

Village of
Carpentersville, Illinois

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

For the Year Ended December 31, 2020



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, 2020

Prepared by the Finance Department
Michael Ducharme, Finance Director
Tanya Walker, Assistant Finance Director

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PRINCIPAL OFFICIALS

December 31, 2020

Village President

John Skillman

Village Manager

Eric Johnson

Board of Trustees

Jeff Frost

Brenda Sandovae

Jim Malone

John O'Sullivan

Humberto Garcia

Maria Vela

Village Clerk

Kelly Mastera

Department Directors

Kevin Gray, *Director of Public Works*

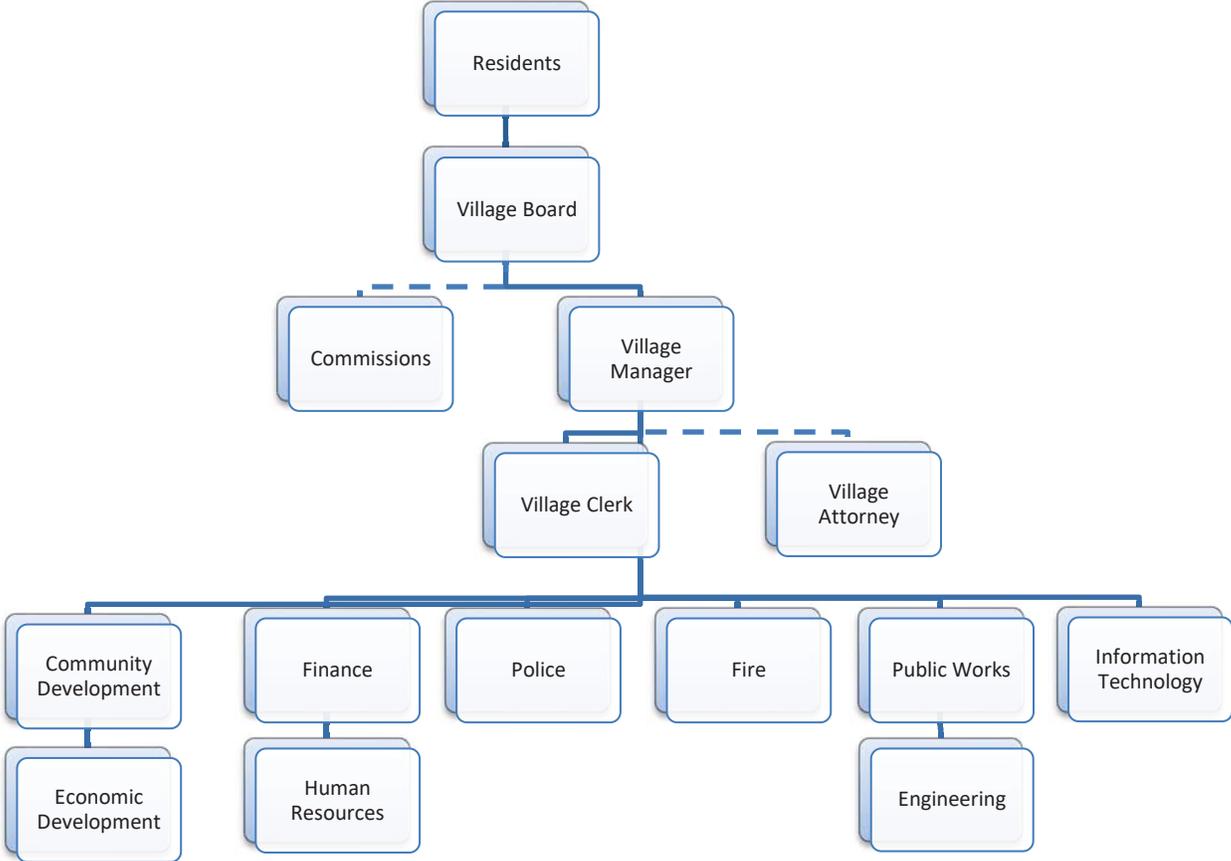
Michael Ducharme, *Director of Finance*

Kevin Roberts, *Director of Information Technology*

Michael Kilbourne, *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, 2019

Christopher P. Morill

Executive Director/CEO



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

June 30, 2021

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

The Comprehensive Annual Financial Report of the Village of Carpentersville for the year ending December 31, 2020 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, 2020, 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, 2020, 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 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, 2020 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:
 - \$282,254 for construction costs associated with the 2020 Eastside Resurface Program from Kane County Community Development Block Grant Program.
 - \$1,920,000 for engineering and construction costs associated with the 2023-2025 LW Besinger Drive Improvement Project from the Surface Transportation Program through the Kane-Kendall Council of Mayors.
- Completed the in-house construction management/inspection and/or engineering plans/documents for the following construction projects:
 - Design for the Bolz Road Improvement Project.
 - Design of the Polk Avenue Improvement Project.
 - Design and construction of the High Capacity Inlet Installation Project.
 - In-house design and construction of the CDBG Eastside Roadway
 - Keith Andres Park Streambank Project.
 - IL-31 Water Main Abandonment Project.
 - IL-31 & Huntley-Main Intersection Improvement Project.
 - Huntley Road Widening Improvement project.
 - Floodplain map revision for the Williams / Lake Marian Roads area.
- The Police Department fostered and/or participated in 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 2020, the unemployment rate was 7.1%. 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 to 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 2020. Some of the projects included, Route 31 & Huntley Road Intersection Improvements, Huntley Road Reconstruction & Widening Improvement, Bolz Road Improvement, Polk Avenue Improvement, and The High Capacity Inlet Installation project.

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, 2020, the total fund balance in the General Fund was \$17,261,836, representing 60% of annual General fund operating expenditures. A portion of this fund balance is non-spendable 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 Fund (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 Comprehensive Annual Financial Report that satisfies both GAAP and applicable legal requirements. Recently, the Village received the award for its 2019 Comprehensive Annual Financial Report, for a seventh 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,

A handwritten signature in black ink, appearing to read "Eric Johnson", written in a cursive style.

Eric Johnson
Village Manager

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, 2020 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, 2020 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.

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 information is 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 June 23, 2021, 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
June 23, 2021

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

VILLAGE OF CARPENTERSVILLE, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DECEMBER 31, 2020

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, 2020. 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 \$114,359,728 (*net position*). \$(18,550,308) of this amount is considered unrestricted net position, which is negative because of a change in net pension and other postemployment benefit liabilities being reported.
- The Village's total net position increased by \$18,548,930. Governmental activities net position increased by \$17,131,212. Business-type activities net position increased by \$1,417,718.
- On December 31, 2020, the Village's governmental funds reported combined fund balances of \$24,423,279, an increase of \$2,910,349 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 \$14,396,986 or approximately 50% 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*).

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

DECEMBER 31, 2020

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

The government-wide financial statements can be found on pages 4-7 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 8-12 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.

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

DECEMBER 31, 2020

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 13-17 of this report.

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 18-19 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 20-71 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 72-86 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 \$114,359,728 as of December 31, 2020. 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, 2020

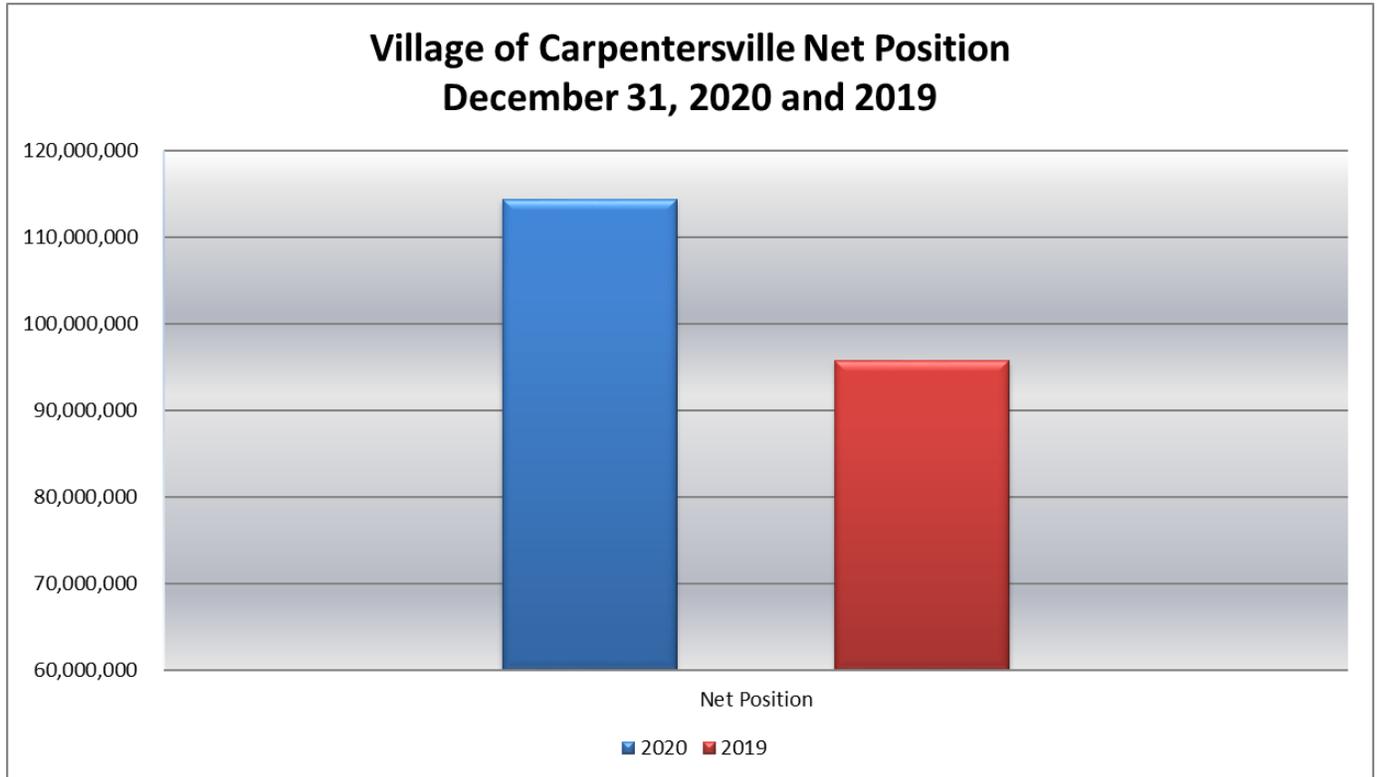
Table 1: Condensed Statements of Net Position

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Assets						
Current assets	\$ 48,529,590	\$ 43,129,915	\$ 11,358,238	\$ 10,478,844	\$ 59,887,828	\$ 53,608,759
Capital assets	118,062,223	109,297,055	43,824,835	45,097,751	161,887,058	154,394,806
Total Assets	166,591,813	152,426,970	55,183,073	55,576,595	221,774,886	208,003,565
Deferred Outflows of Resources						
Pension and other benefit items	3,784,150	4,774,713	564,992	1,024,504	4,349,142	5,799,217
Asset Retirement Obligation	-	-	369,360	384,680	369,360	384,680
Other post employment benefit items	1,429,533	452,622	100,542	31,834	1,530,075	484,456
Deferred charge on refunding	352,823	285,705	125,085	140,720	477,908	426,425
Total Deferred outflows	5,566,506	5,513,040	1,159,979	1,581,738	6,726,485	7,094,778
Total Assets and Deferred outflows	172,158,319	157,940,010	56,343,052	57,158,333	228,501,371	215,098,343
Liabilities						
Current liabilities	6,999,687	4,312,873	887,715	944,885	7,887,402	5,257,758
Long-term liabilities	65,303,311	72,417,315	10,867,565	13,288,713	76,170,876	85,706,028
Total Liabilities	72,302,998	76,730,188	11,755,280	14,233,598	84,058,278	90,963,786
Deferred Inflows of Resources						
Unavailable property taxes	15,514,810	15,795,484	-	-	15,514,810	15,795,484
Other post employment benefit items	1,254,948	1,409,474	88,263	99,132	1,343,211	1,508,606
Pension items	12,726,970	10,777,483	498,374	242,186	13,225,344	11,019,669
Total Deferred inflows	29,496,728	27,982,441	586,637	341,318	30,083,365	28,323,759
Total Liabilities and Deferred Inflows	101,799,726	104,712,629	12,341,917	14,574,916	114,141,643	119,287,545
Net Position						
Net investment						
in capital assets	91,880,072	81,259,672	34,783,848	34,368,493	126,663,920	115,628,165
Restricted	6,246,116	5,704,482	-	-	6,246,116	5,704,482
Unrestricted	(27,767,595)	(33,736,773)	9,217,287	8,214,924	(18,550,308)	(25,521,849)
Total Net Position	\$70,358,593	\$53,227,381	\$44,001,135	\$42,583,417	\$114,359,728	\$95,810,798

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.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2020



The Village's overall net position increased \$18,548,930 from the prior fiscal year due to the current year impacts outlined on the next page.

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, 2020

Table 2: Condensed Statement of Activities

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenues						
Program Revenues						
Charges for services	\$ 3,411,009	\$ 3,134,360	\$ 8,863,120	\$ 8,638,062	\$ 12,274,129	\$ 11,772,422
Operating grants and contributions	6,021,825	2,688,759	-	-	6,021,825	2,688,759
Capital grants and contributions	4,434,432	1,138,562	-	-	4,434,432	1,138,562
General Revenues						
Taxes						
Property taxes	15,084,530	15,489,619	-	-	15,084,530	15,489,619
Sales tax	9,468,568	9,186,369	-	-	9,468,568	9,186,369
Use tax	1,709,818	1,292,001	-	-	1,709,818	1,292,001
Utility tax	1,478,562	1,450,058	-	-	1,478,562	1,450,058
Local motor fuel	296,948	287,057	-	-	296,948	287,057
Telecommunications	294,070	334,873	-	-	294,070	334,873
Other taxes	290,688	383,701	-	-	290,688	383,701
Intergovernmental						
Income tax	4,161,042	4,075,658	-	-	4,161,042	4,075,658
Replacement tax	168,906	186,711	-	-	168,906	186,711
Investment income	168,580	689,741	28,137	136,822	196,717	826,563
Other/miscellaneous	613,973	490,725	86,275	83,600	700,248	574,325
Gain on sale of capital assets	-	-	-	-	-	-
Total Revenues	47,602,951	40,828,194	8,977,532	8,858,484	56,580,483	49,686,678
Expenses						
General government	5,509,036	6,408,661	-	-	5,509,036	6,408,661
Public safety	15,800,960	18,872,493	-	-	15,800,960	18,872,493
Public works	6,036,163	6,331,107	-	-	6,036,163	6,331,107
Community development	1,471,839	1,421,358	-	-	1,471,839	1,421,358
Culture and recreation	313,758	387,867	-	-	313,758	387,867
Waterworks and sewerage	-	-	7,559,814	7,999,648	7,559,814	7,999,648
Interest and fiscal charges	1,339,983	1,307,506	-	-	1,339,983	1,307,506
Total Expenses	30,471,739	34,728,992	7,559,814	7,999,648	38,031,553	42,728,640
Increase (Decrease) in Net Position						
Before Transfers	17,131,212	6,099,202	1,417,718	858,836	18,548,930	6,958,038
Transfers	-	1,300,888	-	(1,300,888)	-	-
Change in Net Position	17,131,212	7,400,090	1,417,718	(442,052)	18,548,930	6,958,038
Beginning Net Position	53,227,381	45,827,291	42,583,417	43,025,469	95,810,798	88,852,760
Ending Net Position	\$70,358,593	\$53,227,381	\$44,001,135	\$42,583,417	\$114,359,728	\$95,810,798

Governmental Activities

During the current fiscal period, net position for governmental activities increased \$17,131,212 from the prior fiscal year for an ending balance of \$70,358,593.

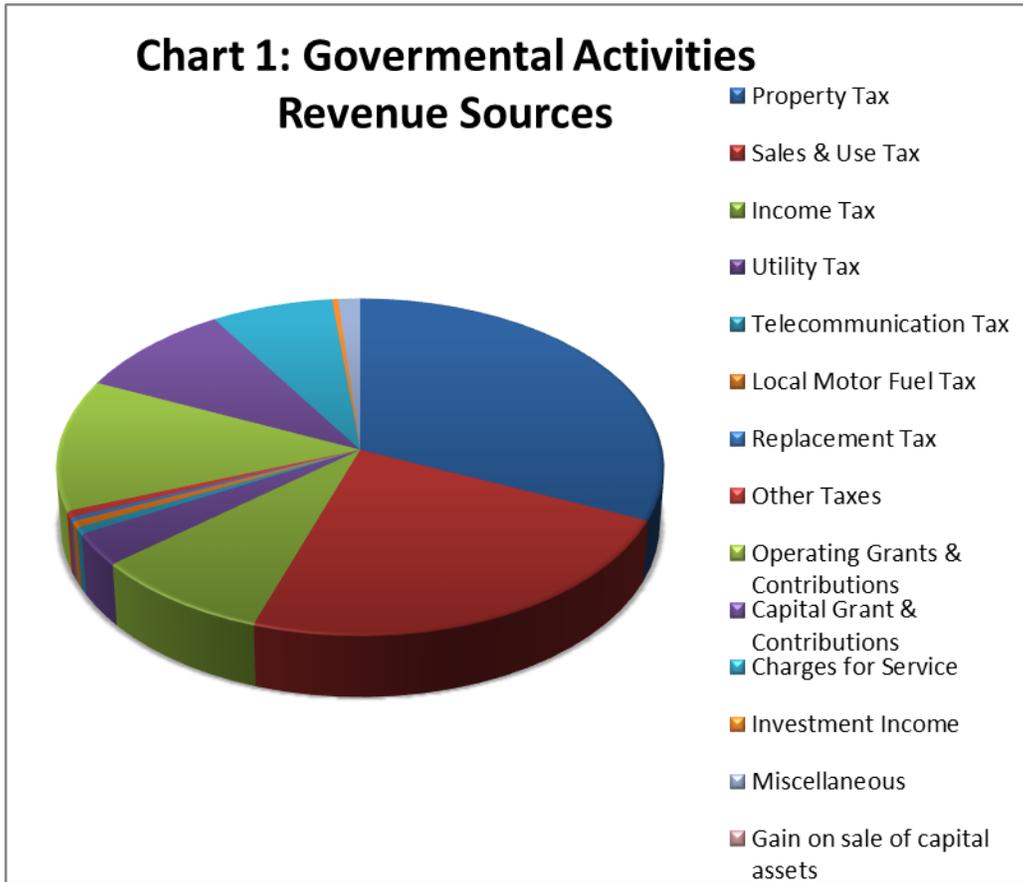
Current Year Impacts

- ◆ Municipal and Home Rule Sales tax realized a 3.1% increase
- ◆ Telecommunication taxes decreased 12.2% from the prior year. The 2018 and 2019 fiscal years had 36% and 23% decreases, respectively. The Village anticipates continued reductions in revenue and will continue to budget accordingly.
- ◆ Income taxes increased 12.2% over the prior year. The 2018 fiscal year had 4.3% decrease while 2019 fiscal year had 11.1% increase. 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 and also related to the COVID-19 Pandemic. This year, the Village recognized \$10.5 million in grants and contributions.
- ◆ Interest rates decreased from the prior year, resulting in a decrease for this revenue of \$629,866.
- ◆ Continued investment in capital assets for the Village, with \$11,289,717 in new capital assets added to the governmental activities and \$1,141,789 to the business-type activities.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2020

Revenues

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



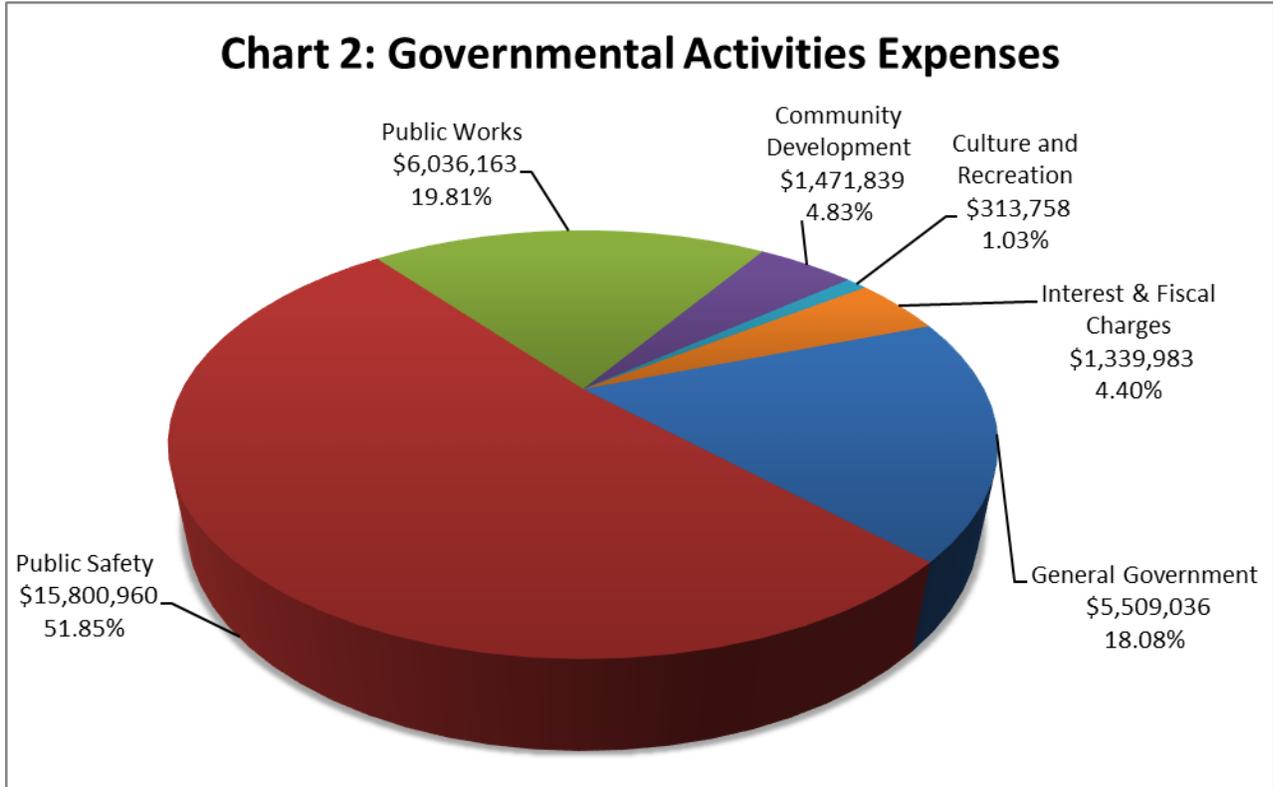
For the fiscal year ended December 31, 2020, revenues from governmental activities totaled \$47,602,951. Property taxes totaled \$15,084,530 representing 32% of total governmental funds’ revenue. Sales and use taxes account for 23% of revenue and local utility tax combined with state income tax represents 12% of total governmental activity revenue.

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

DECEMBER 31, 2020

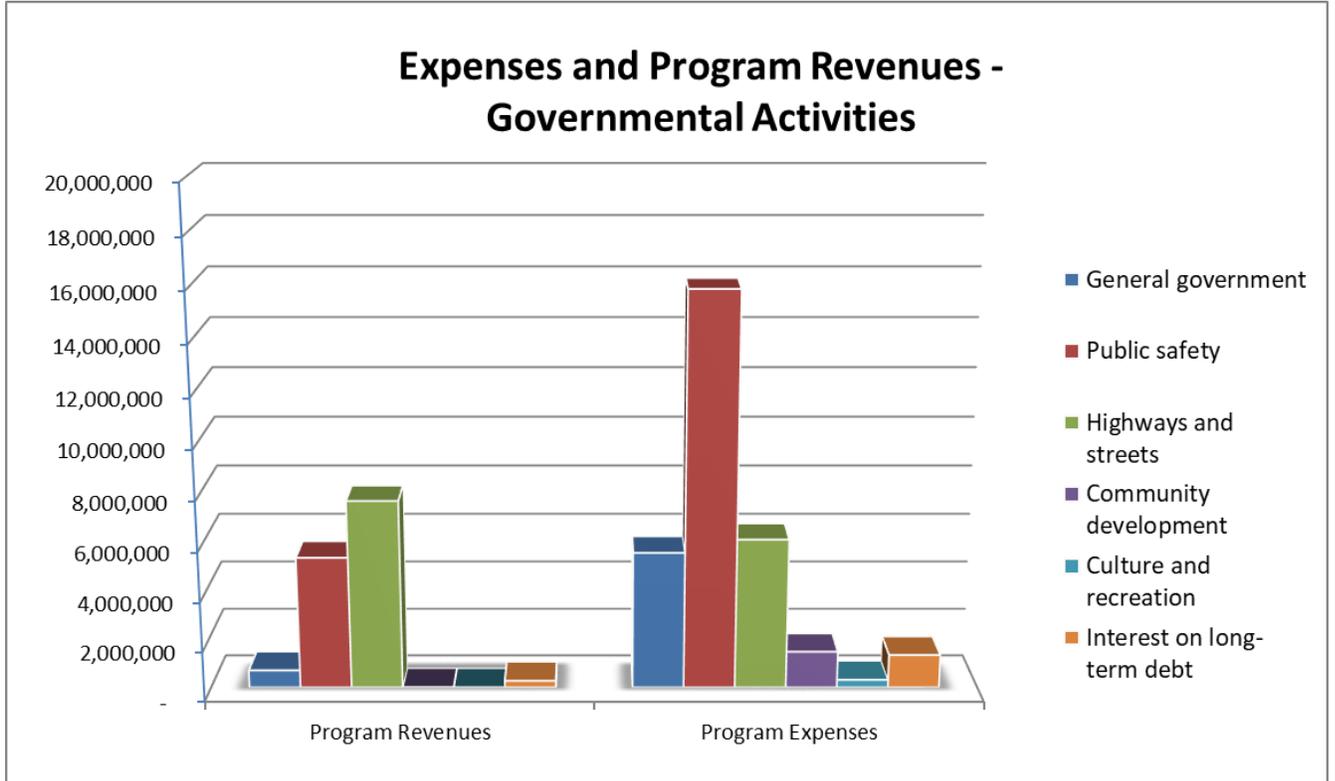
Expenses

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



For the fiscal year ended December 31, 2020 expenses from governmental activities totaled \$30,471,739. Public Safety, Public Works, and Community Development account for 52%, 20%, and 5% of all governmental activities’ expenses, respectively.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2020



Business-Type Activities

During the current fiscal period, net position for business-type activities increased \$1,417,718 from the prior fiscal year for an ending balance of \$44,001,135.

Current Year Impacts

- ◆ Operating expenses of \$7,559,814 decreased 5% compared to 2019.
- ◆ Water and sewer charges for services totaled \$8.86 million for 2020, compared to \$8.64 million for 2019.

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.

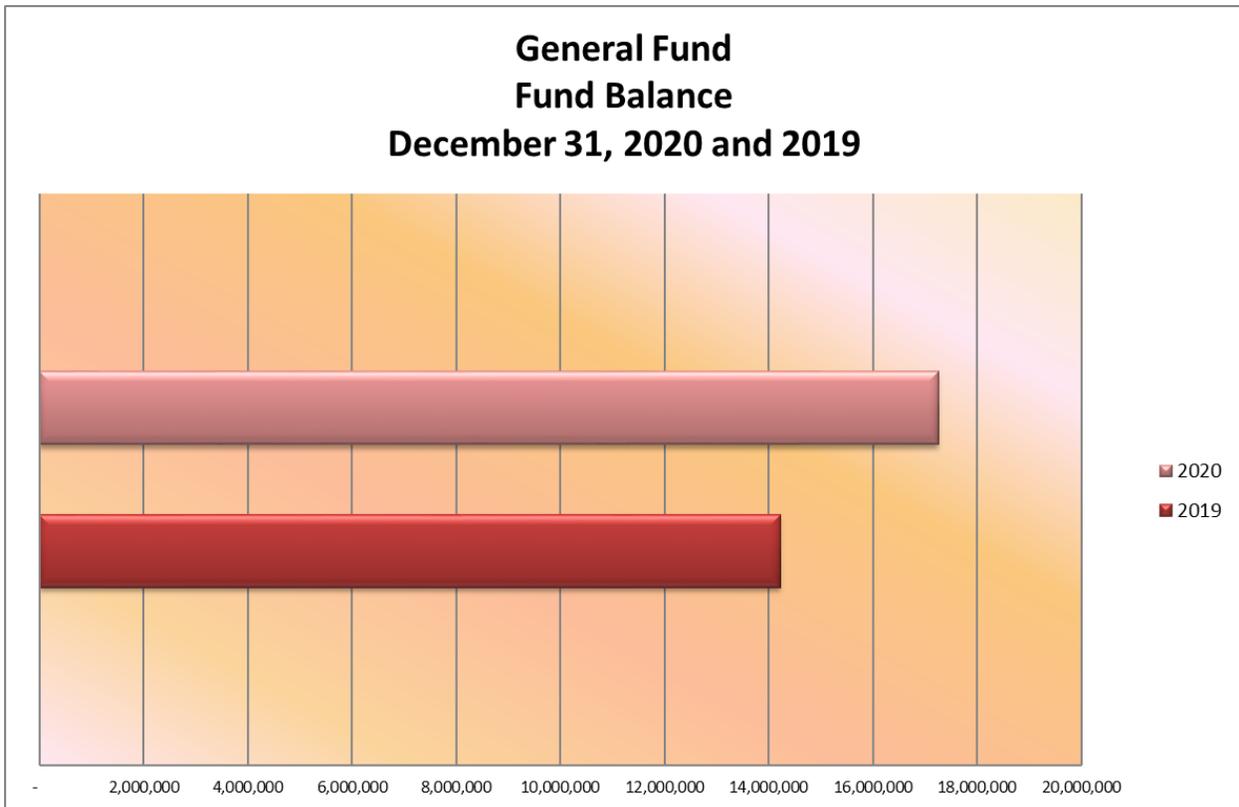
VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)

DECEMBER 31, 2020

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, 2020, the governmental funds reported a combined fund balance of \$24,423,279, which is a 13.5% increase from the beginning of the year of \$21,512,930. Positive fund balances are *nonspendable, restricted, or assigned* to indicate that it is 1) not in spendable form (\$3,065,603), 2) restricted or legally required to be maintained intact (\$5,889,723), and 3) assigned for particular purposes (\$8,160,698).



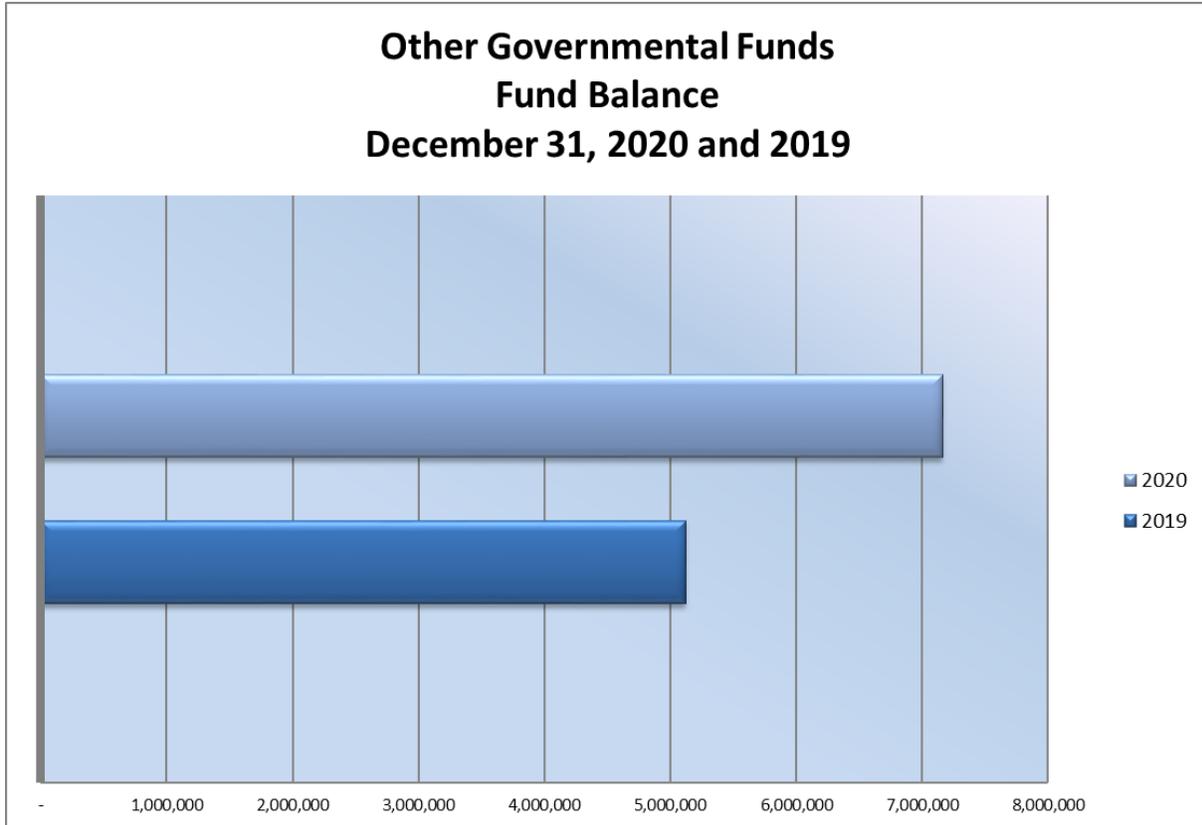
The General Fund is the Village’s primary operating fund and the largest source of day-to-day service delivery. At the end of the current fiscal period, unassigned fund balance of the general fund was \$11,630,461 while total fund balance in the General Fund increased from \$17,226,973 in fiscal year 2019 to \$17,261,836 in fiscal year 2020. The General Fund reported an excess of actual revenues over expenditures of \$7,738,549 for 2020 and was able to transfer \$7,718,200 to other funds in accordance with the Village’s fund balance policy, resulting in the overall increase to fund balance of \$34,863.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)

DECEMBER 31, 2020

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 40.6% of total general fund expenditures, while total fund balance represents approximately 60.3% 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 2010 and 2014 bonds are still outstanding and the others have since been paid off. The debt service for the 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 \$4,554,617 as of December 31, 2020, an increase of \$1,467,643 from the 2019 fund balance of \$3,086,974 as a result of planned capital expenditures that was offset by a transfer in of \$5,500,000 to fund future capital needs. TIF #3 Route 25 Fund had deficit fund balance of \$4,321,702 as of December 31, 2020. This deficit will decrease as incremental property taxes are received.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

DECEMBER 31, 2020

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 \$9,217,287. At December 31, 2020 the proprietary funds' total net position increased by \$1,417,718 or 3.3%, from \$42,583,417 in 2019 to \$44,001,135 in 2020.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year, the Village made no amendments to the original budgeted appropriations.

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	\$ 8,650,000	\$ 9,468,568	\$ 818,568	9.46%
Local Use Tax	1,100,000	1,709,818	609,818	55.44%
Income Tax	3,650,000	4,161,042	511,042	14.00%
Grants	250,000	2,194,860	1,944,860	777.94%

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 fourth full year of operations. Income Tax previously had shown a decline over the past few years and has rebounded slightly in the current year. Grants and contributions is higher than budget due to the additional COVID-19 grants.

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

Expenditure Type	Budgeted Expenditures	Actual Expenditures	Difference	% Difference
Administration	\$ 364,353	\$ 190,353	\$ (174,000)	-47.76%
Police	11,759,051	11,168,233	(590,818)	-5.02%
Legislative	332,965	181,359	(151,606)	-45.53%
Streets and Highways	2,557,605	2,053,089	(504,516)	-19.73%
Community Development	1,534,353	1,146,807	(387,546)	-25.26%

Administration saw some savings due to position vacancies. Police noted savings in several department line items. Legislative noted savings due to events that were not able to take place during the pandemic. The Streets and Highways Department noted savings in several department line items, and Community Development Department saw savings in position vacancies along with savings in several department line items.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2020

Capital assets. The Village’s investment in capital assets net of related debt for its governmental and business-type activities as of December 31, 2020 amounts to \$161,887,058. 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 increase of capital assets due to new capital outlay additions exceeding depreciation expense in the current year.

Table 3: Capital Assets

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 4,098,023	\$ 4,098,023	\$ 1,249,761	\$ 1,249,761	\$ 5,347,784	\$ 5,347,784
Right of ways	13,479,440	13,476,092	-	-	13,479,440	13,476,092
Construction in Progress	16,741,124	8,943,795	1,265,589	1,462,852	18,006,713	10,406,647
Land Improvements	1,485,398	1,485,398	-	-	1,485,398	1,485,398
Buildings	21,595,109	21,800,885	45,221,157	45,221,157	66,816,266	67,022,042
Vehicles	5,815,391	4,382,035	1,856,647	1,476,267	7,672,038	5,858,302
Equipment	4,242,565	3,592,617	3,745,763	3,360,357	7,988,328	6,952,974
Infrastructure	86,991,559	85,583,209	-	-	86,991,559	85,583,209
Water distribution system	-	-	43,230,156	42,709,328	43,230,156	42,709,328
Total Capital Assets	154,448,609	143,362,054	96,569,073	95,479,722	251,017,682	238,841,776
Less: Accumulated depreciation	(36,386,386)	(34,064,999)	(52,744,238)	(50,381,971)	(89,130,624)	(84,446,970)
Net Capital Assets	\$ 118,062,223	\$ 109,297,055	\$ 43,824,835	\$ 45,097,751	\$ 161,887,058	\$ 154,394,806

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

- ◆ The purchase of various vehicles and equipment
- ◆ Completion of the following projects:
 - Newport Path Connection
- ◆ Continued purchase of Right of Way and construction on Route 31 & Huntley project and Hopi Lane drainage improvement project.
- ◆ Bolz Road Construction

Additional information on the Village’s capital assets can be found in Note 4 of this report.

Long-term Debt. The Village currently has five General Obligation Bond series and one Illinois EPA loan outstanding. Total general obligation debt is \$31,068,100 of which \$24,066,360 is attributed to governmental activities and \$7,001,740 is attributed to business-type activities.

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

DECEMBER 31, 2020

The Village’s loan from the Illinois Environmental Protection Agency for construction and engineering on the dewatering project carries an outstanding principal balance of \$1,756,526 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	
	2020	2019	2020	2019	2020	2019
Bonds and notes payable						
General obligation bonds	\$ 24,066,360	\$ 27,664,980	\$ 7,001,740	\$ 8,484,120	\$ 31,068,100	\$ 36,149,100
IEPA loan	-	-	1,756,526	1,860,819	1,756,526	1,860,819
Asset Retirement Obligation	-	-	400,000	400,000	400,000	400,000
Premium on bonds payable	2,468,614	658,108	407,807	525,039	2,876,421	1,183,147
Other liabilities						
Vested compensated absences	924,178	869,689	141,497	171,062	1,065,675	1,040,751
Net pension liability	31,019,120	37,412,607	744,846	1,528,956	31,763,966	38,941,563
Other postemployment benefits	5,902,682	4,531,588	415,149	318,717	6,317,831	4,850,305
Insurance claims payable	922,357	1,280,343	-	-	922,357	1,280,343
Total	\$ 65,303,311	\$ 72,417,315	\$ 10,867,565	\$ 13,288,713	\$ 76,170,876	\$ 85,706,028

Additional information on the Village’s long-term debt can be found in the Note 5 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, 2021 fiscal year budget.

- 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.
- The Village continues to monitor the impact of COVID-19 on the Village’s financial position.

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.

BASIC FUNCTIONAL STATEMENTS

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 28,338,132	\$ 6,988,154	\$ 35,326,286
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	15,595,079	-	15,595,079
Other taxes	3,106,264	-	3,106,264
Accounts	398,216	1,358,540	1,756,756
Accrued interest	2,858	6,422	9,280
Other	2,508,600	-	2,508,600
Prepaid expenses	207,409	1,367	208,776
Due from pension trust funds	9,385	-	9,385
Due from other governments	1,363,647	3,755	1,367,402
Internal balances	(3,000,000)	3,000,000	-
Capital assets			
Not depreciated	34,318,587	2,515,350	36,833,937
Depreciated (net of accumulated depreciation)	83,743,636	41,309,485	125,053,121
	166,591,813	55,183,073	221,774,886
DEFERRED OUTFLOWS OF RESOURCES			
Pension items	3,784,150	564,992	4,349,142
OPEB items	1,429,533	100,542	1,530,075
Asset retirement obligation	-	369,360	369,360
Deferred charge on refunding	352,823	125,085	477,908
	5,566,506	1,159,979	6,726,485
Total assets and deferred outflows of resources	172,158,319	56,343,052	228,501,371

(This statement is continued on the following page.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2020

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable	\$ 5,731,907	\$ 543,159	\$ 6,275,066
Accrued payroll	328,495	72,717	401,212
Unearned revenue	50,579	6,942	57,521
Accrued interest payable	-	48,144	48,144
Deposits payable	806,982	216,753	1,023,735
Due to pension trust funds	71,790	-	71,790
Due to other governments	9,934	-	9,934
Long-term liabilities			
Due within one year	2,831,900	1,684,694	4,516,594
Due in more than one year	62,471,411	9,182,871	71,654,282
Total liabilities	72,302,998	11,755,280	84,058,278
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	15,514,810	-	15,514,810
OPEB items	1,254,948	88,263	1,343,211
Pension items	12,726,970	498,374	13,225,344
Total deferred inflows of resources	29,496,728	586,637	30,083,365
Total liabilities and deferred inflows of resources	101,799,726	12,341,917	114,141,643
NET POSITION			
Net investment in capital assets	91,880,072	34,783,848	126,663,920
Restricted - expendable			
Police department programs	83,668	-	83,668
Asset forfeiture	156,640	-	156,640
Street maintenance	1,973,258	-	1,973,258
Public improvements	1,849,950	-	1,849,950
Fire purposes	56,050	-	56,050
Debt service	1,770,157	-	1,770,157
Restricted - nonexpendable			
Parks	356,393	-	356,393
Unrestricted (deficit)	(27,767,595)	9,217,287	(18,550,308)
TOTAL NET POSITION	\$ 70,358,593	\$ 44,001,135	\$ 114,359,728

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2020

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 5,509,036	\$ 704,485	\$ -	\$ -
Public safety	15,800,960	1,896,951	3,410,533	-
Public works	6,036,163	807,423	2,341,850	4,434,432
Community development	1,471,839	2,150	-	-
Culture and recreation	313,758	-	-	-
Interest	1,339,983	-	269,442	-
Total governmental activities	30,471,739	3,411,009	6,021,825	4,434,432
Business-Type Activities				
Waterworks and sewerage	7,559,814	8,863,120	-	-
Total business-type activities	7,559,814	8,863,120	-	-
TOTAL PRIMARY GOVERNMENT	\$ 38,031,553	\$ 12,274,129	\$ 6,021,825	\$ 4,434,432

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (4,804,551)	\$ -	\$ (4,804,551)
	(10,493,476)	-	(10,493,476)
	1,547,542	-	1,547,542
	(1,469,689)	-	(1,469,689)
	(313,758)	-	(313,758)
	(1,070,541)	-	(1,070,541)
	<u>(16,604,473)</u>	<u>-</u>	<u>(16,604,473)</u>
	-	1,303,306	1,303,306
	-	1,303,306	1,303,306
	<u>(16,604,473)</u>	<u>1,303,306</u>	<u>(15,301,167)</u>
General Revenues			
Taxes			
Property	15,084,530	-	15,084,530
Sales	9,468,568	-	9,468,568
Use	1,709,818	-	1,709,818
Utility	1,478,562	-	1,478,562
Local motor fuel	296,948	-	296,948
Telecommunications	294,070	-	294,070
Other	290,688	-	290,688
Intergovernmental			
Income tax	4,161,042	-	4,161,042
Replacement tax	168,906	-	168,906
Investment income	168,580	28,137	196,717
Miscellaneous	613,973	86,275	700,248
	<u>33,735,685</u>	<u>114,412</u>	<u>33,850,097</u>
CHANGE IN NET POSITION	17,131,212	1,417,718	18,548,930
NET POSITION, JANUARY 1	<u>53,227,381</u>	<u>42,583,417</u>	<u>95,810,798</u>
NET POSITION, DECEMBER 31	<u>\$ 70,358,593</u>	<u>\$ 44,001,135</u>	<u>\$ 114,359,728</u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2020

	General	TIF #3 Route 25	Capital Improvement Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 12,046,347	\$ 1,309,825	\$ 7,673,722	\$ 7,308,238	\$ 28,338,132
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	11,815,526	962,944	-	2,816,609	15,595,079
Other taxes	3,089,449	-	-	16,815	3,106,264
Accounts	388,581	-	-	-	388,581
Accrued interest	166	-	551	2,141	2,858
Other	148,067	-	-	134,086	282,153
Prepaid items	76,683	-	-	1,000	77,683
Due from other governments	-	-	1,236,535	127,112	1,363,647
Due from pension trust funds	9,385	-	-	-	9,385
Due from other funds	702,609	-	-	-	702,609
Advances to other funds	2,631,527	-	-	-	2,631,527
TOTAL ASSETS	\$ 30,908,340	\$ 2,272,769	\$ 8,910,808	\$ 10,406,001	\$ 52,497,918

VILLAGE OF CARPENTERSVILLE, ILLINOIS

BALANCE SHEET (Continued)
GOVERNMENTAL FUNDS

December 31, 2020

	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	\$ 1,055,064	\$ -	\$ 4,356,191	\$ 278,344	\$ 5,689,599
Accrued payroll	319,173	-	-	54	319,227
Deposits payable	422,875	-	-	384,107	806,982
Unearned revenue	29,266	-	-	-	29,266
Due to other governments	-	-	-	9,934	9,934
Due to pension trust funds	71,790	-	-	-	71,790
Due to other funds	-	-	-	1,504	1,504
Advances from other funds	-	5,631,527	-	-	5,631,527
Total liabilities	1,898,168	5,631,527	4,356,191	673,943	12,559,829
DEFERRED INFLOWS OF RESOURCES					
Unavailable property taxes	11,748,336	962,944	-	2,803,530	15,514,810
Total deferred inflows of resources	11,748,336	962,944	-	2,803,530	15,514,810
Total liabilities and deferred inflows of resources	13,646,504	6,594,471	4,356,191	3,477,473	28,074,639
FUND BALANCES					
Nonspendable					
Prepaid items	76,683	-	-	1,000	77,683
Park trust principal	-	-	-	356,393	356,393
Advances	2,631,527	-	-	-	2,631,527
Restricted					
Police department programs	-	-	-	83,668	83,668
Asset forfeiture	156,640	-	-	-	156,640
Street maintenance	-	-	-	1,973,258	1,973,258
Public improvements	-	-	-	1,849,950	1,849,950
Fire purposes	-	-	-	56,050	56,050
Debt service	-	-	-	1,770,157	1,770,157
Assigned					
Community improvements	837,001	-	-	-	837,001
Subsequent year's budget	1,929,524	-	-	-	1,929,524
Carryforwards	-	-	4,554,617	-	4,554,617
Capital projects	-	-	-	839,556	839,556
Unassigned (deficit)	11,630,461	(4,321,702)	-	(1,504)	7,307,255
Total fund balances (deficit)	17,261,836	(4,321,702)	4,554,617	6,928,528	24,423,279
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 30,908,340	\$ 2,272,769	\$ 8,910,808	\$ 10,406,001	\$ 52,497,918

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, 2020

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 24,423,279
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	118,062,223
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	352,823
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	121,571
Police Pension Fund	(6,528,360)
Firefighters' Pension Fund	(2,536,031)
Other postemployment benefit payable	174,585
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	(924,178)
Bonds payable	(24,066,360)
Claims payable	(922,357)
Total OPEB liability	(5,902,682)
Net pension liability for the Illinois Municipal Retirement Fund	(1,359,238)
Net pension liability for the Police Pension Fund	(21,576,867)
Net pension liability for the Firefighters' Pension Fund	(8,083,015)
Less amounts included in internal service funds below	922,357
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	(2,468,614)
The net position of the internal service fund is included in the governmental activities in the statement of net position	<u>669,457</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 70,358,593</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, 2020

	General	TIF #3 Route 25	Capital Improvement Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 24,668,714	\$ 883,373	\$ -	\$ 2,774,149	\$ 28,326,236
Intergovernmental	7,889,369	-	2,013,315	2,613,739	12,516,423
Licenses and permits	517,345	-	-	-	517,345
Charges for services	2,292,877	-	-	11,250	2,304,127
Fines and forfeitures	337,687	-	-	-	337,687
Investment income	22,228	3,079	58,476	84,797	168,580
Miscellaneous	624,974	-	-	15,230	640,204
Total revenues	36,353,194	886,452	2,071,791	5,499,165	44,810,602
EXPENDITURES					
Current					
General government	5,894,421	-	-	-	5,894,421
Public safety	18,638,287	-	-	34,984	18,673,271
Public works	2,698,381	-	-	340,022	3,038,403
Community development	1,146,807	283	-	341,760	1,488,850
Culture and recreation	236,749	-	-	2,981	239,730
Capital outlay	-	-	6,104,148	3,340,499	9,444,647
Debt service					
Principal retirement	-	-	-	1,923,620	1,923,620
Interest and fiscal charges	-	-	-	1,415,055	1,415,055
Total expenditures	28,614,645	283	6,104,148	7,398,921	42,117,997
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,738,549	886,169	(4,032,357)	(1,899,756)	2,692,605
OTHER FINANCING SOURCES (USES)					
Bond issuance, at par	-	-	-	10,995,000	10,995,000
Premium on bonds issued	-	-	-	1,919,858	1,919,858
Payment to escrow agent	-	-	-	(12,771,398)	(12,771,398)
Transfers in	14,514	-	5,500,000	3,060,999	8,575,513
Transfers (out)	(7,718,200)	-	-	(857,313)	(8,575,513)
Sale of capital assets	-	-	-	74,284	74,284
Total other financing sources (uses)	(7,703,686)	-	5,500,000	2,421,430	217,744
NET CHANGE IN FUND BALANCES	34,863	886,169	1,467,643	521,674	2,910,349
FUND BALANCES (DEFICIT), JANUARY 1	17,226,973	(5,207,871)	3,086,974	6,406,854	21,512,930
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 17,261,836	\$ (4,321,702)	\$ 4,554,617	\$ 6,928,528	\$ 24,423,279

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, 2020

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 2,910,349
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	8,571,652
Contributions of capital assets are reported only in the statement of activities	2,718,065
The change in the net pension liabilities are only reported only in the statement of activities	
Illinois Municipal Retirement Fund	1,430,889
Police Pension Fund	3,325,694
Firefighters' Pension Fund	1,636,904
Total OPEB liability	(1,371,094)
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	(1,306,050)
Police Pension Fund	(618,705)
Firefighters' Pension Fund	(1,015,295)
Other postemployment benefit	1,131,437
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	176,470
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	
Principal repaid	1,923,620
Payment to escrow agent	12,670,000
The issuance of bonds is reported as an other financing source in governmental funds but as an increase of principal outstanding on the statement of activities	
Refunding bonds issued, at par	(10,995,000)
Premium on refunding bonds issued	(1,919,858)
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	(2,524,549)
Compensated absences	(54,489)
The change in net position of internal service funds is reported with governmental activities	<u>441,172</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 17,131,212</u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS

December 31, 2020

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service Funds
CURRENT ASSETS		
Cash and investments	\$ 6,988,154	\$ -
Receivables (net of allowances)		
Accounts	1,358,540	9,635
Accrued interest	6,422	-
Other	3,755	2,226,447
Prepaid expenses	1,367	129,726
Due from other funds	-	-
	8,358,238	2,365,808
NONCURRENT ASSETS		
Capital assets		
Nondepreciable	2,515,350	-
Depreciable	94,053,723	-
Accumulated depreciation	(52,744,238)	-
	43,824,835	-
Other assets		
Advances to other funds	3,000,000	-
	46,824,835	-
Total assets	55,183,073	2,365,808
DEFERRED OUTFLOWS OF RESOURCES		
Pension items - IMRF	564,992	-
OPEB items	100,542	-
Asset retirement obligation	369,360	-
Deferred charge on refunding	125,085	-
	1,159,979	-
Total assets and deferred outflows of resources	56,343,052	2,365,808

(This statement is continued on the following page.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF NET POSITION (Continued)
 PROPRIETARY FUNDS

December 31, 2020

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service Funds
CURRENT LIABILITIES		
Accounts payable	\$ 543,159	\$ 42,308
Accrued payroll	72,717	9,268
Unearned revenue	6,942	21,313
Accrued interest payable	48,144	-
Claims payable	-	461,179
Due to other funds	-	701,105
Deposits payable	216,753	-
Compensated absences payable	28,299	-
Total OPEB liability	10,181	-
Bonds payable	1,539,830	-
IEPA loans payable	106,384	-
	2,572,409	1,235,173
Total current liabilities		
LONG-TERM LIABILITIES		
Compensated absences payable	113,198	-
Claims payable	-	461,178
Bonds payable	5,869,717	-
Asset retirement obligation	400,000	-
Total OPEB liability	404,968	-
IEPA loans payable	1,650,141	-
IMRF net pension liability	744,847	-
	9,182,871	461,178
Total long-term liabilities		
Total liabilities	11,755,280	1,696,351
DEFERRED INFLOWS OF RESOURCES		
Other postemployment benefits	88,263	-
Pension items - IMRF	498,374	-
	586,637	-
Total deferred inflows of resources		
Total liabilities and deferred inflows of resources	12,341,917	1,696,351
NET POSITION		
Net investment in capital assets	34,783,848	-
Unrestricted	9,217,287	669,457
	\$ 44,001,135	\$ 669,457
TOTAL NET POSITION		

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, 2020

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service Funds
OPERATING REVENUES		
Charges for services	\$ 8,647,973	\$ 4,102,020
Service fees and penalties	215,147	-
Miscellaneous	86,275	-
Total operating revenues	8,949,395	4,102,020
OPERATING EXPENSES		
Administration	558,624	-
Operations	4,386,882	3,660,848
Depreciation and amortization	2,430,025	-
Total operating expenses	7,375,531	3,660,848
OPERATING INCOME	1,573,864	441,172
NON-OPERATING REVENUES (EXPENSES)		
Investment income	28,137	-
Interest and fiscal charges	(184,283)	-
Total non-operating revenues (expenses)	(156,146)	-
CHANGE IN NET POSITION	1,417,718	441,172
NET POSITION, JANUARY 1	42,583,417	228,285
NET POSITION, DECEMBER 31	\$ 44,001,135	\$ 669,457

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended December 31, 2020

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 8,856,401	\$ 359,584
Receipts from interfund services transactions	-	3,471,941
Receipts from others	-	283,189
Receipts from miscellaneous	86,275	-
Payments for interfund services transactions	(549,620)	-
Payments to suppliers	(2,155,370)	(4,504,717)
Payments to employees	(2,387,639)	-
Net cash from operating activities	<u>3,850,047</u>	<u>(390,003)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Advances to other funds	<u>175,977</u>	<u>390,003</u>
Net cash from noncapital financing activities	<u>175,977</u>	<u>390,003</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital assets purchased	(1,090,499)	-
Principal payments on long-term debt	(1,586,673)	-
Interest payments on long-term debt	(322,183)	-
Net cash from capital and related financing activities	<u>(2,999,355)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of investments	371,229	-
Purchase of investments	(394,638)	-
Interest received on investments	31,522	-
Net cash from investing activities	<u>8,113</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,034,782	-
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>1,329,155</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 2,363,937</u>	<u>\$ -</u>

(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, 2020

	<u>Business-Type</u> <u>Activities</u>	<u>Governmental</u> <u>Activities</u>
	<u>Waterworks</u> <u>and Sewerage</u>	<u>Internal</u> <u>Service</u> <u>Fund</u>
RECONCILIATION OF OPERATING INCOME		
TO NET CASH FLOWS FROM OPERATING		
ACTIVITIES		
Operating income	\$ 1,573,864	\$ 441,172
Adjustments to reconcile operating income		
to net cash from operating activities		
Depreciation and amortization	2,430,025	-
Changes in assets and liabilities		
Accounts receivable	(198)	9,274
Other receivables	-	(265,279)
Prepaid expenses	(367)	(13,906)
Accounts payable	(202)	(215,966)
Accrued payroll	(65,435)	9,268
Deposits payable	(7,367)	-
Claims payable	-	(357,986)
Total OPEB liability	96,432	-
Unearned revenue	846	3,420
Pension amounts	(68,409)	-
OPEB amounts	(79,577)	-
Compensated absences	(29,565)	-
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 3,850,047</u>	<u>\$ (390,003)</u>
CASH AND INVESTMENTS		
Cash and cash equivalents	\$ 2,363,937	\$ -
Investments	4,624,217	-
TOTAL CASH AND INVESTMENTS	<u>\$ 6,988,154</u>	<u>\$ -</u>
NONCASH TRANSACTIONS		
Capital assets included in accounts payable	\$ 51,290	\$ -
TOTAL NONCASH TRANSACTIONS	<u>\$ 51,290</u>	<u>\$ -</u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS

December 31, 2020

	Pension Trust
	<u> </u>
ASSETS	
Cash and short-term investments	\$ 26,829
Investments, at fair value	
Money market mutual funds	1,140,834
U.S. Treasury obligations	14,543,720
U.S. agency obligations	8,648,115
Municipal bonds	1,570,712
Equities	23,199,319
Corporate bonds	7,308,008
Equity mutual funds	30,011,970
Negotiable CDs	454,379
Receivables	
Accrued interest	163,849
Prepaid expenses	4,693
Due from other funds	<u>71,790</u>
 Total assets	 <u>87,144,218</u>
 LIABILITIES	
Accounts payable	29,307
Due to other funds	<u>9,385</u>
 Total liabilities	 <u>38,692</u>
 NET POSITION RESTRICTED FOR PENSIONS	 <u><u>\$ 87,105,526</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, 2020

ADDITIONS

Contributions	
Employer contributions	\$ 3,829,828
Employee contributions	<u>1,229,856</u>
Total contributions	<u>5,059,684</u>
Investment income	
Net appreciation in fair value of investments	9,483,062
Interest	<u>1,615,771</u>
Total investment income	11,098,833
Less investment expense	<u>(268,926)</u>
Net investment income	<u>10,829,907</u>
Total additions	<u>15,889,591</u>

DEDUCTIONS

Administration	80,890
Pension benefits	<u>4,850,079</u>
Total deductions	<u>4,930,969</u>

NET INCREASE 10,958,622

**NET POSITION RESTRICTED
FOR PENSIONS**

January 1	<u>76,146,904</u>
December 31	<u><u>\$ 87,105,526</u></u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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 required by GAAP, these financial statements present the Village (the primary government) and its component units.

The Village's financial statements include two fiduciary component units:

Police Pension Employees Retirement System

The Village's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village President, one elected pension beneficiary and two elected police employees constitute the pension board. The Village and PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Accordingly, the PPERS is fiscally dependent on the Village. Separate financial statements are not available for the PPERS.

Firefighters' Pension Employees Retirement System

The Village's firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village President, one elected pension beneficiary and two elected firefighters' employees constitute the pension board. The Village and

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Firefighters' Pension Employees Retirement System (Continued)

FPERS participants are obligated to fund all FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Accordingly, the FPERS is fiscally dependent on the Village. Separate financial statements are not available for the FPERS.

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.

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 fiduciary activities that meet the definition contained in GASB Statement No. 84, *Fiduciary Activities*. The Village utilizes pension trust funds which are generally used to account for assets that the Village holds in a fiduciary capacity or on behalf of others as their agent.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 component units to account for the Police Pension Fund and Firefighters' Pension Fund.

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.

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)

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.

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 year intended to finance 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments (Continued)

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.

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 2020 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 2020 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, 2020.

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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Long-Term Obligations (Continued)

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.

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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Fund Balance/Net Position (Continued)

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.

n. Use of Estimates

The preparation of financial statements in conformity with GAAP 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.

o. Postponement of Implementation of Certain Authoritative Guidance

In accordance with the provisions of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the Village has delayed the implementation of GASB Statement No. 87, *Leases*, to December 31, 2022.

2. DEPOSITS AND INVESTMENTS

The Village categorizes the fair value measurements within the fair value hierarchy established by GAAP. 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

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

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Investments (Continued)

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.

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, 2020:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Bond mutual funds	\$ 62,284	\$ -	\$ 20,159	\$ 35,816	\$ 6,309
Negotiable certificates of deposit	3,013,235	2,231,989	781,246	-	-
TOTAL	\$ 3,075,519	\$ 2,231,989	\$ 801,405	\$ 35,816	\$ 6,309

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

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Investments (Continued)

Investments (Continued)

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.

The Village has the following recurring fair value measurements as of December 31, 2020. 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 are not rated.

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, 2020:

GOVERNMENTAL ACTIVITIES

Insurance receivables	\$ 2,226,447
Telecommunications tax	50,445
Franchise fee	89,976
Other	<u>141,732</u>

TOTAL GOVERNMENTAL ACTIVITIES \$ 2,508,600

The following receivables are included in due from other governments on the statement of net position at December 31, 2020:

GOVERNMENTAL ACTIVITIES

Illinois Department of Transportation - MFT allotments	\$ 200,685
Community Development Block Grant	235,251
Illinois Department of Transportation - grants	828,980
Illinois Environmental Protection Agency - grants	<u>98,731</u>

TOTAL GOVERNMENTAL ACTIVITIES \$ 1,363,647

BUSINESS-TYPE ACTIVITIES

Other	<u>\$ 3,755</u>
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TOTAL BUSINESS-TYPE ACTIVITIES \$ 3,755

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

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020, was as follows:

	*Beginning Balances, Reclassified	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 4,098,023	\$ -	\$ -	\$ 4,098,023
Right of ways	13,476,092	3,348	-	13,479,440
Construction in progress	8,943,795	9,193,518	1,396,189	16,741,124
Total capital assets not being depreciated	<u>26,517,910</u>	<u>9,196,866</u>	<u>1,396,189</u>	<u>34,318,587</u>
Capital assets being depreciated				
Land improvements	1,485,398	-	-	1,485,398
Building and improvements	21,595,109	-	-	21,595,109
Vehicles	4,401,365	1,617,188	203,162	5,815,391
Equipment	3,779,063	463,502	-	4,242,565
Roads	48,475,054	1,408,350	-	49,883,404
Storm sewers	33,208,611	-	-	33,208,611
Bridges	3,425,670	-	-	3,425,670
Retaining walls	108,488	-	-	108,488
Parking lot	365,386	-	-	365,386
Total capital assets being depreciated	<u>116,844,144</u>	<u>3,489,040</u>	<u>203,162</u>	<u>120,130,022</u>
Less accumulated depreciation for				
Land improvements	266,640	102,418	-	369,058
Buildings and improvements	5,822,473	434,162	-	6,256,635
Vehicles	3,222,205	286,711	203,162	3,305,754
Equipment	2,424,777	275,903	-	2,700,680
Roads	14,528,441	983,706	-	15,512,147
Storm sewers	7,086,787	374,431	-	7,461,218
Bridges	555,722	45,676	-	601,398
Retaining walls	45,294	3,273	-	48,567
Parking lot	112,660	18,269	-	130,929
Total accumulated depreciation	<u>34,064,999</u>	<u>2,524,549</u>	<u>203,162</u>	<u>36,386,386</u>
Total capital assets being depreciated, net	<u>82,779,145</u>	<u>964,491</u>	<u>-</u>	<u>83,743,636</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 109,297,055</u>	<u>\$ 10,161,357</u>	<u>\$ 1,396,189</u>	<u>\$ 118,062,223</u>

*Certain balances have been reclassified to present capital assets in their appropriate classifications

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	426,904
Public works	1,909,677
Culture and recreation	<u>103,618</u>

TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES \$ 2,524,549

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 1,249,761	\$ -	\$ -	\$ 1,249,761
Construction in progress	1,462,852	167,814	365,077	1,265,589
Total capital assets not being depreciated	<u>2,712,613</u>	<u>167,814</u>	<u>365,077</u>	<u>2,515,350</u>
Capital assets being depreciated				
Water and wastewater treatment improvements	45,221,157	-	-	45,221,157
Water distribution and sewer collection	42,709,328	520,828	-	43,230,156
Vehicles	1,476,267	415,515	35,135	1,856,647
Equipment	3,360,357	402,709	17,303	3,745,763
Total capital assets being depreciated	<u>92,767,109</u>	<u>1,339,052</u>	<u>52,438</u>	<u>94,053,723</u>
Less accumulated depreciation for				
Water and wastewater treatment improvements	30,487,237	1,355,925	-	31,843,162
Water distribution and sewer collection	17,469,838	726,224	-	18,196,062
Vehicles	1,084,900	154,069	35,135	1,203,834
Equipment	1,339,996	178,487	17,303	1,501,180
Total accumulated depreciation	<u>50,381,971</u>	<u>2,414,705</u>	<u>52,438</u>	<u>52,744,238</u>
Total capital assets being depreciated, net	<u>42,385,138</u>	<u>(1,075,653)</u>	<u>-</u>	<u>41,309,485</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 45,097,751</u>	<u>\$ (907,839)</u>	<u>\$ 365,077</u>	<u>\$ 43,824,835</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, 2020, is as follows:

Issue	Fund Debt Retired By	Purpose	Balances January 1	Additions	Reductions/ Refunding	Balances December 31	Current
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	\$ 13,475,000	\$ -	\$ 13,475,000	\$ -	\$ -
General Obligation Bonds, Series 2014 (dated December 10, 2014; maturing December 30, 2034; original issue \$9,560,000; interest rates 2% to 4%; principal payable annually on December 30).	General Debt Service	Public Improvements	7,790,100	-	405,000	7,385,100	415,000
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	4,180,000	-	985,000	3,195,000	1,025,000
General Obligation Refunding Bonds, Series 2015B (dated November 5, 2015; maturing December 30, 2026; original issue \$5,840,000; interest rate at 4%, principal payable annually on December 30).	General Debt Service	Public Improvements	2,270,000	-	287,500	1,982,500	300,000
	Waterworks and Sewerage	Public Improvements	2,270,000	-	287,500	1,982,500	300,000

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	Additions	Reductions/ Refunding	Balances December 31	Current
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	\$ 4,129,880	\$ -	\$ 426,120	\$ 3,703,760	\$ 436,270
	Waterworks and Sewerage	Refunding	2,034,120	-	209,880	1,824,240	214,830
General Obligation Refunding Bonds, Series 2020 (dated October 7, 2020; maturing December 30, 2030; original issue \$10,995,000; interest rate at 4%, principal payable annually on December 30).	General Debt Service	Refunding	-	10,995,000	-	10,995,000	705,000
TOTAL			\$ 36,149,100	\$ 10,995,000	\$ 16,076,000	\$ 31,068,100	\$ 3,396,100

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
2021	\$ 1,856,270	\$ 863,768	\$ 2,720,038	\$ 1,539,830	\$ 229,836	\$ 1,769,666
2022	1,912,200	803,266	2,715,466	1,592,800	172,570	1,765,370
2023	1,973,410	740,808	2,714,218	1,649,590	113,248	1,762,838
2024	2,042,120	676,190	2,718,310	563,880	63,052	626,932
2025	2,106,990	609,168	2,716,158	580,010	45,476	625,486
2026	2,181,190	535,162	2,716,352	595,810	27,336	623,146
2027	2,253,070	458,336	2,711,406	237,930	8,636	246,566
2028	2,331,110	378,840	2,709,950	241,890	4,354	246,244
2029	2,395,000	296,400	2,691,400	-	-	-
2030	2,490,000	200,600	2,690,600	-	-	-
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	\$ 24,066,360	\$ 5,819,938	\$ 29,886,298	\$ 7,001,740	\$ 664,508	\$ 7,666,248

Year Ending December 31,	IEPA Loans	
	Business-Type Activities	
	Principal	Interest
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	18,921
2029	124,695	16,470
2030	127,195	13,970
2031	129,745	11,420
2032	132,346	8,818
2033	135,000	6,165
2034	137,706	3,458
2035	56,587	697
TOTAL	\$ 1,756,526	\$ 277,059

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, 2020, the following changes occurred in liabilities reported in the governmental activities:

	Balances January 1	Issuances	Reductions/ Refunding	Balances December 31	Current Portion
General obligation bonds payable	\$ 27,664,980	\$ 10,995,000	\$ 14,593,620	\$ 24,066,360	\$ 1,856,270
Premium on bonds payable	658,108	1,919,858	109,352	2,468,614	-
Compensated absences payable	869,689	924,178	869,689	924,178	369,671
Net pension liability - IMRF	2,790,127	-	1,430,889	1,359,238	-
Net pension liability - Police	24,902,561	-	3,325,694	21,576,867	-
Net pension liability - Fire	9,719,919	-	1,636,904	8,083,015	-
Total OPEB liability	4,531,588	1,371,094	-	5,902,682	144,780
Insurance claims payable	1,280,343	424,270	782,256	922,357	461,179
TOTAL GOVERNMENTAL ACTIVITIES	\$ 72,417,315	\$ 15,634,400	\$ 22,748,404	\$ 65,303,311	\$ 2,831,900

The compensated absences, net pension liabilities and total OPEB liability have typically been liquidated in prior years by the General Fund.

During the year ended December 31, 2020, the following changes occurred in liabilities reported in the business-type activities:

	Balances January 1	Issuances	Reductions/ Refunding	Balances December 31	Current Portion
General obligation bonds payable	\$ 8,484,120	\$ -	\$ 1,482,380	\$ 7,001,740	\$ 1,539,830
Premium on bonds payable	525,039	-	117,232	407,807	-
IEPA loan	1,860,819	-	104,293	1,756,526	106,384
Asset retirement obligation	400,000	-	-	400,000	-
Compensated absences	171,062	141,497	171,062	141,497	28,299
Net pension liability - IMRF	1,528,956	-	784,110	744,846	-
Total OPEB liability	318,717	96,432	-	415,149	10,181
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 13,288,713	\$ 237,929	\$ 2,659,077	\$ 10,867,565	\$ 1,684,694

f. Asset Retirement Obligation

The Village has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon five water wells at the end of their estimated useful lives in accordance state requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year and engineering estimates. The estimated remaining useful lives of the water wells range from 12 to 61 years.

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

5. LONG-TERM DEBT (Continued)

g. Refundings

On October 7, 2020, the Village issued \$10,995,000 General Obligation Refunding Bonds, Series 2020, to call and refund \$12,670,000 of the Series 2010B Taxable General Obligation Bonds. As a result of the refunding transaction, the Village achieved a cash flow saving of \$2,218,582 and an economic gain of \$2,093,304.

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.

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, 2020 and 2019 are as follows:

	2020	2019
UNPAID CLAIMS - BEGINNING OF YEAR	\$ 1,280,343	\$ 699,548
Incurred claims (including IBNR)	424,270	1,631,758
Claims payments	(782,256)	(1,050,963)
UNPAID CLAIMS - END OF YEAR	<u>\$ 922,357</u>	<u>\$ 1,280,343</u>

6. RISK MANAGEMENT (Continued)

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.

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, 2020 of \$2,176,447. 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, 2020.

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

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.

8. INDIVIDUAL FUND DISCLOSURES

a. Due From/To Other Funds

Individual fund interfund receivables/payables are as follows:

Receivable Fund	Payable Fund	Amount
Police Pension	General	\$ 71,790
General	Fire Pension	9,385
General	Internal Service	701,105
General	Nonmajor Governmental	<u>1,504</u>
TOTAL		<u>\$ 783,784</u>

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

- \$701,105 due from the Internal Service Fund to the General Fund to eliminate a deficit cash position due to prepaid liability insurance. Repayment is expected within one year.
- \$1,504 due from the Nonmajor Governmental Fund, TIF #4, to the General Fund to eliminate a deficit cash position. Repayment is expected within one year.
- \$71,790 due from the General Fund to the Police Pension Fund is related to property tax contributions owed.
- \$9,385 due from the Fire Pension to the General Fund is related to property tax contributions owed.

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

8. INDIVIDUAL FUND DISCLOSURES (Continued)

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>2,631,527</u>
TOTAL		<u>\$ 5,631,527</u>

- \$5,631,527 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.

c. Interfund Transfers

Interfund transfers between funds for the year ended December 31, 2020, were as follows:

	Transfers In	Transfers Out
General		
Capital Improvement	\$ -	\$5,500,000
Nonmajor Governmental (Veteran's Garden)	673	-
Nonmajor Governmental (Park Trust)	13,841	-
Nonmajor Governmental (Capital Equipment Replacement)	-	1,900,000
Nonmajor Governmental (Debt Service)	-	<u>318,200</u>
Total general	<u>14,514</u>	<u>7,718,200</u>
Nonmajor governmental		
General	2,218,200	14,514
Nonmajor governmental	<u>842,799</u>	<u>842,799</u>
Total nonmajor governmental	<u>3,060,999</u>	<u>857,313</u>
Capital Improvement Projects		
General	<u>5,500,000</u>	-
Total capital improvement projects	<u>5,500,000</u>	-
TOTAL	<u>\$8,575,513</u>	<u>\$8,575,513</u>

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

8. INDIVIDUAL FUND DISCLOSURES (Continued)

c. Interfund Transfers (Continued)

The purpose of significant transfers is as follows:

- \$5,500,000 was transferred to the Capital Improvement Projects Fund from the general funds to fund capital purchases and maintenance. This transfer will not be repaid.
- \$2,218,200 was transferred to the Nonmajor Governmental Funds from the General Fund. \$1,900,000 was transferred to the Capital Equipment Replacement Fund to fund capital purchases and maintenance. \$318,200 was transferred to the Debt Service Fund to fund portion of the 2010 and 2014 bonds. This transfer will not be repaid.
- \$842,799 was transferred to Nonmajor Governmental Funds from Nonmajor Governmental Funds. \$465,849 was transferred to TIF #1 from TIF #5 to port TIF Funds and \$376,950 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.

d. Deficit Fund Balances

- TIF #4 (Spring Hill Mall Redevelopment) had a deficit fund balance of \$(1,504) and TIF #3 (Route 25) had a deficit fund balance of \$(4,321,702), as of December 31, 2020.

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 explicit and 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.

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

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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.

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 coverage for disabled police officers and firefighters receiving PSEBA benefits.

c. Membership

At December 31, 2020, membership consisted of:

Retirees and beneficiaries currently receiving benefits	22
Terminated employees entitled to benefits but not yet receiving them	-
Active plan members	<u>157</u>
TOTAL	<u>179</u>
Participating employers	<u>1</u>

d. Total OPEB Liability

The Village's total OPEB liability of \$6,317,831 was measured as of December 31, 2020 and was determined by an actuarial valuation as of December 31, 2020.

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2020, as determined by an actuarial valuation as of December 31, 2020, 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	2.00%
Healthcare cost trend rates	4.50% to 7.50%

The actuarial assumptions used in the December 31, 2020, 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 2020 using scale MP2020 for Police and Fire. For all others the RP2014 base rates projected to 2020 using scale MP2020 was used. No additional provision (besides those already embedded) were included for mortality improvements beyond 2020.

The discount rate was based on the S&P Municipal Bond 20-Year High-Grade Rate Index at December 31, 2020.

f. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JANUARY 1, 2020	<u>\$ 4,850,305</u>
Changes for the period	
Service cost	314,177
Interest	131,253
Difference between expected and actual experience	782,058
Changes in benefit terms	(22,674)
Changes in assumptions	417,673
Benefit payments	<u>(154,961)</u>
Net changes	<u>1,467,526</u>
BALANCES AT DECEMBER 31, 2020	<u>\$ 6,317,831</u>

Changes in assumptions related to the discount rate and insurance costs in 2020.

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 2% 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 (1%) or 1 percentage point higher (3%) than the current rate:

	1% Decrease (1%)	Current Discount Rate (2%)	1% Increase (3%)
Total OPEB liability	\$ 6,871,755	\$ 6,317,831	\$ 5,806,567

The table below presents the total OPEB liability of the Village calculated using the healthcare rate of 4.50% 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 (3.50% to 6.50%) or 1 percentage point higher (5.50% to 8.50%) than the current rate:

	1% Decrease (3.50% to 6.50%)	Current Healthcare Rate (4.50% to 7.50%)	1% Increase (5.50% to 8.50%)
Total OPEB liability	\$ 5,623,100	\$ 6,317,831	\$ 7,129,036

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

For the year ended December 31, 2020, the Village recognized OPEB expense of \$256,512. At December 31, 2020, 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	\$ 712,800	\$ 1,167,237
Changes in assumptions	817,275	175,974
TOTAL	\$ 1,530,075	\$ 1,343,211

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 Outflows</u>
2021	\$ (11,283)
2022	(11,283)
2023	(11,283)
2024	(11,283)
2025	(11,283)
Thereafter	<u>243,279</u>
 TOTAL	 <u>\$ 186,864</u>

10. 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 \$918,172 and \$(31,763,966), respectively, for the year ended December 31, 2020. The aggregate pension deferred outflows and deferred inflows for the three defined benefit pension plans was \$4,349,142 and \$(13,225,344), respectively, for the year ended December 31, 2020.

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

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, 2019, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	82
Inactive employees entitled to but not yet receiving benefits	96
Active employees	<u>69</u>
 TOTAL	 <u><u>247</u></u>

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.

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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, 2020, was 8.81% of covered payroll.

Actuarial Assumptions

The Village's net pension liability was measured as of December 31, 2019 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, 2019
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.35% to 14.25%
Interest rate	7.50%
Cost of living adjustments	3.00%
Asset valuation method	Fair 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)

10. 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 7.25%. 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, 2020	\$ 30,322,435	\$ 26,003,352	\$ 4,319,083
Changes for the period			
Service cost	535,694	-	535,694
Interest	2,169,694	-	2,169,694
Difference between expected and actual experience	922,708	-	922,708
Changes in assumptions	-	-	-
Employer contributions	-	495,828	(495,828)
Employee contributions	-	235,523	(235,523)
Net investment income	-	4,727,868	(4,727,868)
Benefit payments and refunds	(1,326,931)	(1,326,931)	-
Other	-	383,876	(383,876)
Net changes	2,301,165	4,516,164	(2,214,999)
BALANCES AT DECEMBER 31, 2020	\$ 32,623,600	\$ 30,519,516	\$ 2,104,084

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

10. 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, 2020, the Village recognized pension expense of \$416,942.

At December 31, 2020, 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	\$ 636,595	\$ 79,353
Changes in assumption	417,647	220,778
Net difference between projected and actual earnings on pension plan investments	-	1,107,703
Contributions subsequent to the measurement date	541,781	-
TOTAL	\$ 1,596,023	\$ 1,407,834

\$541,781 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, 2021. 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>
2021	\$ (36,860)
2022	94,055
2023	159,272
2024	(570,059)
2025	-
Thereafter	-
TOTAL	\$ (353,592)

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

10. 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 (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the Village calculated using the discount rate of 7.25% as well as what the Village's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 6,323,310	\$ 2,104,084	\$ (1,362,251)

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, 2020, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	49
Inactive plan members entitled to but not yet receiving benefits	4
Active plan members	<u>57</u>
TOTAL	<u><u>110</u></u>

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

10. 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 greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last 60 months in which the total salary was the highest by the number of months in that period; or 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, 2020, the Village's contribution was 47.06% of covered payroll.

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

10. 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, 2020.

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 7%. 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.

10. 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, 2020. 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, 2020 are listed in the table on the previous page.

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.

Investment Rate of Return

For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 14.30%. 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)

10. 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, 2020:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 13,331,067	\$ 2,000,508	\$ 11,052,961	\$ 277,598	\$ -
U.S. agency obligations	519,535	-	460,152	-	59,383
Corporate bonds	5,377,007	348,922	3,297,971	1,730,114	-
Municipal bonds	158,749	-	158,749	-	-
TOTAL	\$ 19,386,358	\$ 2,349,430	\$ 14,969,833	\$ 2,007,712	\$ 59,383

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, 2020: The U.S. Treasury obligations are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. agency obligations, municipal bonds, 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 AA+. The corporate bonds range in rating from Baa3 to Aa2 by Moody's. The municipal bonds are not rated.

10. 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)

10. 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, 2020	\$ 74,279,334	\$ 49,376,773	\$ 24,902,561
Changes for the period			
Service cost	1,295,234	-	1,295,234
Interest	5,172,157	-	5,172,157
Changes in benefit terms	-	-	-
Difference between expected and actual experience	1,010,411	-	1,010,411
Changes in assumptions	(325,777)	-	(325,777)
Employer contributions	-	2,587,290	(2,587,290)
Employee contributions	-	864,483	(864,483)
Net investment income	-	7,060,575	(7,060,575)
Benefit payments and refunds	(3,373,233)	(3,373,233)	-
Administrative expense	-	(34,629)	34,629
Net changes	3,778,792	7,104,486	(3,325,694)
BALANCES AT DECEMBER 31, 2020	\$ 78,058,126	\$ 56,481,259	\$ 21,576,867

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

The plan's fiduciary net position as a percentage of the total pension liability was 72.36% at December 31, 2020.

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

10. 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, 2020
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) 1.25% (Tier 2)
Asset valuation method	Fair Value

Mortality rates were based on the RP 2014 Mortality Table (BCHA) with improvement scale MP-2020 projected generationally from 2013. The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance in 2020.

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% 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%) or 1 percentage point higher (8%) than the current rate:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net pension liability	\$ 32,856,298	\$ 21,576,867	\$ 12,391,345

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

10. 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, 2020, the Village recognized pension expense of \$(119,699). At December 31, 2020, 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	\$ 842,009	\$ 1,655,653
Changes in assumptions	383,296	1,436,528
Net difference between projected and actual earnings on pension plan investments	-	4,661,484
TOTAL	\$ 1,225,305	\$ 7,753,665

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>
2021	\$ (2,537,160)
2022	(1,653,729)
2023	(1,757,677)
2024	(693,898)
2025	114,104
Thereafter	-
TOTAL	\$ (6,528,360)

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

10. 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, 2020, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	26
Inactive plan members entitled to but not yet receiving benefits	6
Active plan members	<u>36</u>
TOTAL	<u><u>68</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.

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

10. 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 greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last 60 months in which the total salary was the highest by the number of months in that period; or the 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, 2020, the Village's contribution was 36.41% of covered payroll.

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

10. 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 revised during the year ended December 31, 2020, including updates to the benchmark index, fixed income allocations and sustainability.

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	42.00%	5.70%
Small cap domestic equity	12.00%	7.50%
International equity	6.00%	7.00%
Fixed income	40.00%	1.30%

10. 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 2.50% 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 a building-block method in which 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, 2019, are listed in the table on the previous page.

Investment Rate of Return

For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 14.18%. 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)

10. 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, 2020:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 1,212,653	\$ 176,501	\$ 976,980	\$ 59,172	\$ -
U.S. agency obligations	8,128,580	50,885	3,476,503	4,488,060	113,132
Corporate bonds	1,931,001	75,455	752,100	1,103,446	-
Municipal bonds	1,411,963	252,074	581,019	474,806	104,064
Certificates of deposit	454,379	-	204,568	249,811	-
TOTAL	\$ 13,138,576	\$ 554,915	\$ 5,991,170	\$ 6,375,295	\$ 217,196

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, 2020: The U.S. Treasury obligations are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. agency obligations, corporate bonds, certificates of deposit and 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.

10. 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 corporate bonds range in rating from A3 to Aaa and BBB+ to AAA by Moody's and Standard and Poor's, respectively. The municipal bonds range in rating from A3 to Aaa and A- to AAA by Moody's and Standard and Poor's, respectively. The certificates of deposit are not rated.

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)

10. 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, 2020	\$ 36,490,050	\$ 26,770,131	\$ 9,719,919
Changes for the period			
Service cost	897,043	-	897,043
Interest	2,565,407	-	2,565,407
Change of benefit terms	-	-	-
Difference between expected and actual experience	231,628	-	231,628
Employer contributions	-	1,242,538	(1,242,538)
Employee contributions	-	365,373	(365,373)
Net investment income	-	3,769,332	(3,769,332)
Benefit payments and refunds	(1,476,846)	(1,476,846)	-
Administrative expense	-	(46,261)	46,261
Net changes	2,217,232	3,854,136	(1,636,904)
BALANCES AT DECEMBER 31, 2020	\$ 38,707,282	\$ 30,624,267	\$ 8,083,015

The plan's fiduciary net position as a percentage of the total pension liability was 79.12% at December 31, 2020.

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

10. 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, 2020
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 1.25%
Asset valuation method	Fair value

Mortality rates were based on the PubS-2010 mortality projected five years past the valuation date with Scale MP-2020.

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% 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%) or 1 percentage point higher (8%) than the current rate:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net pension liability	\$ 14,224,380	\$ 8,083,015	\$ 3,130,180

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

10. 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, 2020, the Village recognized pension expense of \$620,929. At December 31, 2020, 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	\$ 800,247	\$ 1,075,862
Changes in assumption	727,567	828,338
Net difference between projected and actual earnings on pension plan investments	-	2,159,645
TOTAL	<u>\$ 1,527,814</u>	<u>\$ 4,063,845</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 firefighters' pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Net Deferred Outflows</u>
2021	\$ (743,357)
2022	(569,915)
2023	(1,104,287)
2024	(278,175)
2025	126,613
Thereafter	33,090
TOTAL	<u>\$ (2,536,031)</u>

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

b. Pension Fund Disclosures

Plan Net Position

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 18,862	\$ 7,967	\$ 26,829
Investments, at fair value			
Money market mutual funds	693,590	447,244	1,140,834
U.S. Treasury obligations	13,331,067	1,212,653	14,543,720
U.S. agency obligations	519,535	8,128,580	8,648,115
Municipal bonds	158,749	1,411,963	1,570,712
Equities	23,199,319	-	23,199,319
Corporate bonds	5,377,007	1,931,001	7,308,008
Equity mutual funds	13,012,891	16,999,079	30,011,970
Negotiable CDs	-	454,379	454,379
Accrued interest	100,674	63,175	163,849
Prepaid items	250	4,443	4,693
Due from other funds	71,790	-	71,790
	<u>56,483,734</u>	<u>30,660,484</u>	<u>87,144,218</u>
LIABILITIES			
Accounts payable	2,475	26,832	29,307
Due to other funds	-	9,385	9,385
	<u>2,475</u>	<u>36,217</u>	<u>38,692</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
	<u>\$ 56,481,259</u>	<u>\$ 30,624,267</u>	<u>\$ 87,105,526</u>

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

b. Pension Fund Disclosures (Continued)

Changes in Plan Net Position

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 2,587,290	\$ 1,242,538	\$ 3,829,828
Employee	864,483	365,373	1,229,856
Total contributions	3,451,773	1,607,911	5,059,684
Investment income			
Net appreciation in fair value of investments	6,327,137	3,155,925	9,483,062
Interest	919,624	696,147	1,615,771
Total investment income	7,246,761	3,852,072	11,098,833
Less investment expense	(186,186)	(82,740)	(268,926)
Net investment income	7,060,575	3,769,332	10,829,907
Total additions	10,512,348	5,377,243	15,889,591
DEDUCTIONS			
Administration	34,629	46,261	80,890
Pension benefits and refunds	3,373,233	1,476,846	4,850,079
Total deductions	3,407,862	1,523,107	4,930,969
NET INCREASE	7,104,486	3,854,136	10,958,622
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
January 1	49,376,773	26,770,131	76,146,904
December 31	\$ 56,481,259	\$ 30,624,267	\$ 87,105,526

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

11. 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, 2020.

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, 2020

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 23,488,293	\$ 23,488,293	\$ 24,668,714
Intergovernmental	5,210,700	5,210,700	7,889,369
Licenses and permits	497,250	497,250	517,345
Charges for services	2,386,500	2,386,500	2,292,877
Fines and forfeitures	351,000	351,000	337,687
Interest	80,000	80,000	22,228
Miscellaneous	538,237	538,237	624,974
Total revenues	<u>32,551,980</u>	<u>32,551,980</u>	<u>36,353,194</u>
EXPENDITURES			
General government	6,427,956	6,427,956	5,894,421
Public safety	19,157,501	19,157,501	18,638,287
Public works	3,353,006	3,353,006	2,698,381
Community development	1,534,353	1,534,353	1,146,807
Culture and recreation	313,949	313,949	236,749
Total expenditures	<u>30,786,765</u>	<u>30,786,765</u>	<u>28,614,645</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,765,215</u>	<u>1,765,215</u>	<u>7,738,549</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	45,387	45,387	14,514
Transfers (out)	(7,718,200)	(7,718,200)	(7,718,200)
Total other financing sources (uses)	<u>(7,672,813)</u>	<u>(7,672,813)</u>	<u>(7,703,686)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (5,907,598)</u>	<u>\$ (5,907,598)</u>	34,863
FUND BALANCE, JANUARY 1			<u>17,226,973</u>
FUND BALANCE, DECEMBER 31			<u>\$ 17,261,836</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, 2020

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 720,000	\$ 720,000	\$ 883,373
Interest	-	-	3,079
	<hr/>	<hr/>	<hr/>
Total revenues	720,000	720,000	886,452
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
Community development			
Contractual services	5,251	5,251	283
	<hr/>	<hr/>	<hr/>
Total expenditures	5,251	5,251	283
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	714,749	714,749	886,169
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(9,232)	(9,232)	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(9,232)	(9,232)	-
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ 705,517</u>	<u>\$ 705,517</u>	886,169
FUND BALANCE (DEFICIT), JANUARY 1			<u>(5,207,871)</u>
FUND BALANCE (DEFICIT), DECEMBER 31			<u><u>\$ (4,321,702)</u></u>

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2020

BUDGETS

Annual budgets are adopted for all governmental and proprietary funds. Budgets are adopted on a basis consistent with GAAP (except for the Waterworks and Sewerage Fund, which budgets for debt principal payments and capital outlay but not for depreciation and amortization). 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:

Fund	Actual Expense/ Expenditures	Final Budget	Excess
Foreign Fire Tax Board	\$ 29,407	\$ 29,300	\$ 107
Debt Service	3,338,675	3,194,756	143,919
Special Service Area No. 1	25,881	12,000	13,881
Special Service Area No. 2	1,400	1,000	400
Special Service Area No. 21	5,330	5,000	330
Equipment Replacement	2,119,963	2,073,190	46,773

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

Last Six Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2015	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 643,088	\$ 659,799	\$ 636,390	\$ 604,583	\$ 495,828	\$ 541,781
Contributions in relation to the actuarially determined contribution	643,088	659,799	636,390	604,583	495,828	541,781
CONTRIBUTION DEFICIENCY (Excess)	\$ -					
Covered payroll	\$ 5,611,585	\$ 5,772,517	\$ 5,702,426	\$ 5,443,755	\$ 5,233,856	\$ 6,149,692
Contributions as a percentage of covered payroll	11.46%	11.43%	11.16%	11.11%	9.47%	8.81%

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 24 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 3.35% to 14.25% 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
POLICE PENSION FUND

Last Seven Fiscal Periods

FISCAL PERIOD ENDED DECEMBER 31,	2015	2015*	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 1,890,507	\$ 2,085,014	\$ 1,530,352	\$ 2,615,965	\$ 2,592,631	\$ 2,449,061	\$ 2,672,008
Contributions in relation to the actuarially determined contribution	2,018,731	2,085,015	2,346,705	2,615,967	2,586,666	2,598,600	2,587,290
CONTRIBUTION DEFICIENCY (Excess)	\$ (128,224)	\$ (1)	\$ (816,353)	\$ (2)	\$ 5,965	\$ (149,539)	\$ 84,718
Covered payroll	\$ 5,313,697	\$ 5,672,798	\$ 5,448,711	\$ 5,569,576	\$ 5,713,254	\$ 5,728,913	\$ 5,497,695
Contributions as a percentage of covered payroll	37.99%	36.75%	43.07%	46.97%	45.27%	45.36%	47.06%

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

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 20 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 Seven Fiscal Periods

FISCAL PERIOD ENDED DECEMBER 31,	2015	2015*	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 654,008	\$ 1,010,754	\$ 722,056	\$ 1,213,828	\$ 1,245,102	\$ 1,050,760	\$ 1,327,085
Contributions in relation to the actuarially determined contribution	654,009	1,010,757	1,107,232	1,213,829	1,242,243	1,247,967	1,242,538
CONTRIBUTION DEFICIENCY (Excess)	\$ (1)	\$ (3)	\$ (385,176)	\$ (1)	\$ 2,859	\$ (197,207)	\$ 84,547
Covered payroll	\$ 3,065,913	\$ 3,215,405	\$ 3,086,539	\$ 3,068,111	\$ 3,233,470	\$ 3,336,073	\$ 3,412,379
Contributions as a percentage of covered payroll	21.33%	31.43%	35.87%	39.56%	38.42%	37.41%	36.41%

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

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 20 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 Three Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2018	2019	2020
TOTAL OPEB LIABILITY			
Service cost	\$ 272,815	\$ 251,689	\$ 314,177
Interest	189,183	163,094	131,253
Changes in benefit terms	-	-	(22,674)
Differences between expected and actual experience	(1,598,418)	-	782,058
Changes of assumptions	(240,978)	532,321	417,673
Benefit payments, including refunds of member contributions	(138,986)	(149,410)	(154,961)
Net change in total OPEB liability	(1,516,384)	797,694	1,467,526
Total OPEB liability - beginning	5,568,995	4,052,611	4,850,305
TOTAL OPEB LIABILITY - ENDING	\$ 4,052,611	\$ 4,850,305	\$ 6,317,831
Covered-employee payroll	\$ 12,938,406	\$ 13,391,250	\$ 13,359,233
Employer's net pension liability as a percentage of covered-employee payroll	31.32%	36.22%	47.29%

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 and 2019.

Changes in assumptions related to the discount rate and insurance costs were made in 2020.

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 Six Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2014	2015
TOTAL PENSION LIABILITY		
Service cost	\$ 694,873	\$ 621,377
Interest	1,694,285	1,866,746
Changes in benefit terms	-	-
Differences between expected and actual experience	23,997	(225,721)
Changes of assumptions	812,522	35,454
Benefit payments, including refunds of member contributions	(817,433)	(895,018)
Net change in total pension liability	2,408,244	1,402,838
Total pension liability - beginning	22,651,753	25,059,997
TOTAL PENSION LIABILITY - ENDING	\$ 25,059,997	\$ 26,462,835
PLAN FIDUCIARY NET POSITION		
Contributions - employer	\$ 657,205	\$ 643,088
Contributions - member	257,840	252,522
Net investment income	1,292,033	114,281
Benefit payments, including refunds of member contributions	(817,433)	(895,018)
Administrative expense	334,250	(269,739)
Net change in plan fiduciary net position	1,723,895	(154,866)
Plan fiduciary net position - beginning	21,132,063	22,855,958
PLAN FIDUCIARY NET POSITION - ENDING	\$ 22,855,958	\$ 22,701,092
EMPLOYER'S NET PENSION LIABILITY	\$ 2,204,039	\$ 3,761,743
Plan fiduciary net position as a percentage of the total pension liability	91.20%	85.78%
Covered payroll	\$ 5,515,696	\$ 5,611,585
Employer's net pension liability as a percentage of covered payroll	39.96%	67.04%

Notes to Required Supplementary Information

The retirement age and mortality assumptions were changed in 2014.

There were changes in assumptions related to inflation and salary increases in 2017.

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.

2016	2017	2018	2019
\$ 595,614	\$ 623,149	\$ 569,062	\$ 535,694
1,959,737	2,034,251	2,084,700	2,169,694
-	-	-	-
(460,272)	29,469	(169,831)	922,708
(71,404)	(867,530)	893,841	-
(1,121,907)	(1,105,672)	(1,133,607)	(1,326,931)
901,768	713,667	2,244,165	2,301,165
26,462,835	27,364,603	28,078,270	30,322,435
<u>\$ 27,364,603</u>	<u>\$ 28,078,270</u>	<u>\$ 30,322,435</u>	<u>\$ 32,623,600</u>
\$ 659,799	\$ 636,390	\$ 604,583	\$ 495,828
259,764	299,909	244,970	235,523
1,558,386	4,045,972	(1,389,331)	4,727,868
(1,121,907)	(1,105,672)	(1,133,607)	(1,326,931)
(322,191)	(391,541)	456,736	383,876
1,033,851	3,485,058	(1,216,649)	4,516,164
22,701,092	23,734,943	27,220,001	26,003,352
<u>\$ 23,734,943</u>	<u>\$ 27,220,001</u>	<u>\$ 26,003,352</u>	<u>\$ 30,519,516</u>
<u>\$ 3,629,660</u>	<u>\$ 858,269</u>	<u>\$ 4,319,083</u>	<u>\$ 2,104,084</u>
86.74%	96.94%	85.76%	93.55%
\$ 5,772,517	\$ 5,702,426	\$ 5,443,755	\$ 5,233,856
62.88%	15.05%	79.34%	40.20%

(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 Seven Fiscal Periods

MEASUREMENT DATE DECEMBER 31,	2015	2015*
TOTAL PENSION LIABILITY		
Service cost	\$ 1,397,914	\$ 986,247
Interest	3,918,413	2,899,473
Changes of benefit terms	-	-
Differences between expected and actual experience	(1,402,369)	(292,474)
Changes of assumptions	4,078,160	3,228,932
Benefit payments, including refunds of member contributions	(2,215,557)	(1,460,181)
Net change in total pension liability	5,776,561	5,361,997
Total pension liability - beginning	57,085,108	62,861,669
TOTAL PENSION LIABILITY - ENDING	\$ 62,861,669	\$ 68,223,666
PLAN FIDUCIARY NET POSITION		
Contributions - employer	\$ 2,018,731	\$ 2,085,015
Contributions - member	516,271	374,280
Net investment income	2,214,608	(194,321)
Benefit payments, including refunds of member contributions	(2,215,557)	(1,460,181)
Administrative expense	(32,809)	(31,603)
Net change in plan fiduciary net position	2,501,244	773,190
Plan fiduciary net position - beginning	31,750,944	34,252,188
PLAN FIDUCIARY NET POSITION - ENDING	\$ 34,252,188	\$ 35,025,378
EMPLOYER'S NET PENSION LIABILITY	\$ 28,609,481	\$ 33,198,288
Plan fiduciary net position as a percentage of the total pension liability	54.49%	51.34%
Covered payroll	\$ 5,313,697	\$ 5,672,798
Employer's net pension liability as a percentage of covered payroll	538.41%	585.22%

*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, 2018, 2019 and 2020 with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality tables. In 2019, there were changes in plan benefits required under PA-101-0610 (SB 1300).

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.

2016	2017	2018	2019	2020
\$ 1,588,339	\$ 1,491,977	\$ 1,086,658	\$ 1,270,759	\$ 1,295,234
4,681,518	4,846,657	4,911,610	4,990,246	5,172,157
-	-	-	103,308	-
(605,963)	(490,941)	(3,107,992)	(325,648)	1,010,411
(680,503)	(3,396,386)	958,237	(199,184)	(325,777)
(2,689,679)	(2,558,848)	(2,661,262)	(3,157,235)	(3,373,233)
2,293,712	(107,541)	1,187,251	2,682,246	3,778,792
68,223,666	70,517,378	70,409,837	71,597,088	74,279,334
<u>\$ 70,517,378</u>	<u>\$ 70,409,837</u>	<u>\$ 71,597,088</u>	<u>\$ 74,279,334</u>	<u>\$ 78,058,126</u>
\$ 2,346,705	\$ 2,615,967	\$ 2,586,666	\$ 2,598,600	\$ 2,587,290
531,488	544,302	562,893	555,777	864,483
1,768,216	5,050,122	(1,758,343)	8,208,742	7,060,575
(2,689,679)	(2,558,848)	(2,661,262)	(3,157,235)	(3,373,233)
(35,811)	(45,887)	(65,315)	(45,703)	(34,629)
1,920,919	5,605,656	(1,335,361)	8,160,181	7,104,486
35,025,378	36,946,297	42,551,953	41,216,592	49,376,773
<u>\$ 36,946,297</u>	<u>\$ 42,551,953</u>	<u>\$ 41,216,592</u>	<u>\$ 49,376,773</u>	<u>\$ 56,481,259</u>
<u>\$ 33,571,081</u>	<u>\$ 27,857,884</u>	<u>\$ 30,380,496</u>	<u>\$ 24,902,561</u>	<u>\$ 21,576,867</u>
52.39%	60.43%	57.57%	66.47%	72.36%
\$ 5,448,711	\$ 5,569,576	\$ 5,713,254	\$ 5,728,913	\$ 5,497,695
616.13%	500.18%	531.75%	434.68%	392.47%

(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 Seven Fiscal Periods

MEASUREMENT DATE DECEMBER 31,	2015	2015*
TOTAL PENSION LIABILITY		
Service cost	\$ 977,566	\$ 630,209
Interest	1,680,310	1,303,294
Changes of benefit terms	-	-
Differences between expected and actual experience	807,759	(661,772)
Changes to assumptions	1,170,637	1,285,329
Benefit payments, including refunds of member contributions	(818,320)	(607,615)
Net change in total pension liability	3,817,952	1,949,445
Total pension liability - beginning	24,413,583	28,231,535
TOTAL PENSION LIABILITY - ENDING	\$ 28,231,535	\$ 30,180,980
PLAN FIDUCIARY NET POSITION		
Contributions - employer	\$ 654,009	\$ 1,010,757
Contributions - member	300,585	212,253
Net investment income	1,176,055	(184,303)
Benefit payments, including refunds of member contributions	(818,320)	(607,615)
Administrative expense	(44,299)	(20,862)
Net change in plan fiduciary net position	1,268,030	410,230
Plan fiduciary net position - beginning	17,042,719	18,310,749
PLAN FIDUCIARY NET POSITION - ENDING	\$ 18,310,749	\$ 18,720,979
EMPLOYER'S NET PENSION LIABILITY	\$ 9,920,786	\$ 11,460,001
Plan fiduciary net position as a percentage of the total pension liability	64.86%	62.03%
Covered payroll	\$ 3,065,913	\$ 3,215,405
Employer's net pension liability as a percentage of covered payroll	323.58%	356.41%

*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.

For 2019, there were changes in plan benefits required under PA-101-0610 (SB 1300).

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.

	2016	2017	2018	2019	2020
\$	1,007,357	\$ 963,744	\$ 806,356	\$ 868,540	\$ 897,043
	2,078,046	2,231,128	2,262,506	2,382,238	2,565,407
	-	-	-	56,270	-
	453,352	(658,180)	(1,316,744)	654,661	231,628
	(293,864)	(1,729,979)	1,132,663	-	-
	(989,209)	(1,126,806)	(1,202,826)	(1,270,183)	(1,476,846)
	2,255,682	(320,093)	1,681,955	2,691,526	2,217,232
	30,180,980	32,436,662	32,116,569	33,798,524	36,490,050
\$	32,436,662	\$ 32,116,569	\$ 33,798,524	\$ 36,490,050	\$ 38,707,282
\$	1,107,232	\$ 1,213,829	\$ 1,242,243	\$ 1,247,967	\$ 1,242,538
	299,097	382,705	307,849	324,012	365,373
	1,126,737	2,492,618	(940,053)	4,020,041	3,769,332
	(989,209)	(1,126,806)	(1,202,826)	(1,270,183)	(1,476,846)
	(42,562)	(42,149)	(40,357)	(61,033)	(46,261)
	1,501,295	2,920,197	(633,144)	4,260,804	3,854,136
	18,720,979	20,222,274	23,142,471	22,509,327	26,770,131
\$	20,222,274	\$ 23,142,471	\$ 22,509,327	\$ 26,770,131	\$ 30,624,267
\$	12,214,388	\$ 8,974,098	\$ 11,289,197	\$ 9,719,919	\$ 8,083,015
	62.34%	72.06%	66.60%	73.36%	79.12%
\$	3,086,539	\$ 3,068,111	\$ 3,233,470	\$ 3,336,073	\$ 3,412,379
	395.73%	292.50%	349.14%	291.36%	236.87%

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND**

Last Seven Fiscal Periods

FISCAL PERIOD ENDED DECEMBER 31,	2015	2015*	2016	2017	2018	2019	2020
Annual money-weighted rate of return, net of investment expense	6.95%	(0.47%)	5.40%	13.90%	(4.11%)	19.92%	14.30%

*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 Seven Fiscal Periods

FISCAL PERIOD ENDED DECEMBER 31,	2015	2015*	2016	2017	2018	2019	2020
Annual money-weighted rate of return, net of investment expense	6.81%	(0.93%)	6.00%	12.26%	(4.06%)	17.87%	14.18%

*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

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, 2020

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 11,678,293	\$ 11,678,293	\$ 11,540,606
Sales	8,650,000	8,650,000	9,468,568
Local use	1,100,000	1,100,000	1,709,818
Utility tax	1,500,000	1,500,000	1,478,562
Telecommunications	270,000	270,000	220,552
Video gaming tax	290,000	290,000	250,608
Total taxes	23,488,293	23,488,293	24,668,714
Intergovernmental			
Illinois state income tax	3,650,000	3,650,000	4,161,042
Illinois state replacement tax	150,000	150,000	168,906
Fire protection district fees	1,158,700	1,158,700	1,213,226
Grants	250,000	250,000	2,194,860
TIF revenue	-	-	150,442
Pull tabs	2,000	2,000	893
Total intergovernmental	5,210,700	5,210,700	7,889,369
Licenses and permits			
Business licenses	31,000	31,000	33,476
Liquor licenses	47,000	47,000	23,690
Vending licenses	2,500	2,500	2,950
Video gaming licenses	22,000	22,000	33,990
Rental licenses	173,000	173,000	199,894
Building permits	100,000	100,000	92,352
Electrical permits	80,000	80,000	87,270
Plumbing permits	15,000	15,000	7,170
Other permits	26,750	26,750	36,553
Total licenses and permits	497,250	497,250	517,345
Fines and forfeitures			
Local ordinance fines	165,000	165,000	135,479
Court fines	169,000	169,000	190,958
Admin tow fees	15,000	15,000	11,250
Asset forfeiture	2,000	2,000	-
Total fines and forfeitures	351,000	351,000	337,687

(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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES (Continued)			
Charges for services			
Law enforcement	\$ 274,500	\$ 274,500	\$ 271,265
Fire protection	1,000	1,000	1,610
Ambulance	1,302,000	1,302,000	1,186,372
Environmental surcharge	805,000	805,000	814,886
Village services	-	-	16,944
Other charges for services	4,000	4,000	1,800
	<hr/>		
Total charges for services	2,386,500	2,386,500	2,292,877
	<hr/>		
Interest			
Investment income	80,000	80,000	22,228
	<hr/>		
Miscellaneous			
Cable franchise fees	400,000	400,000	361,482
Rent	84,687	84,687	86,770
Contributions	3,250	3,250	12,634
Reimbursements	44,000	44,000	145,872
Other	6,300	6,300	18,216
	<hr/>		
Total miscellaneous	538,237	538,237	624,974
	<hr/>		
TOTAL REVENUES	\$ 32,551,980	\$ 32,551,980	\$ 36,353,194

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
EXPENDITURES			
General government			
Legislative	\$ 332,965	\$ 332,965	\$ 181,359
Administration	364,353	364,353	190,433
Information technology	540,497	540,497	488,223
Finance	593,029	593,029	547,227
General services	4,025,367	4,025,367	3,995,238
Public buildings	571,745	571,745	491,941
Total general government	<u>6,427,956</u>	<u>6,427,956</u>	<u>5,894,421</u>
Public safety			
Police	11,759,051	11,759,051	11,168,233
Fire and police commission	18,640	18,640	8,376
Fire	7,379,810	7,379,810	7,461,678
Total public safety	<u>19,157,501</u>	<u>19,157,501</u>	<u>18,638,287</u>
Public works			
Streets and highways	2,557,605	2,557,605	2,053,089
Vehicle maintenance	795,401	795,401	645,292
Total public works	<u>3,353,006</u>	<u>3,353,006</u>	<u>2,698,381</u>
Community development			
Community development	1,534,353	1,534,353	1,146,807
Total community development	<u>1,534,353</u>	<u>1,534,353</u>	<u>1,146,807</u>
Culture and recreation			
Parks	313,949	313,949	236,749
Total culture and recreation	<u>313,949</u>	<u>313,949</u>	<u>236,749</u>
TOTAL EXPENDITURES	<u><u>\$ 30,786,765</u></u>	<u><u>\$ 30,786,765</u></u>	<u><u>\$ 28,614,645</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, 2020

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental	\$ 280,000	\$ 280,000	\$ 2,013,315
Investment income	145,000	145,000	58,476
Total revenues	425,000	425,000	2,071,791
EXPENDITURES			
Capital outlay	10,891,973	10,891,973	6,104,148
Total expenditures	10,891,973	10,891,973	6,104,148
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(10,466,973)	(10,466,973)	(4,032,357)
OTHER FINANCING SOURCES (USES)			
Transfers in	5,500,000	5,500,000	5,500,000
Total other financing sources (uses)	5,500,000	5,500,000	5,500,000
NET CHANGE IN FUND BALANCE	\$ (4,966,973)	\$ (4,966,973)	1,467,643
FUND BALANCE, JANUARY 1			3,086,974
FUND BALANCE, DECEMBER 31			\$ 4,554,617

(See independent auditor's report.)

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, 2020

	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	\$ 1,623,337	\$ 1,871,810	\$ -	\$ 24,095	\$ 2,765	\$ 1,999
Receivables						
Property taxes	2,060,190	-	-	18,000	1,000	5,000
Other taxes	-	-	-	-	-	-
Accounts	134,086	-	-	-	-	-
Accrued interest	-	-	-	-	-	-
Prepaid items	1,000	-	-	-	-	-
Due from other governments	-	127,112	-	-	-	-
TOTAL ASSETS	\$ 3,818,613	\$ 1,998,922	\$ -	\$ 42,095	\$ 3,765	\$ 6,999
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 251	\$ 25,664	\$ -	\$ -	\$ -	\$ -
Wages payable	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	251	25,664	-	-	-	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable property tax revenue	2,047,205	-	-	18,000	1,000	5,000
Total deferred inflows of resources	2,047,205	-	-	18,000	1,000	5,000
Total liabilities and deferred inflows of resources	2,047,456	25,664	-	18,000	1,000	5,000
FUND BALANCES						
Nonspendable						
Prepaid items	1,000	-	-	-	-	-
Park trust principal	-	-	-	-	-	-
Restricted						
Capital projects	-	1,973,258	-	-	-	-
Public improvements	-	-	-	24,095	2,765	1,999
Police purposes	-	-	-	-	-	-
Fire purposes	-	-	-	-	-	-
Debt service	1,770,157	-	-	-	-	-
Assigned						
Capital projects	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-
Total fund balances (deficit)	1,771,157	1,973,258	-	24,095	2,765	1,999
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 3,818,613	\$ 3,818,613	\$ -	\$ 42,095	\$ 3,765	\$ 6,999

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	
\$ 15,370	\$ -	\$ -	\$ 1,776,456	\$ 56,050	\$ 83,722	\$ 437,875	\$ 1,058,366	\$ 356,393	\$ 7,308,238
4,594	-	-	727,825	-	-	-	-	-	2,816,609
-	-	-	-	-	-	-	16,815	-	16,815
-	-	-	-	-	-	-	-	-	134,086
-	-	-	2,141	-	-	-	-	-	2,141
-	-	-	-	-	-	-	-	-	1,000
-	-	-	-	-	-	-	-	-	127,112
<u>\$ 19,964</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,506,422</u>	<u>\$ 56,050</u>	<u>\$ 83,722</u>	<u>\$ 437,875</u>	<u>\$ 1,075,181</u>	<u>\$ 356,393</u>	<u>\$10,406,001</u>
\$ -	\$ -	\$ -	\$ 16,804	\$ -	\$ -	\$ -	\$ 235,625	\$ -	\$ 278,344
-	-	-	-	-	54	-	-	-	54
-	-	-	-	-	-	384,107	-	-	384,107
-	-	-	-	-	-	9,934	-	-	9,934
-	-	1,504	-	-	-	-	-	-	1,504
-	-	1,504	16,804	-	54	394,041	235,625	-	673,943
4,500	-	-	727,825	-	-	-	-	-	2,803,530
4,500	-	-	727,825	-	-	-	-	-	2,803,530
4,500	-	1,504	744,629	-	54	394,041	235,625	-	3,477,473
-	-	-	-	-	-	-	-	-	1,000
-	-	-	-	-	-	-	-	356,393	356,393
-	-	-	-	-	-	-	-	-	1,973,258
15,464	-	-	1,761,793	-	-	43,834	-	-	1,849,950
-	-	-	-	-	83,668	-	-	-	83,668
-	-	-	-	56,050	-	-	-	-	56,050
-	-	-	-	-	-	-	-	-	1,770,157
-	-	-	-	-	-	-	839,556	-	839,556
-	-	(1,504)	-	-	-	-	-	-	(1,504)
15,464	-	(1,504)	1,761,793	56,050	83,668	43,834	839,556	356,393	6,928,528
<u>\$ 19,964</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,506,422</u>	<u>\$ 56,050</u>	<u>\$ 83,722</u>	<u>\$ 437,875</u>	<u>\$ 1,075,181</u>	<u>\$ 356,393</u>	<u>\$10,406,001</u>

(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, 2020

	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	\$ 2,230,960	\$ -	\$ -	\$ 17,972	\$ 1,000	\$ 4,994
Intergovernmental	269,442	2,341,850	-	-	-	-
Charges for services	11,250	-	-	-	-	-
Investment income	16,735	4,579	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	2,528,387	2,346,429	-	17,972	1,000	4,994
EXPENDITURES						
Current						
Public safety	-	-	-	-	-	-
Public works	-	295,506	-	25,881	1,400	11,905
Community development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	1,169,933	-	-	-	-
Debt service						
Principal retirement	1,923,620	-	-	-	-	-
Interest and fiscal charges	1,415,055	-	-	-	-	-
Total expenditures	3,338,675	1,465,439	-	25,881	1,400	11,905
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(810,288)	880,990	-	(7,909)	(400)	(6,911)
OTHER FINANCING SOURCES (USES)						
Bond issuance, at par	10,995,000	-	-	-	-	-
Premium on bonds issued	1,919,858	-	-	-	-	-
Payment to escrow agent	(12,771,398)	-	-	-	-	-
Transfers in	695,150	-	-	-	-	-
Transfers (out)	-	(376,950)	(673)	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	838,610	(376,950)	(673)	-	-	-
NET CHANGE IN FUND BALANCES	28,322	504,040	(673)	(7,909)	(400)	(6,911)
FUND BALANCES (DEFICIT), JANUARY 1	1,742,835	1,469,218	673	32,004	3,165	8,910
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 1,771,157	\$ 1,973,258	\$ -	\$ 24,095	\$ 2,765	\$ 1,999

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	\$ -	\$ -	\$ 401,129	\$ 40,080	\$ -	\$ -	\$ 73,518	\$ -	\$ 2,774,149	
-	-	-	-	-	-	-	2,447	-	2,613,739	
-	-	-	-	-	-	-	-	-	11,250	
-	-	6	27,215	29	43	1,157	1,155	33,878	84,797	
-	-	-	-	-	-	-	15,230	-	15,230	
4,496	-	6	428,344	40,109	43	1,157	92,350	33,878	5,499,165	
-	-	-	-	29,407	5,577	-	-	-	34,984	
5,330	-	-	-	-	-	-	-	-	340,022	
-	-	283	341,477	-	-	-	-	-	341,760	
-	-	-	-	-	-	-	-	2,981	2,981	
-	-	-	50,603	-	-	-	2,119,963	-	3,340,499	
-	-	-	-	-	-	-	-	-	1,923,620	
-	-	-	-	-	-	-	-	-	1,415,055	
5,330	-	283	392,080	29,407	5,577	-	2,119,963	2,981	7,398,921	
(834)	-	(277)	36,264	10,702	(5,534)	1,157	(2,027,613)	30,897	(1,899,756)	
-	-	-	-	-	-	-	-	-	10,995,000	
-	-	-	-	-	-	-	-	-	1,919,858	
-	-	-	-	-	-	-	-	-	(12,771,398)	
-	-	-	465,849	-	-	-	1,900,000	-	3,060,999	
-	(465,849)	-	-	-	-	-	-	(13,841)	(857,313)	
-	-	-	-	-	-	-	74,284	-	74,284	
-	(465,849)	-	465,849	-	-	-	1,974,284	(13,841)	2,421,430	
(834)	(465,849)	(277)	502,113	10,702	(5,534)	1,157	(53,329)	17,056	521,674	
16,298	465,849	(1,227)	1,259,680	45,348	89,202	42,677	892,885	339,337	6,406,854	
\$ 15,464	\$ -	\$ (1,504)	\$ 1,761,793	\$ 56,050	\$ 83,668	\$ 43,834	\$ 839,556	\$ 356,393	\$ 6,928,528	

(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, 2020

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 2,228,672	\$ 2,228,672	\$ 2,230,960
Intergovernmental	297,603	297,603	269,442
Fines and forfeitures	21,000	21,000	11,250
Investment income	-	-	16,735
	<hr/>	<hr/>	<hr/>
Total revenues	2,547,275	2,547,275	2,528,387
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Debt service			
Principal retirement	1,923,620	1,923,620	1,923,620
Interest and fiscal charges	1,271,136	1,271,136	1,415,055
	<hr/>	<hr/>	<hr/>
Total expenditures	3,194,756	3,194,756	3,338,675
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(647,481)	(647,481)	(810,288)
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Bond issuance, at par	-	-	10,995,000
Premium on bonds issued	-	-	1,919,858
Payment to escrow agent	-	-	(12,771,398)
Transfers in	695,150	695,150	695,150
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	695,150	695,150	838,610
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ 47,669	\$ 47,669	28,322
	<hr/>	<hr/>	<hr/>
FUND BALANCE, JANUARY 1			1,742,835
			<hr/>
FUND BALANCE, DECEMBER 31			\$ 1,771,157
			<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, 2020

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
State motor fuel tax	\$ 1,340,000	\$ 1,340,000	\$ 1,500,674
Rebuild Illinois	-	-	841,176
Investment income	10,000	10,000	4,579
	<hr/>	<hr/>	<hr/>
Total revenues	1,350,000	1,350,000	2,346,429
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
Public works			
Commodities	300,000	300,000	295,446
Contractual services	60	60	60
Capital outlay	1,411,000	1,411,000	1,169,933
	<hr/>	<hr/>	<hr/>
Total expenditures	1,711,060	1,711,060	1,465,439
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(361,060)	(361,060)	880,990
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(376,950)	(376,950)	(376,950)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(376,950)	(376,950)	(376,950)
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ (738,010)	\$ (738,010)	504,040
	<hr/>	<hr/>	<hr/>
FUND BALANCE, JANUARY 1			1,469,218
			<hr/>
FUND BALANCE, DECEMBER 31			\$ 1,973,258
			<hr/>

(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, 2020

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ 10	\$ 10	\$ -
Miscellaneous	250	250	-
Total revenues	260	260	-
EXPENDITURES			
Culture and recreation			
Commodities	3,000	3,000	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,740)	(2,740)	-
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	-	(673)
Total other financing sources (uses)	-	-	(673)
NET CHANGE IN FUND BALANCE	\$ (2,740)	\$ (2,740)	(673)
FUND BALANCE, JANUARY 1			673
FUND BALANCE, DECEMBER 31			\$ -

(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, 2020

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 18,000	\$ 18,000	\$ 17,972
Total revenues	<u>18,000</u>	<u>18,000</u>	<u>17,972</u>
EXPENDITURES			
Public works			
Contractual services	<u>12,000</u>	<u>12,000</u>	<u>25,881</u>
Total expenditures	<u>12,000</u>	<u>12,000</u>	<u>25,881</u>
NET CHANGE IN FUND BALANCE	<u>\$ 6,000</u>	<u>\$ 6,000</u>	(7,909)
FUND BALANCE, JANUARY 1			<u>32,004</u>
FUND BALANCE, DECEMBER 31			<u>\$ 24,095</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. 2
(OAK MEADOWS) FUND**

For the Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Taxes			
Property taxes	\$ 1,000	\$ 1,000	\$ 1,000
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
EXPENDITURES			
Public works			
Contractual services	<u>1,000</u>	<u>1,000</u>	<u>1,400</u>
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>1,400</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	(400)
FUND BALANCE, JANUARY 1			<u>3,165</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 2,765</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. 3
(KEELE FARMS) FUND**

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 5,000	\$ 5,000	\$ 4,994
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>4,994</u>
EXPENDITURES			
Public works			
Contractual services	<u>12,000</u>	<u>12,000</u>	<u>11,905</u>
Total expenditures	<u>12,000</u>	<u>12,000</u>	<u>11,905</u>
NET CHANGE IN FUND BALANCE	<u>\$ (7,000)</u>	<u>\$ (7,000)</u>	(6,911)
FUND BALANCE, JANUARY 1			<u>8,910</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 1,999</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, 2020

	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>5,000</u>	<u>5,000</u>	<u>5,330</u>
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>5,330</u>
NET CHANGE IN FUND BALANCE	<u>\$ (500)</u>	<u>\$ (500)</u>	(834)
FUND BALANCE, JANUARY 1			<u>16,298</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 15,464</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, 2020

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 3,000	\$ 3,000	\$ -
Total revenues	3,000	3,000	-
EXPENDITURES			
Current			
Community development			
Contractual services	1,467	1,467	-
Total expenditures	1,467	1,467	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,533	1,533	-
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(3,693)	(3,693)	(465,849)
Total other financing sources (uses)	(3,693)	(3,693)	(465,849)
NET CHANGE IN FUND BALANCE	\$ (2,160)	\$ (2,160)	(465,849)
FUND BALANCE, JANUARY 1			465,849
FUND BALANCE, DECEMBER 31			\$ -

(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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Taxes			
Property	\$ 1,250	\$ 1,250	\$ -
Investment income	-	-	6
	<hr/>	<hr/>	<hr/>
Total revenues	1,250	1,250	6
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
Community development			
Contractual services	284	284	283
	<hr/>	<hr/>	<hr/>
Total expenditures	284	284	283
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ 966</u>	<u>\$ 966</u>	(277)
FUND BALANCE (DEFICIT), JANUARY 1			<hr/> (1,227)
FUND BALANCE (DEFICIT), DECEMBER 31			<hr/> <u>\$ (1,504)</u>

(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, 2020

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 150,000	\$ 150,000	\$ 401,129
Investment income	21,000	21,000	27,215
	<hr/>		
Total revenues	171,000	171,000	428,344
	<hr/>		
EXPENDITURES			
Current			
Community development			
Contractual services	264,126	264,126	341,477
Capital outlay	375,000	375,000	50,603
	<hr/>		
Total expenditures	639,126	639,126	392,080
	<hr/>		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(468,126)	(468,126)	36,264
	<hr/>		
OTHER FINANCING SOURCES (USES)			
Transfers in	610,000	610,000	465,849
Transfers (out)	(18,463)	(18,463)	-
	<hr/>		
Total other financing sources (uses)	591,537	591,537	465,849
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ 123,411</u>	<u>\$ 123,411</u>	502,113
	<hr/>		
FUND BALANCE, JANUARY 1			<u>1,259,680</u>
	<hr/>		
FUND BALANCE, DECEMBER 31			<u><u>\$ 1,761,793</u></u>

(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, 2020

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Foreign fire	\$ 26,400	\$ 26,400	\$ 40,080
Investment income	10	10	29
	<hr/>	<hr/>	<hr/>
Total revenues	26,410	26,410	40,109
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Public safety			
Commodities	21,500	21,500	21,850
Contractual services	7,800	7,800	7,557
	<hr/>	<hr/>	<hr/>
Total expenditures	29,300	29,300	29,407
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (2,890)</u>	<u>\$ (2,890)</u>	10,702
FUND BALANCE, JANUARY 1			<hr/> 45,348
FUND BALANCE, DECEMBER 31			<u><u>\$ 56,050</u></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, 2020

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ 50	\$ 50	\$ 43
Miscellaneous Contributions	16,000	16,000	-
Total revenues	<u>16,050</u>	<u>16,050</u>	<u>43</u>
EXPENDITURES			
Public safety			
Personnel services	11,807	11,807	3,386
Contractual services	60	60	45
Commodities	5,700	5,700	2,146
Total expenditures	<u>17,567</u>	<u>17,567</u>	<u>5,577</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,517)</u>	<u>\$ (1,517)</u>	(5,534)
FUND BALANCE, JANUARY 1			<u>89,202</u>
FUND BALANCE, DECEMBER 31			<u>\$ 83,668</u>

(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, 2020

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ 3,700	\$ 3,700	\$ 1,157
Total revenues	<u>3,700</u>	<u>3,700</u>	<u>1,157</u>
EXPENDITURES			
None	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 3,700</u>	<u>\$ 3,700</u>	1,157
FUND BALANCE, JANUARY 1			<u>42,677</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 43,834</u></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, 2020

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Telecom	\$ 90,000	\$ 90,000	\$ 73,518
Intergovernmental	2,500	2,500	2,447
Investment income	3,600	3,600	1,155
Miscellaneous	-	-	15,230
Total revenues	96,100	96,100	92,350
EXPENDITURES			
Capital outlay	2,073,190	2,073,190	2,119,963
Total expenditures	2,073,190	2,073,190	2,119,963
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	(1,977,090)	(1,977,090)	(2,027,613)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	-	-	74,284
Transfers in	1,900,000	1,900,000	1,900,000
Total other financing sources (uses)	1,900,000	1,900,000	1,974,284
NET CHANGE IN FUND BALANCE	\$ (77,090)	\$ (77,090)	(53,329)
FUND BALANCE, JANUARY 1			892,885
FUND BALANCE, DECEMBER 31			\$ 839,556

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2020

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ 18,500	\$ 18,500	\$ 33,878
Miscellaneous	13,500	13,500	-
Total revenues	<u>32,000</u>	<u>32,000</u>	<u>33,878</u>
EXPENDITURES			
Culture and recreation			
Contractual services	<u>3,000</u>	<u>3,000</u>	<u>2,981</u>
Total expenditures	<u>3,000</u>	<u>3,000</u>	<u>2,981</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>29,000</u>	<u>29,000</u>	<u>30,897</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(14,000)</u>	<u>(14,000)</u>	<u>(13,841)</u>
Total other financing sources (uses)	<u>(14,000)</u>	<u>(14,000)</u>	<u>(13,841)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>17,056</u>
FUND BALANCE, JANUARY 1			<u>339,337</u>
FUND BALANCE, DECEMBER 31			<u>\$ 356,393</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, 2020

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Water	\$ 4,299,000	\$ 4,299,000	\$ 4,469,611
Sewer	4,000,000	4,000,000	4,178,362
Service fees and penalties	262,500	262,500	215,147
Miscellaneous			
Rental income	87,968	87,968	86,275
Total operating revenues	8,649,468	8,649,468	8,949,395
OPERATING EXPENSES			
Administration	611,989	611,989	558,624
Operations	8,395,513	8,395,513	5,528,671
Total operating expenses	9,007,502	9,007,502	6,087,295
OPERATING INCOME (LOSS)	(358,034)	(358,034)	2,862,100
NON-OPERATING REVENUES (EXPENSES)			
Principal payments	(1,586,673)	(1,586,673)	(1,586,673)
Investment income	70,000	70,000	28,137
Interest and fiscal charges	(324,710)	(324,710)	(184,283)
Total non-operating revenues (expenses)	(1,841,383)	(1,841,383)	(1,742,819)
CHANGE IN NET POSITION - BUDGET BASIS	<u>\$ (2,199,417)</u>	<u>\$ (2,199,417)</u>	1,119,281
Principal paid			1,586,673
Depreciation			(2,414,705)
Amortization			(15,320)
Capital outlay capitalized			1,141,789
CHANGE IN NET POSITION - GAAP BASIS			1,417,718
NET POSITION, JANUARY 1			42,583,417
NET POSITION, DECEMBER 31			<u><u>\$ 44,001,135</u></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, 2020

	Original Budget	Final Budget	Actual
WATER DEPARTMENT			
Water facilities			
Personnel services			
Employee salaries	\$ 630,188	\$ 630,188	\$ 575,427
Employee overtime	26,400	26,400	23,510
FICA/Medicare/IMRF	124,550	124,550	110,530
Health insurance	130,420	130,420	130,420
Compensated absences	-	-	(9,986)
Longevity	3,803	3,803	2,981
RHS contribution	-	-	3,866
Other post employment benefits	20,000	20,000	-
Sick leave incentive	6,060	6,060	2,560
Total personnel services	941,421	941,421	839,308
Commodities			
Building	6,000	6,000	4,485
Maintenance materials	5,000	5,000	6,269
Tools and equipment	6,000	6,000	6,347
Office	750	750	764
Operating	36,000	36,000	27,392
Meters	10,000	10,000	2,419
Chemicals	36,500	36,500	27,888
Vehicles	9,900	9,900	9,900
Total commodities	110,150	110,150	85,464
Contractual services			
Dues and publications	1,100	1,100	869
Physical exams	200	200	93
Training and meeting	5,000	5,000	1,312
Building grounds	12,000	12,000	8,391
Professional services	79,000	79,000	45,886
Maintenance equipment	63,000	63,000	37,199
Electric	230,000	230,000	215,914
Heating	11,500	11,500	12,107
Telephone data	3,900	3,900	2,094
Water softener salt	297,000	297,000	264,049
Water well	80,000	80,000	57,782
Water alarm	670	670	290
Total contractual services	783,370	783,370	645,986
Capital outlay	1,166,308	1,166,308	14,585
Total water facilities	3,001,249	3,001,249	1,585,343

(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, 2020

	Original Budget	Final Budget	Actual
WATER DEPARTMENT (Continued)			
Water administrative and general			
Personnel services			
Employee salaries	\$ 171,401	\$ 171,401	\$ 140,114
FICA/Medicare/IMRF	29,096	29,096	18,327
Health insurance	37,396	37,396	37,396
Longevity	510	510	505
Sick leave incentive	1,175	1,175	396
Total OPEB liability adjustment	-	-	16,856
Total personnel services	239,578	239,578	213,594
Administrative and general overhead	372,411	372,411	345,030
Total water administrative and general	611,989	611,989	558,624
Total water department	3,613,238	3,613,238	2,143,967
SEWER DEPARTMENT			
Sewer facilities			
Personnel services			
Employee salaries	745,071	745,071	727,486
Employee overtime	40,400	40,400	39,368
FICA/Medicare/IMRF	147,243	147,243	114,691
Health insurance	146,085	146,085	146,085
Compensated absences	-	-	(4,462)
Longevity	4,147	4,147	4,125
Attendance incentive	7,635	7,635	3,093
Total personnel services	1,090,581	1,090,581	1,030,386
Commodities			
Building	6,400	6,400	3,963
Maintenance materials	35,000	35,000	28,057
Lift station	26,000	26,000	31,227
Automotive	200	200	40
Tools and equipment	20,000	20,000	19,422
Office	1,000	1,000	700
Operating	12,000	12,000	13,535
COVID-19	-	-	2,902
Chemicals	80,000	80,000	83,464
Total commodities	180,600	180,600	183,310

(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, 2020

	Original Budget	Final Budget	Actual
SEWER DEPARTMENT (Continued)			
Sewer facilities (Continued)			
Contractual services			
Dues and publications	\$ 5,400	\$ 5,400	\$ 3,627
Physical exams	250	250	330
Printing	1,000	1,000	394
Training and meeting	4,500	4,500	3,548
Building grounds	18,000	18,000	23,507
Professional services sewer	30,000	30,000	31,957
Maintenance equipment	130,000	130,000	146,783
Electricity	275,000	275,000	256,711
Heating	8,500	8,500	8,338
Telephone data	3,200	3,200	2,731
Sludge disposal	90,000	90,000	82,717
Testing	13,500	13,500	10,094
Total contractual services	579,350	579,350	570,737
Capital outlay	299,825	299,825	295,959
Total sewer facilities	2,150,356	2,150,356	2,080,392
Sewer underground			
Personnel services			
Employee salaries	652,199	652,199	506,684
Employee overtime	32,400	32,400	16,676
FICA/Medicare/IMRF	131,719	131,719	73,414
Health insurance	118,709	118,709	118,959
Compensated absences	-	-	(13,590)
Longevity	3,811	3,811	2,008
Other post employment benefits	40,000	40,000	-
Sick leave incentive	6,292	6,292	3,266
Total personnel services	985,130	985,130	707,417
Commodities			
Street	33,000	33,000	31,975
Maintenance materials	35,000	35,000	31,709
Sanitary sewer	28,000	28,000	25,965
Tools and equipment	9,000	9,000	9,072
Office	300	300	79
Operating	8,500	8,500	8,864
COVID-19	-	-	203
Valves and pipes	105,000	105,000	91,394
Total commodities	218,800	218,800	199,261

(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, 2020

	Original Budget	Final Budget	Actual
SEWER DEPARTMENT (Continued)			
Sewer underground (Continued)			
Contractual services			
Dues and publications	\$ 600	\$ 600	\$ 282
Physical exams	1,500	1,500	1,344
Printing	1,200	1,200	-
Training and meeting	5,000	5,000	695
Other service	45,000	45,000	35,215
Maintenance equipment	107,500	107,500	-
Maintenance building and grounds	1,200	1,200	178
Telephone data	2,000	2,000	1,860
Total contractual services	164,000	164,000	39,574
Capital outlay	1,875,978	1,875,978	916,684
Total sewer underground	3,243,908	3,243,908	1,862,936
Total sewer department	5,394,264	5,394,264	3,943,328
TOTAL OPERATING EXPENSES, EXCLUDING AMORTIZATION AND DEPRECIATION	\$ 9,007,502	\$ 9,007,502	\$ 6,087,295

(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, 2020

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Employer contributions	\$ 3,488,750	\$ 3,488,750	\$ 3,471,941
Employee contributions	385,000	385,000	346,890
Non-employee insurance contributions	294,000	294,000	283,189
	<hr/>		
Total operating revenues	4,167,750	4,167,750	4,102,020
	<hr/>		
OPERATING EXPENSES			
Operations			
Health insurance	3,596,055	3,596,055	3,059,666
Risk management	749,000	749,000	601,182
	<hr/>		
Total operating expenses	4,345,055	4,345,055	3,660,848
	<hr/>		
CHANGE IN NET POSITION	\$ (177,305)	\$ (177,305)	441,172
	<hr/>		
NET POSITION, JANUARY 1			228,285
	<hr/>		
NET POSITION, DECEMBER 31			\$ 669,457
	<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, 2020

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 18,862	\$ 7,967	\$ 26,829
Investments, at fair value			
Money market mutual funds	693,590	447,244	1,140,834
U.S. Treasury obligations	13,331,067	1,212,653	14,543,720
U.S. agency obligations	519,535	8,128,580	8,648,115
Municipal bonds	158,749	1,411,963	1,570,712
Equities	23,199,319	-	23,199,319
Corporate bonds	5,377,007	1,931,001	7,308,008
Equity mutual funds	13,012,891	16,999,079	30,011,970
Negotiable CDs	-	454,379	454,379
Receivables			
Accrued interest	100,674	63,175	163,849
Prepaid expenses	250	4,443	4,693
Due from other funds	71,790	-	71,790
Total assets	56,483,734	30,660,484	87,144,218
LIABILITIES			
Accounts payable	2,475	26,832	29,307
Due to other funds	-	9,385	9,385
Total liabilities	2,475	36,217	38,692
NET POSITION RESTRICTED FOR PENSION BENEFITS			
	\$ 56,481,259	\$ 30,624,267	\$ 87,105,526

(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, 2020

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ADDITIONS			
Contributions			
Employer contributions	\$ 2,587,290	\$ 1,242,538	\$ 3,829,828
Employee contributions	864,483	365,373	1,229,856
Total contributions	3,451,773	1,607,911	5,059,684
Investment income			
Net appreciation in fair value of investments	6,327,137	3,155,925	9,483,062
Interest	919,624	696,147	1,615,771
Total investment income	7,246,761	3,852,072	11,098,833
Less investment expense	(186,186)	(82,740)	(268,926)
Net investment income	7,060,575	3,769,332	10,829,907
Total additions	10,512,348	5,377,243	15,889,591
DEDUCTIONS			
Administration	34,629	46,261	80,890
Pension benefits and refunds	3,373,233	1,476,846	4,850,079
Total deductions	3,407,862	1,523,107	4,930,969
NET INCREASE	7,104,486	3,854,136	10,958,622
NET POSITION RESTRICTED FOR PENSION BENEFITS			
January 1	49,376,773	26,770,131	76,146,904
December 31	\$ 56,481,259	\$ 30,624,267	\$ 87,105,526

(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

	2012	2013	2014	2015
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 68,905,034	\$ 67,264,235	\$ 71,003,712	\$ 74,204,672
Restricted	4,181,749	3,862,323	4,363,328	4,925,886
Unrestricted (deficit)	(514,535)	1,528,171	1,645,509	219,766
TOTAL GOVERNMENTAL ACTIVITIES	\$ 72,572,248	\$ 72,654,729	\$ 77,012,549	\$ 79,350,324
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 33,583,685	\$ 32,738,403	\$ 33,383,375	\$ 34,242,241
Restricted	-	-	-	-
Unrestricted	4,893,037	5,390,950	5,126,975	5,778,715
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 38,476,722	\$ 38,129,353	\$ 38,510,350	\$ 40,020,956
PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 102,488,719	\$ 100,002,638	\$ 104,387,087	\$ 108,446,913
Restricted	4,181,749	3,862,323	4,363,328	4,925,886
Unrestricted (deficit)	4,378,502	6,919,121	6,772,484	5,998,481
TOTAL PRIMARY GOVERNMENT	\$ 111,048,970	\$ 110,784,082	\$ 115,522,899	\$ 119,371,280

*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

2015**/**	2016	2017	2018	2019	2020
\$ 75,256,131	\$ 77,315,341	\$ 78,656,860	\$ 79,537,829	\$ 81,259,672	\$ 91,880,072
5,137,307	5,791,953	5,187,438	4,603,456	5,704,482	6,246,116
(34,740,782)	(40,198,459)	(38,725,948)	(38,313,994)	(33,736,773)	(27,767,595)
\$ 45,652,656	\$ 42,908,835	\$ 45,118,350	\$ 45,827,291	\$ 53,227,381	\$ 70,358,593
\$ 34,640,323	\$ 34,826,165	\$ 34,305,976	\$ 33,628,101	\$ 34,368,493	\$ 34,783,848
-	-	-	-	-	-
5,857,453	7,156,460	8,568,243	9,397,368	8,214,924	9,217,287
\$ 40,497,776	\$ 41,982,625	\$ 42,874,219	\$ 43,025,469	\$ 42,583,417	\$ 44,001,135
\$ 109,896,454	\$ 112,141,506	\$ 112,962,836	\$ 113,165,930	\$ 115,628,165	\$ 126,663,920
5,137,307	5,791,953	5,187,438	4,603,456	5,704,482	6,246,116
(28,883,329)	(33,041,999)	(30,157,705)	(28,916,626)	(25,521,849)	(18,550,308)
\$ 86,150,432	\$ 84,891,460	\$ 87,992,569	\$ 88,852,760	\$ 95,810,798	\$ 114,359,728

VILLAGE OF CARPENTERSVILLE, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

	2012	2013*	2014	2015
EXPENSES				
Governmental Activities				
General government	\$ 2,722,030	\$ 2,281,909	\$ 3,463,699	\$ 3,068,941
Public safety	14,157,163	17,077,983	16,729,905	17,426,252
Highways and streets	7,656,046	8,215,225	8,603,291	8,884,557
Community development	1,443,759	1,818,908	1,294,810	1,376,258
Culture and recreation	211,356	136,440	193,463	184,862
Interest and fiscal charges	1,493,384	1,460,952	1,385,304	1,426,663
Total governmental activities expenses	27,683,738	30,991,417	31,670,472	32,367,533
Business-Type Activities				
Water and sewer	7,579,013	8,310,778	7,962,573	7,872,584
Total business-type activities expenses	7,579,013	8,310,778	7,962,573	7,872,584
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 35,262,751	\$ 39,302,195	\$ 39,633,045	\$ 40,240,117
PROGRAM REVENUES				
Governmental Activities				
Charges for services				
General government	\$ 734,263	\$ 697,551	\$ 1,303,596	\$ 852,819
Public safety	2,034,826	2,299,566	1,363,971	1,409,904
Highways and streets	1,007,358	1,256,200	764,335	749,638
Community development	244,260	362,249	19,450	7,360
Operating grants and contributions	540,523	584,260	2,368,312	2,418,801
Capital grants and contributions	2,532,024	1,786,938	2,335,740	3,202,586
Total governmental activities program revenues	7,093,254	6,986,764	8,155,404	8,641,108
Business-Type Activities				
Charges for services				
Water and sewer	6,972,009	7,776,607	8,184,588	8,419,290
Operating grants and contributions	-	-	6,072	-
Capital grants and contributions	30,000	266,496	1,255,682	968,186
Total business-type activities program revenues	7,002,009	8,043,103	9,446,342	9,387,476
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 14,095,263	\$ 15,029,867	\$ 17,601,746	\$ 18,028,584
NET REVENUES (EXPENSES)				
Governmental activities	\$ (20,590,484)	\$ (24,004,653)	\$ (23,515,068)	\$ (23,726,425)
Business-type activities	(577,004)	(267,675)	1,483,769	1,514,892
TOTAL PRIMARY GOVERNMENT NET REVENUES (EXPENSES)	\$ (21,167,488)	\$ (24,272,328)	\$ (22,031,299)	\$ (22,211,533)

2015**	2016	2017	2018	2019	2020
\$ 4,434,143	\$ 5,842,206	\$ 5,716,921	\$ 5,797,126	\$ 6,408,661	\$ 5,509,036
14,410,997	21,024,906	19,017,381	19,091,750	18,872,493	15,800,960
5,863,027	5,461,639	7,834,909	6,016,386	6,331,107	6,036,163
881,623	6,734,523	3,079,480	2,362,334	1,421,358	1,471,839
251,617	208,151	211,155	344,341	387,867	313,758
1,017,569	1,479,485	1,384,460	1,363,879	1,307,506	1,339,983
26,858,976	40,750,910	37,244,306	34,975,816	34,728,992	30,471,739
5,520,811	7,862,533	8,271,157	8,471,699	7,999,648	7,559,814
5,520,811	7,862,533	8,271,157	8,471,699	7,999,648	7,559,814
<u>\$ 32,379,787</u>	<u>\$ 48,613,443</u>	<u>\$ 45,515,463</u>	<u>\$ 43,447,515</u>	<u>\$ 42,728,640</u>	<u>\$ 38,031,553</u>
\$ 640,512	\$ 631,980	\$ 687,453	\$ 854,776	\$ 771,160	\$ 704,485
1,104,987	1,682,400	1,728,952	1,666,247	1,547,282	1,896,951
491,853	754,965	786,393	795,002	810,681	807,423
1,190	2,348	2,500	2,930	5,237	2,150
1,812,675	2,314,793	2,478,172	2,313,423	2,688,759	6,021,825
1,018,727	2,197,856	1,446,530	281,519	1,138,562	4,434,432
5,069,944	7,584,342	7,130,000	5,913,897	6,961,681	13,867,266
6,132,405	8,565,644	8,578,759	8,607,997	8,638,062	8,863,120
-	-	-	-	-	-
-	691,246	-	-	-	-
6,132,405	9,256,890	8,578,759	8,607,997	8,638,062	8,863,120
<u>\$ 11,202,349</u>	<u>\$ 16,841,232</u>	<u>\$ 15,708,759</u>	<u>\$ 14,521,894</u>	<u>\$ 15,599,743</u>	<u>\$ 22,730,386</u>
\$ (21,789,032)	\$ (33,166,568)	\$ (30,114,306)	\$ (29,061,919)	\$ (27,767,311)	\$ (16,604,473)
611,594	1,394,357	307,602	136,298	638,414	1,303,306
<u>\$ (21,177,438)</u>	<u>\$ (31,772,211)</u>	<u>\$ (29,806,704)</u>	<u>\$ (28,925,621)</u>	<u>\$ (27,128,897)</u>	<u>\$ (15,301,167)</u>

VILLAGE OF CARPENTERSVILLE, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

	2012	2013*	2014	2015
GENERAL REVENUES AND OTHER				
CHANGES IN NET POSITION				
Governmental Activities				
Taxes				
Property	\$ 8,926,796	\$ 11,540,085	\$ 12,153,210	\$ 12,712,189
Sales and use	7,172,770	6,587,215	6,555,619	7,791,885
Utility	1,445,519	1,466,585	1,620,073	1,562,992
Local motor fuel	-	-	266,189	262,310
Other	472,682	402,736	840,258	818,428
Intergovernmental	2,494,821	3,396,732	3,843,504	3,857,758
Investment earnings	205,844	44,093	46,941	(190,127)
Miscellaneous	544,901	549,688	529,558	520,791
Contributions	22,857	-	-	-
Gain of sale of capital assets	-	-	24,946	22,032
Transfers	-	100,000	1,159,903	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total governmental activities	21,286,190	24,087,134	27,040,201	27,358,258
Business-Type Activities				
Investment earnings	6,882	14,177	12,488	(79,508)
Miscellaneous	14,476	6,129	274,609	75,222
Transfers	-	(100,000)	(1,159,903)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total business-type activities	21,358	(79,694)	(872,806)	(4,286)
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL PRIMARY GOVERNMENT	\$ 21,307,548	\$ 24,007,440	\$ 26,167,395	\$ 27,353,972
CHANGE IN NET POSITION				
Governmental activities	\$ 695,706	\$ 82,481	\$ 3,525,133	\$ 3,631,833
Business-type activities	(555,646)	(347,369)	610,963	1,510,606
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL PRIMARY GOVERNMENT	\$ 140,060	\$ (264,888)	\$ 4,136,096	\$ 5,142,439
CHANGE IN NET POSITION	\$ 140,060	\$ (264,888)	\$ 4,136,096	\$ 5,142,439

*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

2015**	2016	2017	2018	2019	2020
\$ 13,319,443	\$ 14,023,894	\$ 14,610,907	\$ 14,863,211	\$ 15,489,619	\$ 15,084,530
5,842,939	9,212,975	10,010,365	10,325,321	10,478,370	11,178,386
815,235	1,509,812	1,480,023	1,557,320	1,450,058	1,478,562
278,952	297,557	357,185	279,049	287,057	296,948
533,952	763,269	750,314	755,059	718,574	584,758
2,717,696	3,846,520	3,682,765	3,818,229	4,262,369	4,329,948
(177)	88,510	219,868	343,239	689,741	168,580
387,797	663,942	521,533	567,635	490,725	613,973
-	-	-	-	-	-
9,640	16,268	-	-	-	-
(635,792)	-	-	(65,098)	1,300,888	-
23,269,685	30,422,747	31,632,960	32,443,965	35,167,401	33,735,685
8,131	14,449	90,626	112,249	136,822	28,137
34,593	76,043	90,040	96,176	83,600	86,275
635,792	-	-	65,098	(1,300,888)	-
678,516	90,492	180,666	273,523	(1,080,466)	114,412
\$ 23,948,201	\$ 30,513,239	\$ 31,813,626	\$ 32,717,488	\$ 34,086,935	\$ 33,850,097
\$ 1,480,653	\$ (2,743,821)	\$ 1,518,654	\$ 3,382,046	\$ 7,400,090	\$ 17,131,212
1,290,110	1,484,849	488,268	409,821	(442,052)	1,417,718
\$ 2,770,763	\$ (1,258,972)	\$ 2,006,922	\$ 3,791,867	\$ 6,958,038	\$ 18,548,930

VILLAGE OF CARPENTERSVILLE, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2012	2013	2014	2015
GENERAL FUND				
Nonspendable				
Prepaid items	\$ 281,293	\$ 299,982	\$ 28,969	\$ 39,896
Advances	-	-	-	-
Restricted				
Police department programs	82,527	32,947	53,862	-
Asset forfeiture	-	-	192,132	186,941
Assigned				
Community improvements	-	-	42,178	107,268
Subsequent year's budget	-	-	531,084	-
Carryforwards	93,980	445,873	118,750	50,000
Future cash flow	-	-	-	-
Capital projects	-	-	-	704,297
Unassigned	4,178,189	4,594,252	5,243,591	6,262,055
TOTAL GENERAL FUND	\$ 4,635,989	\$ 5,373,054	\$ 6,210,566	\$ 7,350,457
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable				
Prepaid items	\$ -	\$ -	\$ 429	\$ 142
Park trust principal	54,043	54,611	393,150	382,295
Advances	-	-	80,665	-
Restricted				
Police department programs	-	-	-	64,380
Street maintenance	1,305,370	1,426,332	970,130	1,021,369
Capital projects	6,617,269	1,985,129	-	8,226,672
Public improvements	909,777	1,983,547	2,078,205	2,706,045
Fire purposes	38,248	36,692	26,710	22,849
Debt service	892,900	803,049	649,139	542,007
Assigned				
Capital projects	212,195	1,473,791	1,698,024	1,146,254
Carryforwards	-	904,362	1,482,780	-
Unassigned, reported in				
Special revenue funds	(45,641)	(18,178)	(91,333)	(237,456)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 9,984,161	\$ 8,649,335	\$ 7,287,899	\$ 13,874,557

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

Data Source

Audited Financial Statements

2015*	2016	2017	2018	2019	2020
\$ 69,206	\$ 32,975	\$ 36,792	\$ 40,405	\$ 41,809	\$ 76,683
1,835,711	2,664,345	2,297,084	3,231,527	2,631,527	2,631,527
-	-	-	-	-	-
189,143	187,666	125,841	140,221	190,786	156,640
182,588	75,237	167,688	304,455	584,410	837,001
861,587	-	-	-	-	1,929,524
-	-	-	-	-	-
1,627,588	-	-	-	-	-
-	-	-	-	-	-
3,981,550	6,119,932	8,130,784	10,508,634	13,778,441	11,630,461
<u>\$ 8,747,373</u>	<u>\$ 9,080,155</u>	<u>\$ 10,758,189</u>	<u>\$ 14,225,242</u>	<u>\$ 17,226,973</u>	<u>\$ 17,261,836</u>
\$ 141	\$ 1,100	\$ 1,100	\$ 1,000	\$ 1,500	\$ 1,000
353,783	355,852	340,063	297,172	340,010	356,393
-	-	-	-	-	-
74,905	87,082	92,496	94,189	89,202	83,668
554,538	760,557	829,843	1,279,287	1,469,218	1,973,258
6,716,035	5,403,103	3,595,525	3,823,566	-	-
3,243,327	3,318,079	2,303,508	1,374,194	1,828,583	1,849,950
41,752	46,759	40,795	41,486	45,348	56,050
679,859	1,035,958	1,454,892	1,376,907	1,741,335	1,770,157
2,729,164	2,101,872	441,795	576,590	1,368,483	839,556
-	1,652,233	3,127,445	2,237,817	2,611,376	4,554,617
(2,222,575)	(6,970,139)	(6,603,468)	(5,981,713)	(5,209,098)	(4,323,206)
<u>\$ 12,170,929</u>	<u>\$ 7,792,456</u>	<u>\$ 5,623,994</u>	<u>\$ 5,120,495</u>	<u>\$ 4,285,957</u>	<u>\$ 7,161,443</u>

VILLAGE OF CARPENTERSVILLE, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2012	2013	2014	2015
REVENUES				
Taxes	\$ 20,522,991	\$ 23,393,353	\$ 21,435,351	\$ 23,147,804
Intergovernmental	3,772,840	3,062,165	6,827,783	7,186,475
Licenses and permits	1,416,228	1,506,600	1,201,973	696,017
Fines and forfeitures	545,393	416,421	426,802	368,281
Charges for services	1,774,945	2,138,241	1,721,881	1,849,974
Investment income	227,365	44,093	46,941	(190,127)
Miscellaneous	550,580	409,238	628,003	625,245
Total revenues	28,810,342	30,970,111	32,288,734	33,683,669
EXPENDITURES				
General government	2,664,634	3,068,266	3,302,152	3,396,854
Public safety	13,620,554	15,558,217	15,673,106	16,475,061
Public works	5,108,788	5,494,017	5,888,530	6,187,517
Community development	1,457,576	1,816,542	1,299,271	1,258,329
Culture and recreation	207,653	133,078	190,218	165,119
Debt service				
Principal	1,505,211	1,597,889	2,120,233	1,373,712
Interest	1,492,405	1,459,828	1,426,366	1,357,644
Capital outlay	10,189,531	2,893,822	4,689,098	4,538,828
Total expenditures	36,246,352	32,021,659	34,588,974	34,753,064
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(7,436,010)	(1,051,548)	(2,300,240)	(1,069,395)
OTHER FINANCING SOURCES (USES)				
Transfers in	796,337	1,339,868	3,227,398	578,287
Transfers (out)	(796,337)	(1,239,868)	(2,177,165)	(578,287)
Bonds issued	-	-	-	8,278,960
Premium on bonds issued	-	-	-	494,952
Capital lease	-	350,000	-	-
Payment to escrow agent	-	-	-	-
Sale of capital assets	46,808	3,787	24,946	22,032
Total other financing sources (uses)	46,808	453,787	1,075,179	8,795,944
NET CHANGE IN FUND BALANCES	\$ (7,389,202)	\$ (597,761)	\$ (1,225,061)	\$ 7,726,549
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES				
	7.12%	7.47%	9.52%	8.72%

*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

	2015*	2016	2017	2018	2019	2020
\$	20,790,521	\$ 25,807,506	\$ 27,208,794	\$ 27,779,960	\$ 28,423,678	\$ 28,326,236
	5,549,098	6,989,756	7,623,456	6,448,019	8,090,620	12,516,423
	572,249	518,516	584,640	688,925	632,606	517,345
	311,764	417,241	438,860	451,677	474,839	337,687
	1,264,798	2,004,875	2,039,412	2,034,845	1,870,222	2,304,127
	(177)	88,510	219,868	290,866	689,741	168,580
	477,528	793,281	647,930	665,466	596,752	640,204
	28,965,781	36,619,685	38,762,960	38,359,758	40,778,458	44,810,602
	4,212,505	5,790,986	5,917,096	5,476,366	5,576,828	5,894,421
	12,826,029	17,695,839	17,835,253	18,508,740	18,827,495	18,673,271
	2,423,308	3,509,948	3,516,639	3,503,422	3,503,681	3,038,403
	885,561	5,689,024	2,018,075	2,348,239	1,424,367	1,488,850
	139,968	173,095	225,990	248,411	272,285	239,730
	4,685,850	1,445,040	1,373,950	1,453,928	1,871,920	1,923,620
	1,603,944	1,527,048	1,438,769	1,393,490	1,337,117	1,415,055
	5,791,001	4,488,677	6,970,627	3,577,708	7,148,196	9,444,647
	32,568,166	40,319,657	39,296,399	36,510,304	39,961,889	42,117,997
	(3,602,385)	(3,699,972)	(533,439)	1,849,454	816,569	2,692,605
	2,911,650	6,287,527	2,905,571	2,193,593	3,483,862	8,575,513
	(2,911,650)	(6,587,527)	(2,905,571)	(1,142,705)	(2,182,974)	(8,575,513)
	2,920,000	4,640,420	-	-	-	10,995,000
	366,033	-	-	-	-	1,919,858
	-	-	-	-	-	-
	-	(4,705,790)	-	-	-	(12,771,398)
	9,640	19,651	43,021	63,202	49,736	74,284
	3,295,673	(345,719)	43,021	1,114,090	1,350,624	217,744
\$	(306,712)	\$ (4,045,691)	\$ (490,418)	\$ 2,963,544	\$ 2,167,193	\$ 2,910,349
	21.53%	8.03%	7.90%	8.42%	9.46%	9.95%

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
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	513,808,188	66,907,968	13,499,029	733,835	594,949,020	594,949,020	2.2772	1,784,847,060	33.333%
2019	559,380,237	67,844,400	13,470,508	671,251	641,366,396	641,366,396	2.1124	1,924,099,188	33.333%
2020	587,309,051	70,004,289	21,246,094	699,559	679,258,993	679,258,993	1.9925	2,037,776,979	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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Village Direct Tax Rates										
Carpentersville Village	1.9613	2.2993	2.6707	2.9454	2.9299	2.6052	2.3852	2.2772	2.1124	1.9925
Total direct tax rates	1.9613	2.2993	2.6707	2.9454	2.9299	2.6052	2.3852	2.2772	2.1124	1.9925
Overlapping Rates										
School District 300 residents										
Kane County	0.3990	0.4336	0.4623	0.3794	0.3914	0.3401	0.4025	0.3877	0.3739	0.3618
Kane County Forest Preserve	0.2609	0.2710	0.3039	0.3059	0.2882	0.2193	0.1657	0.1607	0.1549	0.1477
Dundee Township	0.1854	0.2143	0.3261	0.2265	0.2164	0.1973	0.0783	0.0754	0.0728	0.0719
Dundee Township Road Funds	0.0838	0.0958	-	0.1112	0.1146	0.0988	0.0986	0.0950	0.0917	0.0899
School District 300	4.7987	5.6752	6.3182	6.5000	7.1667	5.9196	5.7240	5.6964	5.4778	5.3822
Elgin Community College 509	0.4454	0.5215	0.5707	0.5994	0.6260	0.5223	0.4999	0.5075	0.4865	0.4439
Dundee Park District	0.4553	0.5145	0.6269	0.5873	0.5841	0.5348	0.5643	0.5445	0.5178	0.4750
Fox River Valley Public Library	0.1582	0.1811	0.2061	0.1949	0.1876	0.1808	0.1864	0.1798	0.1737	0.1705

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 Nine Years Ago

Taxpayer	Type of Business	2020			2012		
		Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Equalized Assessed Valuation	Rank	Percentage of Total Village Taxable Assessed Valuation
Wal-Mart	Retail Store	\$ 6,341,897	1	0.93%			
Steadfast Foxview	Real Property	5,407,898	2	0.80%	\$ 4,850,653	3	0.98%
Menard Inc.	Shopping Center	4,186,600	3	0.62%	4,522,209	4	0.91%
Meadowdale Apartments	Rental Properties	4,118,186	4	0.61%	2,199,671	8	0.44%
Meadowdale Apartments	Rental Properties	4,118,185	5	0.61%			
Meadowdale Apartments	Rental Properties	4,112,491	6	0.61%			
Meadowdale Shopping Center	Shopping Center	3,244,588	7	0.48%			
Improved Besinger Properties LLC	Rental Properties	2,776,853	8	0.41%	2,711,055	5	0.55%
Springhill Marketplace LLC	Shopping Center	2,266,440	9	0.33%			
PCCR USA, Inc.	Industrial	2,233,442	10	0.33%	2,214,729	7	0.45%
Springhill Mall	Shopping Center				7,397,048	1	1.49%
Woodmans	Grocery Store				5,725,260	2	1.16%
Trust #1-04-112	Trust				2,252,460	6	0.45%
TKJ Enterprises	Industrial				1,856,935	9	0.37%
Dominick's	Grocery Store				1,806,181	10	0.36%
TOTAL		<u>\$ 38,806,580</u>		<u>5.73%</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
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	13,221,676	13,191,216	99.77%	-	13,191,216	99.77%
2018	13,548,304	13,520,155	99.79%	-	13,520,155	99.79%
2019	13,548,307	13,520,397	99.79%	-	13,520,397	99.79%
2020	13,533,950	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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General merchandise	\$ 236,477	\$ 235,259	\$ 241,561	\$ 235,998	\$ 242,394	\$ 553,070	\$ 823,885	\$ 848,641	\$ 817,135	\$ 767,193
Food	1,231,555	1,197,703	1,142,340	1,190,412	1,250,684	1,236,176	1,312,199	1,281,128	1,360,153	1,461,535
Drinking and eating places	262,081	267,660	260,813	273,561	293,052	314,337	323,766	363,092	397,871	401,723
Apparel	30,918	29,881	30,732	29,167	30,989	37,363	32,878	32,554	35,983	16,331
Furniture, H.H. and radio	21,262	24,260	30,475	25,605	23,009	11,870	9,321	8,299	6,241	7,585
Lumber, building hardware	442,041	467,955	502,991	531,175	573,956	590,646	588,438	574,196	602,700	743,825
Automobile and filling stations	426,062	362,788	356,635	360,741	315,151	270,892	296,100	322,253	285,336	279,586
Drugs and miscellaneous retail	251,908	262,480	286,637	281,545	174,540	364,829	353,292	325,602	333,616	365,715
Agriculture and all others	74,663	76,466	73,582	69,695	215,318	94,169	88,425	148,646	120,600	98,021
Manufacturers	19,454	19,004	19,536	18,143	15,944	25,806	34,932	34,868	32,985	26,397
Other	-	-	-	-	-	-	-	-	-	-
TOTAL	\$ 2,996,421	\$ 2,943,456	\$ 2,945,302	\$ 3,016,042	\$ 3,135,037	\$ 3,499,158	\$ 3,863,236	\$ 3,939,279	\$ 3,992,620	\$ 4,167,911
VILLAGE DIRECT SALES TAX RATE	1.00%									

Data Source

Illinois Department of Revenue

VILLAGE OF CARPENTERSVILLE, ILLINOIS

HOME RULE SALES TAX BY CATEGORY

Last Eight Calendar Years

Calendar Year	2013	2014	2015	2016	2017	2018	2019	2020
General merchandise	\$ 359,104	\$ 418,572	\$ 478,214	\$ 871,808	\$ 1,183,484	\$ 1,163,428	\$ 1,025,401	\$ 950,181
Food	575,416	705,585	898,917	896,526	1,004,735	995,216	1,091,686	1,119,545
Drinking and eating places	390,459	478,347	582,831	621,624	639,314	715,259	783,127	789,351
Apparel	46,098	51,318	61,977	74,726	65,756	65,108	71,962	32,662
Furniture, H.H. and radio	45,711	44,957	45,962	23,739	18,641	16,600	12,483	15,170
Lumber, building hardware	746,834	921,975	1,136,512	1,169,960	1,165,545	1,136,742	1,188,139	1,472,247
Automobile and filling stations	498,398	568,086	546,385	466,224	522,469	554,160	488,524	399,299
Drugs and miscellaneous retail	236,977	262,021	108,161	362,049	343,657	310,804	310,998	369,660
Agriculture and all others	99,376	107,216	344,364	176,122	165,780	270,548	223,146	176,384
Manufacturers	28,662	30,826	30,994	50,945	69,182	69,050	65,207	52,234
TOTAL	\$ 3,027,035	\$ 3,588,903	\$ 4,234,317	\$ 4,713,723	\$ 5,178,563	\$ 5,296,915	\$ 5,260,673	\$ 5,376,733

Information for 2011 - 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				Total Primary Government	Percentage of Actual Taxable Value of Property *	Per Capita **
	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			
		Unamortized Bond Discount	Unamortized Bond Premium				Unamortized Bond Discount	Unamortized Bond Premium				
2012	\$ 30,500,150	\$ -	\$ 82,299	\$ -	\$ 171,934	\$ 7,414,850	\$ -	\$ 68,655	\$ 11,340,231	\$ 49,578,119	3.33%	\$ 1,297.99
2013	29,016,800	-	72,919	292,772	114,623	6,978,200	-	62,685	10,479,272	47,017,271	3.52%	1,231.00
2014	27,069,650	-	53,306	177,000	57,312	6,380,350	-	53,305	9,596,351	43,387,274	3.41%	1,135.91
2015	34,149,760	-	535,744	59,450	-	15,415,240	-	814,050	623,404	51,597,648	4.06%	1,350.87
2015***	32,443,360	-	830,776	-	-	14,326,640	-	1,066,723	2,255,126	50,922,625	3.81%	1,329.88
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	2.75%	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
2019	27,664,980	-	658,108	-	-	8,484,120	-	525,039	1,860,819	39,193,066	2.20%	1,023.56
2020	24,066,360	-	2,468,614	-	-	7,001,740	-	407,807	1,756,526	35,701,047	1.75%	932.36

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

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

**See the Schedule of Demographic and Economic Information for personal income and population data.

***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

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 Personal Income*	Per Capita**
	General Obligation Bonds	General Obligation Bonds			Unamortized Bond Discount	Unamortized Bond Premium	Unamortized Bond Discount	Unamortized Bond Premium		
2012	\$ 30,500,150	\$ 7,414,850	\$ 883,704	\$ 37,031,296	\$ -	\$ 82,299	\$ -	\$ 68,655	2.49%	\$ 969.51
2013	29,016,800	6,978,200	803,049	35,191,951	-	72,919	-	62,685	2.63%	921.35
2014	27,069,650	6,380,350	649,279	32,800,721	-	53,306	-	53,305	2.58%	858.75
2015	34,149,760	15,415,240	542,007	49,022,993	-	535,744	-	814,050	3.85%	1,283.46
2015***	32,443,360	14,326,640	697,859	46,072,141	-	830,776	-	1,066,723	3.45%	1,203.21
2016	31,313,890	13,307,110	1,037,058	43,583,942	-	773,249	-	945,662	2.86%	1,138.23
2017	29,939,940	12,146,060	1,455,992	40,630,008	-	715,723	-	824,601	2.44%	1,061.09
2018	29,536,900	9,913,100	1,377,907	38,072,093	-	719,464	-	642,271	2.13%	994.28
2019	27,664,980	8,484,120	1,742,835	34,406,265	-	658,108	-	525,039	1.79%	898.55
2020	24,066,360	7,001,740	1,771,157	29,296,943	-	2,468,614	-	407,807	1.44%	765.11

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

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

**See the Schedule of Demographic and Economic Information for population data

***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

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2020

	Applicable to Village		
	Outstanding Debt	Percent*	Amount
Village Direct Debt			
Carpentersville Village	\$ 26,534,974	100.00%	\$ 26,534,974
Overlapping Debt			
Kane County	22,100,000	4.28%	945,880
Kane County Forest Preserve	133,215,000	28.00%	37,300,200
Dundee Township	-	33.52%	-
Barrington School District 220	10,230,000	1.82%	186,186
School District 300	239,274,339	15.76%	37,709,636
Elgin Community College 509	162,125,146	4.64%	7,522,607
Harper College 512	103,580,000	0.28%	290,024
Dundee Park District	15,581,000	33.75%	5,258,588
Total overlapping debt	686,105,485		89,213,121
TOTAL	\$ 712,640,459		\$ 115,748,095

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

*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.

Data Source

Office of the County Clerk

VILLAGE OF CARPENTERSVILLE, ILLINOIS

LEGAL DEBT MARGIN

December 31, 2020

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**
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	5.9%
2019	38,291	817,397,977	21,347	29.4	21,143	6.0%
2020	38,291	817,397,977	21,347	29.4	20,023	7.1%

*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

Current Year and Eleven Years Ago

Employer	2019			2010		
	Number of Employees	Rank	% of Total Village Population	Number of Employees	Rank	% of Total Village Population
Otto Engineering Inc.	720	1	3.89%	470	1	1.54%
Revcor Inc.	400	2	2.16%	400	2	1.31%
Polynt Composites, U.S.A.	250	3	1.35%			
Trim Rite Food Corporation Inc.	200	4	1.08%	150	7	0.49%
Village of Carpentersville	136	5	0.73%	201	4	0.66%
Acme Industrial	125	6	0.68%			
KDM Enterprises, LLC	120	7	0.65%			
Grayhill Inc.	192	8	1.04%	120	8	0.39%
Stanley Machining & Tool Corp.	95	9	0.51%			
Tru Green Cos., LLC	75	10	0.41%			
Bulk Lift International Inc.				220	3	0.72%
Stanley Machining & Tool Corp.				105	10	0.34%
Avens Controls				120	9	0.39%
Hexian Specialty				200	5	0.65%
Hexian Specialty Chemicals				200	6	0.65%
TOTAL	2,313		12.50%	2,186		7.14%

Note: Information from nine years ago is not available.

Data Sources

2020 Illinois Manufacturers Directory & 2020 Illinois Services Directory
Local Phone Surveys

VILLAGE OF CARPENTERSVILLE, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2012	2013	2014	2015	2015*	2016	2017	2018	2019	2020
GENERAL GOVERNMENT										
Legislative	1.00	1.00	1.00	1.00	1.00	1.00	1.50	1.50	1.50	1.50
Administration	3.00	4.00	4.00	3.00	2.00	3.00	3.75	3.00	3.00	3.00
Finance	8.00	9.00	8.00	7.00	7.00	8.00	8.70	8.70	8.70	8.70
Information systems	2.00	2.00	2.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00
Community development	11.00	11.00	9.00	11.00	11.00	12.00	8.80	8.80	8.80	7.80
Public buildings	1.00	1.00	2.00	3.00	3.00	3.00	3.70	3.70	3.70	3.70
PUBLIC SAFETY										
Police personnel	71.00	70.00	70.00	70.00	70.00	68.00	67.25	67.75	67.75	68.00
Fire personnel	39.00	37.00	37.00	48.00	48.00	50.00	51.00	50.40	51.40	51.40
PUBLIC WORKS										
Administration	3.00	3.00	3.00	3.00	3.00	4.00	3.20	3.20	3.20	4.38
Engineering	-	-	-	-	-	-	2.30	2.00	2.00	2.00
Utilities - water	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.00	5.00	5.00
Utilities - underground water/sewer	8.00	8.00	8.00	8.00	8.00	8.00	8.30	7.50	7.50	9.40
Utilities - wastewater	6.00	6.00	5.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Street maintenance	12.00	12.00	11.00	15.00	14.00	14.00	16.50	14.80	14.80	14.80
Vehicle maintenance	2.00	3.00	3.00	3.00	3.00	3.00	3.25	3.25	3.25	3.00
Parks	1.00	1.00	1.00	1.00	1.00	2.00	1.50	2.40	2.40	2.40
TOTAL	174.00	174.00	170.00	189.00	187.00	191.00	194.75	191.00	192.00	194.08

*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	2012	2013	2014	2015	2015*	2016	2017	2018	2019	2020
GENERAL GOVERNMENT										
Number of permits issued	2,677	2,992	2,412	3,667	1,226	4,334	3,863	4,182	4,175	3,905
Building and engineering inspections	5,149	5,367	5,007	5,138	4,503	3,195	3,415	3,284	2,824	2,771
POLICE										
DUI arrests	106	128	108	24	52	85	45	43	62	35
Criminal arrests	1,759	1,684	1,420	374	895	1,381	2,946	1,752	2,248	2,228
Accidents	815	820	1,020	379	657	1,087	1,002	972	964	1,069
Ordinance enforcement	5,117	4,660	3,782	1,679	23,235	4,843	4,468	4,085	3,531	3,608
Total tickets	6,890	10,335	6,728	2,618	2,118	4,860	4,160	2,875	3,041	2,173
Total calls	17,786	16,296	16,952	5,720	11,180	17,194	17,731	17,268	21,809	19,856
FIRE										
Number of fire calls answered	967	882	1,289	843	592	1,129	1,268	1,271	1,350	738
Number of EMS calls answered	2,670	2,551	2,608	2,625	1,723	2,733	2,892	3,110	3,189	3,267
PUBLIC WORKS										
Tons of garbage collected	10,333	10,015	10,475	10,477	7,595	11,116	11,191	10,894	11,303	12,553
Tons of yard waste collected	1,882	1,302	1,816	1,582	1,753	1,938	1,717	1,702	1,476	1,572
Tons of recyclable material collected	3,451	3,284	3,421	3,264	2,414	3,460	3,341	3,206	3,244	3,312
Trees planted	-	28	201	302	223	234	31	37	62	65
Trees removed	687	803	522	385	273	259	297	149	136	120
Street sweeping (hours)	1,600	1,280	1,800	920	1,224	240	170	197	110	120
Snow removal (hours)	690	1,166	3,311	4,872	1,125	2,700	1,000	1,307	1,311	1,216
WATER AND SEWER										
Average daily consumption (gallons)	2,539,726	2,540,000	2,600,000	2,485,000	2,527,000	2,410,000	2,393,000	2,487,000	2,431,000	2,460,000
Meter installations	1,375	1,375	1,650	1,304	1,310	185	147	150	150	149
Catch basins/inlets cleaned	12	36	51	52	35	82	77	54	54	86

*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	2012	2013	2014	2015	2015**	2016	2017	2018	2019	2020
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	2	2
PUBLIC SAFETY										
Police										
Stations*	1	1	1	1	1	1	1	1	1	1
Number of squad cars	36	36	36	39	39	37	37	37	37	37
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Number of vehicles	13	14	14	14	14	15	15	15	14	14
PUBLIC WORKS										
Public works buildings	3	3	3	3	3	3	3	3	3	3
Number of bridges	1	1	1	1	1	1	1	1	1	1
Number of vehicles	28	26	26	28	28	31	31	31	32	32
Streets (miles)	30	30	96	96	96	96	96	96	96	96
WATER AND SEWER										
Water mains (miles)	120	120	128	128	128	128	128	128	128	128
Sanitary sewers (miles)	75	75	108	108	108	108	108	108	108	108
Storm sewers (miles)	104	104	87	87	87	87	87	87	95	95
Number of fire hydrants	1,592	1,592	1,642	1,629	1,629	1,638	1,638	1,638	1,651	1,651
Vehicles	N/A	26	24	27	27	26	26	26	21	21
COMMUNITY DEVELOPMENT										
Number of vehicles	11	11	11	11	11	9	10	10	6	6
CULTURE AND RECREATION										
Number of parks and playgrounds	5	5	5	5	5	5	5	5	5	5
Number of vehicles	4	4	4	3	3	2	2	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