,078,046	2,231,128	2,262,506
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	807,759	(661,772)	453,352	(658,180)	(1,316,744)
Changes to assumptions	1,170,637	1,285,329	(293,864)	(1,729,979)	1,132,663
Benefit payments, including refunds of member contributions	(818,320)	(607,615)	(989,209)	(1,126,806)	(1,202,826)
Net change in total pension liability	3,817,952	1,949,445	2,255,682	(320,093)	1,681,955
Total pension liability - beginning	24,413,583	28,231,535	30,180,980	32,436,662	32,116,569
TOTAL PENSION LIABILITY - ENDING	\$ 28,231,535	\$ 30,180,980	\$ 32,436,662	\$ 32,116,569	\$ 33,798,524
PLAN FIDUCIARY NET POSITION					
Contributions - employer	\$ 654,009	\$ 1,010,757	\$ 1,107,232	\$ 1,213,829	\$ 1,242,243
Contributions - member	300,585	212,253	299,097	382,705	307,849
Net investment income	1,176,055	(184,303)	1,126,737	2,492,618	(940,053)
Benefit payments, including refunds of member contributions	(818,320)	(607,615)	(989,209)	(1,126,806)	(1,202,826)
Administrative expense	(44,299)	(20,862)	(42,562)	(42,149)	(40,357)
Net change in plan fiduciary net position	1,268,030	410,230	1,501,295	2,920,197	(633,144)
Plan fiduciary net position - beginning	17,042,719	18,310,749	18,720,979	20,222,274	23,142,471
PLAN FIDUCIARY NET POSITION - ENDING	\$ 18,310,749	\$ 18,720,979	\$ 20,222,274	\$ 23,142,471	\$ 22,509,327
EMPLOYER'S NET PENSION LIABILITY	\$ 9,920,786	\$ 11,460,001	\$ 12,214,388	\$ 8,974,098	\$ 11,289,197
Plan fiduciary net position as a percentage of the total pension liability	64.86%	62.03%	62.34%	72.06%	66.60%
Covered payroll	\$ 3,065,913	\$ 3,215,405	\$ 3,086,539	\$ 3,068,111	\$ 3,233,470
Employer's net pension liability as a percentage of covered payroll	323.58%	356.41%	395.73%	292.50%	349.14%

* The Firefighters' Pension Fund changed its fiscal year end from April 30 to December 31 effective December 31, 2015.

Notes to Required Supplementary Information

There was a change in 2015, 2015*, 2016 and 2017 with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality tables.

There were changes in 2018 with respect to actuarial assumptions from the prior year to reflect revised expectations related to mortality tables.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND

Last Five Fiscal Periods

FISCAL PERIOD ENDED DECEMBER 31,	2015	2015*	2016	2017	2018
Annual money-weighted rate of return, net of investment expense	6.95%	(0.47%)	5.40%	13.90%	(4.11%)

* The Police Pension Fund changed its fiscal year end from April 30 to December 31 effective December 31, 2015.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
FIREFIGHTERS' PENSION FUND**

Last Five Fiscal Periods

FISCAL PERIOD ENDED DECEMBER 31,	2015	2015*	2016	2017	2018
Annual money-weighted rate of return, net of investment expense	6.81%	(0.93%)	6.00%	12.26%	(4.06%)

* The Firefighters' Pension Fund changed its fiscal year end from April 30 to December 31 effective December 31, 2015.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

**COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES**

MAJOR GOVERNMENTAL FUNDS

MAJOR GOVERNMENTAL FUNDS

General Fund - to account for all financial resources of the general government, except those accounted for in another fund.

TIF#3 (Route 25) Fund - This fund is used to account for the funds restricted for the redevelopment activities of the tax increment financing district established to rehabilitate and redevelop the corridor around Route 25 through an integrated and comprehensive strategy that utilizes public resources to stimulate additional private investment in an area that would not otherwise be commercially productive.

Capital Improvement Program Fund - to account for the resources assigned for the construction and major improvements to the Village's general infrastructure.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

**SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 11,512,733	\$ 11,512,733	\$ 11,524,175
Sales	8,096,000	8,096,000	9,200,504
Local use	920,000	920,000	1,124,817
Utility tax	1,400,000	1,400,000	1,557,320
Telecommunications	400,000	400,000	325,553
Video gaming tax	150,000	150,000	284,517
Total taxes	22,478,733	22,478,733	24,016,886
Intergovernmental			
Illinois state income tax	3,500,000	3,500,000	3,666,979
Illinois state replacement tax	125,000	125,000	151,250
Fire protection district fees	1,010,000	1,010,000	973,013
Grants	-	-	115
Pull tabs	-	-	3,538
Total intergovernmental	4,635,000	4,635,000	4,794,895
Licenses and permits			
Business licenses	31,000	31,000	39,930
Liquor licenses	47,000	47,000	73,230
Vending licenses	4,000	4,000	3,875
Video gaming licenses	4,000	4,000	66,300
Rental licenses	172,809	172,809	183,500
Building permits	125,000	125,000	126,127
Electrical permits	62,828	62,828	118,299
Plumbing permits	27,365	27,365	25,661
Other permits	42,760	42,760	52,003
Total licenses and permits	516,762	516,762	688,925
Fines and forfeitures			
Local ordinance fines	190,500	190,500	177,951
Court fines	189,000	189,000	191,390
Admin tow fees	15,000	15,000	19,750
Asset forfeiture	5,000	10,000	62,586
Total fines and forfeitures	399,500	404,500	451,677

(This schedule is continued on the following page.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

**SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)
GENERAL FUND**

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES (Continued)			
Charges for services			
Law enforcement	\$ 274,000	\$ 274,000	\$ 266,532
Fire protection	1,500	1,500	12,367
Ambulance	941,930	941,930	892,315
Environmental surcharge	805,000	805,000	803,332
Village services	200	200	15,590
Other charges for services	5,000	5,000	3,780
Total charges for services	<u>2,027,630</u>	<u>2,027,630</u>	<u>1,993,916</u>
Interest			
Investment income	<u>20,000</u>	<u>20,000</u>	<u>124,354</u>
Miscellaneous			
Cable franchise fees	400,000	400,000	398,647
Rent	85,000	85,000	83,883
Contributions	3,500	3,500	2,331
Reimbursements	42,500	42,500	59,237
Other	15,300	15,300	103,128
Total miscellaneous	<u>546,300</u>	<u>546,300</u>	<u>647,226</u>
TOTAL REVENUES	<u><u>\$ 30,623,925</u></u>	<u><u>\$ 30,628,925</u></u>	<u><u>\$ 32,717,879</u></u>

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
EXPENDITURES			
General government			
Legislative	\$ 353,901	\$ 353,901	\$ 297,909
Administration	411,126	411,126	112,618
Information technology	413,798	413,798	310,085
Finance	488,479	488,479	524,654
General services	4,120,800	4,120,800	3,858,311
Public buildings	411,972	411,972	372,729
Total general government	<u>6,200,076</u>	<u>6,200,076</u>	<u>5,476,306</u>
Public safety			
Police	11,743,255	11,853,430	11,526,078
Fire and police commission	18,140	18,140	10,378
Fire	6,878,483	6,878,483	6,920,089
Total public safety	<u>18,639,878</u>	<u>18,750,053</u>	<u>18,456,545</u>
Public works			
Streets and highways	2,658,904	2,658,904	2,264,116
Vehicle maintenance	837,808	837,808	826,154
Total public works	<u>3,496,712</u>	<u>3,496,712</u>	<u>3,090,270</u>
Community development			
Community development	1,152,525	1,152,525	1,483,336
Total community development	<u>1,152,525</u>	<u>1,152,525</u>	<u>1,483,336</u>
Culture and recreation			
Parks	302,021	302,021	243,839
Total culture and recreation	<u>302,021</u>	<u>302,021</u>	<u>243,839</u>
TOTAL EXPENDITURES	<u><u>\$ 29,791,212</u></u>	<u><u>\$ 29,901,387</u></u>	<u><u>\$ 28,750,296</u></u>

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental	\$ 1,084,847	\$ 1,084,847	\$ 260,341
Investment income	15,000	15,000	133,363
Total revenues	1,099,847	1,099,847	393,704
EXPENDITURES			
Current			
General government			
Administrative	50	50	60
Capital outlay	3,069,662	7,511,449	2,106,119
Total expenditures	3,069,712	7,511,499	2,106,179
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,969,865)	(6,411,652)	(1,712,475)
OTHER FINANCING SOURCES (USES)			
Transfers in	1,050,888	1,050,888	1,050,888
Total other financing sources (uses)	1,050,888	1,050,888	1,050,888
NET CHANGE IN FUND BALANCE	<u>\$ (918,977)</u>	<u>\$ (5,360,764)</u>	(661,587)
FUND BALANCE, JANUARY 1			<u>6,722,970</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 6,061,383</u></u>

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUND

The General Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for the payment of general long-term debt principal, interest and related costs other than tax increment financing (TIF) or enterprise debt.

SPECIAL REVENUE FUNDS

Motor Fuel Tax Fund - Financing is provided by tax revenues received from the state for the sale of motor fuel. Funds are restricted for street maintenance and replacement.

Veterans' Memorial Garden Fund - This fund is used to account for the funds restricted for the purpose of maintaining a Veterans' Memorial within Carpentersville, which was established in 1928 by Commission.

SSA#1 (Newport Cove) Fund - This fund is used to account for the funds restricted for the special service area established for the purpose of maintenance and improvement of the pond and related facilities on Lot 151 of the Newport Coves Subdivision.

SSA#2 (Oak Meadows) Fund - This fund is used to account for the funds restricted for the special service area established for the purpose of maintenance and improvement of the storm water management facilities on Lot 35 of the Oak Meadows Subdivision.

SSA#3 (Keele Farms) Fund - This fund is used to account for the funds restricted for the special service area established for the purpose of maintenance and improvement of the storm water management facilities on Lot 296 and Lot 297 in the Keele Farm Subdivision, Unit 1.

SSA#21 (White Oaks) Fund - This fund is used to account for the funds restricted for the special service area established for the purpose of the maintenance, repair, replacement, alteration and improvements to the detention basin located on Lot 70 and two cul-de-sac islands located on Elm Ridge Court and Rosewood Drive within the White Oaks Subdivision.

TIF#1 (Spring Hill Center for Commerce) Fund - This fund is used to account for the funds restricted for the redevelopment activities of the tax increment financing district established to reimburse specified costs of the developer for the Spring Hill Center for Commerce and Industry Redevelopment Plan and Project.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

TIF #4 (Spring Hill Mall Redevelopment) Fund - This fund is used to account for the funds restricted for the redevelopment activities of the tax increment financing district established to reimburse specified costs of the developer for the Spring Hill Mall.

TIF #5 (Old Town) Fund - This fund is used to account for the funds restricted for the redevelopment activities of the tax increment financing district established to reimburse specified costs of the developer for Old Town.

Foreign Fire Tax Board Fund - Financing is provided by tax revenues received from the state restricted for use by the fire department in accordance with compiled statutes.

Strengthening Families Fund - This fund is used to account for the funds restricted for the purpose of providing social services to residents with the Strengthening Families Program. This research-based program teaches parenting skills and techniques, ways to deal with peer pressure and communication skills for both parents and their children.

Escrow Fund - This fund is used to account for the funds restricted for the purposes of developing with fees in lieu of development.

CAPITAL PROJECT FUND

Equipment Replacement Fund - This fund is used to account for taxes, transfers and advances from other funds assigned for the eventual replacement of vehicles and equipment utilized by those funds.

PERMANENT FUND

Park Trust Fund - This fund is used to account for assets held in trust, with the investment income used to support village parks.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2018

	Debt Service			Special Revenue		
	Debt Service	Motor Fuel Tax	Veterans' Memorial Garden	SSA #1 Newport Cove	SSA #2 Oak Meadows	SSA #3 Keele Farms
ASSETS						
Cash and investments	\$ 1,299,886	\$ 1,312,394	\$ 60	\$ 28,680	\$ 3,145	\$ 27,809
Receivables						
Property taxes	2,235,563	-	-	-	-	-
Other taxes	-	-	-	-	-	-
Accounts	75,157	-	-	-	-	-
Accrued interest	3,864	-	-	-	-	-
Prepaid items	1,000	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	83,167	-	-	-	-
TOTAL ASSETS	\$ 3,615,470	\$ 1,395,561	\$ 60	\$ 28,680	\$ 3,145	\$ 27,809
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 2,000	\$ 116,274	\$ -	\$ -	\$ -	\$ -
Wages payable	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Due to other funds	-	-	477	-	-	-
Total liabilities	2,000	116,274	477	-	-	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable property tax revenue	2,235,563	-	-	-	-	-
Total deferred inflows of resources	2,235,563	-	-	-	-	-
Total liabilities and deferred inflows of resources	2,237,563	116,274	477	-	-	-
FUND BALANCES						
Nonspendable						
Prepaid items	1,000	-	-	-	-	-
Restricted						
Capital projects	-	1,279,287	-	-	-	-
Parks	-	-	-	-	-	-
Public improvements	-	-	-	28,680	3,145	27,809
Police purposes	-	-	-	-	-	-
Fire purposes	-	-	-	-	-	-
Debt service	1,376,907	-	-	-	-	-
Assigned						
Capital projects	-	-	-	-	-	-
Unassigned (deficit)	-	-	(417)	-	-	-
Total fund balances (deficit)	1,377,907	1,279,287	(417)	28,680	3,145	27,809
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 3,615,470	\$ 3,615,470	\$ 60	\$ 28,680	\$ 3,145	\$ 27,809

SSA #21 White Oaks	Special Revenue						Capital Projects	Permanent	Total Nonmajor Governmental Funds
	TIF #1 Spring Hill Center for Commerce	TIF #4 Spring Hill Mall Redevelopment	TIF #5 Old Town	Foreign Fire Tax Board	Strengthening Families	Escrow	Equipment Replacement	Park Trust	
\$ 13,346	\$ 398,332	\$ 227	\$ 869,635	\$ 40,911	\$ 94,522	\$ 421,720	\$ 551,103	\$ 297,172	\$ 5,358,942
4,500	659,113	-	283,964	-	-	-	-	-	3,183,140
-	-	-	-	-	-	-	25,111	-	25,111
-	-	-	-	575	-	-	-	-	75,732
-	-	-	4,639	-	-	-	1,885	-	10,388
-	-	-	-	-	-	-	-	-	1,000
-	1,057	-	-	-	-	-	-	-	1,057
-	-	-	-	-	-	-	-	-	83,167
\$ 17,846	\$ 1,058,502	\$ 227	\$ 1,158,238	\$ 41,486	\$ 94,522	\$ 421,720	\$ 578,099	\$ 297,172	\$ 8,738,537
\$ -	\$ 213	\$ 213	\$ 9,850	\$ -	\$ 130	\$ -	\$ 1,509	\$ -	\$ 130,189
-	-	-	-	-	203	-	-	-	203
-	-	-	-	-	-	384,106	-	-	384,106
-	-	-	-	-	-	-	-	-	-
-	-	1,057	-	-	-	-	-	-	1,534
-	213	1,270	9,850	-	333	384,106	1,509	-	516,032
4,500	659,113	-	283,964	-	-	-	-	-	3,183,140
4,500	659,113	-	283,964	-	-	-	-	-	3,183,140
4,500	659,326	1,270	293,814	-	333	384,106	1,509	-	3,699,172
-	-	-	-	-	-	-	-	-	1,000
-	-	-	-	-	-	-	-	-	1,279,287
-	-	-	-	-	-	-	-	297,172	297,172
13,346	399,176	-	864,424	-	-	37,614	-	-	1,374,194
-	-	-	-	-	94,189	-	-	-	94,189
-	-	-	-	41,486	-	-	-	-	41,486
-	-	-	-	-	-	-	-	-	1,376,907
-	-	-	-	-	-	-	576,590	-	576,590
-	-	(1,043)	-	-	-	-	-	-	(1,460)
13,346	399,176	(1,043)	864,424	41,486	94,189	37,614	576,590	297,172	5,039,365
\$ 17,846	\$ 1,058,502	\$ 227	\$ 1,158,238	\$ 41,486	\$ 94,522	\$ 421,720	\$ 578,099	\$ 297,172	\$ 8,738,537

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2018

	Debt Service			Special Revenue		
	Debt Service	Motor Fuel Tax	Veterans' Memorial Garden	SSA #1 Newport Cove	SSA #2 Oak Meadows	SSA #3 Keele Farms
REVENUES						
Taxes	\$ 2,183,587	\$ -	\$ -	\$ 17,989	\$ 999	\$ -
Intergovernmental	344,852	1,046,846	-	-	-	-
Charges for services	19,750	-	-	-	-	-
Investment income	(7,678)	12,730	1	-	-	-
Miscellaneous	-	-	240	-	-	-
Total revenues	2,540,511	1,059,576	241	17,989	999	-
EXPENDITURES						
Current						
Public safety	-	-	-	-	-	-
Public works	-	393,245	-	9,739	768	7,300
Community development	-	-	-	-	-	-
Culture and recreation	-	-	1,369	-	-	-
Capital outlay	-	92,493	-	-	-	-
Debt service						
Principal retirement	1,453,928	-	-	-	-	-
Interest and fiscal charges	1,393,490	-	-	-	-	-
Total expenditures	2,847,418	485,738	1,369	9,739	768	7,300
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(306,907)	573,838	(1,128)	8,250	231	(7,300)
OTHER FINANCING SOURCES (USES)						
Transfers in	228,822	-	-	-	-	-
Transfers (out)	-	(124,394)	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	228,822	(124,394)	-	-	-	-
NET CHANGE IN FUND BALANCES	(78,085)	449,444	(1,128)	8,250	231	(7,300)
FUND BALANCES (DEFICIT), JANUARY 1	1,455,992	829,843	711	20,430	2,914	35,109
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 1,377,907	\$ 1,279,287	\$ (417)	\$ 28,680	\$ 3,145	\$ 27,809

SSA #21 White Oaks	Special Revenue						Capital Projects	Permanent	Total Nonmajor Governmental Funds
	TIF #1 Spring Hill Center for Commerce	TIF #4 Spring Hill Mall Redevelopment	TIF #5 Old Town	Foreign Fire Tax Board	Strengthening Families	Escrow	Equipment Replacement	Park Trust	
\$ 4,496	\$ 643,618	\$ 1,316	\$ 144,413	\$ 36,472	\$ -	\$ -	\$ 108,518	\$ -	\$ 3,141,408
-	-	-	-	-	-	-	1,085	-	1,392,783
-	-	-	21,179	-	-	-	-	-	40,929
-	8,032	11	30,013	26	81	5,309	7,880	(25,089)	31,316
-	-	-	-	-	18,000	-	-	-	18,240
4,496	651,650	1,327	195,605	36,498	18,081	5,309	117,483	(25,089)	4,624,676
-	-	-	-	35,807	16,388	-	-	-	52,195
2,100	-	-	-	-	-	-	-	-	413,152
-	1,688	1,313	860,561	-	-	-	-	-	863,562
-	-	-	-	-	-	-	-	3,203	4,572
-	-	-	933,206	-	-	-	445,890	-	1,471,589
-	-	-	-	-	-	-	-	-	1,453,928
-	-	-	-	-	-	-	-	-	1,393,490
2,100	1,688	1,313	1,793,767	35,807	16,388	-	445,890	3,203	5,652,488
2,396	649,962	14	(1,598,162)	691	1,693	5,309	(328,407)	(28,292)	(1,027,812)
-	-	-	509,995	-	-	-	400,000	-	1,138,817
-	(499,995)	-	-	-	-	-	-	(13,888)	(638,277)
-	-	-	-	-	-	-	63,202	-	63,202
-	(499,995)	-	509,995	-	-	-	463,202	(13,888)	563,742
2,396	149,967	14	(1,088,167)	691	1,693	5,309	134,795	(42,180)	(464,070)
10,950	249,209	(1,057)	1,952,591	40,795	92,496	32,305	441,795	339,352	5,503,435
\$ 13,346	\$ 399,176	\$ (1,043)	\$ 864,424	\$ 41,486	\$ 94,189	\$ 37,614	\$ 576,590	\$ 297,172	\$ 5,039,365

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 1,905,000	\$ 1,905,000	\$ 1,904,538
Local motor fuel tax	340,000	340,000	279,049
Intergovernmental	287,412	295,412	344,852
Fines and forfeitures	20,000	20,000	19,750
Investment income	-	-	(7,678)
	<hr/>	<hr/>	<hr/>
Total revenues	2,552,412	2,560,412	2,540,511
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Debt service			
Principal retirement	91,120	1,480,020	1,453,928
Interest and fiscal charges	84,028	1,394,324	1,393,490
	<hr/>	<hr/>	<hr/>
Total expenditures	175,148	2,874,344	2,847,418
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,377,264	(313,932)	(306,907)
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfers in	693,400	693,400	228,822
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	693,400	693,400	228,822
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ 3,070,664	\$ 379,468	(78,085)
	<hr/>	<hr/>	<hr/>
FUND BALANCE, JANUARY 1			1,455,992
			<hr/>
FUND BALANCE, DECEMBER 31			\$ 1,377,907
			<hr/>

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND**

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
State motor fuel tax	\$ 977,500	\$ 977,500	\$ 1,046,846
Investment income	5,500	5,500	12,730
Total revenues	983,000	983,000	1,059,576
EXPENDITURES			
Current			
Public works			
Commodities	464,500	464,500	319,488
Contractual services	75,060	75,060	73,757
Capital outlay	125,000	125,000	92,493
Total expenditures	664,560	664,560	485,738
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	318,440	318,440	573,838
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(376,950)	(376,950)	(124,394)
Total other financing sources (uses)	(376,950)	(376,950)	(124,394)
NET CHANGE IN FUND BALANCE	<u>\$ (58,510)</u>	<u>\$ (58,510)</u>	449,444
FUND BALANCE, JANUARY 1			<u>829,843</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 1,279,287</u></u>

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
VETERANS' MEMORIAL GARDEN FUND**

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ 25	\$ 25	\$ 1
Miscellaneous	500	500	240
Total revenues	<u>525</u>	<u>525</u>	<u>241</u>
EXPENDITURES			
Culture and recreation			
Commodities	<u>3,000</u>	<u>3,000</u>	<u>1,369</u>
Total expenditures	<u>3,000</u>	<u>3,000</u>	<u>1,369</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,475)</u>	<u>\$ (2,475)</u>	<u>(1,128)</u>
FUND BALANCE, JANUARY 1			<u>711</u>
FUND BALANCE (DEFICIT), DECEMBER 31			<u><u>\$ (417)</u></u>

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA NO. 1
(NEWPORT COVE) FUND**

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 18,000	\$ 18,000	\$ 17,989
Total revenues	18,000	18,000	17,989
EXPENDITURES			
Public works			
Commodities	6,600	6,600	-
Contractual services	8,400	8,400	9,739
Total expenditures	15,000	15,000	9,739
NET CHANGE IN FUND BALANCE	\$ 3,000	\$ 3,000	8,250
FUND BALANCE, JANUARY 1			20,430
FUND BALANCE, DECEMBER 31			\$ 28,680

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA NO. 2
(OAK MEADOWS) FUND**

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 1,000	\$ 1,000	\$ 999
Total revenues	1,000	1,000	999
EXPENDITURES			
Public works			
Contractual services	750	750	768
Total expenditures	750	750	768
NET CHANGE IN FUND BALANCE	\$ 250	\$ 250	231
FUND BALANCE, JANUARY 1			2,914
FUND BALANCE, DECEMBER 31			\$ 3,145

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA NO. 3
(KEELE FARMS) FUND**

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
None	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
Public works			
Contractual services	12,000	12,000	7,300
Total expenditures	12,000	12,000	7,300
NET CHANGE IN FUND BALANCE	<u>\$ (12,000)</u>	<u>\$ (12,000)</u>	(7,300)
FUND BALANCE, JANUARY 1			<u>35,109</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 27,809</u></u>

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA NO. 21
(WHITE OAKS) FUND**

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 4,500	\$ 4,500	\$ 4,496
Total revenues	<u>4,500</u>	<u>4,500</u>	<u>4,496</u>
EXPENDITURES			
Public works			
Contractual services	<u>10,000</u>	<u>10,000</u>	<u>2,100</u>
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>2,100</u>
NET CHANGE IN FUND BALANCE	<u>\$ (5,500)</u>	<u>\$ (5,500)</u>	<u>2,396</u>
FUND BALANCE, JANUARY 1			<u>10,950</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 13,346</u></u>

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TIF #1 (SPRING HILL CENTER FOR COMMERCE) FUND

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 620,000	\$ 620,000	\$ 643,618
Investment income	2,750	2,750	8,032
Total revenues	<u>622,750</u>	<u>622,750</u>	<u>651,650</u>
EXPENDITURES			
Current			
Community development			
Contractual services	33,663	33,663	1,688
Total expenditures	<u>33,663</u>	<u>33,663</u>	<u>1,688</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>589,087</u>	<u>589,087</u>	<u>649,962</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(618,210)</u>	<u>(618,210)</u>	<u>(499,995)</u>
Total other financing sources (uses)	<u>(618,210)</u>	<u>(618,210)</u>	<u>(499,995)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (29,123)</u>	<u>\$ (29,123)</u>	149,967
FUND BALANCE, JANUARY 1			<u>249,209</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 399,176</u></u>

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TIF #4 (SPRING HILL MALL REDEVELOPMENT) FUND**

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 1,100	\$ 1,100	\$ 1,316
Investment income	-	-	11
	<hr/>	<hr/>	<hr/>
Total revenues	1,100	1,100	1,327
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
Community development			
Contractual services	1,313	1,313	1,313
	<hr/>	<hr/>	<hr/>
Total expenditures	1,313	1,313	1,313
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ (213)	\$ (213)	14
	<hr/>	<hr/>	<hr/>
FUND BALANCE (DEFICIT), JANUARY 1			(1,057)
			<hr/>
FUND BALANCE (DEFICIT), DECEMBER 31			\$ (1,043)
			<hr/>

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TIF #5 (OLD TOWN) FUND**

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 95,000	\$ 95,000	\$ 144,413
Reimbursements	-	-	21,179
Investment income	12,000	12,000	30,013
	<hr/>	<hr/>	<hr/>
Total revenues	107,000	107,000	195,605
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
Community development			
Contractual services	879,313	29,313	860,561
Capital outlay	48,000	2,553,745	933,206
	<hr/>	<hr/>	<hr/>
Total expenditures	927,313	2,583,058	1,793,767
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(820,313)	(2,476,058)	(1,598,162)
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfers in	610,000	610,000	509,995
Transfers (out)	(12,140)	(12,140)	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	597,860	597,860	509,995
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ (222,453)	\$ (1,878,198)	(1,088,167)
	<hr/>	<hr/>	<hr/>
FUND BALANCE, JANUARY 1			1,952,591
			<hr/>
FUND BALANCE, DECEMBER 31			\$ 864,424
			<hr/>

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOREIGN FIRE TAX BOARD FUND**

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Foreign fire	\$ 26,400	\$ 26,400	\$ 36,472
Investment income	9	9	26
	<hr/>	<hr/>	<hr/>
Total revenues	26,409	26,409	36,498
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Public safety			
Commodities	19,800	19,800	27,302
Contractual services	6,600	6,600	8,505
	<hr/>	<hr/>	<hr/>
Total expenditures	26,400	26,400	35,807
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ 9</u>	<u>\$ 9</u>	691
FUND BALANCE, JANUARY 1			<hr/> 40,795
FUND BALANCE, DECEMBER 31			<hr/> <u>\$ 41,486</u>

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ 26	\$ 26	\$ 81
Miscellaneous			
Contributions	26,667	26,667	18,000
Total revenues	26,693	26,693	18,081
EXPENDITURES			
Public safety			
Personnel services	12,260	12,260	10,178
Contractual services	60	60	40
Commodities	5,475	5,475	6,170
Total expenditures	17,795	17,795	16,388
NET CHANGE IN FUND BALANCE	\$ 8,898	\$ 8,898	1,693
FUND BALANCE, JANUARY 1			92,496
FUND BALANCE, DECEMBER 31			\$ 94,189

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ 200	\$ 200	\$ 5,309
Total revenues	200	200	5,309
EXPENDITURES			
None	-	-	-
Total expenditures	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ 200</u>	<u>\$ 200</u>	5,309
FUND BALANCE, JANUARY 1			<u>32,305</u>
FUND BALANCE, DECEMBER 31			<u>\$ 37,614</u>

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Telecom	\$ 135,000	\$ 135,000	\$ 108,518
Intergovernmental	5,000	5,000	1,085
Investment income	2,000	2,000	7,880
	<hr/>	<hr/>	<hr/>
Total revenues	142,000	142,000	117,483
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Capital outlay	623,055	623,055	445,890
	<hr/>	<hr/>	<hr/>
Total expenditures	623,055	623,055	445,890
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(481,055)	(481,055)	(328,407)
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	-	-	63,202
Transfers in	400,000	400,000	400,000
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	400,000	400,000	463,202
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (81,055)</u>	<u>\$ (81,055)</u>	134,795
FUND BALANCE, JANUARY 1			<hr/> 441,795
FUND BALANCE, DECEMBER 31			<hr/> <u>\$ 576,590</u>

(See independent auditor's report.)

PROPRIETARY FUNDS

MAJOR ENTERPRISE FUND

Waterworks and Sewerage Fund - to account for revenues and expenses relative to the operation of the water and sewer utilities.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
WATERWORKS AND SEWERAGE FUND

For the Year Ended December 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
OPERATING REVENUES			
Charges for services			
Water	\$ 4,136,533	\$ 4,136,533	\$ 4,288,324
Sewer	3,888,632	3,888,632	4,046,328
Service fees and penalties	251,000	251,000	273,345
Miscellaneous			
Developer fee	754,000	754,000	-
Rental income	66,703	66,703	87,445
	<hr/>	<hr/>	<hr/>
Total operating revenues	9,096,868	9,096,868	8,695,442
OPERATING EXPENSES			
Administration	720,456	720,456	610,684
Operations	6,529,349	8,305,528	5,431,047
	<hr/>	<hr/>	<hr/>
Total operating expenses	7,249,805	9,025,984	6,041,731
OPERATING INCOME	<hr/>	<hr/>	<hr/>
	1,847,063	70,884	2,653,711
NON-OPERATING REVENUES (EXPENSES)			
Transfers in	-	-	1,115,986
Transfers (out)	(1,050,888)	(1,050,888)	(1,050,888)
Gain on sale of equipment	-	-	8,731
Principal payments	(1,256,214)	(1,256,214)	(1,282,206)
Investment income	35,000	35,000	112,249
Interest and fiscal charges	(417,853)	(417,853)	(303,194)
	<hr/>	<hr/>	<hr/>
Total non-operating revenues (expenses)	(2,689,955)	(2,689,955)	(1,399,322)
CHANGE IN NET POSITION - BUDGET BASIS	<hr/>	<hr/>	<hr/>
	\$ (842,892)	\$ (2,619,071)	1,254,389
Principal paid			1,282,206
Depreciation			(2,431,941)
Capital outlay capitalized			305,167
			<hr/>
CHANGE IN NET POSITION - GAAP BASIS			409,821
NET POSITION, JANUARY 1			42,874,219
Change in accounting principle			(258,571)
			<hr/>
NET POSITION, JANUARY 1, RESTATED			42,615,648
			<hr/>
NET POSITION, DECEMBER 31			<u>\$ 43,025,469</u>

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL - BUDGETARY BASIS
WATERWORKS AND SEWERAGE FUND

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
WATER DEPARTMENT			
Water facilities			
Personnel services			
Employee salaries	\$ 599,570	\$ 599,570	\$ 528,708
Employee overtime	26,000	26,000	21,476
FICA/Medicare/IMRF	118,566	118,566	102,343
Health insurance	136,945	136,945	136,945
Compensated absences	-	-	4,355
Longevity	3,731	3,731	3,479
Sick leave incentive	4,709	4,709	2,403
Total personnel services	889,521	889,521	799,709
Commodities			
Building	6,500	6,500	8,103
Maintenance materials	4,200	4,200	3,665
Automotive	200	200	-
Tools and equipment	6,000	6,000	6,712
Office	750	750	774
Operating	23,000	23,000	30,756
Meters	10,000	10,000	8,659
Chemicals	35,700	35,700	31,044
Total commodities	86,350	86,350	89,713
Contractual services			
Dues and publications	640	640	386
Physical exams	300	300	-
Training and meeting	5,100	5,100	3,331
Building grounds	6,000	6,000	2,731
Professional services	25,000	112,603	63,464
Maintenance equipment	35,000	35,000	22,467
Electric	230,000	230,000	201,375
Heating	9,500	9,500	10,009
Telephone data	3,600	3,600	3,683
Water softener salt	273,000	273,000	243,605
Water well	60,000	60,000	58,704
Water alarm	670	670	668
Total contractual services	648,810	736,413	610,423
Capital outlay	925,000	1,060,000	556,903
Total water facilities	2,549,681	2,772,284	2,056,748

(This schedule is continued on the following pages.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL - BUDGETARY BASIS (Continued)
WATERWORKS AND SEWERAGE FUND

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
WATER DEPARTMENT (Continued)			
Water administrative and general			
Personnel services			
Employee salaries	\$ 328,971	\$ 328,971	\$ 191,734
FICA/Medicare/IMRF	62,357	62,357	31,708
Health insurance	66,703	66,703	66,703
Longevity	1,012	1,012	412
Sick leave incentive	1,800	1,800	-
Total OPEB liability adjustment	-	-	10,634
Total personnel services	460,843	460,843	301,191
Administrative and general overhead	259,613	259,613	309,493
Total water administrative and general	720,456	720,456	610,684
Total water department	3,270,137	3,492,740	2,667,432
SEWER DEPARTMENT			
Sewer facilities			
Personnel services			
Employee salaries	731,185	731,185	675,684
Employee overtime	31,000	31,000	46,421
FICA/Medicare/IMRF	144,564	144,564	120,157
Health insurance	122,328	122,328	122,328
Compensated absences	-	-	1,915
Longevity	3,791	3,791	3,511
Attendance incentive	6,344	6,344	3,303
Total personnel services	1,039,212	1,039,212	973,319
Commodities			
Building	6,400	6,400	3,612
Maintenance materials	35,000	35,000	15,067
Lift station	9,000	9,000	11,911
Automotive	200	200	129
Tools and equipment	14,000	14,000	22,224
Gas and oil	-	-	33
Office	1,000	1,000	524
Operating	12,000	12,000	9,266
Chemicals	80,000	80,000	97,287
Total commodities	157,600	157,600	160,053

(This schedule is continued on the following pages.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL - BUDGETARY BASIS (Continued)
WATERWORKS AND SEWERAGE FUND

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
SEWER DEPARTMENT (Continued)			
Sewer facilities (Continued)			
Contractual services			
Dues and publications	\$ 900	\$ 900	\$ 913
Physical exams	250	250	100
Printing	1,000	1,000	362
Training and meeting	4,500	4,500	2,553
Building grounds	13,000	13,000	13,822
Professional services sewer	34,500	34,500	32,002
Maintenance equipment	120,000	120,000	130,225
Electricity	275,000	275,000	266,049
Heating	8,500	8,500	9,795
Telephone data	3,200	3,200	3,098
Sludge disposal	90,000	90,000	76,313
Testing	8,500	8,500	9,203
Total contractual services	559,350	559,350	544,435
Capital outlay	85,000	1,389,631	143,966
Total sewer facilities	1,841,162	3,145,793	1,821,773
Sewer underground			
Personnel services			
Employee salaries	456,659	456,659	510,000
Employee overtime	47,300	47,300	16,626
FICA/Medicare/IMRF	92,339	92,339	80,232
Health insurance	120,958	120,958	120,958
Compensated absences	-	-	2,915
Longevity	3,200	3,200	3,240
Sick leave incentive	4,250	4,250	3,000
Total personnel services	724,706	724,706	736,971
Commodities			
Building	200	200	-
Street	20,000	20,000	20,244
Maintenance materials	33,000	33,000	32,208
Sanitary sewer	23,000	23,000	21,975
Automotive	500	500	-
Tools and equipment	8,000	8,000	7,825
Office	400	400	30
Operating	8,500	8,500	5,738
Valves and pipes	100,000	100,000	78,858
Total commodities	193,600	193,600	166,878

(This schedule is continued on the following page.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL - BUDGETARY BASIS (Continued)
WATERWORKS AND SEWERAGE FUND

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
SEWER DEPARTMENT (Continued)			
Sewer underground (Continued)			
Contractual services			
Dues and publications	\$ 600	\$ 600	\$ -
Physical exams	1,500	1,500	885
Printing	1,200	1,200	340
Training and meeting	5,000	5,000	520
Other service	25,000	25,000	26,087
Maintenance equipment	102,500	102,500	87,640
Maintenance vehicles	300	300	-
Maintenance building and grounds	1,200	1,200	689
Telephone data	2,000	2,000	1,781
Total contractual services	139,300	139,300	117,942
Capital outlay	1,080,900	1,329,845	530,735
Total sewer underground	2,138,506	2,387,451	1,552,526
Total sewer department	3,979,668	5,533,244	3,374,299
TOTAL OPERATING EXPENSES, EXCLUDING AMORTIZATION AND DEPRECIATION	\$ 7,249,805	\$ 9,025,984	\$ 6,041,731

(See independent auditor's report.)

INTERNAL SERVICE FUND

Insurance Fund - to account for all costs associated with the Village's insurance and self-insurance risks.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

**SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
INSURANCE FUND**

For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Employer contributions	\$ 3,767,386	\$ 3,767,386	\$ 3,767,386
Employee contributions	382,090	382,090	363,541
Non-employee insurance contributions	302,572	302,572	342,942
	<hr/>		
Total operating revenues	4,452,048	4,452,048	4,473,869
	<hr/>		
OPERATING EXPENSES			
Operations			
Health insurance	3,656,541	3,656,541	3,479,513
Risk management	795,000	795,000	1,146,845
	<hr/>		
Total operating expenses	4,451,541	4,451,541	4,626,358
	<hr/>		
CHANGE IN NET POSITION	\$ 507	\$ 507	(152,489)
	<hr/>		
NET POSITION, JANUARY 1			1,138,347
	<hr/>		
NET POSITION, DECEMBER 31			\$ 985,858
	<hr/>		

(See independent auditor's report.)

FIDUCIARY FUNDS

PENSION TRUST FUNDS

Police Pension Fund - to account for the accumulation of resources to pay pension costs. Resources are contributed by sworn police personnel at rates fixed by state statutes and by the Village based upon an annual actuarial valuation.

Firefighters' Pension Fund - to account for the accumulation of resources to pay pension costs. Resources are contributed by sworn fire personnel at rates fixed by state statutes and by the Village based upon an annual actuarial valuation.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

**COMBINING STATEMENT OF PLAN NET POSITION
PENSION TRUST FUNDS**

December 31, 2018

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 50	\$ 7,308	\$ 7,358
Investments, at fair value			
Money market mutual funds	1,690,630	10,042	1,700,672
U.S. Treasury obligations	11,158,166	1,146,664	12,304,830
U.S. agency obligations	1,963,231	8,452,814	10,416,045
Municipal bonds	-	1,493,969	1,493,969
Equities	14,824,878	-	14,824,878
Corporate bonds	1,216,924	-	1,216,924
Equity mutual funds	10,295,560	11,354,018	21,649,578
Receivables			
Accrued interest	78,217	62,575	140,792
Prepaid expenses	250	4,048	4,298
Total assets	41,227,906	22,531,438	63,759,344
LIABILITIES			
Accounts payable	11,314	22,111	33,425
Total liabilities	11,314	22,111	33,425
NET POSITION RESTRICTED FOR PENSION BENEFITS	\$ 41,216,592	\$ 22,509,327	\$ 63,725,919

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

**COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION
PENSION TRUST FUNDS**

For the Year Ended December 31, 2018

	<u>Pension Trust</u>		<u>Total</u>
	<u>Police Pension</u>	<u>Firefighters' Pension</u>	
ADDITIONS			
Contributions			
Employer contributions	\$ 2,586,666	\$ 1,242,243	\$ 3,828,909
Employee contributions	562,893	307,849	870,742
Total contributions	<u>3,149,559</u>	<u>1,550,092</u>	<u>4,699,651</u>
Investment income			
Net depreciation in fair value of investments	(2,477,661)	(1,839,927)	(4,317,588)
Interest	898,966	970,389	1,869,355
Total investment income	(1,578,695)	(869,538)	(2,448,233)
Less investment expense	(179,648)	(70,515)	(250,163)
Net investment income	<u>(1,758,343)</u>	<u>(940,053)</u>	<u>(2,698,396)</u>
Total additions	<u>1,391,216</u>	<u>610,039</u>	<u>2,001,255</u>
DEDUCTIONS			
Administration	65,315	40,357	105,672
Pension benefits and refunds	2,661,262	1,202,826	3,864,088
Total deductions	<u>2,726,577</u>	<u>1,243,183</u>	<u>3,969,760</u>
NET DECREASE	(1,335,361)	(633,144)	(1,968,505)
NET POSITION RESTRICTED FOR PENSION BENEFITS			
January 1	<u>42,551,953</u>	<u>23,142,471</u>	<u>65,694,424</u>
December 31	<u>\$ 41,216,592</u>	<u>\$ 22,509,327</u>	<u>\$ 63,725,919</u>

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

**ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT
CONSOLIDATED YEAR END FINANCIAL REPORT**

For the Year Ended December 31, 2018

CSFA Number	Program Name	State	Federal	Other	Total
494-00-0967	High-Growth Cities Program	\$ 66,762	\$ -	\$ -	66,762
494-00-1488	Motor Fuel Tax Payments	543,370	-	-	543,370
494-42-0495	Local Surface Transportation Program	27,587	9,504	-	37,091
532-60-0378	Section 319(h) - Nonpoint Source Pollution Control Financial Assistance Program	-	-	-	-
	Other grant programs and activities	-	224,334	57,809	282,143
	All other costs not allocated	-	-	42,518,149	42,518,149
	TOTALS	\$ 637,719	\$ 233,838	\$ 42,575,958	\$ 43,447,515

(See independent auditor's report.)

STATISTICAL SECTION

This part of the Village of Carpentersville, Illinois' 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(s)</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.	118-127
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	128-133
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.	134-137
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.	138-139
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 Village provides and the activities it performs.	140-142

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

	2010	2011	2012	2013
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 69,438,643	\$ 68,487,393	\$ 68,905,034	\$ 67,264,235
Restricted	3,820,380	2,880,926	4,181,749	3,862,323
Unrestricted (deficit)	(809,335)	508,223	(514,535)	1,528,171
TOTAL GOVERNMENTAL ACTIVITIES	\$ 72,449,688	\$ 71,876,542	\$ 72,572,248	\$ 72,654,729
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 35,221,703	\$ 34,253,748	\$ 33,583,685	\$ 32,738,403
Restricted	-	-	-	-
Unrestricted	5,146,465	4,778,620	4,893,037	5,390,950
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 40,368,168	\$ 39,032,368	\$ 38,476,722	\$ 38,129,353
PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 104,660,346	\$ 102,741,141	\$ 102,488,719	\$ 100,002,638
Restricted	3,820,380	2,880,926	4,181,749	3,862,323
Unrestricted (deficit)	4,337,130	5,286,843	4,378,502	6,919,121
TOTAL PRIMARY GOVERNMENT	\$ 112,817,856	\$ 110,908,910	\$ 111,048,970	\$ 110,784,082

* The Village changed its fiscal year end from April 30 to December 31 effective December 31, 2015.

** The Village implemented GASB Statement No. 68 during the eight months ended December 31, 2015.

Data Source

Audited Financial Statements

2014	2015	2015**/**	2016	2017	2018
\$ 71,003,712	\$ 74,204,672	\$ 75,256,131	\$ 77,315,341	\$ 78,656,860	\$ 79,537,829
4,363,328	4,925,886	5,137,307	5,791,953	5,187,438	4,603,456
1,645,509	219,766	(34,740,782)	(40,198,459)	(38,725,948)	(38,313,994)
\$ 77,012,549	\$ 79,350,324	\$ 45,652,656	\$ 42,908,835	\$ 45,118,350	\$ 45,827,291
\$ 33,383,375	\$ 34,242,241	\$ 34,640,323	\$ 34,826,165	\$ 34,305,976	\$ 33,628,101
-	-	-	-	-	-
5,126,975	5,778,715	5,857,453	7,156,460	8,568,243	9,397,368
\$ 38,510,350	\$ 40,020,956	\$ 40,497,776	\$ 41,982,625	\$ 42,874,219	\$ 43,025,469
\$ 104,387,087	\$ 108,446,913	\$ 109,896,454	\$ 112,141,506	\$ 112,962,836	\$ 113,165,930
4,363,328	4,925,886	5,137,307	5,791,953	5,187,438	4,603,456
6,772,484	5,998,481	(28,883,329)	(33,041,999)	(30,157,705)	(28,916,626)
\$ 115,522,899	\$ 119,371,280	\$ 86,150,432	\$ 84,891,460	\$ 87,992,569	\$ 88,852,760

VILLAGE OF CARPENTERSVILLE, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

	2010	2011	2012	2013*
EXPENSES				
Governmental Activities				
General government	\$ 2,853,593	\$ 2,390,453	\$ 2,722,030	\$ 2,281,909
Public safety	15,706,172	14,028,417	14,157,163	17,077,983
Highways and streets	6,484,488	7,969,022	7,656,046	8,215,225
Community development	1,868,828	1,719,127	1,443,759	1,818,908
Culture and recreation	140,459	132,958	211,356	136,440
Interest and fiscal charges	541,615	1,208,904	1,493,384	1,460,952
Total governmental activities expenses	<u>27,595,155</u>	<u>27,448,881</u>	<u>27,683,738</u>	<u>30,991,417</u>
Business-Type Activities				
Water and sewer	8,019,962	7,803,929	7,579,013	8,310,778
Total business-type activities expenses	<u>8,019,962</u>	<u>7,803,929</u>	<u>7,579,013</u>	<u>8,310,778</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u><u>\$ 35,615,117</u></u>	<u><u>\$ 35,252,810</u></u>	<u><u>\$ 35,262,751</u></u>	<u><u>\$ 39,302,195</u></u>
PROGRAM REVENUES				
Governmental Activities				
Charges for services				
General government	\$ 761,390	\$ 736,251	\$ 734,263	\$ 697,551
Public safety	2,535,773	2,603,446	2,034,826	2,299,566
Highways and streets	1,078,688	1,488,860	1,007,358	1,256,200
Community development	398,313	297,958	244,260	362,249
Operating grants and contributions	43,893	225,386	540,523	584,260
Capital grants and contributions	6,579,375	2,043,895	2,532,024	1,786,938
Total governmental activities program revenues	<u>11,397,432</u>	<u>7,395,796</u>	<u>7,093,254</u>	<u>6,986,764</u>
Business-Type Activities				
Charges for services				
Water and sewer	5,743,824	5,813,101	6,972,009	7,776,607
Operating grants and contributions	-	-	-	-
Capital grants and contributions	1,629,016	-	30,000	266,496
Total business-type activities program revenues	<u>7,372,840</u>	<u>5,813,101</u>	<u>7,002,009</u>	<u>8,043,103</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u><u>\$ 18,770,272</u></u>	<u><u>\$ 13,208,897</u></u>	<u><u>\$ 14,095,263</u></u>	<u><u>\$ 15,029,867</u></u>
NET REVENUES (EXPENSES)				
Governmental activities	\$ (16,197,723)	\$ (20,053,085)	\$ (20,590,484)	\$ (24,004,653)
Business-type activities	(647,122)	(1,990,828)	(577,004)	(267,675)
TOTAL PRIMARY GOVERNMENT NET REVENUES (EXPENSES)	<u><u>\$ (16,844,845)</u></u>	<u><u>\$ (22,043,913)</u></u>	<u><u>\$ (21,167,488)</u></u>	<u><u>\$ (24,272,328)</u></u>

	2014	2015	2015**	2016	2017	2018
\$	3,463,699	\$ 3,068,941	\$ 4,434,143	\$ 5,842,206	\$ 5,716,921	\$ 5,797,126
	16,729,905	17,426,252	14,410,997	21,024,906	19,017,381	19,091,750
	8,603,291	8,884,557	5,863,027	5,461,639	7,834,909	6,016,386
	1,294,810	1,376,258	881,623	6,734,523	3,079,480	2,362,334
	193,463	184,862	251,617	208,151	211,155	344,341
	1,385,304	1,426,663	1,017,569	1,479,485	1,384,460	1,363,879
	31,670,472	32,367,533	26,858,976	40,750,910	37,244,306	34,975,816
	7,962,573	7,872,584	5,520,811	7,862,533	8,271,157	8,471,699
	7,962,573	7,872,584	5,520,811	7,862,533	8,271,157	8,471,699
\$	39,633,045	\$ 40,240,117	\$ 32,379,787	\$ 48,613,443	\$ 45,515,463	\$ 43,447,515
\$	1,303,596	\$ 852,819	\$ 640,512	\$ 631,980	\$ 687,453	\$ 854,776
	1,363,971	1,409,904	1,104,987	1,682,400	1,728,952	1,666,247
	764,335	749,638	491,853	754,965	786,393	795,002
	19,450	7,360	1,190	2,348	2,500	2,930
	2,368,312	2,418,801	1,812,675	2,314,793	2,478,172	2,313,423
	2,335,740	3,202,586	1,018,727	2,197,856	1,446,530	281,519
	8,155,404	8,641,108	5,069,944	7,584,342	7,130,000	5,913,897
	8,184,588	8,419,290	6,132,405	8,565,644	8,578,759	8,607,997
	6,072	-	-	-	-	-
	1,255,682	968,186	-	691,246	-	-
	9,446,342	9,387,476	6,132,405	9,256,890	8,578,759	8,607,997
\$	17,601,746	\$ 18,028,584	\$ 11,202,349	\$ 16,841,232	\$ 15,708,759	\$ 14,521,894
\$	(23,515,068)	\$ (23,726,425)	\$ (21,789,032)	\$ (33,166,568)	\$ (30,114,306)	\$ (29,061,919)
	1,483,769	1,514,892	611,594	1,394,357	307,602	136,298
\$	(22,031,299)	\$ (22,211,533)	\$ (21,177,438)	\$ (31,772,211)	\$ (29,806,704)	\$ (28,925,621)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

	2010	2011	2012	2013*
GENERAL REVENUES AND OTHER				
CHANGES IN NET POSITION				
Governmental Activities				
Taxes				
Property	\$ 7,834,711	\$ 8,339,117	\$ 8,926,796	\$ 11,540,085
Sales and use	5,796,490	6,097,724	7,172,770	6,587,215
Utility	1,313,416	1,350,435	1,445,519	1,466,585
Local motor fuel	-	-	-	-
Other	452,242	460,608	472,682	402,736
Intergovernmental	2,630,608	2,727,726	2,494,821	3,396,732
Investment earnings	178,003	273,296	205,844	44,093
Miscellaneous	383,590	859,567	544,901	549,688
Contributions	7,387	2,000	22,857	-
Gain of sale of capital assets	-	-	-	-
Transfers	92,402	(627,534)	-	100,000
Total governmental activities	18,688,849	19,482,939	21,286,190	24,087,134
Business-Type Activities				
Investment earnings	116,275	11,231	6,882	14,177
Miscellaneous	59,543	16,263	14,476	6,129
Transfers	(92,402)	627,534	-	(100,000)
Total business-type activities	83,416	655,028	21,358	(79,694)
TOTAL PRIMARY GOVERNMENT	\$ 18,772,265	\$ 20,137,967	\$ 21,307,548	\$ 24,007,440
CHANGE IN NET POSITION				
Governmental activities	\$ 2,491,126	\$ (570,146)	\$ 695,706	\$ 82,481
Business-type activities	(563,706)	(1,335,800)	(555,646)	(347,369)
TOTAL PRIMARY GOVERNMENT				
CHANGE IN NET POSITION	\$ 1,927,420	\$ (1,905,946)	\$ 140,060	\$ (264,888)

* The Village began recording the property tax levies for the Police and Firefighters' Pension Funds as both a revenue and an expenditure in the General Fund in fiscal year 2013.

** The Village changed its fiscal year end from April 30 to December 31 effective December 31, 2015 and implemented GASB Statement No. 68.

The Village reclassified certain costs during the eight months ended December 31, 2015, resulting in a shift of costs between general government and public works.

Data Source

Audited Financial Statements

	2014	2015	2015**	2016	2017	2018
\$	12,153,210	\$ 12,712,189	\$ 13,319,443	\$ 14,023,894	\$ 14,610,907	\$ 14,863,211
	6,555,619	7,791,885	5,842,939	9,212,975	10,010,365	10,325,321
	1,620,073	1,562,992	815,235	1,509,812	1,480,023	1,557,320
	266,189	262,310	278,952	297,557	357,185	279,049
	840,258	818,428	533,952	763,269	750,314	755,059
	3,843,504	3,857,758	2,717,696	3,846,520	3,682,765	3,818,229
	46,941	(190,127)	(177)	88,510	219,868	343,239
	529,558	520,791	387,797	663,942	521,533	567,635
	-	-	-	-	-	-
	24,946	22,032	9,640	16,268	-	-
	1,159,903	-	(635,792)	-	-	(65,098)
	27,040,201	27,358,258	23,269,685	30,422,747	31,632,960	32,443,965
	12,488	(79,508)	8,131	14,449	90,626	112,249
	274,609	75,222	34,593	76,043	90,040	96,176
	(1,159,903)	-	635,792	-	-	65,098
	(872,806)	(4,286)	678,516	90,492	180,666	273,523
\$	26,167,395	\$ 27,353,972	\$ 23,948,201	\$ 30,513,239	\$ 31,813,626	\$ 32,717,488
\$	3,525,133	\$ 3,631,833	\$ 1,480,653	\$ (2,743,821)	\$ 1,518,654	\$ 3,382,046
	610,963	1,510,606	1,290,110	1,484,849	488,268	409,821
\$	4,136,096	\$ 5,142,439	\$ 2,770,763	\$ (1,258,972)	\$ 2,006,922	\$ 3,791,867

VILLAGE OF CARPENTERSVILLE, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2010	2011	2012*	2013
GENERAL FUND				
Nonspendable				
Prepaid items	\$ -	\$ -	\$ 281,293	\$ 299,982
Advances	-	-	-	-
Restricted				
Police department programs	-	-	82,527	32,947
Asset forfeiture	-	-	-	-
Assigned				
Community improvements	-	-	-	-
Subsequent year's budget	-	-	-	-
Carryforwards	-	-	93,980	445,873
Future cash flow	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	4,178,189	4,594,252
Reserved	1,810,930	283,588	-	-
Unreserved	1,249,519	2,738,487	-	-
TOTAL GENERAL FUND	\$ 3,060,449	\$ 3,022,075	\$ 4,635,989	\$ 5,373,054
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable				
Prepaid items	\$ -	\$ -	\$ -	\$ -
Advances	-	-	-	-
Restricted				
Police department programs	-	-	-	-
Street maintenance	-	-	1,305,370	1,426,332
Parks	-	-	54,043	54,611
Capital projects	-	-	6,617,269	1,985,129
Public improvements	-	-	909,777	1,983,547
Fire purposes	-	-	38,248	36,692
Debt service	-	-	892,900	803,049
Assigned				
Capital projects	-	-	212,195	1,473,791
Carryforwards	-	-	-	904,362
Unassigned, reported in				
Special revenue funds	-	-	(45,641)	(18,178)
Reserved	1,607,899	1,266,048	-	-
Unreserved, reported in				
Special revenue funds	3,489,563	3,474,330	-	-
Capital project funds	(2,279,789)	13,247,392	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 2,817,673	\$ 17,987,770	\$ 9,984,161	\$ 8,649,335

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

** The Village changed its fiscal year end from April 30 to December 31 effective December 31, 2015.

Data Source

Audited Financial Statements

	2014	2015	2015**	2016	2017	2018
\$	28,969	\$ 39,896	\$ 69,206	\$ 32,975	\$ 36,792	\$ 40,405
	-	-	1,835,711	2,664,345	2,297,084	3,231,527
	53,862	-	-	-	-	-
	192,132	186,941	189,143	187,666	125,841	140,221
	42,178	107,268	182,588	75,237	167,688	304,455
	531,084	-	861,587	-	-	-
	118,750	50,000	-	-	-	-
	-	-	1,627,588	-	-	-
	-	704,297	-	-	-	-
	5,243,591	6,262,055	3,981,550	6,119,932	8,130,784	10,508,634
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	6,210,566	\$ 7,350,457	\$ 8,747,373	\$ 9,080,155	\$ 10,758,189	\$ 14,225,242
\$	429	\$ 142	\$ 141	\$ 1,100	\$ 1,100	\$ 1,000
	80,665	-	-	-	-	-
	-	64,380	74,905	87,082	92,496	94,189
	970,130	1,021,369	554,538	760,557	829,843	1,279,287
	393,150	382,295	353,783	355,852	340,063	297,172
	-	8,226,672	6,716,035	5,403,103	3,595,525	3,823,566
	2,078,205	2,706,045	3,243,327	3,318,079	2,303,508	1,374,194
	26,710	22,849	41,752	46,759	40,795	41,486
	649,139	542,007	679,859	1,035,958	1,454,892	1,376,907
	1,698,024	1,146,254	2,729,164	2,101,872	441,795	576,590
	1,482,780	-	-	1,652,233	3,127,445	2,237,817
	(91,333)	(237,456)	(2,222,575)	(6,970,139)	(6,603,468)	(5,981,713)
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	7,287,899	\$ 13,874,557	\$ 12,170,929	\$ 7,792,456	\$ 5,623,994	\$ 5,120,495

VILLAGE OF CARPENTERSVILLE, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2010	2011	2012	2013
REVENUES				
Taxes	\$ 17,026,816	\$ 19,252,124	\$ 20,522,991	\$ 23,393,353
Intergovernmental	3,025,051	3,024,388	3,772,840	3,062,165
Licenses and permits	1,572,549	1,411,820	1,416,228	1,506,600
Fines and forfeitures	507,637	507,610	545,393	416,421
Charges for services	1,518,178	2,354,945	1,774,945	2,138,241
Investment income	259,101	364,679	227,365	44,093
Miscellaneous	556,800	965,110	550,580	409,238
Total revenues	24,466,132	27,880,676	28,810,342	30,970,111
EXPENDITURES				
General government	2,267,779	2,362,357	2,664,634	3,068,266
Public safety	14,498,478	13,697,709	13,620,554	15,558,217
Public works	5,245,326	5,660,245	5,108,788	5,494,017
Community development	1,865,603	1,730,193	1,457,576	1,816,542
Culture and recreation	142,130	139,029	207,653	133,078
Debt service				
Principal	775,561	794,791	1,505,211	1,597,889
Interest	547,955	1,119,833	1,492,405	1,459,828
Capital outlay	9,386,373	6,653,317	10,189,531	2,893,822
Total expenditures	34,729,205	32,157,474	36,246,352	32,021,659
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(10,263,073)	(4,276,798)	(7,436,010)	(1,051,548)
OTHER FINANCING SOURCES (USES)				
Transfers in	473,261	3,051,575	796,337	1,339,868
Transfers (out)	(380,859)	(3,679,109)	(796,337)	(1,239,868)
Bonds issued	-	20,000,000	-	-
Bond issuance costs	-	-	-	-
Premium on bonds issued	-	36,025	-	-
Capital lease	-	-	-	350,000
Payment to escrow agent	-	-	-	-
Sale of capital assets	24,684	-	46,808	3,787
Total other financing sources (uses)	117,086	19,408,491	46,808	453,787
NET CHANGE IN FUND BALANCES	\$ (10,145,987)	\$ 15,131,693	\$ (7,389,202)	\$ (597,761)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES				
	3.40%	4.61%	7.12%	7.47%

* The Village changed its fiscal year end from April 30 to December 31 effective December 31, 2015.

The significant increase in the debt service as a percentage of noncapital expenditures relates to a current refunding that occurred during the eight months ended December 31, 2015.

The Village reclassified certain costs during the eight months ended December 31, 2015, resulting in a shift of costs between general government and public works.

Data Source

Audited Financial Statements

	2014	2015	2015*	2016	2017	2018
\$	21,435,351	\$ 23,147,804	\$ 20,790,521	\$ 25,807,506	\$ 27,208,794	\$ 27,779,960
	6,827,783	7,186,475	5,549,098	6,989,756	7,623,456	6,448,019
	1,201,973	696,017	572,249	518,516	584,640	688,925
	426,802	368,281	311,764	417,241	438,860	451,677
	1,721,881	1,849,974	1,264,798	2,004,875	2,039,412	2,034,845
	46,941	(190,127)	(177)	88,510	219,868	290,866
	628,003	625,245	477,528	793,281	647,930	665,466
	32,288,734	33,683,669	28,965,781	36,619,685	38,762,960	38,359,758
	3,302,152	3,396,854	4,212,505	5,790,986	5,917,096	5,476,366
	15,673,106	16,475,061	12,826,029	17,695,839	17,835,253	18,508,740
	5,888,530	6,187,517	2,423,308	3,509,948	3,516,639	3,503,422
	1,299,271	1,258,329	885,561	5,689,024	2,018,075	2,348,239
	190,218	165,119	139,968	173,095	225,990	248,411
	2,120,233	1,373,712	4,685,850	1,445,040	1,373,950	1,453,928
	1,426,366	1,357,644	1,603,944	1,527,048	1,438,769	1,393,490
	4,689,098	4,538,828	5,791,001	4,488,677	6,970,627	3,577,708
	34,588,974	34,753,064	32,568,166	40,319,657	39,296,399	36,510,304
	(2,300,240)	(1,069,395)	(3,602,385)	(3,699,972)	(533,439)	1,849,454
	3,227,398	578,287	2,911,650	6,287,527	2,905,571	2,193,593
	(2,177,165)	(578,287)	(2,911,650)	(6,587,527)	(2,905,571)	(1,142,705)
	-	8,278,960	2,920,000	4,640,420	-	-
	-	-	-	-	-	-
	-	494,952	366,033	-	-	-
	-	-	-	-	-	-
	-	-	-	(4,705,790)	-	-
	24,946	22,032	9,640	19,651	43,021	63,202
	1,075,179	8,795,944	3,295,673	(345,719)	43,021	1,114,090
\$	(1,225,061)	\$ 7,726,549	\$ (306,712)	\$ (4,045,691)	\$ (490,418)	\$ 2,963,544
	9.52%	8.72%	21.53%	8.03%	7.90%	8.42%

VILLAGE OF CARPENTERSVILLE, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property	Farm Property	Kane County Total Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value as a percent of Actual Value
2009	\$ 617,345,060	\$ 72,843,582	\$ 16,425,237	\$ 1,052,881	\$ 707,666,760	\$ 707,666,760	1.4500	\$ 2,123,000,280	33.333%
2010	568,109,153	64,028,623	14,989,957	982,262	648,109,995	648,109,995	1.6902	1,944,329,985	33.333%
2011	466,103,518	73,668,858	15,580,293	1,118,081	556,470,750	556,470,750	1.9580	1,669,412,250	33.333%
2012	409,324,723	70,277,460	15,113,716	953,898	495,669,797	495,669,797	2.2993	1,487,009,391	33.333%
2013	368,855,199	63,002,861	12,986,935	814,219	445,659,214	445,659,214	2.6707	1,336,977,642	33.333%
2014	351,982,353	59,348,248	12,152,266	625,601	424,108,468	424,108,468	2.9454	1,272,325,404	33.333%
2015	376,194,689	56,768,073	12,177,758	644,372	445,784,892	445,784,892	2.9299	1,337,354,676	33.333%
2016	434,962,298	59,242,183	12,759,964	677,897	507,642,342	507,642,342	2.6052	1,522,927,026	33.333%
2017	477,627,533	63,093,572	12,908,607	697,331	554,327,043	554,327,043	2.3852	1,662,981,129	33.333%
2018	517,353,879	68,168,888	13,540,720	733,935	599,797,422	599,797,422	2.2551	1,799,392,266	33.333%

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

Data Source

Office of the County Clerk

VILLAGE OF CARPENTERSVILLE, ILLINOIS

DIRECT AND OVERLAPPING PROPERTY TAX RATES

Last Ten Levy Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Village Direct Tax Rates										
Carpentersville Village	1.4517	1.6930	1.9613	2.2993	2.6707	2.9454	2.9299	2.6052	2.3852	2.2551
Carpentersville IMRF	-	-	-	-	-	-	-	-	-	-
Total direct tax rates	<u>1.4517</u>	<u>1.6930</u>	<u>1.9613</u>	<u>2.2993</u>	<u>2.6707</u>	<u>2.9454</u>	<u>2.9299</u>	<u>2.6052</u>	<u>2.3852</u>	<u>2.2551</u>
Overlapping Rates										
School District 300 residents										
Kane County	0.3398	0.3730	0.3990	0.4336	0.4623	0.3794	0.3914	0.3401	0.4025	0.3877
Kane County Forest Preserve	0.1997	0.2201	0.2609	0.2710	0.3039	0.3059	0.2882	0.2193	0.1657	0.1607
Dundee Township	0.1498	0.1688	0.1854	0.2143	0.3261	0.2265	0.2164	0.1973	0.0783	0.0754
Dundee Township Road Funds	0.0695	0.0774	0.0838	0.0958	-	0.1112	0.1146	0.0988	0.0986	0.0950
School District 300	3.9687	4.4615	4.7987	5.6752	6.3182	6.5000	7.1667	5.9196	5.7240	5.6964
Elgin Community College 509	0.3833	0.4407	0.4454	0.5215	0.5707	0.5994	0.6260	0.5223	0.4999	0.5075
Dundee Park District	0.3747	0.4251	0.4553	0.5145	0.6269	0.5873	0.5841	0.5348	0.5643	0.5445
Fox River Valley Public Library	0.1306	0.1456	0.1582	0.1811	0.2061	0.1949	0.1876	0.1808	0.1864	0.1798

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

Data Source

Office of the County Clerk

VILLAGE OF CARPENTERSVILLE, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Six Years Ago

Taxpayer	Type of Business	2018			2012		
		Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Equalized Assessed Valuation	Rank	Percentage of Total Village Taxable Assessed Valuation
Steadfast Foxview	Rental Properties	\$ 5,630,575	1	0.94%	\$ 4,850,653	3	0.98%
Wal-Mart Real Estate Business Trust	Retail	5,927,007	2	0.99%			
Menard Inc	Shopping Center	4,028,696	3	0.67%	4,522,209	4	0.91%
Woodmans	Grocery Store	3,699,630	4	0.62%	5,725,260	2	1.16%
Meadowdale Apartments	Rental Properties	3,522,981	5	0.59%			
Meadowdale Apartments	Rental Properties	3,518,648	6	0.59%			
Meadowdale Apartments	Rental Properties	3,518,385	7	0.59%			
Springhill Mall	Shopping Center	2,980,164	8	0.50%	7,397,048	1	1.49%
Meadowdale Shopping Center	Shopping Center	2,629,383	9	0.44%			
Improved Besinger Properties LLC	Rental Properties	2,516,931	10	0.42%	2,711,055	5	0.55%
PCCR USA, Inc	Industrial				2,214,729	7	0.45%
Trust #1-04-112	Trust				2,252,460	6	0.45%
Meadowdale Apartments	Rental Properties				2,199,671	8	0.44%
TKJ Enterprises	Industrial				1,856,935	9	0.37%
Dominick's	Grocery Store				1,806,181	10	0.36%
TOTAL		<u>\$ 37,972,400</u>		<u>4.40%</u>	<u>\$ 35,536,201</u>		<u>7.17%</u>

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

Data Source

Office of the County Clerk

VILLAGE OF CARPENTERSVILLE, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 10,201,246	\$ 10,200,572	99.99%	\$ -	\$ 10,200,572	99.99%
2010	10,910,424	10,886,992	99.79%	-	10,886,992	99.79%
2011	10,913,883	10,872,428	99.62%	-	10,872,428	99.62%
2012	11,397,124	11,341,382	99.51%	-	11,341,382	99.51%
2013	11,902,305	11,844,299	99.51%	-	11,844,299	99.51%
2014	12,471,832	12,444,944	99.78%	-	12,444,944	99.78%
2015	13,061,065	13,015,707	99.65%	-	13,015,707	99.65%
2016	13,225,312	13,189,742	99.73%	-	13,189,742	99.73%
2017	13,225,312	13,189,742	99.73%	-	13,189,742	99.73%
2018	13,221,676	N/A	N/A	N/A	N/A	N/A

N/A - information not available

Data Source

Office of the County Clerk

VILLAGE OF CARPENTERSVILLE, ILLINOIS

SALES TAX BY CATEGORY

Last Ten Calendar Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General merchandise	*	\$ 251,300	\$ 236,477	\$ 235,259	\$ 241,561	\$ 235,998	\$ 242,394	\$ 553,070	\$ 823,885	\$ 848,641
Food	\$ 1,206,769	1,205,361	1,231,555	1,197,703	1,142,340	1,190,412	1,250,684	1,236,176	1,312,199	1,281,128
Drinking and eating places	227,834	232,344	262,081	267,660	260,813	273,561	293,052	314,337	323,766	363,092
Apparel	36,744	33,785	30,918	29,881	30,732	29,167	30,989	37,363	32,878	32,554
Furniture, H.H. and radio	*	21,516	21,262	24,260	30,475	25,605	23,009	11,870	9,321	8,299
Lumber, building hardware	423,961	434,718	442,041	467,955	502,991	531,175	573,956	590,646	588,438	574,196
Automobile and filling stations	231,876	311,296	426,062	362,788	356,635	360,741	315,151	270,892	296,100	322,253
Drugs and miscellaneous retail	239,123	250,913	251,908	262,480	286,637	281,545	174,540	364,829	353,292	325,602
Agriculture and all others	71,183	69,967	74,663	76,466	73,582	69,695	215,318	94,169	88,425	148,646
Manufacturers	41,593	20,492	19,454	19,004	19,536	18,143	15,944	25,806	34,932	34,868
Other (1)	281,252	-	-	-	-	-	-	-	-	-
TOTAL	\$ 2,760,335	\$ 2,831,692	\$ 2,996,421	\$ 2,943,456	\$ 2,945,302	\$ 3,016,042	\$ 3,135,037	\$ 3,499,158	\$ 3,863,236	\$ 3,939,279
VILLAGE DIRECT SALES TAX RATE	1.00%									

* Categories have less than four taxpayers; therefore, no data is shown to protect the confidentiality of individual taxpayers.

(1) This category is an aggregation of the amounts with *.

Data Source

Illinois Department of Revenue

VILLAGE OF CARPENTERSVILLE, ILLINOIS

HOME RULE SALES TAX BY CATEGORY

Last Six Calendar Years

Calendar Year	2013	2014	2015	2016	2017	2018
General merchandise	\$ 359,104	\$ 418,572	\$ 478,214	\$ 871,808	\$ 1,183,484	1,163,428
Food	575,416	705,585	898,917	896,526	1,004,735	995,216
Drinking and eating places	390,459	478,347	582,831	621,624	639,314	715,259
Apparel	46,098	51,318	61,977	74,726	65,756	65,108
Furniture, H.H. and radio	45,711	44,957	45,962	23,739	18,641	16,600
Lumber, building hardware	746,834	921,975	1,136,512	1,169,960	1,165,545	1,136,742
Automobile and filling stations	498,398	568,086	546,385	466,224	522,469	554,160
Drugs and miscellaneous retail	236,977	262,021	108,161	362,049	343,657	310,804
Agriculture and all others	99,376	107,216	344,364	176,122	165,780	270,548
Manufacturers	28,662	30,826	30,994	50,945	69,182	69,050
TOTAL	\$ 3,027,035	\$ 3,588,903	\$ 4,234,317	\$ 4,713,723	\$ 5,178,563	\$ 5,296,915

Information for 2009 - 2012 is not available.

Note: Village home rule sales tax rate is 2% effective July 1, 2014.

Data Source

Illinois Department of Revenue

VILLAGE OF CARPENTERSVILLE, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities					Business-Type Activities				Percentage of Actual Taxable Value of Property (1)		Per Capita (2)
	General Obligation Bonds	Refinancing Cost of General Obligation Bonds		Capital Leases	Promissory Note Payable	General Obligation Bonds	Refinancing Cost of General Obligation Bonds		IEPA Loan	Total Primary Government		
		Unamortized Bond Discount	Unamortized Bond Premium				Unamortized Bond Discount	Unamortized Bond Premium				
2010	\$ 12,685,500	\$ -	\$ 101,059	\$ -	\$ 286,556	\$ 8,244,500	\$ -	\$ 80,595	\$ 12,998,429	\$ 34,396,639	1.62%	\$ 912.60
2011	31,948,050	-	91,679	-	229,245	7,836,950	-	74,625	12,179,773	52,360,322	2.69%	1,389.20
2012	30,500,150	-	82,299	-	171,934	7,414,850	-	68,655	11,340,231	49,578,119	2.97%	1,297.99
2013	29,016,800	-	72,919	292,772	114,623	6,978,200	-	62,685	10,479,272	47,017,271	3.16%	1,230.95
2014	27,069,650	-	53,306	177,000	57,312	6,380,350	-	53,305	9,596,351	43,387,274	2.92%	1,135.91
2015	34,149,760	-	535,744	59,450	-	15,415,240	-	814,050	623,404	51,597,648	3.86%	1,350.87
2015*	32,443,360	-	830,776	-	-	14,326,640	-	1,066,723	2,255,126	50,922,625	4.00%	1,333.19
2016	31,313,890	-	773,249	-	-	13,307,110	-	945,662	2,161,560	48,501,471	9.55%	1,266.65
2017	29,939,940	-	715,723	-	-	12,146,060	-	824,601	2,063,296	45,689,620	3.00%	1,193.22
2018	29,536,900	-	719,464	-	-	9,913,100	-	642,271	1,963,062	42,774,797	2.57%	1,117.10

* The Village changed its fiscal year end from April 30 to December 31 effective December 31, 2015.

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

(1) Assessed value and actual value of taxable property.

(2) See the schedule of Demographic and Economic Information on page 138 for personal income and population data.

Data Source

Village Records

VILLAGE OF CARPENTERSVILLE, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	Governmental Activities	Business-Type Activities	Less Amounts Available In Debt Service Fund	Total	Governmental Activities Obligation Bonds Refinancing Costs		Business-Type Activities General Obligation Bonds Refinancing Costs		Percentage of Estimated Actual Taxable Value of Property*	Per Capita
	General Obligation Bonds	General Obligation Bonds			Unamortized Bond Discount	Unamortized Bond Premium	Unamortized Bond Discount	Unamortized Bond Premium		
2010	\$ 12,685,500	\$ 8,244,500	\$ 1,054,454	\$ 19,875,546	\$ -	\$ 101,059	\$ -	\$ 80,595	0.94%	\$ 527.33
2011	31,948,050	7,836,950	903,275	38,881,725	-	91,679	-	74,625	2.00%	1,031.59
2012	30,500,150	7,414,850	883,704	37,031,296	-	82,299	-	68,655	2.22%	969.51
2013	29,016,800	6,978,200	803,049	35,191,951	-	72,919	-	62,685	2.37%	921.35
2014	27,069,650	6,380,350	649,279	32,800,721	-	53,306	-	53,305	2.21%	858.75
2015	34,149,760	15,415,240	542,007	49,022,993	-	535,744	-	814,050	3.67%	1,283.46
2015**	32,443,360	14,326,640	697,859	46,072,141	-	830,776	-	1,066,723	3.62%	1,206.20
2016	31,313,890	13,307,110	1,037,058	43,583,942	-	773,249	-	945,662	3.26%	1,138.23
2017	29,939,940	12,146,060	1,455,992	40,630,008	-	715,723	-	824,601	2.67%	1,061.09
2018	29,536,900	9,913,100	1,377,907	38,072,093	-	719,464	-	642,271	2.29%	994.28

* See the schedule of Assessed Value and Actual Value of Taxable Property on page 128 for property value data.

** The Village changed its fiscal year end from April 30 to December 31 effective December 31, 2015.

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

Data Source

Village Records

VILLAGE OF CARPENTERSVILLE, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2018

	Applicable to Village		
	Outstanding Debt	Percent*	Amount
Village Direct Debt			
Carpentersville Village	\$ 30,256,364	100.00%	\$ 30,256,364
Overlapping Debt			
Kane County	31,095,000	3.82%	1,187,829
Kane County Forest Preserve	149,300,000	3.82%	5,703,260
Dundee Township	-	32.04%	-
Barrington School District 220	32,117,000	1.07%	343,652
School District 300	308,736,237	15.22%	46,989,655
Elgin Community College 509	174,176,195	3.86%	6,723,201
Harper College 512	126,895,000	16.00%	20,303,200
Dundee Park District	18,435,585	32.10%	5,917,823
Total overlapping debt	840,755,017		87,168,620
TOTAL	\$ 871,011,381		\$ 117,424,984

*The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the Village's taxable assessed value that is within the government's boundaries and dividing it by the Village's total taxable assessed value.

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

Data Source

Office of the County Clerk

VILLAGE OF CARPENTERSVILLE, ILLINOIS

LEGAL DEBT MARGIN

December 31, 2018

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 50,000 an aggregate of one per cent:...indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts."

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

VILLAGE OF CARPENTERSVILLE, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment*	Unemployment Rate**
2010	37,691	\$ 804,589,777	\$ 21,347	29.6	19,694	13.3%
2011	37,691	804,589,777	21,347	29.6	19,959	12.7%
2012	38,196	815,370,012	21,347	29.4	19,978	11.0%
2013	38,196	815,370,012	21,347	29.4	20,856	13.1%
2014	38,196	815,370,012	21,347	29.4	20,923	9.9%
2015	38,196	815,370,012	21,347	29.4	7,786	5.8%
2015***	38,196	815,370,012	21,347	29.4	7,786	5.8%
2016	38,291	817,397,977	21,347	29.4	6,882	7.0%
2017	38,291	817,397,977	21,347	29.4	21,261	7.1%
2018	38,291	817,397,977	21,347	29.4	20,985	6.6%

*Beginning in 2015, the reporting method was changed by the school district.

**Unemployment rate is the 12-month average.

*** The Village changed its fiscal year end from April 30 to December 31 effective December 31, 2015.

Data Sources

Village Records

U.S. Census Bureau

Office of the County Clerk

VILLAGE OF CARPENTERSVILLE, ILLINOIS

PRINCIPAL EMPLOYERS

Prior Year and Nine Years Ago

Employer	2017			2009		
	Number of Employees	Rank	% of Total Village Population	Number of Employees	Rank	% of Total Village Population
Otto Engineering Inc.	638	1	1.67%	470	1	1.54%
Bulk Lift International Inc.	325	2	0.85%	220	3	0.72%
Walmart Supercenter	315	3	0.82%			
Woodmans Food Market	274	4	0.72%			
Revcor Inc.	220	5	0.57%	400	2	1.31%
Polynt	220	6	0.57%			
Trim Rite Food Corporation Inc.	200	7	0.52%	150	6	0.49%
Village of Carpentersville	191	8	0.50%	201	4	0.66%
Home Depot	150	9	0.39%			
Grayhill Inc.	120	10	0.31%	120	7	0.39%
Stanley Machining & Tool Corp				105	9	0.34%
Acme Industrial				100	10	0.33%
A Schulman Inc.						
Avens Controls				120	8	0.39%
Hexian Specialty				200	4	0.65%
Hexian Specialty Chemicals				200	5	0.65%
TOTAL	2,653		6.93%	2,286		7.47%

Data Sources

2016 Illinois Manufacturers Directory & 2016 Illinois Services Directory
Local Phone Surveys

VILLAGE OF CARPENTERSVILLE, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2015*	2016	2017	2018
GENERAL GOVERNMENT										
Legislative	1	1	1	1	1	1	1	1	1.50	1.50
Administration	3	3	3	4	4	3	2	3	3.75	3.00
Finance	8	6	8	9	8	7	7	8	8.70	8.70
Information systems	3	3	2	2	2	3	3	2	2.00	2.00
Community development	16	16	11	11	9	11	11	12	8.80	8.80
Public buildings	1	1	1	1	2	3	3	3	3.70	3.70
PUBLIC SAFETY										
Police personnel	76	71	71	70	70	70	70	68	67.25	67.75
Fire personnel	42	39	39	37	37	48	48	50	51.00	50.40
PUBLIC WORKS										
Administration	3	3	3	3	3	3	3	4	3.20	3.20
Engineering **	-	-	-	-	-	-	-	-	2.30	2.00
Utilities - water	7	7	6	6	6	6	6	6	6.00	5.00
Utilities - underground water/sewer	11	8	8	8	8	8	8	8	8.30	7.50
Utilities - wastewater	8	7	6	6	5	7	7	7	7.00	7.00
Street maintenance	12	12	12	12	11	15	14	14	16.50	14.80
Vehicle maintenance	2	2	2	3	3	3	3	3	3.25	3.25
Parks	1	1	1	1	1	1	1	2	1.50	2.40
TOTAL	194	180	174	174	170	189	187	191	194.75	191.00

* The Village changed its fiscal year end from April 30 to December 31 effective December 31, 2015.

Data Source

Village budget office

VILLAGE OF CARPENTERSVILLE, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2015*	2016	2017	2018
GENERAL GOVERNMENT										
Number of permits issued	4,062	3,313	2,677	2,992	2,412	3,667	1,226	4,334	3,863	4,182
Building and engineering inspections	5,930	5,472	5,149	5,367	5,007	5,138	4,503	3,195	3,415	3,284
POLICE										
DUI arrests	167	169	106	128	108	24	52	85	45	43
Criminal arrests	2,366	1,799	1,759	1,684	1,420	374	895	1,381	2,946	1,752
Accidents	851	927	815	820	1,020	379	657	1,087	1,002	972
Ordinance enforcement	7,385	5,964	5,117	4,660	3,782	1,679	23,235	4,843	4,468	4,085
Total tickets	9,875	9,893	6,890	10,335	6,728	2,618	2,118	4,860	4,160	2,875
Total calls	20,703	19,783	17,786	16,296	16,952	5,720	11,180	17,194	17,731	17,268
FIRE										
Number of fire calls answered	910	950	967	882	1,289	843	592	1,129	1,268	1,271
Number of EMS calls answered	2,590	2,650	2,670	2,551	2,608	2,625	1,723	2,733	2,892	3,110
PUBLIC WORKS										
Tons of garbage collected	10,666	10,297	10,333	10,015	10,475	10,477	7,595	11,116	11,191	10,894
Tons of yard waste collected	1,758	1,688	1,882	1,302	1,816	1,582	1,753	1,938	1,717	1,702
Tons of recyclable material collected	3,184	3,540	3,451	3,284	3,421	3,264	2,414	3,460	3,341	3,206
Trees planted	29	18	-	28	201	302	223	234	31	37
Trees removed	12	45	687	803	522	385	273	259	297	149
Street sweeping (hours)	1,720	2,000	1,600	1,280	1,800	920	1,224	240	170	197
Snow removal (hours)	1,289	1,500	690	1,166	3,311	4,872	1,125	2,700	1,000	1,307
WATER AND SEWER										
Average daily consumption (gallons)	2,747,945	2,534,247	2,539,726	2,540,000	2,600,000	2,485,000	2,527,000	2,410,000	2,393,000	2,487,000
Meter installations	1,750	1,640	1,375	1,375	1,650	1,304	1,310	185	147	150
Catch basins/inlets cleaned	41	11	12	36	51	52	35	82	77	54

* The Village changed its fiscal year end from April 30 to December 31 effective December 31, 2015.

Data Source

Village Records

VILLAGE OF CARPENTERSVILLE, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2015**	2016	2017	2018
GENERAL GOVERNMENT										
General government buildings*	1	1	1	1	1	1	1	1	1	1
Number of vehicles	-	-	1	1	1	1	1	2	2	2
PUBLIC SAFETY										
Police										
Stations*	1	1	1	1	1	1	1	1	1	1
Number of squad cars	31	36	36	36	36	39	39	37	37	37
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Number of vehicles	12	14	13	14	14	14	14	15	15	15
PUBLIC WORKS										
Public works buildings	3	3	3	3	3	3	3	3	3	3
Number of bridges	1	1	1	1	1	1	1	1	1	1
Number of vehicles	31	31	28	26	26	28	28	31	31	31
Streets (miles)	30	30	30	30	96	96	96	96	96	96
WATER AND SEWER										
Water mains (miles)	105	105	120	120	128	128	128	128	128	128
Sanitary sewers (miles)	75	75	75	75	108	108	108	108	108	108
Storm sewers (miles)	104	104	104	104	87	87	87	87	87	87
Number of fire hydrants	1,555	1,592	1,592	1,592	1,642	1,629	1,629	1,638	1,638	1,638
Vehicles	N/A	N/A	N/A	26	24	27	27	26	26	26
COMMUNITY DEVELOPMENT										
Number of vehicles	11	11	11	11	11	11	11	9	10	10
CULTURE AND RECREATION										
Number of parks and playgrounds	5	5	5	5	5	5	5	5	5	5
Number of vehicles	1	1	4	4	4	3	3	2	2	2

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

** The Village changed its fiscal year end from April 30 to December 31 effective December 31, 2015.

N/A - Information not available

Data Source

Village Records



Building a Better Tomorrow... Today