

Village of Carpentersville, IL



Comprehensive Annual Financial Report

Eight Months Ended
December 31, 2015



VILLAGE OF CARPENTERSVILLE, ILLINOIS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Eight Months Ended
December 31, 2015

Prepared by the Finance Department

Hitesh Desai
Finance Director

VILLAGE OF CARPENTERSVILLE, ILLINOIS
TABLE OF CONTENTS

| | <u>Page(s)</u> |
|---|----------------|
| INTRODUCTORY SECTION | |
| Principal Officials | i |
| Organizational Chart | ii |
| Certificate of Achievement for Excellence in Financial Reporting..... | iii |
| Letter of Transmittal | iv-ix |
| FINANCIAL SECTION | |
| INDEPENDENT AUDITOR’S REPORT | 1-3 |
| GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS | |
| Management’s Discussion and Analysis..... | MD&A 1-16 |
| Basic Financial Statements | |
| Government-Wide Financial Statements | |
| Statement of Net Position..... | 4-5 |
| Statement of Activities | 6-7 |
| Fund Financial Statements | |
| Governmental Funds | |
| Balance Sheet..... | 8-9 |
| Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position..... | 10 |
| Statement of Revenues, Expenditures and Changes in Fund Balances | 11 |
| Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Governmental Activities in the Statement of Activities | 12 |

VILLAGE OF CARPENTERSVILLE, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)

Basic Financial Statements (Continued)

Fund Financial Statements (Continued)

Proprietary Funds

| | |
|--|-------|
| Statement of Net Position | 13-14 |
| Statement of Revenues, Expenses and Changes in Net Position..... | 15 |
| Statement of Cash Flows | 16-17 |

Fiduciary Funds

| | |
|---|----|
| Statement of Fiduciary Net Position..... | 18 |
| Statement of Changes in Fiduciary Net Position..... | 19 |

| | |
|-------------------------------------|-------|
| Notes to Financial Statements | 20-68 |
|-------------------------------------|-------|

Required Supplementary Information

| | |
|---|----|
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual | |
| General Fund | 69 |
| Tax Increment Financing District No. 3 (Route 25) Fund | 70 |
| Notes to Required Supplementary Information | 71 |
| Schedule of Funding Progress and Employer Contributions | |
| Other Postemployment Benefit Plan | 72 |
| Schedule of Employer Contributions | |
| Illinois Municipal Retirement Fund | 73 |
| Police Pension Fund | 74 |
| Firefighters' Pension Fund | 75 |
| Schedule of Changes in the Employer's Net Pension Liability and Related Ratios | |
| Illinois Municipal Retirement Fund | 76 |
| Police Pension Fund | 77 |
| Firefighters' Pension Fund | 78 |
| Schedule of Investment Returns | |
| Police Pension Fund | 79 |
| Firefighters' Pension Fund | 80 |

VILLAGE OF CARPENTERSVILLE, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

| | |
|--|-------|
| General Fund | |
| Schedule of Revenues - Budget and Actual | 81-82 |
| Schedule of Expenditures - Budget and Actual..... | 83 |
| Capital Improvement Program Fund | |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual..... | 84 |
| Debt Service Fund | |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual..... | 85 |

NONMAJOR GOVERNMENTAL FUNDS

| | |
|---|-------|
| Combining Balance Sheet | 86-87 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances | 88-89 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual | |
| Motor Fuel Tax Fund..... | 90 |
| Veterans' Memorial Garden Fund..... | 91 |
| Special Service Area No. 1 (Newport Cove) Fund | 92 |
| Special Service Area No. 2 (Oak Meadows) Fund..... | 93 |
| Special Service Area No. 3 (Keele Farms) Fund | 94 |
| Special Service Area No. 21 (White Oaks) Fund..... | 95 |
| Tax Increment Financing District No. 1 (Spring Hill) Fund | 96 |
| Foreign Fire Tax Board | 97 |
| Strengthening Families | 98 |
| Escrow Fund..... | 99 |
| Equipment Replacement Fund | 100 |
| Park Trust Fund | 101 |

VILLAGE OF CARPENTERSVILLE, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS
AND SCHEDULES (Continued)**

PROPRIETARY FUNDS

MAJOR ENTERPRISE FUND

Waterworks and Sewerage Fund

| | |
|---|---------|
| Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual | 102 |
| Schedule of Operating Expenses - Budget and Actual - Budgetary Basis | 103-106 |

INTERNAL SERVICE FUND

| | |
|---|-----|
| Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual | 107 |
|---|-----|

FIDUCIARY FUNDS

| | |
|--|-----|
| Combining Statement of Plan Net Position - Pension Trust Funds | 108 |
| Combining Statement of Changes in Plan Net Position Pension Trust Funds | 109 |

STATISTICAL SECTION

Financial Trends

| | |
|---|---------|
| Net Position by Component | 110-111 |
| Change in Net Position..... | 112-115 |
| Fund Balances of Governmental Funds..... | 116-117 |
| Changes in Fund Balances of Governmental Funds..... | 118-119 |

Revenue Capacity

| | |
|---|-----|
| Assessed Value and Actual Value of Taxable Property | 120 |
| Direct and Overlapping Property Tax Rates..... | 121 |
| Principal Property Taxpayers | 122 |
| Property Tax Levies and Collections | 123 |
| Sales Tax by Category..... | 124 |
| Home Rule Sales Tax by Category | 125 |

Debt Capacity

| | |
|---|-----|
| Ratios of Outstanding Debt by Type..... | 126 |
| Ratios of General Bonded Debt Outstanding | 127 |
| Direct and Overlapping Governmental Activities Debt | 128 |
| Legal Debt Margin | 129 |

VILLAGE OF CARPENTERSVILLE, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

STATISTICAL SECTION (Continued)

| | |
|---|-----|
| Demographic and Economic Information | |
| Demographic and Economic Information..... | 130 |
| Principal Employers | 131 |
| Operating Information | |
| Full-Time Equivalent Employees | 132 |
| Operating Indicators | 133 |
| Capital Asset Statistics | 134 |

INTRODUCTORY SECTION

PRINCIPAL OFFICIALS

December 31, 2015

Village President

Edward Ritter

Village Manager

J. Mark Rooney

Board of Trustees

Don Burroway

Paul Humpfer

Jeff Sabbe

Patricia Schultz

Ginger Stephens

Kevin Rehberg

Village Clerk

Therese Wilde

Department Directors

Bob Cole, *Director of Public Works*

Hitesh Desai, *Director of Finance*

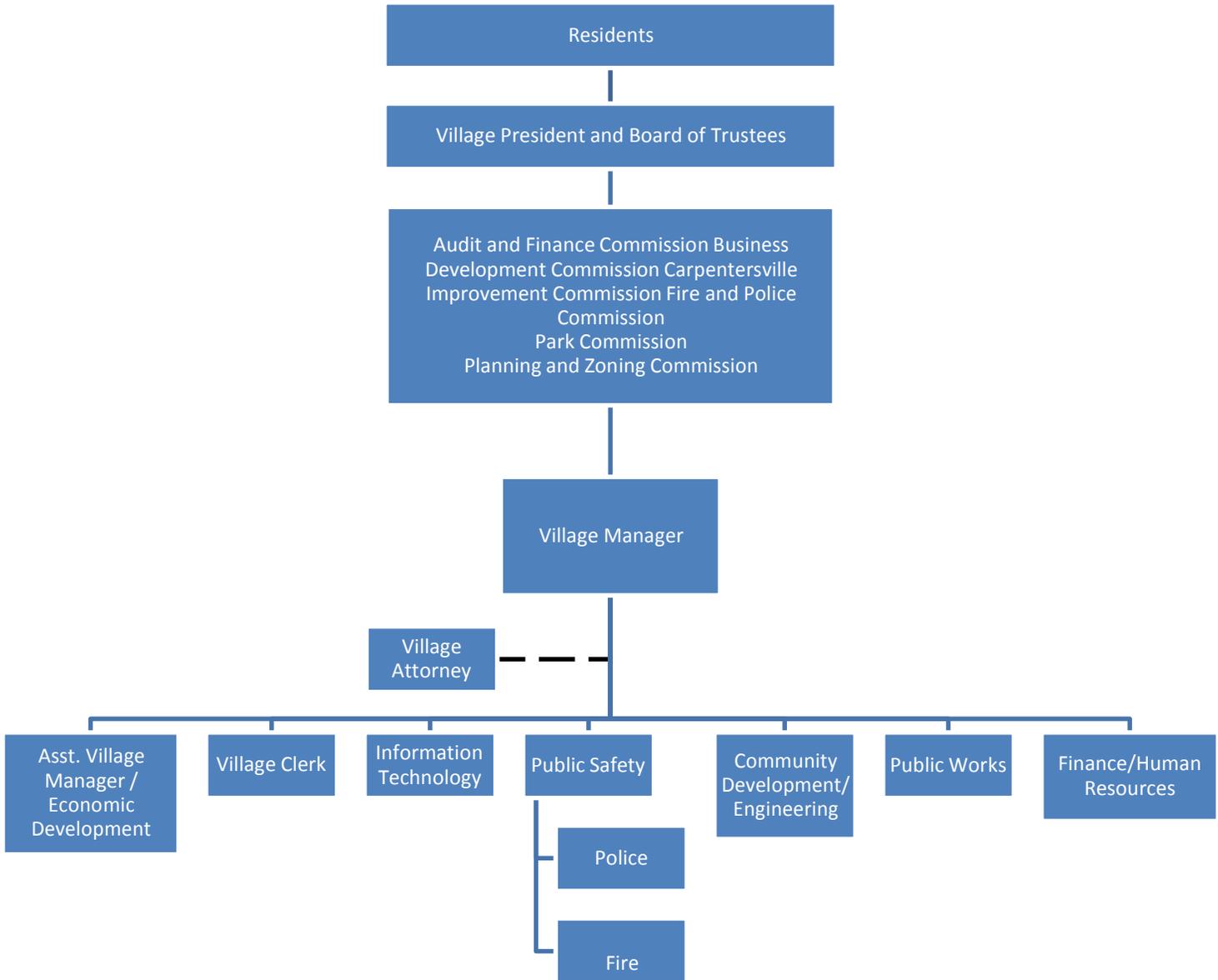
Kevin Goethals, *Director of Information Technology*

Marc Huber, *Director of Community Development*

Michael Kilbourne, *Police Chief*

John Skillman, *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

April 30, 2015

Executive Director/CEO



1200 LW Besinger Drive • Carpentersville, IL 60110
Phone: (847) • Fax: (847) 551-9278

June 29, 2016

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 eight month period ended December 31, 2015 is hereby submitted as mandated by both local ordinances and state statutes. Please note that with the change in fiscal year to a calendar year, this report is for only eight month period from May 1, 2015- December 31, 2015. Starting with 2016, the Village will have its audit reports for the fiscal year ending on December 31 each year. 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 ended December 31, 2015, 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 eight month period ended December 31, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Village of Carpentersville

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 38,196. The town has grown from the industrial riverfront community with major expansions occurring in the 1960's moving east and 2000's moving west. Carpentersville has a diverse housing stock from affordable to high end homes. The Village of Carpentersville 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; fleet services; 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 final budget no later than the close of the prior 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

The Village staff, following specific directives from the Village Board and the Village Manager, had been involved in a variety of projects throughout the eight month period from May 1, 2015 – December 31, 2015 which reflect the Village’s commitment towards its citizens to provide them best possible services. Some of the major projects are detailed below:

- Continued restructuring of the Administration Department, Finance Department, and the Human Resources Division resulting in additional increased efficiency and savings.
- Completed necessary processes to create a couple of new TIF’s. These new TIF’s would help spur economic development within the Village of Carpentersville.
- Finished building permit review process and issued all permits for Walmart Supercenter allowing construction to start during the year.
- Issued GO Refunding Series 2015B (refunding Series 2006 GO Bonds) Bonds with a competitive rate resulting in gross savings of \$872,000.
- Enlisted the services of the US Census Bureau to conduct a partial special census for an increased portion of shared revenues (on a per capita basis) from the State of Illinois.
- Enhanced Village website by implementing a Responsive Web Design (RWD) and also expanded the Virtualized Server Infrastructure.
- Milled and resurfaced a total of 4.0 lane miles through the “In House” paving program.
- 13 streets totaling 4.4 lane miles were paved through “In-House” ground and overlay program.
- Obtained approval of grants in the amount of \$1.2M for the various projects including Abandoned Residential Property Municipality Relief Program, Phase III construction costs of the 2014 MFT/CDBG Resurface Program, Phase III construction costs for 2015 LAFO Sleepy Hollow Road Improvement Project and Section 319 Grant program for Carpenter Creek floodplain and restoration.
- Completed the in-house construction management/inspection and/or engineering plans/documents for the following public construction projects:
 - 2015 MFT/CDBG Resurface Program
 - 2015 MFT Sidewalk Replacement Program
 - 2015 Village Roadway Improvement project
 - 2015 Village West Side Resurface Program
 - 2015 LAFO Sleepy Hollow road Improvement Project
 - L.W. Besinger Roadway and Water main Improvement project
- The Police Department conducted a tabletop “active shooter” training session in conjunction with the Fire Department, Quadcom Dispatch and School district #300.

- The Fire Department implemented a Smoke Detector safety kit program. They also completed live fire training and second year of Citizen Fire Academy program.
- The Water Department finished painting of the Route 31 Tank Water Tower Recoat. They also implemented wastewater treatment process changes.

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 saw a significant decline to its' lowest rate since 2008 in FY 2015 (5.8%).

State shared sales tax revenue is the Village's one of the largest single revenue source which supports governmental activities. Knowing this, the Village is very diligent in supporting the measures which have a positive impact on these revenues which are critical to supporting the delivery of basic government services. The Village has an open economic assistance policy that allows it to work with businesses 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. Walmart, which is going to get some TIF incentives from the Village, is all set to open their store in the month of June. At the same time, the Village has created a couple of new TIF (Tax Increment Financing) Districts, Old Town and Spring Hill Redevelopment Area. This would help boost the economic development and infrastructure improvements within the Village of Carpentersville.

Long-term financial planning and major initiatives

The Village has a detailed multi-year Capital Improvement Program (CIP). The Village of Carpentersville hired Baxter & Woodman, Inc. to work with Village staff to update the Village's Capital Improvement Plan (CIP). This CIP Update includes:

1. Pavement condition ratings, rehabilitation strategies and repair costs for every street section (block) maintained by the Village, and
2. Descriptions and budgetary cost estimates for specific projects included in the CIP.

As a part of the budget preparation process, the CIP will be reviewed and updated annually.

In 2014, the Village Board authorized issue of G.O. (General Obligation) Bonds in the amount not exceeding \$10M to fund projects including Route 31 & Huntley, Huntley Road improvements, L.W. Besinger Drive reconstruction, Main/Washington street improvements, Newport Cove resurfacing, Washington Street Culvert replacement and several other improvements.

Historically, the Capital Projects Fund has been funded by bond issues, grant funding or surpluses generated by the General Fund. The Village is currently reviewing long-term planning options to allow for a direct revenue source to supplement the Capital Projects Fund needs.

Relevant financial policies

The Village Board passed a set of financial management policies in 2014 to work as 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. As of December 31, 2015, the fund balance in the General Fund totaled \$8,747,373, representing approximately 43.9% of total general fund expenditures; the large percentage of fund balance to expenditures is due to the fact that this is an eight month period and expenditures are condensed compared to a traditional twelve month fiscal period. This ratio will correct itself in 2016, and will be closer to the desired level of 25%. Of this amount, \$3,981,550 (20%) was unassigned and available to fund future programs and services.

Last year, as a part of ongoing review of financial policies, the Village updated an investment policy that establishes certain parameters for investing Village funds. The policy outlines the type of investments the Village may purchase and creates various guidelines related to diversification, maturities, collateralization, and internal controls.

Currently, the surplus funds have been invested in local bank certificates of deposit, the Illinois Metropolitan Investment Fund (IMET), Municipal Bonds (Muni's) and U.S. Treasuries /Agencies. Maturities of the investments range from being immediately accessible (IMET) to 6-16 month term (certificates of deposit, Muni's, U.S. Agencies). The investments are made considering the safety, liquidity and investment returns. These investments have greatly helped boost the investment income 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 Village and the pension plan calculates the amount of the annual contribution that the Village must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. The actuary calculates this obligation using two different methods, the Entry-Age Normal and the Projected Unit Credit 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.

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 has no obligation in connection with employee benefits offered through this plan beyond its contractual payments to IMRF.

The capital asset policy, which requires that the Village maintain capital asset records to comply with governmental financial reporting standards, to provide a basis for determining appropriate insurable values, and to establish responsibility for property control. Capital assets include land, infrastructure, buildings, machinery, equipment, and vehicles with estimated useful life in excess of one year, subject to the capitalization threshold.

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 existing equipment and to avoid significant fluctuations in the operating budget from one year to the next. Annual contributions to the replacement 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.

Starting last audit, as required by GASB Statement No. 67, additional information regarding Net Pension Liability and related ratios, investment returns and employer contributions for Police and Fire Pension Funds has been provided in the Required Supplementary Information section of the Comprehensive Annual Financial Report. With the implementation of GASB statement No. 68, accounting liability for pensions is recorded for the first time in the financials (e.g. Net Pension Liability added to the Statement of Net Position) including restatement of some of the numbers.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to Village's that publish easily readable and efficiently organized CAFR's that satisfy both GAAP and applicable legal requirements. Recently, the Village received the award for its 2014-15 Comprehensive Annual Financial Report, for a second year in a row. The Village hopes to continue getting this award every year for its annual audit report.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my thanks to Katrina Hanna, Assistant Finance Director, and all other members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the President and the Board of Trustees for their unfailing support for maintaining the highest standards of professionalism in the management of the Village of Carpentersville's finances.

The Village would also like to recognize the staff of Sikich LLP, the auditors, and in particular Jim Savio and Anthony Cervini, whose professionalism and cooperation are sincerely appreciated by the Village staff. It was truly a cooperative working relationship between Sikich LLP and the Village staff to ensure timely completion of the audit process.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "H. Desai", with a large, stylized initial "H" and a long, sweeping underline.

Hitesh D. Desai
Finance Director

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT



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 eight months ended December 31, 2015 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the eight months then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 11, the Village adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources, and expenses; modified certain disclosures in the notes to financial statements; and the required supplementary information. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and 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 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 statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2016, 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.

A handwritten signature in black ink, appearing to read "David UP".

Naperville, Illinois
June 29, 2016

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2015

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 eight months ended December 31, 2015. We encourage readers to consider the information presented here in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

- On July 15, 2014, the Village Board amended the Village Municipal Code to change the Village's fiscal year. Effective May 1, 2015, the fiscal year of the Village was the first day of May through the last day of December in the same calendar year. Beginning in 2016, the Village's fiscal year will align with the calendar year.
- The assets and deferred outflows of resources of the Village of Carpentersville exceeded its liabilities and deferred inflows of resources by \$86,150,432 (*net position*). Of this amount, \$(28,883,329) is considered unrestricted net position, which may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's total net position decreased by \$33,220,848. Governmental activities net position decreased by \$33,697,668. The majority of the decrease is as a result of implementation of GASB Statement No. 68 (\$35,178,321) as of December 31, 2015. The change in net position, exclusive of the change in accounting principle is \$1,480,653. Business-type net position increased by \$476,820.
- On December 31, 2015, the Village's governmental funds reported combined fund balances of \$20,918,302, a decrease of \$306,712 in comparison with the prior year. Approximately 8% of this amount (\$1,758,975) is available for spending at the Village's discretion (*unassigned fund balance*).
- 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 \$6,653,313, or approximately 33% 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.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2015

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

Both the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities reflect the Village's basic services, including police, fire, public works, community development, culture/recreation and general government. The business-type activities of the Village include a Water and Sewer operation.

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 seventeen (17) 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, Debt Service 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.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2015

Proprietary Funds – The Village maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type* activities in the government-wide financial statements. The Village uses an enterprise fund to account for its Water and Sewer operations.

Internal Service funds are an accounting device used to accumulate and allocate costs internally among the Village's various functions. The Village uses an internal service fund to account for Health Insurance and Risk Management.

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

Proprietary fund financial statements present the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 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 20-68 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 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 69-80 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 81-109 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.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2015

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 \$86,150,432 as of December 31, 2015. A summary of the Village's Statement of Net position is presented below in Table 1.

Table 1: Condensed Statements of Net Position

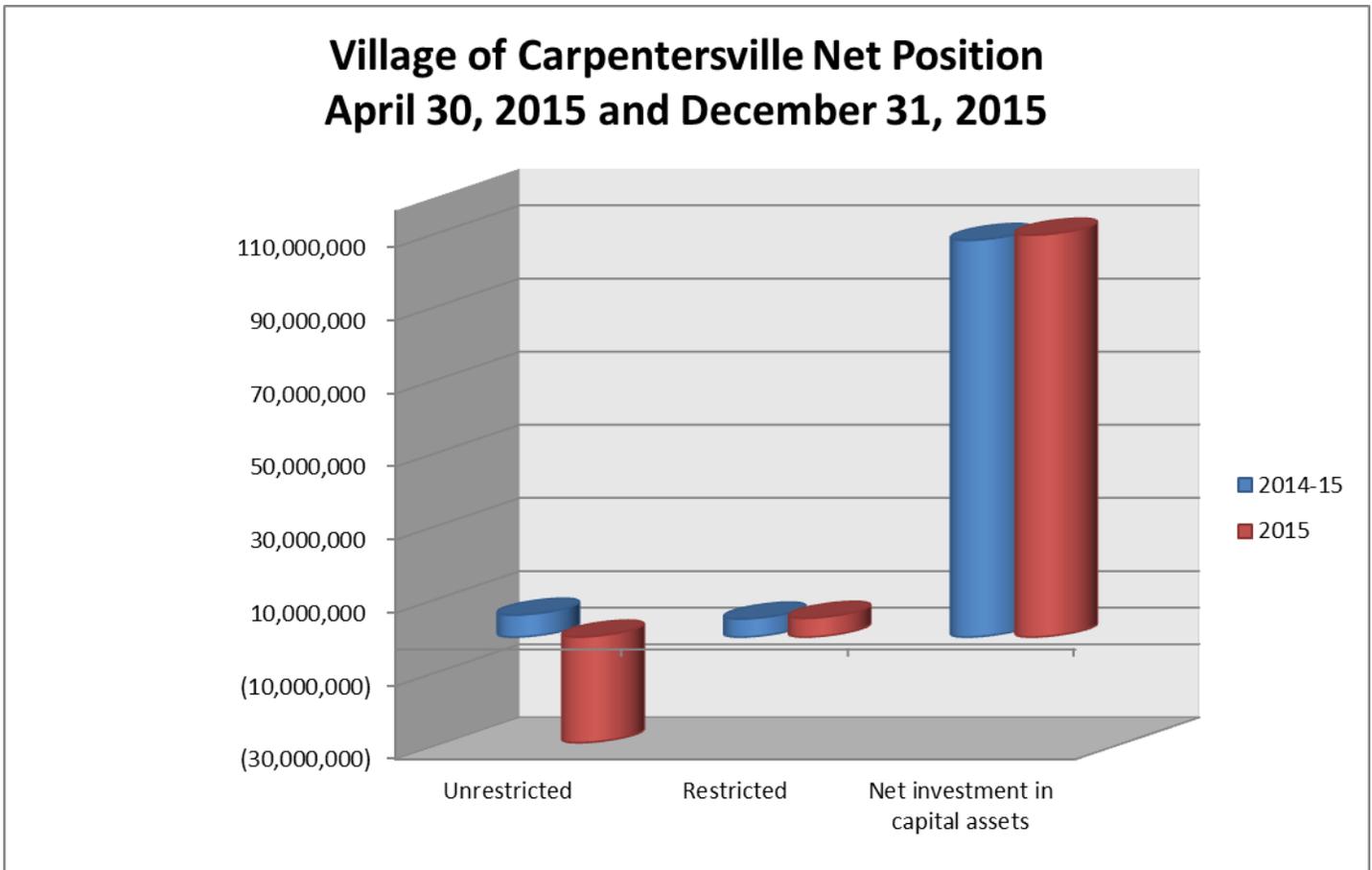
| | Governmental Activities | | Business-type Activities | | Totals | |
|---|-------------------------|--------------|--------------------------|--------------|--------------|---------------|
| | 2015 | 2014-15 | 2015 | 2014-15 | 2015 | 2014-15 |
| Assets | | | | | | |
| Current assets | 40,404,666 | 40,534,942 | 9,527,171 | 9,832,857 | 49,931,837 | 50,367,799 |
| Capital assets | 101,814,232 | 100,626,084 | 51,233,962 | 49,834,551 | 153,048,194 | 150,460,635 |
| Total Assets | 142,218,898 | 141,161,026 | 60,761,133 | 59,667,408 | 202,980,031 | 200,828,434 |
| Deferred Outflow s of Resources | | | | | | |
| Pension items | 6,738,859 | - | 480,431 | - | 7,219,290 | - |
| Total Deferred outflow s | 6,738,859 | - | 480,431 | - | 7,219,290 | - |
| Total Assets and Deferred outflow s | 148,957,757 | 141,161,026 | 61,241,564 | 59,667,408 | 210,199,321 | 200,828,434 |
| Liabilities | | | | | | |
| Current liabilities | 4,464,286 | 7,909,483 | 1,361,377 | 3,330,035 | 5,825,663 | 11,239,518 |
| Long-term liabilities | 83,875,968 | 40,529,632 | 19,319,740 | 16,316,417 | 103,195,708 | 56,846,049 |
| Total Liabilities | 88,340,254 | 48,439,115 | 20,681,117 | 19,646,452 | 109,021,371 | 68,085,567 |
| Deferred Inflow s of Resources | | | | | | |
| Unavailable property taxes | 14,069,521 | 13,371,587 | - | - | 14,069,521 | 13,371,587 |
| Pension items | 895,326 | - | 62,671 | - | 957,997 | - |
| Total Deferred inflow s | 14,964,847 | 13,371,587 | 62,671 | - | 15,027,518 | 13,371,587 |
| Total Liabilities and Deferred Inflow s | 103,305,101 | 61,810,702 | 20,743,788 | 19,646,452 | 124,048,889 | 81,457,154 |
| Net Position | | | | | | |
| Net investment | | | | | | |
| in capital assets | 75,256,131 | 74,204,672 | 34,640,323 | 34,242,241 | 109,896,454 | 108,446,913 |
| Restricted | 5,137,307 | 4,925,886 | - | - | 5,137,307 | 4,925,886 |
| Unrestricted | (34,740,782) | 219,766 | 5,857,453 | 5,778,715 | (28,883,329) | 5,998,481 |
| Total Net Position | \$45,652,656 | \$79,350,324 | \$40,497,776 | \$40,020,956 | \$86,150,432 | \$119,371,280 |

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.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2015

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.

At the end of the current fiscal period, the Village reported a negative unrestricted balance, as a result of GASB 68 implementation in the unrestricted net position of governmental and a positive balance in business-type activities. GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions* became effective for fiscal years beginning after June 15, 2014 and therefore is effective for the Village’s fiscal period ending December 31, 2015. The Statement requires the net pension liability of each pension plan to be recorded on the Statement of Net Position. The net pension liability is calculated on an actuarial basis and is the difference between the present value of the projected benefit payments and the pension plan’s fiduciary net position. The Village participates in three pension plans, IMRF, Police Pension and the Firefighters’ Pension Plan. The prior fiscal year, both governmental and business-type activities reported a positive balance in unrestricted net position.



The Village’s overall net position decreased \$33,220,848 from the prior fiscal year. The primary reason for the decrease was implementation of GASB 68 resulting in a restatement of opening balances.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2015

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.

Table 2: Condensed Statement of Activities

| | Governmental Activities | | Business-type Activities | | Totals | |
|-------------------------------------|-------------------------|---------------------|--------------------------|---------------------|---------------------|----------------------|
| | 2015 | 2014-15 | 2015 | 2014-15 | 2015 | 2014-15 |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for services | 2,238,542 | 3,019,721 | 6,132,405 | 8,419,290 | 8,370,947 | 11,439,011 |
| Operating grants and contributions | 1,812,675 | 2,418,801 | - | - | 1,812,675 | 2,418,801 |
| Capital grants and contributions | 1,018,727 | 3,202,586 | - | 968,186 | 1,018,727 | 4,170,772 |
| General Revenues | | | | | | |
| Taxes | | | | | | |
| Property taxes | 13,319,443 | 12,712,189 | - | - | 13,319,443 | 12,712,189 |
| Sales tax | 5,246,973 | 7,014,499 | - | - | 5,246,973 | 7,014,499 |
| Use tax | 595,966 | 777,386 | - | - | 595,966 | 777,386 |
| Utility tax | 815,235 | 1,562,992 | - | - | 815,235 | 1,562,992 |
| Local motor fuel | 278,952 | 262,310 | - | - | 278,952 | 262,310 |
| Telecommunications | 423,986 | 704,682 | - | - | 423,986 | 704,682 |
| Other taxes | 109,966 | 113,746 | - | - | 109,966 | 113,746 |
| Intergovernmental | | | | | | |
| Income tax | 2,637,090 | 3,691,253 | - | - | 2,637,090 | 3,691,253 |
| Replacement tax | 80,606 | 166,505 | - | - | 80,606 | 166,505 |
| Investment income | (177) | (190,127) | 8,131 | (79,508) | 7,954 | (269,635) |
| Other/miscellaneous | 387,797 | 520,791 | 34,593 | 75,222 | 422,390 | 596,013 |
| Gain on sale of capital assets | 9,640 | 22,032 | - | - | 9,640 | 22,032 |
| Total Revenues | 28,975,421 | 35,999,366 | 6,175,129 | 9,383,190 | 35,150,550 | 45,382,556 |
| Expenses | | | | | | |
| General government | 4,434,143 | 3,068,941 | - | - | 4,434,143 | 3,068,941 |
| Public safety | 14,410,997 | 17,426,252 | - | - | 14,410,997 | 17,426,252 |
| Public works | 5,863,027 | 8,884,557 | - | - | 5,863,027 | 8,884,557 |
| Community development | 881,623 | 1,376,258 | - | - | 881,623 | 1,376,258 |
| Culture and recreation | 251,617 | 184,862 | - | - | 251,617 | 184,862 |
| Waterworks and sewerage | - | - | 5,520,811 | 7,872,584 | 5,520,811 | 7,872,584 |
| Interest and fiscal charges | 1,017,569 | 1,426,663 | - | - | 1,017,569 | 1,426,663 |
| Total Expenses | 26,858,976 | 32,367,533 | 5,520,811 | 7,872,584 | 32,379,787 | 40,240,117 |
| Increase (Decrease) in Net Position | | | | | | |
| Before Transfers | 2,116,445 | 3,631,833 | 654,318 | 1,510,606 | 2,770,763 | 5,142,439 |
| Transfers | (635,792) | - | 635,792 | - | - | - |
| Change in Net Position | 1,480,653 | 3,631,833 | 1,290,110 | 1,510,606 | 2,770,763 | 5,142,439 |
| Beginning Net Position | 79,350,324 | 77,012,549 | 40,020,956 | 38,510,350 | 119,371,280 | 115,522,899 |
| Prior period Adjustments | - | (1,294,058) | - | - | - | (1,294,058) |
| Change in Accounting Principle | (35,178,321) | - | (813,290) | - | (35,991,611) | - |
| Net Position, Restated | 44,172,003 | 75,718,491 | 39,207,666 | 38,510,350 | 83,379,669 | 114,228,841 |
| Ending Net Position | \$45,652,656 | \$79,350,324 | \$40,497,776 | \$40,020,956 | \$86,150,432 | \$119,371,280 |

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2015

Governmental Activities

During the current fiscal period, net position for governmental activities increased \$1,480,653 from the prior fiscal year for an ending balance of \$45,652,656.

Current Year Impacts

All revenues and expenditures, with the exception of property taxes, have shown a decrease over prior year. This is attributed to the fact that this fiscal year is for an 8-month period. When annualized, revenues and expenditures show an increase over prior year.

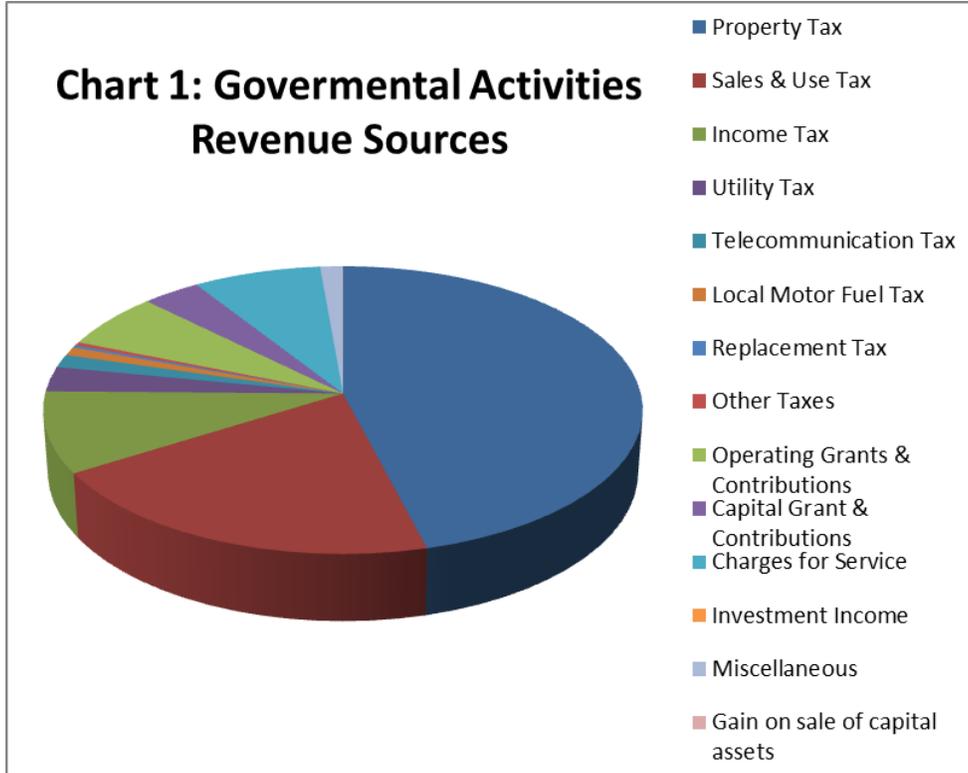
- ◆ When comparing the same 8 month period in the previous year:
 - Utility taxes decreased 8.3% over the prior year. The Village anticipated a decrease due to continued mild weather, and budgeted accordingly.
 - Telecommunication taxes showed a decrease of 11.5% from the prior year. The previous year also showed over an 8% decrease. The Village anticipates continued losses from this revenue source as the communication industry continues to evolve.
 - Income taxes increased 13.8% over the prior year. Income tax has risen all of the previous five fiscal years as the economy continues to rebound from the decline of 2007.
 - The municipal share of sales tax has increased 3.3% over the previous year, using month to month averages as a comparison. Home rule sales tax saw an increase of 12.8% over the previous year. Most of this increase is attributed to the 0.5% increase in tax that took effect July 2014.
- ◆ The Village continues to receive construction grants from the State of Illinois and Federal Government to mitigate construction costs.
- ◆ Historically low interest rates continue to generate low investment income.

The Village implemented GASB Statement No. 68 during the eight month period ended December 31, 2015 and it required to retroactively record the net pension liabilities resulting in restatement of balances.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2015

Revenues

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



For the eight months ended December 31, 2015, revenues from governmental activities totaled \$28,975,421. Property taxes totaled \$13,319,443 representing 46% of total governmental funds’ revenue. Sales and use taxes account for 20% of revenue and local utility tax combined with state income tax represents 11.9% of total governmental activity revenue.

Property tax revenues increased from \$12,712,189 in fiscal year 2014-15 to \$13,319,443 in fiscal period 2015, an increase of \$607,254 or 4.8%. The Village experienced a 5.1% increase in its rate setting equalized assessed valuation (EAV) from \$424,108,468 in tax year 2014 to \$445,784,892 in tax year 2015. This is the first increase the Village has seen since 2009.

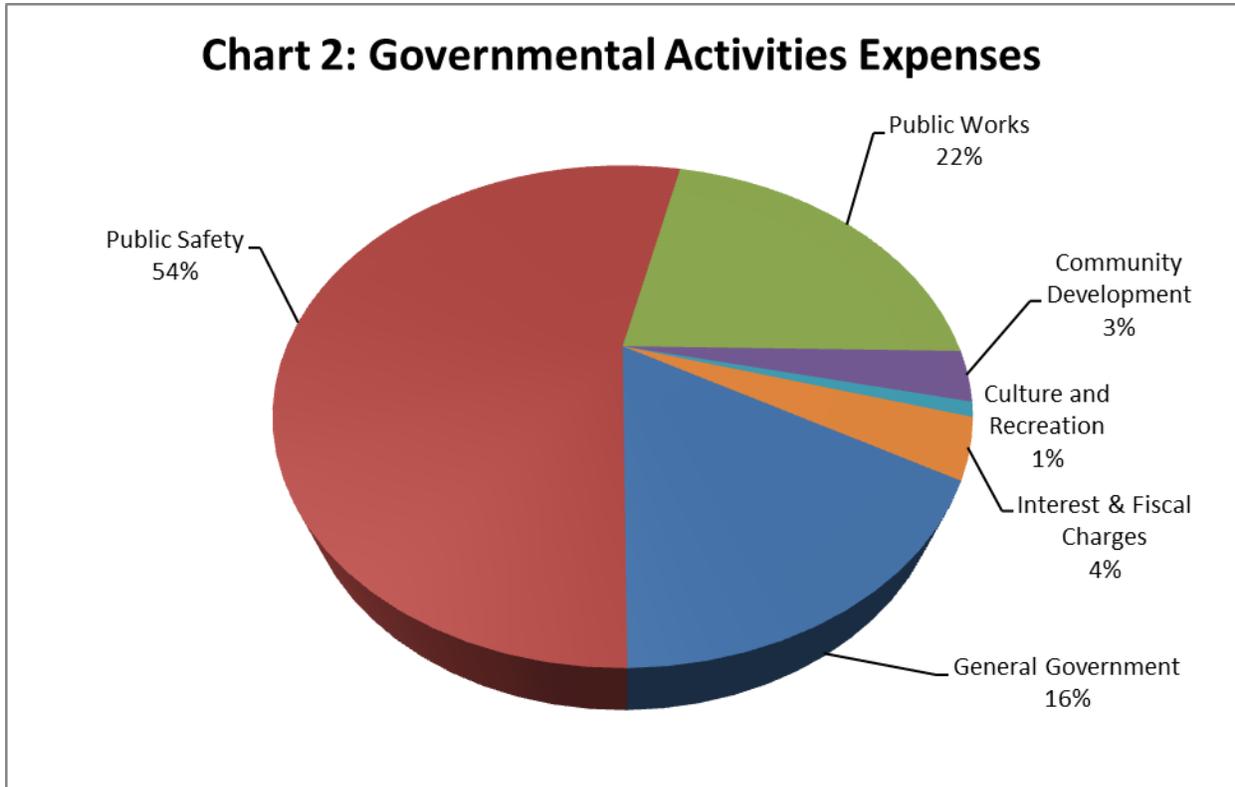
Levy Year
 2014
 2015
 Increase
 % Increase

Rate Setting EAV in Kane County
 \$ 424,108,468
 \$ 445,784,892
 \$ 21,676,424
 5.1%

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2015

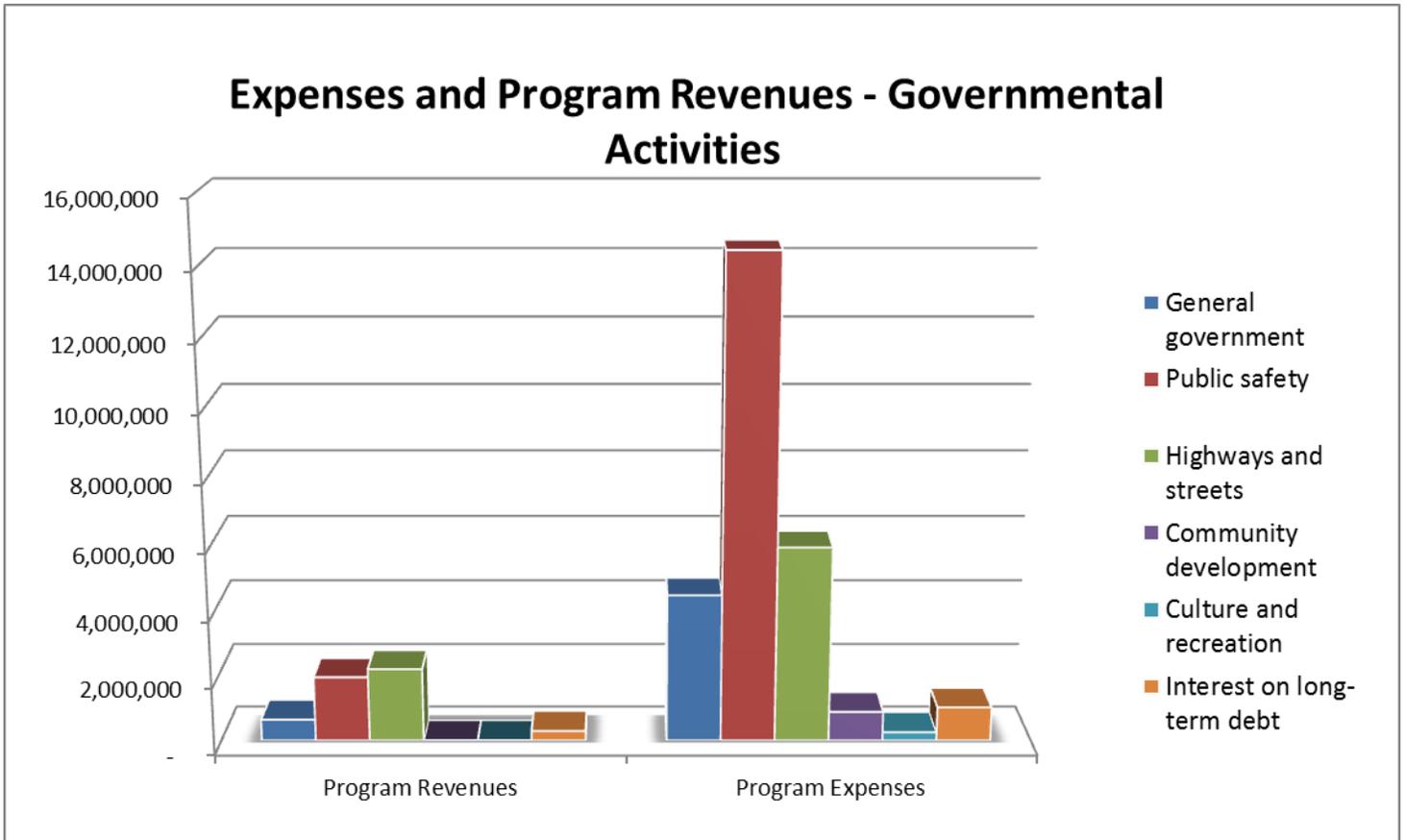
Expenses

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



VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2015

For the eight months ended December 31, 2015 expenses from governmental activities totaled \$26,858,976. Public Safety and Public Works services account for 54% and 22% of all governmental activities expenses, respectively.



Business-Type Activities

During the current fiscal period, net position for business-type activities increased \$1,290,110 from the prior fiscal year for an ending balance of 40,497,776. This is the second increase in net position in a row and culminates a five year water/sewer rate study that provided for yearly rate increases in an effort to improve net position. The last increase of the study was during the last fiscal year.

Current Year Impacts

- ◆ Operating expenses, including depreciation of \$1,589,965 were less than operating revenues by \$1,014,312.
- ◆ The Utility recognized \$635,792 in contributed assets (infrastructure) in during the eight months ended December 31, 2015.
- ◆ Continued long-term meter replacement program, which is now approximately 95% complete.
- ◆ Water and sewer sales came in slightly over budget, while water usage continues to decrease.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2015

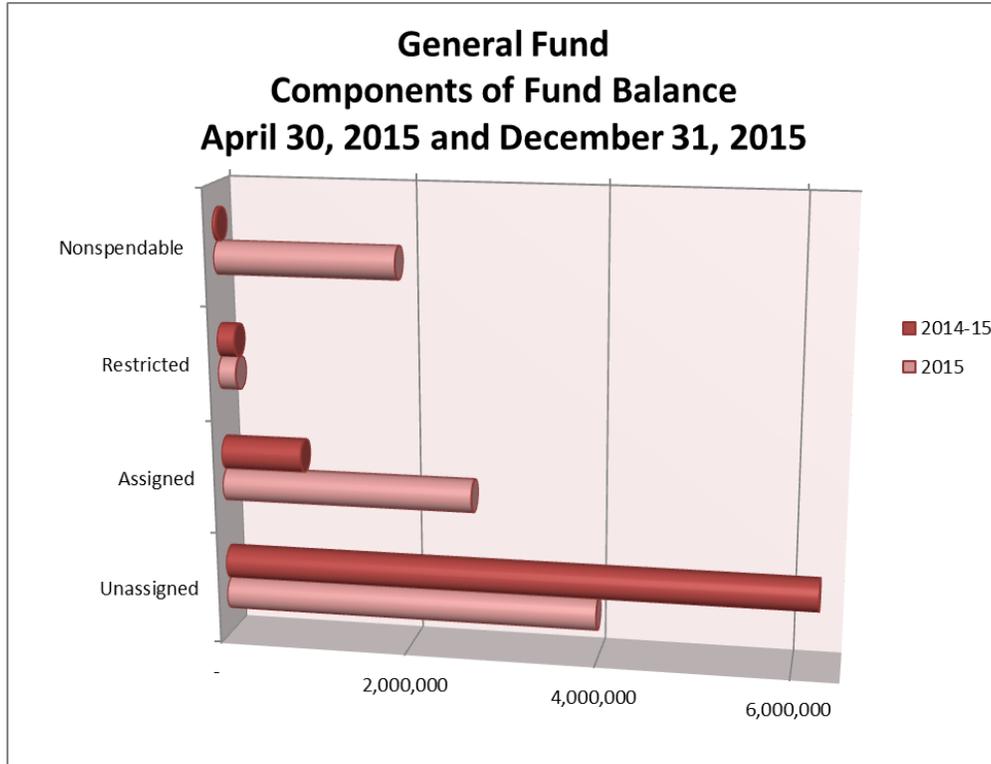
Financial Analysis of the Village Funds

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

Governmental Funds

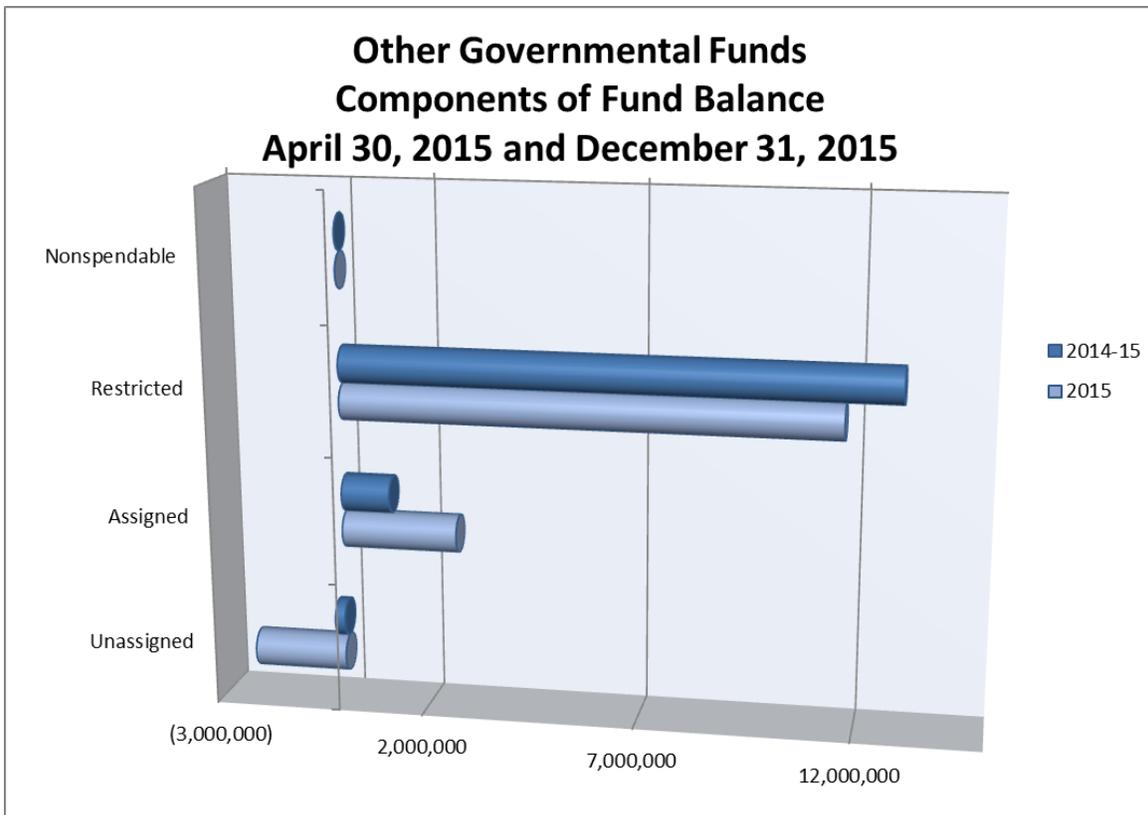
The focus of the Village’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village’s financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s 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, 2015, the governmental funds reported a combined fund balance of \$20,918,302, which is a 1.4% decrease from the beginning of the year of \$21,225,014. Approximately 8.4% of this amount (\$1,758,975) constitutes *unassigned fund balance*, which is available for spending at the Village’s discretion. The remainder of the fund balance is either *nonspendable*, *restricted*, or *assigned* to indicate that it is 1) not in spendable form (\$1,905,058), 2) legally required to be maintained intact (\$11,853,342), 3) assigned for particular purposes (\$5,400,927).



VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2015

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 \$3,981,550 while total fund balance in the General Fund increased from \$7,350,457 in fiscal year 2014-15 to \$8,747,373 or 19% in fiscal period 2015. 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 20% of total general fund expenditures, while total fund balance represents approximately 44% of that same amount. The increase in fund balance is largely due to receiving 100% of property tax revenues, and not a pro-rated amount. In addition, revenues were more than budgeted and expenditures came in under budget.



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

The Capital Improvement Project fund reported fund balance of \$8,680,087 as of December 31, 2015, an increase of \$453,415 from the 2014-15 fund balance.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2015

The Debt Service fund had an increase in fund balance during the current year of \$137,852 to bring the year end fund balance to \$679,859. The increase is the result of receiving more local motor fuel tax than anticipated. Impound fees were very minimal, as has been the trend for the last few years.

TIF #3, Route 25 fund expenditures included the construction of LW Besinger Drive, which contributed to the deficit fund balance of \$2,222,575 as of December 31, 2015.

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 \$5,857,453. At December 31, 2015 the proprietary funds’ total net position increased by \$476,820, or 1.2%, from \$39,207,666 (restated) in 2014-15 to \$40,497,776 in 2015.

General Fund Budgetary Highlights

Original budget compared to final budget. During the year, there were 3 amendments to increase the original budgeted appropriations. The amendments were to carryover certain appropriations from the Fiscal Year 2014-15 that were not spent until Fiscal Year 2015 and to cover excess expenditures over appropriations at fiscal year-end for Fiscal Year 2015. There was also a need to make amendments to reallocate appropriations among departments towards the end of the fiscal year after reallocation of the costs. Overall, the movement of the appropriations between departments was *not* significant.

Fund budget compared to actual results. The most significant differences between estimated revenues were as follows:

| Revenue Source | Estimated Revenues | Actual Revenues | Difference | % Difference |
|-----------------------|--------------------|-----------------|------------|--------------|
| Sales Tax | 4,624,000 | 5,246,973 | 622,973 | 13.47% |
| State Income Tax | 2,425,416 | 2,637,090 | 211,674 | 8.73% |
| Asset Forfeiture | 6,000 | 93,043 | 87,043 | 1450.72% |
| Cable Franchise Fees | 240,000 | 321,440 | 81,440 | 33.93% |
| Utility Tax | 875,000 | 815,235 | (59,765) | -6.83% |
| Telecommunication Tax | 360,000 | 317,989 | (42,011) | -11.67% |
| State Replacement Tax | 90,000 | 80,606 | (9,394) | -10.44% |

Sales, Income Tax and Local Use Tax receipts have been making a steady comeback over the last five fiscal years. Asset forfeiture revenues were much greater than budget mainly due to 2 large, unanticipated disbursements received during the fiscal period.

Telecommunication Tax has seen a steady decrease over the past four fiscal years. In fiscal year 2014, a reimbursement to the state was required for funds distributed to the Village that have been reclaimed due to a law suit filed against a large telecommunication carrier.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2015

The most significant differences between budgeted expenditures were as follows:

| Expenditure Type | Budgeted Expenditures | Actual Expenditures | Difference | % Difference |
|-------------------------|------------------------------|----------------------------|-------------------|---------------------|
| Public Buildings | 338,029 | 252,413 | (85,616) | -25.33% |
| Administration | 373,754 | 339,248 | (34,506) | -9.23% |
| Vehicle Maintenance | 549,366 | 480,472 | (68,894) | -12.54% |

Public Buildings department did not spend all funds related to the Village Hall window caulking project and the budget for those costs lapsed at the end of the fiscal period. Administration saw some savings due to employee turnover and a position not being immediately replaced. The Vehicle maintenance department recognized a fuel cost savings of \$69,041 compared to budget. Fuel costs steadily dropped during the fiscal period, but are not anticipated to remain this low in 2016.

Capital Assets and Debt Administration

Capital assets. The Village's investment in capital assets net of related debt for its governmental and business-type activities as of December 31, 2015 amounts to \$86,150,432. 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.

Table 3: Capital Assets

| | Governmental Activities | | Business-type Activities | | Totals | |
|--------------------------------|-------------------------|--------------------|--------------------------|-------------------|--------------------|--------------------|
| | 2015 | 2014-15 | 2015 | 2014-15 | 2015 | 2014-15 |
| Land | 2,727,533 | 2,727,533 | 1,249,761 | 1,249,761 | 3,977,294 | 3,977,294 |
| Right of ways | 11,809,913 | 11,809,913 | - | - | 11,809,913 | 11,809,913 |
| Construction in Progress | 1,970,730 | 1,187,733 | 303,032 | 776,141 | 2,273,762 | 1,963,874 |
| Land Improvements | 219,362 | - | - | - | 219,362 | - |
| Buildings | 21,245,511 | 21,245,511 | 44,798,933 | 44,798,933 | 66,044,444 | 66,044,444 |
| Vehicles | 4,041,728 | 3,887,252 | 1,230,667 | 1,164,749 | 5,272,395 | 5,052,001 |
| Equipment | 2,910,888 | 2,815,224 | 3,166,048 | 862,281 | 6,076,936 | 3,677,505 |
| Infrastructure | 82,300,465 | 81,032,335 | - | - | 82,300,465 | 81,032,335 |
| Water distribution system | - | - | 41,556,008 | 40,501,915 | 41,556,008 | 40,501,915 |
| Total Capital Assets | 127,226,130 | 124,705,501 | 92,304,449 | 89,353,780 | 219,530,579 | 214,059,281 |
| Less: Accumulated depreciation | (25,411,898) | (24,079,417) | (41,070,487) | (39,519,229) | (66,482,385) | (63,598,646) |
| Net Capital Assets | 101,814,232 | 100,626,084 | 51,233,962 | 49,834,551 | 153,048,194 | 150,460,635 |

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

- ◆ The purchase of various vehicles and equipment for a cost of \$397,503 in governmental activities and \$2,408,392 in business-type activities.
- ◆ Completion of LW Besinger Drive and Watermain project
- ◆ Continued construction of Route 31 & Huntley and the Carpenter Creek Stormwater project
- ◆ Completed Wastewater Treatment Plant Dewatering Project, including installation of equipment.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2015

Additional information on the Village's capital assets can be found in Note 4 on pages 31-32 of this report.

Long-term Debt. The Village currently has six General Obligation Bond series and one Illinois EPA loan outstanding. Total general obligation debt is \$46,770,000, of which \$32,443,360 is attributed to governmental activities and \$14,326,640 is attributed to business-type activities. The Village's loan from the Illinois Environmental Protection Agency for construction and engineering on the dewatering project carries an outstanding principal balance of \$2,255,126 and is a liability of the Waterworks and Sewerage fund. As of December 31, 2015, the IEPA loan had not been fully disbursed and therefore a debt service to maturity schedule was unavailable/the entire amount of the loan is being reported as long-term debt.

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 Aa2.

| | Governmental Activities | | Business-type Activities | | Totals | |
|-------------------------------|-------------------------|------------|--------------------------|------------|-------------|------------|
| | 2015 | 2014-15 | 2015 | 2014-15 | 2015 | 2014-15 |
| Bonds and notes payable | | | | | | |
| General obligation bonds | 32,443,360 | 34,149,760 | 14,326,640 | 15,415,240 | 46,770,000 | 49,565,000 |
| IEPA loan | - | - | 2,255,126 | 623,404 | 2,255,126 | 623,404 |
| Capital leases | - | 59,450 | - | - | - | 59,450 |
| Premium on bonds payable | 830,776 | 535,744 | 1,066,723 | 814,050 | 1,897,499 | 1,349,794 |
| Other liabilities | | | | | | |
| Vested compensated absences | 898,539 | 1,026,422 | 208,742 | 210,634 | 1,107,281 | 1,237,056 |
| Net pension liability | 47,030,391 | 39,921,016 | 1,389,641 | 813,290 | 48,420,032 | 40,734,306 |
| Other postemployment benefits | 1,996,587 | 1,857,446 | 72,868 | 53,816 | 2,069,455 | 1,911,262 |
| Insurance claims payable | 676,315 | 419,636 | - | - | 676,315 | 419,636 |
| Total | 83,875,968 | 77,969,474 | 19,319,740 | 17,930,434 | 103,195,708 | 95,899,908 |

Additional information on the Village's long-term debt can be found in the Note 5 on pages 32-36 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, 2016 fiscal year budget.

- No increase in water and sewer rates beginning on August 1, 2016 in an effort to cover operating expenditures in the Enterprise Funds. The Village board will reevaluate the rates in effect at that time and potentially order a new water rate study.
- A property tax rate increase of 4.56% to fund increases in recurring expenditure obligations.
- The State of Illinois still has not passed a budget as of the date this report was printed, and that brings uncertainty in terms of cash flow and future revenue streams.
- On the expenditure side, increases are expected in contracted union positions, health insurance premiums, fuel, as well as pension and other employee benefit costs.
- The Village of Carpentersville continues to be self-insured for General Liability and Worker's Compensation losses.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2015

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 Hitesh Desai, Finance Director, Village of Carpentersville, 1200 L. W. Besinger Drive, Carpentersville, Illinois 60110.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2015

| | Governmental Activities | Business-Type Activities | Total |
|--|------------------------------------|-------------------------------------|---------------|
| ASSETS | | | |
| Cash and investments | \$ 20,502,646 | \$ 8,058,619 | \$ 28,561,265 |
| Receivables (net, where applicable, of allowances for uncollectibles) | | | |
| Property taxes | 14,069,521 | - | 14,069,521 |
| Other taxes | 2,774,746 | - | 2,774,746 |
| Accounts | 485,457 | 1,340,001 | 1,825,458 |
| Accrued interest | 14,627 | 393 | 15,020 |
| Other | 1,081,018 | - | 1,081,018 |
| Prepaid expenses | 613,200 | - | 613,200 |
| Due from other governments | 916,905 | 74,704 | 991,609 |
| Internal balances | (53,454) | 53,454 | - |
| Capital assets | | | |
| Not depreciated | 16,508,176 | 1,552,793 | 18,060,969 |
| Depreciated (net of accumulated depreciation) | 85,306,056 | 49,681,169 | 134,987,225 |
| Total assets | 142,218,898 | 60,761,133 | 202,980,031 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension items | 6,738,859 | 480,431 | 7,219,290 |
| Total deferred outflows of resources | 6,738,859 | 480,431 | 7,219,290 |
| Total assets and deferred outflows of resources | 148,957,757 | 61,241,564 | 210,199,321 |

(This statement is continued on the following page.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2015

| | Governmental Activities | Business-Type Activities | Total |
|---|------------------------------------|-------------------------------------|---------------|
| LIABILITIES | | | |
| Accounts payable | \$ 3,324,727 | \$ 830,732 | \$ 4,155,459 |
| Retainage payable | 14,427 | - | 14,427 |
| Accrued payroll | 411,085 | 81,419 | 492,504 |
| Unearned revenue | 55,998 | 5,206 | 61,204 |
| Accrued interest payable | 18,563 | 151,861 | 170,424 |
| Deposits payable | 639,486 | 292,159 | 931,645 |
| Long-term liabilities | | | |
| Due within one year | 2,322,320 | 1,216,708 | 3,539,028 |
| Due in more than one year | 81,553,648 | 18,103,032 | 99,656,680 |
| | 88,340,254 | 20,681,117 | 109,021,371 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred property taxes | 14,069,521 | - | 14,069,521 |
| Pension items | 895,326 | 62,671 | 957,997 |
| | 14,964,847 | 62,671 | 15,027,518 |
| | | | |
| Total liabilities and deferred inflows of resources | 103,305,101 | 20,743,788 | 124,048,889 |
| NET POSITION | | | |
| Net investment in capital assets | 75,256,131 | 34,640,323 | 109,896,454 |
| Restricted for | | | |
| Police department programs | 74,905 | - | 74,905 |
| Asset forfeiture | 189,143 | - | 189,143 |
| Street maintenance | 554,538 | - | 554,538 |
| Parks | 353,783 | - | 353,783 |
| Public improvements | 3,243,327 | - | 3,243,327 |
| Fire purposes | 41,752 | - | 41,752 |
| Debt service | 679,859 | - | 679,859 |
| Unrestricted (deficit) | (34,740,782) | 5,857,453 | (28,883,329) |
| | \$ 45,652,656 | \$ 40,497,776 | \$ 86,150,432 |

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Eight Months Ended December 31, 2015

| FUNCTIONS/PROGRAMS | Expenses | Program Revenues | | |
|---------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| PRIMARY GOVERNMENT | | | | |
| Governmental Activities | | | | |
| General government | \$ 4,434,143 | \$ 640,512 | \$ - | \$ - |
| Public safety | 14,410,997 | 1,104,987 | 840,000 | - |
| Public works | 5,863,027 | 491,853 | 685,725 | 1,018,727 |
| Community development | 881,623 | 1,190 | - | - |
| Culture and recreation | 251,617 | - | - | - |
| Interest | 1,017,569 | - | 286,950 | - |
| Total governmental activities | 26,858,976 | 2,238,542 | 1,812,675 | 1,018,727 |
| Business-Type Activities | | | | |
| Waterworks and sewerage | 5,520,811 | 6,132,405 | - | - |
| Total business-type activities | 5,520,811 | 6,132,405 | - | - |
| TOTAL PRIMARY GOVERNMENT | \$ 32,379,787 | \$ 8,370,947 | \$ 1,812,675 | \$ 1,018,727 |

| | Net (Expense) Revenue and Change in Net Position | | |
|--------------------------------------|---|-------------------------------------|----------------------|
| | Primary Government | | |
| | Governmental Activities | Business-Type Activities | Total |
| | \$ (3,793,631) | \$ - | \$ (3,793,631) |
| | (12,466,010) | - | (12,466,010) |
| | (3,666,722) | - | (3,666,722) |
| | (880,433) | - | (880,433) |
| | (251,617) | - | (251,617) |
| | (730,619) | - | (730,619) |
| | (21,789,032) | - | (21,789,032) |
| | - | 611,594 | 611,594 |
| | - | 611,594 | 611,594 |
| | (21,789,032) | 611,594 | (21,177,438) |
| General Revenues | | | |
| Taxes | | | |
| Property | 13,319,443 | - | 13,319,443 |
| Sales | 5,246,973 | - | 5,246,973 |
| Use | 595,966 | - | 595,966 |
| Utility | 815,235 | - | 815,235 |
| Local motor fuel | 278,952 | - | 278,952 |
| Telecommunications | 423,986 | - | 423,986 |
| Other | 109,966 | - | 109,966 |
| Intergovernmental | | | |
| Income tax | 2,637,090 | - | 2,637,090 |
| Replacement tax | 80,606 | - | 80,606 |
| Investment income | (177) | 8,131 | 7,954 |
| Miscellaneous | 387,797 | 34,593 | 422,390 |
| Gain on sale of capital assets | 9,640 | - | 9,640 |
| Transfers | (635,792) | 635,792 | - |
| Total | 23,269,685 | 678,516 | 23,948,201 |
| CHANGE IN NET POSITION | 1,480,653 | 1,290,110 | 2,770,763 |
| NET POSITION, MAY 1 | 79,350,324 | 40,020,956 | 119,371,280 |
| Change in accounting principle | (35,178,321) | (813,290) | (35,991,611) |
| NET POSITION, MAY 1, RESTATED | 44,172,003 | 39,207,666 | 83,379,669 |
| NET POSITION, DECEMBER 31 | \$ 45,652,656 | \$ 40,497,776 | \$ 86,150,432 |

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2015

| | General | TIF #3 Route 25 | Capital Improvement Projects | Debt Service | Nonmajor Governmental Funds | Total Governmental Funds |
|--|----------------------|----------------------------|---|-------------------------|--|---|
| ASSETS | | | | | | |
| Cash and investments | \$ 5,689,026 | \$ - | \$ 8,723,867 | \$ 579,098 | \$ 5,510,655 | \$ 20,502,646 |
| Receivables (net, where applicable, of allowances for uncollectibles) | | | | | | |
| Property taxes | 11,141,756 | 149,877 | - | 2,132,127 | 645,761 | 14,069,521 |
| Other taxes | 2,774,746 | - | - | - | - | 2,774,746 |
| Accounts | 369,775 | - | - | 100,761 | - | 470,536 |
| Accrued interest | 2,355 | - | 12,272 | - | - | 14,627 |
| Other | 253,587 | - | - | - | 42,391 | 295,978 |
| Prepaid items | 69,206 | - | - | - | 141 | 69,347 |
| Due from other governments | - | - | 831,840 | - | 85,065 | 916,905 |
| Due from other funds | 287,206 | - | 1,000,000 | - | - | 1,287,206 |
| Advances to other funds | 1,835,711 | - | - | - | - | 1,835,711 |
| TOTAL ASSETS | \$ 22,423,368 | \$ 149,877 | \$ 10,567,979 | \$ 2,811,986 | \$ 6,284,013 | \$ 42,237,223 |

| | General | TIF #3 Route 25 | Capital Improvement Projects | Debt Service | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---------------|--------------------|------------------------------------|-----------------|-----------------------------------|--------------------------------|
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 827,667 | \$ 376,864 | \$ 1,887,892 | \$ - | \$ 220,199 | \$ 3,312,622 |
| Retainage payable | 4,038 | 10,000 | - | - | 389 | 14,427 |
| Accrued payroll | 411,085 | - | - | - | - | 411,085 |
| Deposits payable | 255,380 | - | - | - | 384,106 | 639,486 |
| Unearned revenue | 36,069 | - | - | - | - | 36,069 |
| Due to other funds | 1,000,000 | - | - | - | - | 1,000,000 |
| Advances from other funds | - | 1,835,711 | - | - | - | 1,835,711 |
| Total liabilities | 2,534,239 | 2,222,575 | 1,887,892 | - | 604,694 | 7,249,400 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable property taxes | 11,141,756 | 149,877 | - | 2,132,127 | 645,761 | 14,069,521 |
| Total deferred inflows of resources | 11,141,756 | 149,877 | - | 2,132,127 | 645,761 | 14,069,521 |
| Total liabilities and deferred inflows of resources | 13,675,995 | 2,372,452 | 1,887,892 | 2,132,127 | 1,250,455 | 21,318,921 |
| FUND BALANCES | | | | | | |
| Nonspendable | | | | | | |
| Prepaid items | 69,206 | - | - | - | 141 | 69,347 |
| Advances | 1,835,711 | - | - | - | - | 1,835,711 |
| Restricted | | | | | | |
| Police department programs | - | - | - | - | 74,905 | 74,905 |
| Asset forfeiture | 189,143 | - | - | - | - | 189,143 |
| Capital projects | - | - | 6,716,035 | - | - | 6,716,035 |
| Street maintenance | - | - | - | - | 554,538 | 554,538 |
| Parks | - | - | - | - | 353,783 | 353,783 |
| Public improvements | - | - | - | - | 3,243,327 | 3,243,327 |
| Fire purposes | - | - | - | - | 41,752 | 41,752 |
| Debt service | - | - | - | 679,859 | - | 679,859 |
| Assigned | | | | | | |
| Community improvements | 182,588 | - | - | - | - | 182,588 |
| Future cash flow | 1,627,588 | - | - | - | - | 1,627,588 |
| Subsequent year's budget | 861,587 | - | - | - | - | 861,587 |
| Capital projects | - | - | 1,964,052 | - | 765,112 | 2,729,164 |
| Unassigned | 3,981,550 | (2,222,575) | - | - | - | 1,758,975 |
| Total fund balances | 8,747,373 | (2,222,575) | 8,680,087 | 679,859 | 5,033,558 | 20,918,302 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | |
| | \$ 22,423,368 | \$ 149,877 | \$ 10,567,979 | \$ 2,811,986 | \$ 6,284,013 | \$ 42,237,223 |

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, 2015

FUND BALANCES OF GOVERNMENTAL FUNDS \$ 20,918,302

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 101,814,232

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 | 711,321 |
| Police Pension Fund | 3,763,945 |
| Firefighters' Pension Fund | 1,368,267 |

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

| | |
|--|--------------|
| Interest payable | (18,563) |
| Compensated absences payable | (898,539) |
| Bonds payable | (32,443,360) |
| Claims payable | (338,157) |
| Other postemployment benefit payable | (1,996,587) |
| Net pension liability for the Illinois Municipal Retirement Fund | (2,372,102) |
| Net pension liability for the Police Pension Fund | (33,198,288) |
| Net pension liability for the Firefighters' Pension Fund | (11,460,001) |
| Less amounts included in internal service funds below | 338,157 |

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 (830,776)

The net position of the internal service fund is included in the
governmental activities in the statement of net position 294,805

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 45,652,656

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Eight Months Ended December 31, 2015

| | General | TIF #3 Route 25 | Capital Improvement Projects | Debt Service | Nonmajor Governmental Funds | Total Governmental Funds |
|--|---------------------|-----------------------|------------------------------------|-------------------|-----------------------------------|--------------------------------|
| REVENUES | | | | | | |
| Taxes | \$ 17,673,669 | \$ 19,902 | \$ - | \$ 2,315,005 | \$ 781,945 | \$ 20,790,521 |
| Intergovernmental | 3,557,696 | - | 771,051 | 286,950 | 933,401 | 5,549,098 |
| Licenses and permits | 572,249 | - | - | - | - | 572,249 |
| Charges for services | 1,247,298 | - | - | 17,500 | - | 1,264,798 |
| Fines and forfeitures | 311,764 | - | - | - | - | 311,764 |
| Investment income | 8,568 | - | 9,332 | 1,086 | (19,163) | (177) |
| Miscellaneous | 456,207 | - | - | - | 21,321 | 477,528 |
| Total revenues | 23,827,451 | 19,902 | 780,383 | 2,620,541 | 1,717,504 | 28,965,781 |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| General government | 4,175,101 | 37,404 | - | - | - | 4,212,505 |
| Public safety | 12,806,139 | - | - | - | 19,890 | 12,826,029 |
| Public works | 1,992,779 | - | - | - | 430,529 | 2,423,308 |
| Community development | 793,656 | - | - | - | 91,905 | 885,561 |
| Culture and recreation | 135,126 | - | - | - | 4,842 | 139,968 |
| Capital outlay | - | 1,967,617 | 2,113,968 | - | 1,709,416 | 5,791,001 |
| Debt service | | | | | | |
| Principal retirement | - | - | - | 4,626,400 | 59,450 | 4,685,850 |
| Interest and fiscal charges | - | - | - | 1,603,489 | 455 | 1,603,944 |
| Total expenditures | 19,902,801 | 2,005,021 | 2,113,968 | 6,229,889 | 2,316,487 | 32,568,166 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 3,924,650 | (1,985,119) | (1,333,585) | (3,609,348) | (598,983) | (3,602,385) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 3,483 | - | 1,787,000 | 461,167 | 660,000 | 2,911,650 |
| Transfers (out) | (2,531,217) | - | - | - | (380,433) | (2,911,650) |
| Issuance of debt | - | - | - | 2,920,000 | - | 2,920,000 |
| Premium on issuance of debt | - | - | - | 366,033 | - | 366,033 |
| Sale of capital assets | - | - | - | - | 9,640 | 9,640 |
| Total other financing sources (uses) | (2,527,734) | - | 1,787,000 | 3,747,200 | 289,207 | 3,295,673 |
| NET CHANGE IN FUND BALANCES | 1,396,916 | (1,985,119) | 453,415 | 137,852 | (309,776) | (306,712) |
| FUND BALANCES, MAY 1 | 7,350,457 | (237,456) | 8,226,672 | 542,007 | 5,343,334 | 21,225,014 |
| FUND BALANCES, DECEMBER 31 | \$ 8,747,373 | \$ (2,222,575) | \$ 8,680,087 | \$ 679,859 | \$ 5,033,558 | \$ 20,918,302 |

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 Eight Months Ended December 31, 2015

| | |
|---|----------------------------|
| NET CHANGE IN FUND BALANCES - | |
| TOTAL GOVERNMENTAL FUNDS | \$ (306,712) |
| 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 | 3,303,784 |
| The issuance of long-term debt is reported as an other financing source in governmental funds but as an increase of principal outstanding on the statement of activities | (2,920,000) |
| The change in the net pension liabilities are only reported only in the statement of activities | |
| Illinois Municipal Retirement Fund | (981,353) |
| Police Pension Fund | (4,588,807) |
| Firefighters' Pension Fund | (1,539,215) |
| 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 | 711,321 |
| Police Pension Fund | 3,763,945 |
| Firefighters' Pension Fund | 1,368,267 |
| Transfers of capital assets are reported only on the statement of activities | (635,792) |
| 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 | (295,032) |
| The repayment of the principal portion long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principle outstanding in the statement of activities | 4,685,850 |
| 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 | (1,479,844) |
| Accrued interest | 515,374 |
| Compensated absences | 127,883 |
| Other postemployment benefit | (139,141) |
| The change in net position of internal service funds is reported with governmental activities | <u>(109,875)</u> |
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | <u><u>\$ 1,480,653</u></u> |

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2015

| | Business-Type Activities | Governmental Activities |
|--|-------------------------------------|---------------------------------------|
| | Waterworks and Sewerage | Internal Service Funds |
| CURRENT ASSETS | | |
| Cash and investments | \$ 8,058,619 | \$ - |
| Receivables (net of allowances) | | |
| Accounts | 1,340,001 | 14,921 |
| Accrued interest | 393 | - |
| Other | - | 785,040 |
| Prepaid expenses | - | 543,853 |
| Due from other funds | 53,454 | - |
| Due from other governments | 74,704 | - |
| | <hr/> | <hr/> |
| Total current assets | 9,527,171 | 1,343,814 |
| CAPITAL ASSETS | | |
| Nondepreciable | 1,552,793 | - |
| Depreciable | 90,751,656 | - |
| Accumulated depreciation | (41,070,487) | - |
| | <hr/> | <hr/> |
| Net capital assets | 51,233,962 | - |
| | <hr/> | <hr/> |
| Total assets | 60,761,133 | 1,343,814 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pension items - IMRF | 480,431 | - |
| | <hr/> | <hr/> |
| Total deferred outflows of resources | 480,431 | - |
| | <hr/> | <hr/> |
| Total assets and deferred outflows of resources | 61,241,564 | 1,343,814 |
| | <hr/> | <hr/> |

(This statement is continued on the following page.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF NET POSITION (Continued)
 PROPRIETARY FUNDS

December 31, 2015

| | Business-Type Activities | Governmental Activities |
|---|-------------------------------------|---------------------------------------|
| | Waterworks and Sewerage | Internal Service Funds |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 830,732 | \$ 12,105 |
| Accrued payroll | 81,419 | - |
| Unearned revenue | 5,206 | 19,929 |
| Accrued interest payable | 151,861 | - |
| Claims payable | - | 338,157 |
| Due to other funds | - | 340,660 |
| Deposits payable | 292,159 | - |
| Compensated absences payable | 41,748 | - |
| Bonds payable | 1,174,960 | - |
| | <hr/> | <hr/> |
| Total current liabilities | 2,578,085 | 710,851 |
| LONG-TERM LIABILITIES | | |
| Compensated absences payable | 166,994 | - |
| Claims payable | - | 338,158 |
| Bonds payable | 14,218,403 | - |
| Net other postemployment benefit obligation | 72,868 | - |
| IEPA loans payable | 2,255,126 | - |
| IMRF net pension liability | 1,389,641 | - |
| | <hr/> | <hr/> |
| Total long-term liabilities | 18,103,032 | 338,158 |
| | <hr/> | <hr/> |
| Total liabilities | 20,681,117 | 1,049,009 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pension items - IMRF | 62,671 | - |
| | <hr/> | <hr/> |
| Total deferred inflows of resources | 62,671 | - |
| | <hr/> | <hr/> |
| Total liabilities and deferred inflows of resources | 20,743,788 | - |
| NET POSITION | | |
| Net investment in capital assets | 34,640,323 | - |
| Unrestricted | 5,857,453 | 294,805 |
| | <hr/> | <hr/> |
| TOTAL NET POSITION | \$ 40,497,776 | \$ 294,805 |

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Eight Months Ended December 31, 2015

| | Business-Type Activities | Governmental Activities |
|--|-------------------------------------|---------------------------------------|
| | Waterworks and Sewerage | Internal Service Funds |
| OPERATING REVENUES | | |
| Charges for services | \$ 5,950,436 | \$ 2,916,474 |
| Service fees and penalties | 181,969 | - |
| Miscellaneous | 31,538 | - |
| | <hr/> | <hr/> |
| Total operating revenues | 6,163,943 | 2,916,474 |
| | <hr/> | <hr/> |
| OPERATING EXPENSES | | |
| Administration | 458,935 | - |
| Operations | 3,100,731 | 3,026,349 |
| Depreciation and amortization | 1,589,965 | - |
| | <hr/> | <hr/> |
| Total operating expenses | 5,149,631 | 3,026,349 |
| | <hr/> | <hr/> |
| OPERATING INCOME (LOSS) | 1,014,312 | (109,875) |
| | <hr/> | <hr/> |
| NON-OPERATING REVENUES (EXPENSES) | | |
| Investment income | 8,131 | - |
| Disposal of capital assets | 3,055 | - |
| Interest and fiscal charges | (371,180) | - |
| | <hr/> | <hr/> |
| Total non-operating revenues (expenses) | (359,994) | - |
| | <hr/> | <hr/> |
| INCOME (LOSS) BEFORE CAPITAL GRANTS AND CONTRIBUTIONS | 654,318 | (109,875) |
| | <hr/> | <hr/> |
| Capital grants and contributions | 635,792 | - |
| | <hr/> | <hr/> |
| CHANGE IN NET POSITION | 1,290,110 | (109,875) |
| | <hr/> | <hr/> |
| NET POSITION, MAY 1 | 40,020,956 | 404,680 |
| | <hr/> | <hr/> |
| Change in accounting principle | (813,290) | - |
| | <hr/> | <hr/> |
| NET POSITION, MAY 1, RESTATED | 39,207,666 | 404,680 |
| | <hr/> | <hr/> |
| NET POSITION, DECEMBER 31 | \$ 40,497,776 | \$ 294,805 |
| | <hr/> | <hr/> |

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Eight Months Ended December 31, 2015

| | Business-Type Activities | Governmental Activities |
|---|-------------------------------------|--------------------------------------|
| | Waterworks and Sewerage | Internal Service Fund |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers and users | \$ 5,966,640 | \$ 214,784 |
| Receipts from interfund services transactions | - | 2,500,202 |
| Receipts from others | - | 39,742 |
| Receipts from miscellaneous | 31,538 | - |
| Payments for interfund services transactions | (412,303) | 299,774 |
| Payments to suppliers | (1,991,431) | (3,054,502) |
| Payments to employees | (1,635,846) | - |
| Net cash from operating activities | <u>1,958,598</u> | <u>-</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Interfund activity | <u>(46,708)</u> | <u>-</u> |
| Net cash from noncapital financing activities | <u>(46,708)</u> | <u>-</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Proceeds from capital grants | 11,761 | - |
| Capital assets purchased | (2,807,123) | - |
| Proceeds from disposal of capital assets | 3,055 | - |
| Proceeds from issuance of long-term debt | 5,167,263 | - |
| Principal payments on long-term debt | (4,008,600) | - |
| Interest payments on long-term debt | (498,186) | - |
| Net cash from capital and related financing activities | <u>(2,131,830)</u> | <u>-</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received on investments | <u>8,814</u> | <u>-</u> |
| Net cash from investing activities | <u>8,814</u> | <u>-</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | <u>(211,126)</u> | <u>-</u> |
| CASH AND CASH EQUIVALENTS, MAY 1 | <u>8,269,745</u> | <u>-</u> |
| CASH AND CASH EQUIVALENTS, DECEMBER 31 | <u><u>\$ 8,058,619</u></u> | <u><u>\$ -</u></u> |

(This statement is continued on the following page.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
 PROPRIETARY FUNDS

For the Eight Months Ended December 31, 2015

| | Business-Type Activities | Governmental Activities |
|--|-------------------------------------|--------------------------------------|
| | Waterworks and Sewerage | Internal Service Fund |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Operating income (loss) | \$ 1,014,312 | \$ (109,875) |
| Adjustments to reconcile operating income (loss) to net cash from operating activities | | |
| Depreciation and amortization | 1,589,965 | - |
| Changes in assets and liabilities | | |
| Accounts receivable | (115,120) | (14,921) |
| Other receivables | (13,336) | (148,290) |
| Prepaid expenses | 7,771 | (195,452) |
| Accounts payable | (608,477) | (89,381) |
| Retainage payable | (48,271) | - |
| Accrued payroll | (6,981) | - |
| Unclaimed property | 294 | - |
| Deposits payable | (16,216) | - |
| Claims payable | - | 256,680 |
| Interfund balance | - | 299,774 |
| Net other postemployment benefit obligation | 19,052 | - |
| Unearned revenue | (21,094) | 1,465 |
| Pension amounts | 158,591 | - |
| Compensated absences | (1,892) | - |
| NET CASH FROM OPERATING ACTIVITIES | \$ 1,958,598 | \$ - |
| NONCASH TRANSACTIONS | | |
| Contributed capital assets | \$ 635,794 | \$ - |
| TOTAL NONCASH TRANSACTIONS | \$ 635,794 | \$ - |

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

December 31, 2015

| | Pension Trust |
|---|---------------------------------|
| | <u> </u> |
| ASSETS | |
| Cash and short-term investments | \$ 4,784 |
| Investments, at fair value | |
| Money market mutual funds | 1,366,960 |
| U.S. Treasury obligations | 7,426,092 |
| U.S. Agency obligations | 10,959,392 |
| Municipal bonds | 1,278,668 |
| Equities | 12,446,481 |
| Corporate bonds | 1,602,650 |
| Equity mutual funds | 18,534,557 |
| Receivables | |
| Accrued interest | <u>147,008</u> |
| Total assets | <u>53,766,592</u> |
| LIABILITIES | |
| Accounts payable | <u>20,235</u> |
| Total liabilities | <u>20,235</u> |
| NET POSITION RESTRICTED FOR PENSIONS | <u><u>\$ 53,746,357</u></u> |

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Eight Months Ended December 31, 2015

ADDITIONS

Contributions

| | |
|------------------------|----------------|
| Employer contributions | \$ 3,095,772 |
| Employee contributions | <u>586,533</u> |

| | |
|---------------------|------------------|
| Total contributions | <u>3,682,305</u> |
|---------------------|------------------|

Investment income

| | |
|--|------------------|
| Net (depreciation) in fair value of investments | (1,299,161) |
| Interest | <u>1,054,948</u> |

| | |
|-------------------------|------------------|
| Total investment income | (244,213) |
| Less investment expense | <u>(134,411)</u> |

| | |
|-----------------------|------------------|
| Net investment income | <u>(378,624)</u> |
|-----------------------|------------------|

| | |
|-----------------|------------------|
| Total additions | <u>3,303,681</u> |
|-----------------|------------------|

DEDUCTIONS

| | |
|------------------|------------------|
| Administration | 52,465 |
| Pension benefits | <u>2,067,796</u> |

| | |
|------------------|------------------|
| Total deductions | <u>2,120,261</u> |
|------------------|------------------|

| | |
|--------------|-----------|
| NET INCREASE | 1,183,420 |
|--------------|-----------|

**NET POSITION RESTRICTED
FOR PENSIONS**

| | |
|-------|-------------------|
| May 1 | <u>52,562,937</u> |
|-------|-------------------|

| | |
|-------------|-----------------------------|
| December 31 | <u><u>\$ 53,746,357</u></u> |
|-------------|-----------------------------|

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accounting policies of the Village conform to accounting principles generally accepted in the United States of America, as applicable to governments (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

a. Reporting Entity

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

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

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

b. Fund Accounting

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

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

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

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the Village (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Village. The Village utilizes pension trust funds which are generally used to account for assets that the Village holds in a fiduciary capacity.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these statements. Interfund services provided and used are not eliminated on these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The Village reports the following major governmental funds:

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

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

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

The 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.

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.

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 pension trust funds as fiduciary funds 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, income taxes and telecommunication taxes which use 90 days. The Village recognizes property taxes when they become both measurable and available in the year for which they are levied (i.e., intended to finance). Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

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

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

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)

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 earned criteria (deferred) for recognition in the current period. Unearned revenue arises when a revenue is measurable but not earned under the accrual basis of accounting. Unearned revenues also arise when resources are received by the Village before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability and deferred inflows of resource for unearned and unavailable/deferred revenue are removed from the financial statements and revenue is recognized.

e. Cash and Investments

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

Investments with a maturity of one year or less when purchased and all non-negotiable certificates of deposit are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are reported at fair value. All investments of the pension trust funds, regardless of length of maturity, are reported at fair value. Fair value is based on published market quotes as of April 30 or contract values for any insurance contracts.

f. Interfund Receivables/Payables

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Interfund Receivables/Payables (Continued)

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

g. Property Taxes

Property taxes are levied in December of each year on all taxable real property in the Village and attach as an enforceable lien on the property as of the preceding January 1. Property taxes receivable represent the balance due on the 2015 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 2015 levy is intended to finance the next fiscal year, the levy has been recorded as a receivable and unavailable/deferred revenue. The 2016 tax levy has not been recorded as a receivable at December 31, 2015, as the tax attached as a lien on property as of January 1, 2016; however, the tax will not be levied until December 2016 and, accordingly, is not measurable at December 31, 2015.

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, 2015.

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

i. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads and bridges) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost in excess of \$20,000 and an estimated useful life in excess of one year.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Capital Assets (Continued)

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

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

| Assets | Years |
|-------------------------|--------|
| Buildings | 50 |
| Machinery and equipment | 3-25 |
| Utility system | 10-75 |
| Infrastructure | 50-100 |

j. Compensated Absences

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

k. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts, as well as the unamortized loss on refunding, are deferred and amortized over the life of the bonds. Bonds payable are reported net of any applicable bond premium or discount. Issuance costs are reported as expenses.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. 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% and an unassigned fund balance level of 20% of annual operating expenditures.

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Use of Estimates

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

2. DEPOSITS AND INVESTMENTS

a. Village Investments

The Village's investment policy authorizes the Village to invest in all investments allowed by Illinois Compiled Statutes (ILCS). These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and 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). 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.

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

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Investments (Continued)

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, 2015:

| Investment Type | Fair Value | Investment Maturities (in Years) | | | |
|-------------------|---------------------|----------------------------------|-------------------|------------------|-----------------|
| | | Less than 1 | 1-5 | 6-10 | Greater than 10 |
| Bond mutual funds | \$ 27,515 | \$ - | \$ 9,316 | \$ 18,199 | \$ - |
| Municipal bonds | 1,028,103 | 665,414 | 362,689 | - | - |
| U.S. agency | 498,580 | 498,580 | - | - | - |
| TOTAL | \$ 1,554,198 | \$ 1,163,994 | \$ 372,005 | \$ 18,199 | \$ - |

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 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 4 highest general classifications established by a national rating service. Illinois Funds and the Illinois Metropolitan Investment Fund (IMET) are all rated AAA. The bond mutual funds are not rated. Municipal bonds are rated Aa1 to Aa3. U.S. Agencies are rated Aaa.

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

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

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Investments (Continued)

Investments (Continued)

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. Illinois Funds, IMET and the bond mutual funds are not subject to custodial credit risk.

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, 2015:

| | |
|--------------------------------------|----------------------------|
| GOVERNMENTAL ACTIVITIES | |
| Insurance Receivables | \$ 785,040 |
| Telecommunications Tax | 160,677 |
| Franchise Fee | 108,245 |
| Other | <u>27,056</u> |
| TOTAL GOVERNMENTAL ACTIVITIES | <u>\$ 1,081,018</u> |

The following receivables are included in due from other governments on the statement of net position at December 31, 2015:

| | |
|--|--------------------------|
| GOVERNMENTAL ACTIVITIES | |
| Illinois Department of Transportation | \$ 640,086 |
| Illinois Environment Protection Agency | 118,456 |
| Tulsa Kings | 5,154 |
| 51 S. Grove Reimbursement | <u>153,209</u> |
| TOTAL GOVERNMENTAL ACTIVITIES | <u>\$ 916,905</u> |

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

3. RECEIVABLES (Continued)

BUSINESS-TYPE ACTIVITIES

| | | |
|--------------------------------|----|---------------|
| IEPA Loan Receivable | \$ | 60,601 |
| Social Security Overpayment | | 97 |
| Outstanding Invoices | | 13,239 |
| Fox Valley Internet Rent | | 767 |
| | | <u>767</u> |
| TOTAL BUSINESS-TYPE ACTIVITIES | \$ | <u>74,704</u> |

4. CAPITAL ASSETS

Capital asset activity for the eight months ended December 31, 2015 was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|---|-----------------------|---------------------|-------------------|-----------------------|
| GOVERNMENTAL ACTIVITIES | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 2,727,533 | \$ - | \$ - | \$ 2,727,533 |
| Right of ways | 11,809,913 | - | - | 11,809,913 |
| Construction in progress | 1,187,733 | 1,103,719 | 320,722 | 1,970,730 |
| Total capital assets not being depreciated | <u>15,725,179</u> | <u>1,103,719</u> | <u>320,722</u> | <u>16,508,176</u> |
| Capital assets being depreciated | | | | |
| Land improvements | - | 219,362 | - | 219,362 |
| Building and improvements | 21,245,511 | - | - | 21,245,511 |
| Vehicles | 3,887,252 | 301,839 | 147,363 | 4,041,728 |
| Equipment | 2,815,224 | 95,664 | - | 2,910,888 |
| Roads | 45,988,867 | 1,061,321 | - | 47,050,188 |
| Storm sewers | 3,425,670 | - | - | 3,425,670 |
| Bridges | 365,386 | - | - | 365,386 |
| Retaining walls | 97,418 | - | - | 97,418 |
| Parking lot | 31,154,994 | 206,809 | - | 31,361,803 |
| Total capital assets being depreciated | <u>108,980,322</u> | <u>1,884,995</u> | <u>147,363</u> | <u>110,717,954</u> |
| Less accumulated depreciation for | | | | |
| Land improvements | - | 7,312 | - | 7,312 |
| Buildings and improvements | 3,820,410 | 281,440 | - | 4,101,850 |
| Vehicles | 2,915,435 | 191,169 | 147,363 | 2,959,241 |
| Equipment | 1,461,130 | 109,227 | - | 1,570,357 |
| Roads | 10,051,835 | 623,798 | - | 10,675,633 |
| Storm sewers | 342,568 | 30,450 | - | 373,018 |
| Bridges | 27,404 | 12,180 | - | 39,584 |
| Retaining walls | 31,347 | 1,961 | - | 33,308 |
| Parking lot | 5,429,288 | 222,307 | - | 5,651,595 |
| Total accumulated depreciation | <u>24,079,417</u> | <u>1,479,844</u> | <u>147,363</u> | <u>25,411,898</u> |
| Total capital assets being depreciated, net | <u>84,900,905</u> | <u>405,151</u> | <u>-</u> | <u>85,306,056</u> |
| GOVERNMENTAL ACTIVITIES | | | | |
| CAPITAL ASSETS, NET | <u>\$ 100,626,084</u> | <u>\$ 1,508,870</u> | <u>\$ 320,722</u> | <u>\$ 101,814,232</u> |

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 | \$ 57,428 |
| Public safety | 269,234 |
| Public works | 1,143,014 |
| Culture and recreation | <u>10,168</u> |

TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES **\$ 1,479,844**

| | Beginning Balances | Increases | Decreases | Ending Balances |
|---|-----------------------------|----------------------------|--------------------------|-----------------------------|
| BUSINESS-TYPE ACTIVITIES | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 1,249,761 | \$ - | \$ - | \$ 1,249,761 |
| Construction in progress | 776,141 | 221,673 | 694,782 | 303,032 |
| Total capital assets not being depreciated | <u>2,025,902</u> | <u>221,673</u> | <u>694,782</u> | <u>1,552,793</u> |
| Capital assets being depreciated | | | | |
| Water and wastewater treatment improvements | 44,798,933 | - | - | 44,798,933 |
| Water distribution and sewer collection | 40,501,915 | 1,054,093 | - | 41,556,008 |
| Vehicles | 1,164,749 | 104,625 | 38,707 | 1,230,667 |
| Equipment | 862,281 | 2,303,767 | - | 3,166,048 |
| Total capital assets being depreciated | <u>87,327,878</u> | <u>3,462,485</u> | <u>38,707</u> | <u>90,751,656</u> |
| Less accumulated depreciation for | | | | |
| Water and wastewater treatment improvements | 23,792,409 | 981,687 | - | 24,774,096 |
| Water distribution and sewer collection | 14,121,950 | 472,978 | - | 14,594,928 |
| Vehicles | 932,791 | 48,392 | 38,707 | 942,476 |
| Equipment | 672,079 | 86,908 | - | 758,987 |
| Total accumulated depreciation | <u>39,519,229</u> | <u>1,589,965</u> | <u>38,707</u> | <u>41,070,487</u> |
| Total capital assets being depreciated, net | <u>47,808,649</u> | <u>1,872,520</u> | <u>-</u> | <u>49,681,169</u> |
| BUSINESS-TYPE ACTIVITIES | | | | |
| CAPITAL ASSETS, NET | <u>\$ 49,834,551</u> | <u>\$ 2,094,193</u> | <u>\$ 694,782</u> | <u>\$ 51,233,962</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 eight months ended December 31, 2015 is as follows:

| Issue | Fund Debt Retired By | Purpose | Balances May 1 | Additions | Reductions/ Refunding | Balances April 30 | Current |
|--|-------------------------|---|----------------|-----------|-----------------------|-------------------|---------|
| General Obligation Bonds, Series 2006 (dated June 1, 2006; maturing December 30, 2026; original issue \$10,000,000; interest rates 3.75% to 4.50%; principal payable annually on December 30). | General Debt Service | Public Improvements | \$ 3,475,000 | \$ - | \$ 3,475,000 | \$ - | \$ - |
| | Waterworks and Sewerage | Public Improvements | 3,475,000 | - | 3,475,500 | - | - |
| General Obligation Bonds, Series 2008 (dated September 11, 2008; maturing December 30, 2028; original issue \$10,000,000; interest rates 3.0% to 4.5%; principal payable annually on December 30). | General Debt Service | Public Improvements | 5,185,800 | - | 281,400 | 4,904,400 | 291,450 |
| | Waterworks and Sewerage | Public Improvements | 2,554,200 | - | 138,600 | 2,415,600 | 143,550 |
| 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 | 17,210,000 | - | 720,000 | 16,490,000 | 730,000 |
| | General Debt Service | Public Improvements | 8,278,960 | - | 150,000 | 8,128,960 | 316,090 |
| 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). | Waterworks and Sewerage | Public Improvements | 1,281,040 | - | 105,000 | 1,176,040 | 48,910 |

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 May 1 | Additions | Reductions/Refundings | Balances April 30 | Current |
|--|-------------------------|---------------------|----------------------|---------------------|-----------------------|----------------------|---------------------|
| General Obligation Refunding Bond Series 2015A (dated March 5, 2015; maturing July 25, 2023; original issue \$8,105,000; interest rates 2.5% to 4.0%; principal payable semiannually on July 15 and January 15). | Waterworks and Sewerage | Refunding | \$ 8,105,000 | \$ - | \$ 290,000 | \$ 7,815,000 | \$ 875,000 |
| 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 | - | 2,920,000 | - | 2,920,000 | 107,500 |
| | Waterworks and Sewerage | Public Improvements | - | 2,920,000 | - | 2,920,000 | 107,500 |
| TOTAL | | | <u>\$ 49,565,000</u> | <u>\$ 5,840,000</u> | <u>\$ 8,635,000</u> | <u>\$ 46,770,000</u> | <u>\$ 2,620,000</u> |

c. Legal Debt Margin

The Village is a home rule municipality.

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

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

The Village changed its' fiscal year to December 31 effective December 31, 2015.

| Year Ending December 31, | General Obligation Bonds | | | | | |
|--------------------------------|--------------------------|----------------------|----------------------|--------------------------|---------------------|----------------------|
| | Governmental Activities | | | Business-Type Activities | | |
| | Principal | Interest | Total | Principal | Interest | Total |
| 2016 | \$ 1,445,040 | \$ 1,589,680 | \$ 3,034,720 | \$ 1,174,960 | \$ 512,631 | \$ 1,687,591 |
| 2017 | 1,504,600 | 1,510,546 | 3,015,146 | 1,225,400 | 479,961 | 1,705,361 |
| 2018 | 1,538,980 | 1,446,472 | 2,985,452 | 1,261,020 | 463,087 | 1,724,107 |
| 2019 | 1,727,870 | 1,386,911 | 3,114,781 | 1,437,130 | 423,342 | 1,860,472 |
| 2020 | 1,784,930 | 1,313,767 | 3,098,697 | 1,495,070 | 365,582 | 1,860,652 |
| 2021 | 1,847,840 | 1,238,180 | 3,086,020 | 1,557,160 | 305,501 | 1,862,661 |
| 2022 | 1,909,230 | 1,159,909 | 3,069,139 | 1,615,770 | 242,930 | 1,858,700 |
| 2023 | 1,977,140 | 1,072,226 | 3,049,366 | 1,667,860 | 178,017 | 1,855,877 |
| 2024 | 2,056,880 | 981,378 | 3,038,258 | 598,120 | 121,913 | 720,033 |
| 2025 | 2,134,120 | 886,850 | 3,020,970 | 620,880 | 98,099 | 718,979 |
| 2026 | 2,220,690 | 777,460 | 2,998,150 | 644,310 | 72,485 | 716,795 |
| 2027 | 2,600,610 | 663,603 | 3,264,213 | 294,390 | 45,902 | 340,292 |
| 2028 | 2,708,030 | 517,335 | 3,225,365 | 306,970 | 32,995 | 339,965 |
| 2029 | 2,316,300 | 365,023 | 2,681,323 | 73,700 | 19,537 | 93,237 |
| 2030 | 2,413,620 | 229,131 | 2,642,751 | 76,380 | 16,589 | 92,969 |
| 2031 | 515,270 | 87,466 | 602,736 | 79,730 | 13,534 | 93,264 |
| 2032 | 536,920 | 66,855 | 603,775 | 83,080 | 10,345 | 93,425 |
| 2033 | 554,240 | 45,378 | 599,618 | 85,760 | 7,022 | 92,782 |
| 2034 | 651,050 | 23,209 | 674,259 | 18,950 | 3,591 | 22,541 |
| TOTAL | \$ 32,443,360 | \$ 15,361,379 | \$ 47,804,739 | \$ 14,326,640 | \$ 3,413,063 | \$ 17,739,703 |

e. Changes in Long-Term Liabilities

During the eight months ended the following changes occurred in liabilities reported in the governmental activities:

| | Balances May 1, Restated | Issuances | Reductions/ Refunding | Balances December 31 | Current Portion |
|---|--------------------------------|----------------------|--------------------------|-------------------------|---------------------|
| General obligation bonds payable | \$ 34,149,760 | \$ 2,920,000 | \$ 4,626,400 | \$ 32,443,360 | \$ 1,445,040 |
| Capital lease payable | 59,450 | - | 59,450 | - | - |
| Premium on bonds payable | 535,744 | 366,033 | 71,001 | 830,776 | - |
| Compensated absences payable | 1,026,422 | 487,800 | 615,683 | 898,539 | 539,123 |
| Net pension liability - IMRF | 1,390,749 | 981,353 | - | 2,372,102 | - |
| Net pension liability - Police | 28,609,481 | 4,588,807 | - | 33,198,288 | - |
| Net pension liability- Fire | 9,920,786 | 1,539,215 | - | 11,460,001 | - |
| Net other postemployment benefit obligation | 1,857,446 | 139,141 | - | 1,996,587 | - |
| Insurance claims payable | 419,636 | 488,552 | 231,873 | 676,315 | 338,157 |
| TOTAL GOVERNMENTAL ACTIVITIES | \$ 77,969,474 | \$ 11,510,901 | \$ 5,604,407 | \$ 83,875,968 | \$ 2,322,320 |

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

5. LONG-TERM DEBT (Continued)

e. Changes in Long-Term Liabilities (Continued)

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

During the eight months ended the following changes occurred in liabilities reported in the business-type activities:

| | Balances May 1, Restated | Issuances | Reductions/ Refunding | Balances December 31 | Current Portion |
|---|--------------------------------|---------------------|--------------------------|-------------------------|---------------------|
| General obligation bonds payable | \$ 15,415,240 | \$ 2,920,000 | \$ 4,008,600 | \$ 14,326,640 | \$ 1,174,960 |
| Premium on bonds payable | 814,050 | 366,033 | 113,360 | 1,066,723 | - |
| IEPA loan* | 623,404 | 1,631,722 | - | 2,255,126 | - |
| Compensated absences | 210,634 | 40,235 | 42,127 | 208,742 | 41,748 |
| Net pension liability - IMRF | 813,290 | 576,351 | - | 1,389,641 | - |
| Net other postemployment benefit obligation | 53,816 | 19,052 | - | 72,868 | - |
| TOTAL BUSINESS-TYPE ACTIVITIES | \$ 17,930,434 | \$ 5,553,393 | \$ 4,164,087 | \$ 19,319,740 | \$ 1,216,708 |

*The IEPA loan was not fully disbursed as of December 31, 2015; therefore, a debt service to maturity schedule is not available and the entire amount of the loan has been reported as long-term at December 31, 2015.

f. Current Refunding

On November 5, 2015, the Village issued \$5,840,000 Series 2015B General Obligation Refunding Bonds to refund the 2006 General Obligation Bonds. As a result of the refunding, the Village achieved cash flow savings of \$827,336 and an economic gain on the refunding of \$827,133.

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 \$50,000 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.

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

6. RISK MANAGEMENT (Continued)

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 periods ended December 31, 2015 and April 30, 2015 are as follows:

| | December 31, 2015 | April 30, 2015 |
|-------------------------------------|----------------------|-------------------|
| UNPAID CLAIMS - BEGINNING OF PERIOD | \$ 419,636 | \$ 450,537 |
| Incurred claims (including IBNR) | 488,551 | 403,460 |
| Claims payments | (231,872) | (434,361) |
| UNPAID CLAIMS - END OF PERIOD | <u>\$ 676,315</u> | <u>\$ 419,636</u> |

Intergovernmental Personnel Benefit Cooperative

The Village participates in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC is a public entity risk pool established in 1979 by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain other governmental, quasi governmental and nonprofit public service entities. Management consists of a Board of Directors comprised of one appointed representative from each member. The officers of IPBC are chosen by the Board of Directors from among their membership.

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

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.

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

6. RISK MANAGEMENT (Continued)

Intergovernmental Personnel Benefit Cooperative (Continued)

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, 2015 of \$720,040.

This amount was declared as a dividend to the Village and, therefore, has been recorded as a receivable in the Fund as of December 31, 2015.

7. CONTINGENT LIABILITIES

a. Litigation

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

b. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, constitute a liability of the applicable funds.

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

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

8. INDIVIDUAL FUND DISCLOSURES

a. Due From/To Other Funds

Individual fund interfund receivables/payables are as follows:

| Receivable Fund | Payable Fund | Amount |
|------------------------------|------------------|----------------------------|
| Capital Improvement Projects | General | \$ 1,000,000 |
| Waterworks and Sewerage | Internal Service | 53,454 |
| General | Internal Service | <u>287,206</u> |
| TOTAL | | <u>\$ 1,340,660</u> |

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

- \$1,000,000 due from the General Fund to the Capital Improvement Projects Fund to record a transfer of fund balance. Payment is expected within one year in accordance with the financial policies.
- \$340,660 due from the Internal Service Fund to the General Fund and the Waterworks and Sewerage Fund to eliminate a deficit cash position due to prepaid liability insurance. Repayment is expected within one year.

b. Advances To/From Other Funds

Individual fund interfund advances to/from are as follows:

| Receivable Fund | Payable Fund | Amount |
|-----------------|-------------------|----------------------------|
| General | TIF #3 (Route 25) | <u>\$ 1,835,711</u> |
| TOTAL | | <u>\$ 1,835,711</u> |

- \$1,835,711 due from TIF #3 (Route 25) Fund) to the General Fund to cover temporary cash deficits. Repayment is not expected within one year.

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

8. INDIVIDUAL FUND DISCLOSURES (Continued)

c. Interfund Transfers

Interfund transfers between funds for the eight months ended December 31, 2015 were as follows:

| | Transfers In | Transfers Out |
|---|---------------------|---------------------|
| General | | |
| Nonmajor Governmental (Park Trust) | \$ 3,483 | \$ - |
| Nonmajor Governmental (Motor Fuel Tax) | - | 510,000 |
| Nonmajor Governmental (Capital Equipment Replacement) | - | 150,000 |
| Capital Improvement Projects | - | 1,787,000 |
| Debt Service | - | 84,217 |
| Total General | <u>3,483</u> | <u>2,531,217</u> |
| Nonmajor governmental | | |
| General | 660,000 | 3,483 |
| Debt Service | - | 376,950 |
| | <u>660,000</u> | <u>380,433</u> |
| Capital Improvement Projects | | |
| General | <u>1,787,000</u> | - |
| Debt Service | | |
| General | 84,217 | - |
| Nonmajor Governmental (Motor Fuel Tax) | 376,950 | - |
| | <u>461,167</u> | - |
| Governmental Activities | | |
| Business-Type Activities | - | <u>635,792</u> |
| Business-Type Activities | | |
| Governmental Activities | <u>635,792</u> | - |
| TOTAL | <u>\$ 3,547,442</u> | <u>\$ 3,547,442</u> |

The purpose of significant transfers is as follows:

- \$1,787,000 was transferred to the Capital Improvement Projects Fund from the General Fund in accordance with financial policies. This transfer will not be repaid.
- \$660,000 was transferred to the nonmajor governmental funds from the General Fund. \$510,000 was transferred to the Motor Fuel Tax Fund for street project contributions and \$150,000 was transferred to the Capital Equipment Replacement Fund to fund capital purchases and maintenance. These transfers will not be repaid.

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

8. INDIVIDUAL FUND DISCLOSURES (Continued)

c. Interfund Transfers (Continued)

- \$376,950 was transferred to the Debt Service Fund from nonmajor governmental funds (Motor Fuel Tax) to transfer the Motor Fuel Tax portion of the 2014 bonds. This transfer will not be repaid.
- \$635,792 was transferred to the Business-Type Activities from the Governmental activities to transfer capital assets paid for by the TIF #3 Route 25 Fund to the Waterworks and Sewerage Fund.

9. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described in the preceding note, the Village provides other postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. Individuals retiring from the Village who are eligible to receive or are receiving a retirement or disability pension may elect to continue their medical insurance coverage through the Village. The Village is required to offer this coverage to such individuals under Illinois State Law (ILCS Ch. 215, Sec. 5/367f & 5/367j) as revised or under the Consolidated Omnibus Budget Reconciliation Act (COBRA). The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual, except for the implicit subsidy which is governed by the State Legislature and ILCS. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Village's internal service fund.

b. Membership

At April 30, 2015 (most recent valuation available) membership consisted of:

| | |
|--|------------|
| Retirees and beneficiaries currently receiving benefits | 25 |
| Terminated employees entitled to benefits but not yet receiving them | - |
| Active plan members | 173 |
| TOTAL | 198 |
| Participating employers | 1 |

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

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. 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.

d. Funding Policy

The Village negotiates the contribution percentages between the Village and employees through the union contracts and personnel policy. Retirees contribute their share of the actuarially determined premium to the plan and the Village contributes the remainder to cover the cost of providing the benefits to the retirees. For the eight months ended December 31, 2015, retirees contributed \$185,220 and the Village contributed \$158,084. The Village is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

e. Annual OPEB Costs and Net OPEB Obligation

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the eight months ended December 31, 2015 and the prior two periods was as follows:

| Fiscal Period Ended | Annual OPEB Cost | Employer Contributions | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation |
|---------------------------|------------------------|---------------------------|--|------------------------|
| April 30, 2014 | \$ 288,667 | \$ 189,804 | 65.75% | \$ 1,653,403 |
| April 30, 2015 | 478,441 | 220,582 | 46.10% | 1,911,262 |
| December 31, 2015 | 316,277 | 158,084 | 49.98% | 2,069,455 |

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

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

The net OPEB obligation (NOPEBO) at December 31, 2015 was calculated as follows:

| | |
|--|----------------------------|
| Annual required contribution | \$ 336,162 |
| Interest on net OPEB obligation | 50,967 |
| Adjustment to annual required contribution | <u>(70,852)</u> |
| Annual OPEB cost | 316,277 |
| Contributions made | <u>(158,084)</u> |
| Increase in net OPEB obligation | 158,193 |
| Net OPEB obligation, beginning of period | <u>1,911,262</u> |
| NET OPEB OBLIGATION, END OF PERIOD | <u>\$ 2,069,455</u> |

The funded status of the plan as of December 31, 2015 was as follows:

| | |
|---|---------------|
| Actuarial accrued liability (AAL) | \$ 4,661,839 |
| Actuarial value of plan assets | - |
| Unfunded actuarial accrued liability (UAAL) | 4,661,839 |
| Funded ratio (actuarial value of plan assets/AAL) | 0.00% |
| Covered payroll (active plan members) | \$ 13,645,720 |
| UAAL as a percentage of covered payroll | 34.16% |

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend.

Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. Actuarial Methods and Assumptions

Actuarial methods and assumptions involve the projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2015 actuarial valuation (most recent valuation available), the entry-age actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return and an annual healthcare cost trend rate of 7.5% initially, reduced by decrements to an ultimate rate of 5%. Both rates include a 2.5% inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a 30-year open basis.

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 Illinois Compiled Statutes (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. The Police and Firefighters' Pension Plans do not issue separate reports.

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.

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Administration (Continued)

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 eight months that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At December 31, 2015, IMRF membership consisted of:

| | |
|---|-----------------------|
| Inactive employees or their beneficiaries | |
| currently receiving benefits | 55 |
| Inactive employees entitled to but not yet receiving benefits | 90 |
| Active employees | <u>81</u> |
| TOTAL | <u><u>226</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.

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Benefits Provided (Continued)

IMRF also provides death and disability benefits. These benefit provisions are established by state statute.

Contributions

Participating members are required to contribute 4.5% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the eight months ended December 31, 2015 was 11.46% of covered payroll.

Actuarial Assumptions

The Village's net pension liability was measured as of December 31, 2015 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, 2015 |
| Actuarial cost method | Entry-age normal |
| Assumptions | |
| Inflation | 2.75% |
| Salary increases | 3.75% to 14.50% |
| Interest rate | 7.50% |
| Cost of living adjustments | 3.00% (Tier 1) 2.00% (Tier 2) |
| Asset valuation method | Market value |

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions (Continued)

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). 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-2014 (base year 2014). 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-2014 (base year 2014). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Discount Rate

The discount rate used to measure the total pension liability was 7.48%. 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 not projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rate of return on pension plan investments of 7.50% was blended with the index rate of 3.57% for tax exempt general obligation bonds rated AA or better at December 31, 2015 to arrive at a discount rate of 7.48% used to determine the total pension liability.

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (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, 2015 | \$ 25,059,997 | \$ 22,855,958 | \$ 2,204,039 |
| Changes for the period | | | |
| Service cost | 621,377 | - | 621,377 |
| Interest | 1,866,746 | - | 1,866,746 |
| Difference between expected and actual experience | (225,721) | - | (225,721) |
| Changes in assumptions | 35,454 | - | 35,454 |
| Employer contributions | - | 643,088 | (643,088) |
| Employee contributions | - | 252,522 | (252,522) |
| Net investment income | - | 114,281 | (114,281) |
| Benefit payments and refunds | (895,018) | (895,018) | - |
| Administrative expense | - | (269,739) | 269,739 |
| Net changes | 1,402,838 | (154,866) | 1,557,704 |
| BALANCES AT DECEMBER 31, 2015 | \$ 26,462,835 | \$ 22,701,092 | \$ 3,761,743 |

Changes in assumptions related to retirement age and mortality were made since the prior measurement date.

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

For the eight months ended December 31, 2015, the Village recognized pension expense of \$1,071,711.

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 (Continued)

At December 31, 2015, 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 | \$ - | \$ 169,382 |
| Changes in assumption | 26,605 | - |
| Net difference between projected and actual earnings on pension plan investments | 1,271,858 | - |
| TOTAL | \$ 1,298,463 | \$ 169,382 |

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> | |
|-------------------------------------|---------------------|
| 2016 | \$ 270,475 |
| 2017 | 270,475 |
| 2018 | 270,475 |
| 2019 | 317,656 |
| 2020 | - |
| Thereafter | - |
| TOTAL | \$ 1,129,081 |

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 7.48% 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 (6.48%) or 1 percentage point higher (8.48%) than the current rate:

| | 1% Decrease (6.48%) | Current Discount Rate (7.48%) | 1% Increase (8.48%) |
|-----------------------|------------------------|-------------------------------------|------------------------|
| Net pension liability | \$ 7,639,732 | \$ 3,761,743 | \$ 621,463 |

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

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 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, 2015, the measurement date, membership consisted of:

| | |
|--|--------------------------|
| Inactive plan members currently receiving benefits | 39 |
| Inactive plan members entitled to but not yet receiving benefits | 2 |
| Active plan members | <u>63</u> |
| TOTAL | <u><u>104</u></u> |

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 2.5% 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 2.5% 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.

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the 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 2.5% 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 eight months ended December 31, 2015, the Village's contribution was 36.75% of covered payroll.

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

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 (Continued)

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 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 investment policy was not modified during eight months ended December 31, 2015.

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 |
|------------------------|--------|--|
| Fixed Income | 35.00% | 2.85% |
| Domestic Equities | 52.50% | 10.70% |
| International Equities | 10.00% | 0.78% |
| Real Estate | 2.50% | 11.58% |

The long-term expected real rates of return presented in the table above are net of estimated inflation of 1.18%. 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.

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 (including inflation) were developed for each investable index for the Fund as of December 31, 2015. 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, 2015 are listed in the table above. There were no changes to the investment policy during the eight months ended December 31, 2015.

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Valuations

All investments in the plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at December 31 for debt securities, equity securities, mutual funds, and contract values for insurance contracts. Illinois Funds, an investment pool created by the state legislature under the control of the State Treasurer, is a money market mutual fund that maintains a \$1 per share value.

Investment Concentrations

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.

Investment Rate of Return

For the eight months ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (0.47)%. 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.

Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2015:

| Investment Type | Fair Value | Investment Maturities (in Years) | | | |
|---------------------------|----------------------|----------------------------------|---------------------|---------------------|-------------------|
| | | Less than 1 | 1-5 | 6-10 | Greater than 10 |
| U.S. Treasury obligations | \$ 6,080,703 | \$ 409,468 | \$ 3,219,350 | \$ 2,451,885 | \$ - |
| U.S. Agency obligations | 4,422,530 | 1,504,847 | 2,768,752 | - | 148,931 |
| Corporate bonds | 1,602,650 | 468,050 | 1,028,245 | 106,355 | - |
| TOTAL | \$ 12,105,883 | \$ 2,382,365 | \$ 7,016,347 | \$ 2,558,240 | \$ 148,931 |

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Interest Rate Risk (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 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.

Credit Risk

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. Treasury and U.S. agency obligations and other obligations which are rated in the top three classes by a national rating agency. The U.S. agency obligations are rated AAA to AA+. The corporate bonds range in rating from Baa1 to Aa2 by Moody's.

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.

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.

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Discount Rate (Continued)

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.

Changes in the Net Pension Liability

| | (a) Total Pension Liability | (b) Plan Fiduciary Net Position | (a) - (b) Net Pension Liability |
|--|--------------------------------------|--|---------------------------------------|
| BALANCES AT MAY 1, 2015 | \$ 62,861,669 | \$ 34,252,188 | \$ 28,609,481 |
| Changes for the period | | | |
| Service cost | 986,247 | - | 986,247 |
| Interest | 2,899,473 | - | 2,899,473 |
| Difference between expected and actual experience | (292,474) | - | (292,474) |
| Changes in assumptions | 3,228,932 | - | 3,228,932 |
| Employer contributions | - | 2,085,015 | (2,085,015) |
| Employee contributions | - | 374,280 | (374,280) |
| Net investment income | - | (194,321) | 194,321 |
| Benefit payments and refunds | (1,460,181) | (1,460,181) | - |
| Administrative expense | - | (31,603) | 31,603 |
| Net changes | 5,361,997 | 773,190 | 4,588,807 |
| BALANCES AT DECEMBER 31, 2015 | \$ 68,223,666 | \$ 35,025,378 | \$ 33,198,288 |

There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates, and retirement rates.

Actuarial Assumptions

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

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 (Continued)

| | |
|----------------------------|----------------------------------|
| Actuarial valuation date | December 31, 2015 |
| Actuarial cost method | Entry-age normal |
| Assumptions | |
| Inflation | 2.50% |
| Salary increases | 5.50% |
| Interest rate | 7.00% |
| Cost of living adjustments | 3.00% (Tier 1) 2.00% (Tier 2) |
| Asset valuation method | Market |

Mortality rates were based on the RP 2014 Mortality Table (BCHA). The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

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 | \$ 43,038,318 | \$ 33,198,288 | \$ 25,136,007 |

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 eight months ended December 31, 2015, the Village recognized pension expense of \$2,909,967. At December 31, 2015, 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 | \$ - | \$ 230,245 |
| Changes in assumptions | 2,541,925 | - |
| Net difference between projected and actual earnings on pension plan investments | 1,452,265 | - |
| TOTAL | \$ 3,994,190 | \$ 230,245 |

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> | |
|-------------------------------------|---------------------|
| 2016 | \$ 987,844 |
| 2017 | 987,844 |
| 2018 | 987,844 |
| 2019 | 800,413 |
| 2020 | - |
| Thereafter | - |
| TOTAL | \$ 3,763,945 |

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 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, 2015, the measurement date, membership consisted of:

| | |
|---|----------------------|
| Inactive plan members currently receiving benefits | 22 |
| Inactive plan members entitled to but not yet receiving benefits | 3 |
| Active plan members | <u>37</u> |
| TOTAL | <u><u>62</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 2.5% 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.

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Benefits Provided (Continued)

The monthly benefit shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension, and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the 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 2.5% 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 eight months ended December 31, 2015, the Village's contribution was 31.43% 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 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.

During the eight months ended December 31, 2015 the Fund's investment policy was revised to state that the equity investment 55% maximum allocation is subject to statutory interpretation. Any changes to the maximum allocation will be made by motion and approval of the Board of Trustees of the Fund.

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

| Asset Class | Target | Long-Term Expected Real Rate of Return |
|---------------------------|--------|--|
| Large Cap Domestic Equity | 35.0% | 6.9% |
| Small Cap Domestic Equity | 10.0% | 9.0% |
| International Equity | 5.0% | 7.1% |
| Fixed Income | 50.0% | 2.1% |

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 3.20% factor for inflation and investment expense. ILCS limit the Fund's investments in equities, mutual funds, and variable annuities to 65%.

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

The long-term expected rate of return on the Fund's investments was determined using *Stocks, Bonds, Bills and Inflation 2013 Yearbook - Morningstar*, for the period of December 31, 1976 through December 31, 2014. The long-term expected rate of return on the International Equity class was based on the MCSI EAFE index for the period of December 31, 1976 through December 31, 2014. The long-term expected rates of return are the best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) for each major assets class. Best estimates or geometric real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of December 31, 2015 are listed in the table above.

Concentrations

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.

Rate of Return

For the eight months ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (0.93%). 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, 2015:

| Investment Type | Fair Value | Investment Maturities (in Years) | | | |
|---------------------------|---------------------|----------------------------------|---------------------|---------------------|-------------------|
| | | Less than 1 | 1-5 | 6-10 | Greater than 10 |
| U.S. Treasury obligations | \$ 1,345,389 | \$ 90,656 | \$ 769,296 | \$ 485,438 | \$ - |
| U.S. Agency obligations | 6,536,862 | 253,748 | 1,930,545 | 4,136,393 | 216,176 |
| Municipal bonds | 1,278,668 | - | 614,114 | 612,664 | 51,890 |
| TOTAL | \$ 9,160,919 | \$ 344,404 | \$ 3,313,955 | \$ 5,234,494 | \$ 268,066 |

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

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/AA+ by Moody's and Standard and Poor's, respectively. The municipal bonds range in rating from Aa1 to A2 and AAA to A+ by Moody's and Standard and Poor's, respectively.

Custodial Credit risk

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

Concentration of Credit Risk

Concentration of credit risk is the risk that the Fund has a high percentage of their investments invested in one type of investment. The Fund's investment policy does not specifically address diversification by investment type.

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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.

Changes in the Net Pension Liability

| | (a) Total Pension Liability | (b) Plan Fiduciary Net Position | (a) - (b) Net Pension Liability |
|--|--------------------------------------|--|---------------------------------------|
| BALANCES AT MAY 1, 2015 | \$ 28,231,535 | \$ 18,310,749 | \$ 9,920,786 |
| Changes for the period | | | |
| Service cost | 630,209 | - | 630,209 |
| Interest | 1,303,294 | - | 1,303,294 |
| Difference between expected and actual experience | (661,772) | - | (661,772) |
| Changes in assumptions | 1,285,329 | - | 1,285,329 |
| Employer contributions | - | 1,010,757 | (1,010,757) |
| Employee contributions | - | 212,253 | (212,253) |
| Net investment income | - | (184,303) | 184,303 |
| Benefit payments and refunds | (607,615) | (607,615) | - |
| Administrative expense | - | (20,862) | 20,862 |
| Net changes | 1,949,445 | 410,230 | 1,539,215 |
| BALANCES AT DECEMBER 31, 2015 | \$ 30,180,980 | \$ 18,720,979 | \$ 11,460,001 |

There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates, and retirement rates.

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, 2015 |
| Actuarial cost method | Entry-age normal |
| Assumptions | |
| Inflation | 2.50% |
| Salary increases | 5.50% |
| Interest rate | 7.00% |
| Cost of living adjustments | Tier 1 at 3.00% Tier 2 at 2.00% |
| Asset valuation method | Market |

Mortality rates were based on the RP 2014 Mortality Table (BCHA). The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

Discount Rate Sensitivity

The following is a sensitive 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 7.0% 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 (6.0%) or 1 percentage point higher (8.0%) than the current rate:

| | 1% Decrease (6.0%) | Current Discount Rate (7.0%) | 1% Increase (8.0%) |
|-----------------------|-----------------------|------------------------------------|-----------------------|
| Net pension liability | \$ 16,144,665 | \$ 11,460,001 | \$ 7,641,247 |

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 eight months ended December 31, 2015, the Village recognized pension expense of \$778,563. At December 31, 2015, 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 | \$ - | \$ 558,370 |
| Changes in assumption | 1,084,496 | - |
| Net difference between projected and actual earnings on pension plan investments | 842,141 | - |
| TOTAL | <u>\$ 1,926,637</u> | <u>\$ 558,370</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> | |
|-------------------------------------|---------------------|
| 2016 | \$ 307,966 |
| 2017 | 307,966 |
| 2018 | 307,966 |
| 2019 | 307,967 |
| 2020 | 97,431 |
| Thereafter | 38,971 |
| TOTAL | <u>\$ 1,368,267</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 | \$ - | \$ 4,784 | \$ 4,784 |
| Investments, at fair value | | | |
| Money market mutual funds | 1,087,318 | 279,642 | 1,366,960 |
| U.S. Treasury obligations | 6,080,703 | 1,345,389 | 7,426,092 |
| U.S. Agency obligations | 4,422,530 | 6,536,862 | 10,959,392 |
| Municipal bonds | - | 1,278,668 | 1,278,668 |
| Equities | 12,446,481 | - | 12,446,481 |
| Corporate bonds | 1,602,650 | - | 1,602,650 |
| Equity mutual funds | 9,295,635 | 9,238,922 | 18,534,557 |
| Accrued interest | 92,401 | 54,607 | 147,008 |
| Total assets | 35,027,718 | 18,738,874 | 53,766,592 |
| LIABILITIES | | | |
| Accounts payable | 2,340 | 17,895 | 20,235 |
| Total liabilities | 2,340 | 17,895 | 20,235 |
| NET POSITION HELD IN TRUST FOR PENSION BENEFITS | \$ 35,025,378 | \$ 18,720,979 | \$ 53,746,357 |

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

c. Pension Fund Disclosures (Continued)

Changes in Plan Net Position

| | Police Pension | Firefighters' Pension | Total |
|--|-------------------|--------------------------|---------------|
| ADDITIONS | | | |
| Contributions | | | |
| Employer | \$ 2,085,015 | \$ 1,010,757 | \$ 3,095,772 |
| Employee | 374,280 | 212,253 | 586,533 |
| Total contributions | 2,459,295 | 1,223,010 | 3,682,305 |
| Investment income | | | |
| Net depreciation in fair value of investments | (618,688) | (680,473) | (1,299,161) |
| Interest | 521,870 | 533,078 | 1,054,948 |
| Total investment income | (96,818) | (147,395) | (244,213) |
| Less investment expense | (97,503) | (36,908) | (134,411) |
| Net investment income | (194,321) | (184,303) | (378,624) |
| Total additions | 2,264,974 | 1,038,707 | 3,303,681 |
| DEDUCTIONS | | | |
| Administration | 31,603 | 20,862 | 52,465 |
| Pension benefits and refunds | 1,460,181 | 607,615 | 2,067,796 |
| Total deductions | 1,491,784 | 628,477 | 2,120,261 |
| NET INCREASE | 773,190 | 410,230 | 1,183,420 |
| NET POSITION HELD IN TRUST FOR PENSION BENEFITS | | | |
| May 1 | 34,252,188 | 18,310,749 | 52,562,937 |
| December 31 | \$ 35,025,378 | \$ 18,720,979 | \$ 53,746,357 |

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

11. CHANGE IN ACCOUNTING PRINCIPLE

The Village recorded the following change in accounting principle during the eight months ended December 31, 2015:

| | <u>Increase (Decrease)</u> |
|--|--------------------------------|
| CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES | |
| To record the IMRF net pension liability | \$ (1,390,749) |
| To write-off the Police Pension Plan and the Firefighters' Pension Plan net pension obligations | 4,742,695 |
| To record the Police Pension Plan and the Firefighters' Pension Plan net pension liabilities | <u>(38,530,267)</u> |
| TOTAL CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES | <u>\$ (35,178,321)</u> |
| CHANGE IN ACCOUNTING PRINCIPLE - BUSINESS-TYPE ACTIVITIES | |
| To record the IMRF net pension liability | <u>\$ (813,290)</u> |
| TOTAL CHANGE IN ACCOUNTING PRINCIPLE - BUSINESS-TYPE ACTIVITIES | <u>\$ (813,290)</u> |

With the implementation of GASB Statement No. 68, the Village is required to retroactively record the net pension liability and write off the net pension obligations.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Eight Months Ended December 31, 2015

| | Original Budget | Final Budget | Actual |
|--|----------------------------|-------------------------|---------------------|
| REVENUES | | | |
| Taxes | \$ 17,051,835 | \$ 17,051,835 | \$ 17,673,669 |
| Intergovernmental | 3,316,416 | 3,316,416 | 3,557,696 |
| Licenses and permits | 449,356 | 449,356 | 572,249 |
| Charges for services | 1,138,645 | 1,138,645 | 1,247,298 |
| Fines and forfeitures | 225,500 | 225,500 | 311,764 |
| Interest | 4,000 | 4,000 | 8,568 |
| Miscellaneous | 337,692 | 337,692 | 456,207 |
| Total revenues | <u>22,523,444</u> | <u>22,523,444</u> | <u>23,827,451</u> |
| EXPENDITURES | | | |
| General government | 4,314,679 | 4,348,939 | 4,175,101 |
| Public safety | 12,811,689 | 12,855,689 | 12,806,139 |
| Public works | 2,060,882 | 2,110,882 | 1,992,779 |
| Community development | 841,922 | 841,922 | 793,656 |
| Culture and recreation | 142,478 | 142,478 | 135,126 |
| Total expenditures | <u>20,171,650</u> | <u>20,299,910</u> | <u>19,902,801</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>2,351,794</u> | <u>2,223,534</u> | <u>3,924,650</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 12,500 | 12,500 | 3,483 |
| Transfers (out) | (234,217) | (744,217) | (2,531,217) |
| Sale of capital assets | 1,000 | 1,000 | - |
| Total other financing sources (uses) | <u>(220,717)</u> | <u>(730,717)</u> | <u>(2,527,734)</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 2,131,077</u> | <u>\$ 1,492,817</u> | 1,396,916 |
| FUND BALANCE, MAY 1 | | | <u>7,350,457</u> |
| FUND BALANCE, DECEMBER 31 | | | <u>\$ 8,747,373</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 Eight Months Ended December 31, 2015

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> |
|--|----------------------------|-------------------------|------------------------------|
| REVENUES | | | |
| Taxes | | | |
| Property | \$ 20,000 | \$ 20,000 | \$ 19,902 |
| Total revenues | <u>20,000</u> | <u>20,000</u> | <u>19,902</u> |
| EXPENDITURES | | | |
| Current | | | |
| General government | | | |
| Contractual services | 62,050 | 62,050 | 37,404 |
| Capital outlay | <u>2,092,000</u> | <u>2,092,000</u> | <u>1,967,617</u> |
| Total expenditures | <u>2,154,050</u> | <u>2,154,050</u> | <u>2,005,021</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (2,134,050)</u> | <u>\$ (2,134,050)</u> | (1,985,119) |
| FUND BALANCE (DEFICIT), MAY 1 | | | <u>(237,456)</u> |
| FUND BALANCE (DEFICIT), DECEMBER 31 | | | <u><u>\$ (2,222,575)</u></u> |

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2015

BUDGETS

Annual budgets are adopted for all governmental and proprietary funds, except for the TIF #4 (Spring Hill Mall Redevelopment) Fund. Budgets are adopted on a basis consistent with GAAP. All annual budgets lapse at fiscal year end unless specifically carried over.

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

a) Excess of Actual Expenditures/Expenses over Budget in Individual Funds

The following fund had an excess of actual expenditures/expenses (exclusive of depreciation and amortization) over budget at the fund level for the fiscal period:

| <u>Fund</u> | <u>Final Budget</u> | <u>Actual Expenditures</u> | <u>Excess</u> |
|---------------------------|-------------------------|--------------------------------|---------------|
| Veterans' Memorial Garden | \$ 3,000 | \$ 3,368 | \$ 368 |

VILLAGE OF CARPENTERSVILLE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFIT PLAN

December 31, 2015

Schedule of Funding Progress

| Actuarial Valuation Date April 30, | (1) Actuarial Value of Assets | (2) Actuarial Accrued Liability (AAL) Entry-Age | (3) Funded Ratio (1) / (2) | (4) Unfunded AAL (UAAL) (2) - (1) | (5) Covered Payroll | (6) UAAL as a Percentage of Covered Payroll (4) / (5) |
|---|--|--|---|--|------------------------------------|--|
| 2011 | N/A | N/A | N/A | N/A | N/A | N/A |
| 2012 | \$ - | \$ 4,014,564 | 0.00% | \$ 4,014,564 | \$ 14,476,772 | 27.73% |
| 2013 | N/A | N/A | N/A | N/A | N/A | N/A |
| 2014 | N/A | N/A | N/A | N/A | N/A | N/A |
| 2015 | - | 4,526,362 | 0.00% | 4,526,362 | 13,334,580 | 33.94% |
| 2015* | - | 4,661,839 | 0.00% | 4,661,839 | 13,645,720 | 34.16% |

Schedule of Employer Contributions

| Fiscal Year | Employer Contributions | Annual Required Contribution (ARC) | Percentage Contributed |
|------------------------|-----------------------------------|---|-----------------------------------|
| 2011 | \$ 137,686 | \$ 521,996 | 26.38% |
| 2012 | 137,686 | 521,996 | 26.38% |
| 2013 | 166,295 | 278,303 | 59.75% |
| 2014 | 189,804 | 278,303 | 68.20% |
| 2015 | 220,582 | 504,244 | 43.75% |
| 2015* | 158,084 | 336,162 | 47.03% |

N/A - Valuation not performed.

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

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2015

| | <u>2015</u> |
|---|--------------------|
| Actuarially determined contribution | \$ 643,088 |
| Contributions in relation to the actuarially determined contribution | <u>643,088</u> |
| CONTRIBUTION DEFICIENCY (Excess) | <u><u>\$ -</u></u> |
| Covered-employee payroll | \$ 5,611,585 |
| Contributions as a percentage of covered-employee payroll | 11.46% |

Note: Information not available for prior years.

Covered-employee 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 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 28 years; the asset valuation method was 5-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.5% annually, projected salary increases assumption of 4.4% to 16.0% compounded annually and postretirement benefit increases of 3.0% compounded annually.

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

December 31, 2015

| | <u>2015</u> | <u>2015*</u> |
|---|---------------------|------------------|
| Actuarially determined contribution | \$ 1,890,507 | \$ 2,085,014 |
| Contributions in relation to the actuarially determined contribution | <u>2,018,731</u> | <u>2,085,015</u> |
| CONTRIBUTION DEFICIENCY (Excess) | <u>\$ (128,224)</u> | <u>\$ (1)</u> |
| Covered-employee payroll | \$ 5,313,697 | \$ 5,672,798 |
| Contributions as a percentage of covered-employee payroll | 37.99% | 36.75% |

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

Note: Information not available for prior years.

Covered-employee 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 May 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 25 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return at 7.0% annually, projected salary increases assumption of 5.5% compounded annually (up from 5.0% during the year ended April, 30 2015) and postretirement benefit increases of 3.0% compounded annually.

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

December 31, 2015

| | 2015 | 2015* |
|---|---------------|---------------|
| Actuarially determined contribution | \$ 654,008 | \$ 1,010,754 |
| Contributions in relation to the actuarially determined contribution | 654,009 | 1,010,757 |
| CONTRIBUTION DEFICIENCY (Excess) | \$ (1) | \$ (3) |
| Covered-employee payroll | \$ 3,065,913 | \$ 3,215,405 |
| Contributions as a percentage of covered-employee payroll | 21.33% | 31.43% |

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

Note: Information not available for prior years.

Covered-employee 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 May 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 25 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return at 7.0% annually, projected salary increases assumption of 5.0% compounded annually up from (5.0% during the year ended April, 30 2015) and postretirement benefit increases of 3.0% compounded annually.

(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

December 31, 2015

| | <u>2015</u> |
|--|-----------------------------|
| TOTAL PENSION LIABILITY | |
| Service cost | \$ 621,377 |
| Interest | 1,866,746 |
| Changes of benefit terms | - |
| Differences between expected and actual experience | (225,721) |
| Changes of assumptions | 35,454 |
| Benefit payments, including refunds of member contributions | <u>(895,018)</u> |
| Net change in total pension liability | 1,402,838 |
| Total pension liability - beginning | <u>25,059,997</u> |
| TOTAL PENSION LIABILITY - ENDING | <u><u>\$ 26,462,835</u></u> |
| PLAN FIDUCIARY NET POSITION | |
| Contributions - employer | \$ 643,088 |
| Contributions - member | 252,522 |
| Net investment income | 114,281 |
| Benefit payments, including refunds of member contributions | (895,018) |
| Administrative expense | <u>(269,739)</u> |
| Net change in plan fiduciary net position | (154,866) |
| Plan fiduciary net position - beginning | <u>22,855,958</u> |
| PLAN FIDUCIARY NET POSITION - ENDING | <u><u>\$ 22,701,092</u></u> |
| EMPLOYER'S NET PENSION LIABILITY | <u><u>\$ 3,761,743</u></u> |
| Plan fiduciary net position as a percentage of the total pension liability | 85.78% |
| Covered-employee payroll | \$ 5,611,585 |
| Employer's net pension liability as a percentage of covered-employee payroll | 67.04% |
| Covered-employee payroll has been annualized to reflect the change in fiscal year end. | |

(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

December 31, 2015

| | 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) |
| | 5,776,561 | 5,361,997 |
| Net change in total pension liability | | |
| 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) |
| | 2,501,244 | 773,190 |
| Net change in plan fiduciary net position | | |
| 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-employee payroll | \$ 5,313,697 | \$ 5,672,798 |
| Employer's net pension liability as a percentage of covered-employee payroll | 538.41% | 585.22% |

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

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

Notes to Required Supplementary Information

There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates and retirement rates.

(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

December 31, 2015

| | 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) |
| | 3,817,952 | 1,949,445 |
| 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) |
| | 1,268,030 | 410,230 |
| 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-employee payroll | \$ 3,065,913 | \$ 3,215,405 |
| Employer's net pension liability as a percentage of covered-employee payroll | 323.58% | 356.41% |

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

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

Notes to Required Supplementary Information

There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates and retirement rates.

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND**

December 31, 2015

| | <u>2015</u> | <u>2015*</u> |
|--|-------------|--------------|
| Annual money-weighted rate of return, net of investment expense | 6.95% | (0.47%) |

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

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

December 31, 2015

| | <u>2015</u> | <u>2015*</u> |
|--|-------------|--------------|
| Annual money-weighted rate of return, net of investment expense | 6.81% | (0.93%) |

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

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

MAJOR GOVERNMENTAL FUNDS

MAJOR GOVERNMENTAL FUNDS

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

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

Debt Service Fund - to account for the resources restricted, committed or assigned for the payment of principal and interest on the Village's long-term debt obligations.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Eight Months Ended December 31, 2015

| | Original Budget | Final Budget | Actual |
|------------------------------------|----------------------------|-------------------------|-------------------|
| REVENUES | | | |
| Taxes | | | |
| Property taxes | \$ 10,648,303 | \$ 10,648,303 | \$ 10,619,062 |
| Sales | 4,624,000 | 4,624,000 | 5,246,973 |
| Local use | 504,532 | 504,532 | 595,966 |
| Utility tax | 875,000 | 875,000 | 815,235 |
| Telecommunications | 360,000 | 360,000 | 317,989 |
| Video gaming tax | 40,000 | 40,000 | 78,444 |
| Total taxes | 17,051,835 | 17,051,835 | 17,673,669 |
| Intergovernmental | | | |
| Illinois state income tax | 2,425,416 | 2,425,416 | 2,637,090 |
| Illinois state replacement tax | 90,000 | 90,000 | 80,606 |
| Fire protection district fees | 800,000 | 800,000 | 840,000 |
| Pull tabs | 1,000 | 1,000 | - |
| Total intergovernmental | 3,316,416 | 3,316,416 | 3,557,696 |
| Licenses and permits | | | |
| Business licenses | - | - | 32,745 |
| Liquor licenses | - | - | 43,120 |
| Vending licenses | - | - | 3,640 |
| Rental licenses | 120,000 | 120,000 | 141,163 |
| Building permits | 183,623 | 183,623 | 165,238 |
| Electrical permits | 48,371 | 48,371 | 93,217 |
| Plumbing permits | 39,171 | 39,171 | 36,568 |
| Public service fees | 2,000 | 2,000 | - |
| Other permits | 56,191 | 56,191 | 56,558 |
| Total licenses and permits | 449,356 | 449,356 | 572,249 |
| Fines and forfeitures | | | |
| Local ordinance fines | 81,900 | 81,900 | 85,135 |
| Court fines | 120,100 | 120,100 | 116,086 |
| Admin tow fees | 17,500 | 17,500 | 17,500 |
| Asset forfeiture | 6,000 | 6,000 | 93,043 |
| Total fines and forfeitures | 225,500 | 225,500 | 311,764 |

(This schedule is continued on the following page.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Eight Months Ended December 31, 2015

| | Original Budget | Final Budget | Actual |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| REVENUES (Continued) | | | |
| Charges for services | | | |
| Law enforcement | \$ 115,450 | \$ 115,450 | \$ 152,565 |
| Fire protection | 1,000 | 1,000 | 19,245 |
| Ambulance | 519,135 | 519,135 | 572,054 |
| Environmental surcharge | 492,480 | 492,480 | 496,643 |
| Village services | 6,000 | 6,000 | 3,018 |
| Other charges for services | 4,580 | 4,580 | 3,773 |
| Total charges for services | <u>1,138,645</u> | <u>1,138,645</u> | <u>1,247,298</u> |
| Interest | | | |
| Investment income | 4,000 | 4,000 | 8,568 |
| Miscellaneous | | | |
| Cable franchise fees | 240,000 | 240,000 | 321,440 |
| Rent | 50,550 | 50,550 | 63,241 |
| Contributions | 1,150 | 1,150 | 3,056 |
| Reimbursements | 44,052 | 44,052 | 59,632 |
| Other | 1,940 | 1,940 | 8,838 |
| Total miscellaneous | <u>337,692</u> | <u>337,692</u> | <u>456,207</u> |
| TOTAL REVENUES | <u><u>\$ 22,523,444</u></u> | <u><u>\$ 22,523,444</u></u> | <u><u>\$ 23,827,451</u></u> |

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Eight Months Ended December 31, 2015

| | Original Budget | Final Budget | Actual |
|------------------------------|-----------------------------|-----------------------------|-----------------------------|
| EXPENDITURES | | | |
| General government | | | |
| Legislative | \$ 186,514 | \$ 186,514 | \$ 146,644 |
| Administration | 373,754 | 373,754 | 339,248 |
| Information technology | 421,011 | 421,011 | 404,784 |
| Finance | 311,198 | 311,198 | 295,000 |
| General services | 2,684,173 | 2,718,433 | 2,737,012 |
| Public buildings | 338,029 | 338,029 | 252,413 |
| Total general government | <u>4,314,679</u> | <u>4,348,939</u> | <u>4,175,101</u> |
| Public safety | | | |
| Police | 8,130,915 | 8,174,915 | 8,174,957 |
| Fire and police commission | 14,724 | 14,724 | 15,142 |
| Fire | 4,666,050 | 4,666,050 | 4,616,040 |
| Total public safety | <u>12,811,689</u> | <u>12,855,689</u> | <u>12,806,139</u> |
| Public works | | | |
| Streets and highways | 1,511,516 | 1,561,516 | 1,512,307 |
| Vehicle maintenance | 549,366 | 549,366 | 480,472 |
| Total public works | <u>2,060,882</u> | <u>2,110,882</u> | <u>1,992,779</u> |
| Community development | | | |
| Planning and zoning | - | - | 72 |
| Community development | 841,922 | 841,922 | 793,584 |
| Total community development | <u>841,922</u> | <u>841,922</u> | <u>793,656</u> |
| Culture and recreation | | | |
| Parks | 142,478 | 142,478 | 135,126 |
| Total culture and recreation | <u>142,478</u> | <u>142,478</u> | <u>135,126</u> |
| TOTAL EXPENDITURES | <u><u>\$ 20,171,650</u></u> | <u><u>\$ 20,299,910</u></u> | <u><u>\$ 19,902,801</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 Eight Months Ended December 31, 2015

| | Original Budget | Final Budget | Actual |
|--|----------------------------|-------------------------|----------------------------|
| REVENUES | | | |
| Intergovernmental | \$ 208,851 | \$ 1,737,571 | \$ 771,051 |
| Interest | 6,000 | 6,000 | 9,332 |
| Total revenues | 214,851 | 1,743,571 | 780,383 |
| EXPENDITURES | | | |
| Capital outlay | 3,553,299 | 7,522,737 | 2,113,968 |
| Total expenditures | 3,553,299 | 7,522,737 | 2,113,968 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (3,338,448) | (5,779,166) | (1,333,585) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 49,000 | 49,000 | 1,787,000 |
| Total other financing sources (uses) | 49,000 | 49,000 | 1,787,000 |
| NET CHANGE IN FUND BALANCE | <u>\$ (3,289,448)</u> | <u>\$ (5,730,166)</u> | 453,415 |
| FUND BALANCE, MAY 1 | | | <u>8,226,672</u> |
| FUND BALANCE, DECEMBER 31 | | | <u><u>\$ 8,680,087</u></u> |

(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 Eight Months Ended December 31, 2015

| | Original Budget | Final Budget | Actual |
|--|----------------------------|-------------------------|-------------------|
| REVENUES | | | |
| Taxes | | | |
| Property taxes | \$ 1,983,058 | \$ 1,983,058 | \$ 2,036,053 |
| Local motor fuel tax | 157,500 | 157,500 | 278,952 |
| Intergovernmental | 286,178 | 286,178 | 286,950 |
| Fines and forfeitures | 17,500 | 17,500 | 17,500 |
| Investment income | 1,500 | 1,500 | 1,086 |
| | <hr/> | <hr/> | <hr/> |
| Total revenues | 2,445,736 | 2,445,736 | 2,620,541 |
| | <hr/> | <hr/> | <hr/> |
| EXPENDITURES | | | |
| Debt service | | | |
| Principal retirement | 1,376,400 | 4,626,400 | 4,626,400 |
| Interest and fiscal charges | 1,572,561 | 1,605,491 | 1,603,489 |
| | <hr/> | <hr/> | <hr/> |
| Total expenditures | 2,948,961 | 6,231,891 | 6,229,889 |
| | <hr/> | <hr/> | <hr/> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (503,225) | (3,786,155) | (3,609,348) |
| | <hr/> | <hr/> | <hr/> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 461,167 | 461,167 | 461,167 |
| Issuance of debt | - | 2,920,000 | 2,920,000 |
| Premium on issuance of debt | - | 366,033 | 366,033 |
| | <hr/> | <hr/> | <hr/> |
| Total other financing sources (uses) | 461,167 | 3,747,200 | 3,747,200 |
| | <hr/> | <hr/> | <hr/> |
| NET CHANGE IN FUND BALANCE | \$ (42,058) | \$ (38,955) | 137,852 |
| | <hr/> | <hr/> | <hr/> |
| FUND BALANCE, MAY 1 | | | 542,007 |
| | | | <hr/> |
| FUND BALANCE, DECEMBER 31 | | | \$ 679,859 |
| | | | <hr/> |

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR GOVERNMENTAL FUNDS

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 Cover) 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 (2) 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.

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.

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.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

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 - 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, 2015

| | Special Revenue | | | | |
|---|-------------------|---------------------------------|---------------------------|--------------------------|--------------------------|
| | Motor Fuel Tax | Veterans' Memorial Garden | SSA #1 Newport Cove | SSA #2 Oak Meadows | SSA #3 Keele Farms |
| ASSETS | | | | | |
| Cash and investments | \$ 578,751 | \$ 51,316 | \$ 12,967 | \$ 2,417 | \$ 38,883 |
| Receivables | | | | | |
| Property taxes | - | - | 13,700 | 1,000 | 5,000 |
| Other | - | - | - | - | - |
| Prepaid items | - | - | - | - | - |
| Due from other governments | 85,065 | - | - | - | - |
| TOTAL ASSETS | \$ 663,816 | \$ 51,316 | \$ 26,667 | \$ 3,417 | \$ 43,883 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Accounts payable | \$ 109,278 | \$ - | \$ - | \$ - | \$ - |
| Wages payable | - | - | - | - | - |
| Deposits | - | - | - | - | - |
| Total liabilities | 109,278 | - | - | - | - |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable property tax revenue | - | - | 13,700 | 1,000 | 5,000 |
| Total deferred inflows of resources | - | - | 13,700 | 1,000 | 5,000 |
| Total liabilities and deferred inflows of resources | 109,278 | - | 13,700 | 1,000 | 5,000 |
| FUND BALANCES | | | | | |
| Nonspendable | | | | | |
| Prepaid items | - | - | - | - | - |
| Restricted | | | | | |
| Capital projects | 554,538 | - | - | - | - |
| Parks | - | 51,316 | - | - | - |
| Public improvements | - | - | 12,967 | 2,417 | 38,883 |
| Police purposes | - | - | - | - | - |
| Fire purposes | - | - | - | - | - |
| Assigned | | | | | |
| Capital projects | - | - | - | - | - |
| Total fund balances | 554,538 | 51,316 | 12,967 | 2,417 | 38,883 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$ 663,816 | \$ 51,316 | \$ 26,667 | \$ 3,417 | \$ 43,883 |

| SSA #21 White Oaks | Special Revenue | | | | Capital Projects | Permanent | Total | |
|--------------------------|---|--|---------------------------|---------------------------|---------------------|--------------------------|-------------------|-----------------------------------|
| | TIF #1 Spring Hill Center for Commerce | TIF #4 Spring Hill Mall Redevelopment | Foreign Fire Tax Board | Strengthening Families | Escrow | Equipment Replacement | Park Trust | Nonmajor Governmental Funds |
| \$ 12,310 | \$ 2,966,710 | \$ - | \$ 41,752 | \$ 73,092 | \$ 594,146 | \$ 835,844 | \$ 302,467 | \$ 5,510,655 |
| 4,500 | 621,235 | 326 | - | - | - | - | - | 645,761 |
| - | - | - | - | 2,222 | - | 40,169 | - | 42,391 |
| - | 141 | - | - | - | - | - | - | 141 |
| - | - | - | - | - | - | - | - | 85,065 |
| \$ 16,810 | \$ 3,588,086 | \$ 326 | \$ 41,752 | \$ 75,314 | \$ 594,146 | \$ 876,013 | \$ 302,467 | \$ 6,284,013 |
| \$ - | \$ - | \$ - | \$ - | \$ 20 | \$ - | \$ 110,901 | \$ - | \$ 220,199 |
| - | - | - | - | 389 | - | - | - | 389 |
| - | - | - | - | - | 384,106 | - | - | 384,106 |
| - | - | - | - | 409 | 384,106 | 110,901 | - | 604,694 |
| 4,500 | 621,235 | 326 | - | - | - | - | - | 645,761 |
| 4,500 | 621,235 | 326 | - | - | - | - | - | 645,761 |
| 4,500 | 621,235 | 326 | - | 409 | 384,106 | 110,901 | - | 1,250,455 |
| - | 141 | - | - | - | - | - | - | 141 |
| - | - | - | - | - | - | - | - | 554,538 |
| - | - | - | - | - | - | - | 302,467 | 353,783 |
| 12,310 | 2,966,710 | - | - | - | 210,040 | - | - | 3,243,327 |
| - | - | - | - | 74,905 | - | - | - | 74,905 |
| - | - | - | 41,752 | - | - | - | - | 41,752 |
| - | - | - | - | - | - | 765,112 | - | 765,112 |
| 12,310 | 2,966,851 | - | 41,752 | 74,905 | 210,040 | 765,112 | 302,467 | 5,033,558 |
| \$ 16,810 | \$ 3,588,086 | \$ 326 | \$ 41,752 | \$ 75,314 | \$ 594,146 | \$ 876,013 | \$ 302,467 | \$ 6,284,013 |

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Eight Months Ended December 31, 2015

| | Special Revenue | | | | |
|--|-------------------|---------------------------------|---------------------------|--------------------------|--------------------------|
| | Motor Fuel Tax | Veterans' Memorial Garden | SSA #1 Newport Cove | SSA #2 Oak Meadows | SSA #3 Keele Farms |
| REVENUES | | | | | |
| Taxes | \$ - | \$ - | \$ 13,797 | \$ 1,000 | \$ 4,991 |
| Intergovernmental | 933,401 | - | - | - | - |
| Investment income | 1,000 | 15 | - | - | - |
| Miscellaneous | - | 60 | - | - | - |
| Total revenues | 934,401 | 75 | 13,797 | 1,000 | 4,991 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Public safety | - | - | - | - | - |
| Public works | 412,595 | - | 10,437 | 750 | 4,497 |
| Community development | - | - | - | - | - |
| Culture and recreation | - | 3,368 | - | - | - |
| Capital outlay | 1,121,687 | - | - | - | - |
| Debt service | | | | | |
| Principal retirement | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - |
| Total expenditures | 1,534,282 | 3,368 | 10,437 | 750 | 4,497 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (599,881) | (3,293) | 3,360 | 250 | 494 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 510,000 | - | - | - | - |
| Transfers (out) | (376,950) | - | - | - | - |
| Proceeds from sale of capital assets | - | - | - | - | - |
| Total other financing sources (uses) | 133,050 | - | - | - | - |
| NET CHANGE IN FUND BALANCES | (466,831) | (3,293) | 3,360 | 250 | 494 |
| FUND BALANCES (DEFICIT), MAY 1 | 1,021,369 | 54,609 | 9,607 | 2,167 | 38,389 |
| FUND BALANCES (DEFICIT), DECEMBER 31 | \$ 554,538 | \$ 51,316 | \$ 12,967 | \$ 2,417 | \$ 38,883 |

| SSA #21 White Oaks | Special Revenue | | | | | Capital Projects | Permanent | Total |
|--------------------------|---|--|---------------------------|---------------------------|------------|--------------------------|---------------|-----------------------------------|
| | TIF #1 Spring Hill Center for Commerce | TIF #4 Spring Hill Mall Redevelopment | Foreign Fire Tax Board | Strengthening Families | Escrow | Equipment Replacement | Park Trust | Nonmajor Governmental Funds |
| \$ 4,488 | \$ 620,151 | \$ - | \$ 31,522 | \$ - | \$ - | \$ 105,996 | \$ - | \$ 781,945 |
| - | - | - | - | - | - | - | - | 933,401 |
| - | 2,526 | - | 4 | 14 | 167 | 856 | (23,745) | (19,163) |
| - | - | - | - | 17,778 | - | - | 3,483 | 21,321 |
| 4,488 | 622,677 | - | 31,526 | 17,792 | 167 | 106,852 | (20,262) | 1,717,504 |
| - | - | - | 12,623 | 7,267 | - | - | - | 19,890 |
| 2,250 | - | - | - | - | - | - | - | 430,529 |
| - | 91,905 | - | - | - | - | - | - | 91,905 |
| - | - | - | - | - | - | - | 1,474 | 4,842 |
| - | - | - | - | - | - | 587,729 | - | 1,709,416 |
| - | - | - | - | - | - | 59,450 | - | 59,450 |
| - | - | - | - | - | - | 455 | - | 455 |
| 2,250 | 91,905 | - | 12,623 | 7,267 | - | 647,634 | 1,474 | 2,316,487 |
| 2,238 | 530,772 | - | 18,903 | 10,525 | 167 | (540,782) | (21,736) | (598,983) |
| - | - | - | - | - | - | 150,000 | - | 660,000 |
| - | - | - | - | - | - | - | (3,483) | (380,433) |
| - | - | - | - | - | - | 9,640 | - | 9,640 |
| - | - | - | - | - | - | 159,640 | (3,483) | 289,207 |
| 2,238 | 530,772 | - | 18,903 | 10,525 | 167 | (381,142) | (25,219) | (309,776) |
| 10,072 | 2,436,079 | - | 22,849 | 64,380 | 209,873 | 1,146,254 | 327,686 | 5,343,334 |
| \$ 12,310 | \$ 2,966,851 | \$ - | \$ 41,752 | \$ 74,905 | \$ 210,040 | \$ 765,112 | \$ 302,467 | \$ 5,033,558 |

(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 Eight Months Ended December 31, 2015

| | Original Budget | Final Budget | Actual |
|--|----------------------------|---------------------------|-------------------------|
| REVENUES | | | |
| Intergovernmental | | | |
| State motor fuel tax | \$ 656,000 | \$ 656,000 | \$ 685,725 |
| Grants | - | 276,500 | 247,676 |
| Investment income | 1,000 | 1,000 | 1,000 |
| | <hr/> | <hr/> | <hr/> |
| Total revenues | 657,000 | 933,500 | 934,401 |
| | <hr/> | <hr/> | <hr/> |
| EXPENDITURES | | | |
| Current | | | |
| Public works | | | |
| Commodities | 525,000 | 525,000 | 351,019 |
| Contractual services | 75,000 | 75,000 | 61,576 |
| Capital outlay | 450,000 | 1,274,976 | 1,121,687 |
| | <hr/> | <hr/> | <hr/> |
| Total expenditures | 1,050,000 | 1,874,976 | 1,534,282 |
| | <hr/> | <hr/> | <hr/> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <hr/> (393,000) | <hr/> (941,476) | <hr/> (599,881) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | - | 510,000 | 510,000 |
| Transfers (out) | (376,950) | (376,950) | (376,950) |
| | <hr/> | <hr/> | <hr/> |
| Total other financing sources (uses) | (376,950) | 133,050 | 133,050 |
| | <hr/> | <hr/> | <hr/> |
| NET CHANGE IN FUND BALANCE | <hr/> <u>\$ (769,950)</u> | <hr/> <u>\$ (808,426)</u> | <hr/> <u>(466,831)</u> |
| FUND BALANCE, MAY 1 | | | <hr/> 1,021,369 |
| FUND BALANCE, DECEMBER 31 | | | <hr/> <u>\$ 554,538</u> |

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Eight Months Ended December 31, 2015

| | Original Budget | Final Budget | Actual |
|--|----------------------------|-------------------------|-------------------------|
| REVENUES | | | |
| Investment income | \$ 5 | \$ 5 | \$ 15 |
| Miscellaneous | 50 | 50 | 60 |
| | | | |
| Total revenues | 55 | 55 | 75 |
| | | | |
| EXPENDITURES | | | |
| Culture and recreation | | | |
| Commodities | 3,000 | 3,000 | 3,368 |
| | | | |
| Total expenditures | 3,000 | 3,000 | 3,368 |
| | | | |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (2,945) | (2,945) | (3,293) |
| | | | |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers (out) | (49,000) | (49,000) | - |
| | | | |
| Total other financing sources (uses) | (49,000) | (49,000) | - |
| | | | |
| NET CHANGE IN FUND BALANCE | <u>\$ (51,945)</u> | <u>\$ (51,945)</u> | (3,293) |
| FUND BALANCE, MAY 1 | | | <u>54,609</u> |
| FUND BALANCE, DECEMBER 31 | | | <u><u>\$ 51,316</u></u> |

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Eight Months Ended December 31, 2015

| | Original Budget | Final Budget | Actual |
|----------------------------------|----------------------------|-------------------------|-------------------------|
| REVENUES | | | |
| Taxes | | | |
| Property taxes | \$ 13,700 | \$ 13,700 | \$ 13,797 |
| Total revenues | <u>13,700</u> | <u>13,700</u> | <u>13,797</u> |
| EXPENDITURES | | | |
| Public works | | | |
| Contractual services | <u>12,000</u> | <u>12,000</u> | <u>10,437</u> |
| Total expenditures | <u>12,000</u> | <u>12,000</u> | <u>10,437</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 1,700</u> | <u>\$ 1,700</u> | 3,360 |
| FUND BALANCE, MAY 1 | | | <u>9,607</u> |
| FUND BALANCE, DECEMBER 31 | | | <u><u>\$ 12,967</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. 2
(OAK MEADOWS) FUND**

For the Eight Months Ended December 31, 2015

| | Original Budget | Final Budget | Actual |
|-----------------------------------|----------------------------|-------------------------|------------------------|
| 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>750</u> |
| Total expenditures | <u>1,000</u> | <u>1,000</u> | <u>750</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | <u>250</u> |
| FUND BALANCE, MAY 1 | | | <u>2,167</u> |
| FUND BALANCE, DECEMBER 31 | | | <u><u>\$ 2,417</u></u> |

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Eight Months Ended December 31, 2015

| | Original Budget | Final Budget | Actual |
|----------------------------------|----------------------------|-------------------------|------------------|
| REVENUES | | | |
| Taxes | | | |
| Property taxes | \$ 5,000 | \$ 5,000 | \$ 4,991 |
| Total revenues | 5,000 | 5,000 | 4,991 |
| EXPENDITURES | | | |
| Public works | | | |
| Contractual services | 7,000 | 7,000 | 4,497 |
| Total expenditures | 7,000 | 7,000 | 4,497 |
| NET CHANGE IN FUND BALANCE | \$ (2,000) | \$ (2,000) | 494 |
| FUND BALANCE, MAY 1 | | | 38,389 |
| FUND BALANCE, DECEMBER 31 | | | \$ 38,883 |

(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 Eight Months Ended December 31, 2015

| | Original Budget | Final Budget | Actual |
|-----------------------------------|----------------------------|-------------------------|------------------|
| REVENUES | | | |
| Taxes | | | |
| Property taxes | \$ 4,500 | \$ 4,500 | \$ 4,488 |
| Total revenues | <u>4,500</u> | <u>4,500</u> | <u>4,488</u> |
| EXPENDITURES | | | |
| Public works | | | |
| Contractual services | <u>3,500</u> | <u>3,500</u> | <u>2,250</u> |
| Total expenditures | <u>3,500</u> | <u>3,500</u> | <u>2,250</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 1,000</u> | <u>\$ 1,000</u> | 2,238 |
| FUND BALANCE, MAY 1 | | | <u>10,072</u> |
| FUND BALANCE, DECEMBER 31 | | | <u>\$ 12,310</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 Eight Months Ended December 31, 2015

| | Original Budget | Final Budget | Actual |
|----------------------------------|----------------------------|-------------------------|---------------------|
| REVENUES | | | |
| Taxes | | | |
| Property | \$ 550,000 | \$ 550,000 | \$ 620,151 |
| Investment income | 2,600 | 2,600 | 2,526 |
| | | | |
| Total revenues | 552,600 | 552,600 | 622,677 |
| | | | |
| EXPENDITURES | | | |
| Current | | | |
| Community development | | | |
| Personnel services | 18,389 | 18,389 | 5,569 |
| Contractual services | 5,900 | 89,230 | 86,336 |
| | | | |
| Total expenditures | 24,289 | 107,619 | 91,905 |
| | | | |
| NET CHANGE IN FUND BALANCE | \$ 528,311 | \$ 444,981 | 530,772 |
| FUND BALANCE, MAY 1 | | | 2,436,079 |
| FUND BALANCE, DECEMBER 31 | | | \$ 2,966,851 |

(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 Eight Months Ended December 31, 2015

| | Original Budget | Final Budget | Actual |
|----------------------------------|----------------------------|-------------------------|-------------------------|
| REVENUES | | | |
| Taxes | | | |
| Foreign fire | \$ 26,400 | \$ 26,400 | \$ 31,522 |
| Investment income | 5 | 5 | 4 |
| | <hr/> | <hr/> | <hr/> |
| Total revenues | 26,405 | 26,405 | 31,526 |
| | <hr/> | <hr/> | <hr/> |
| EXPENDITURES | | | |
| Public safety | | | |
| Commodities | 21,100 | 21,100 | 8,285 |
| Contractual services | 5,300 | 5,300 | 4,338 |
| | <hr/> | <hr/> | <hr/> |
| Total expenditures | 26,400 | 26,400 | 12,623 |
| | <hr/> | <hr/> | <hr/> |
| NET CHANGE IN FUND BALANCE | <u>\$ 5</u> | <u>\$ 5</u> | 18,903 |
| FUND BALANCE, MAY 1 | | | <hr/> 22,849 |
| FUND BALANCE, DECEMBER 31 | | | <u><u>\$ 41,752</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 Eight Months Ended December 31, 2015

| | <u>Original Budget</u> | | <u>Final Budget</u> | | <u>Actual</u> |
|----------------------------------|----------------------------|----|-------------------------|----|---------------|
| REVENUES | | | | | |
| Investment income | \$ 10 | \$ | \$ 10 | \$ | 14 |
| Miscellaneous | | | | | |
| Contributions | 17,778 | | 17,778 | | 17,778 |
| | <hr/> | | | | |
| Total revenues | 17,788 | | 17,788 | | 17,792 |
| | <hr/> | | | | |
| EXPENDITURES | | | | | |
| Public Safety | | | | | |
| Personnel services | 18,082 | | 18,082 | | 6,612 |
| Contractual services | 40 | | 40 | | 40 |
| Commodities | 2,000 | | 2,000 | | 615 |
| | <hr/> | | | | |
| Total expenditures | 20,122 | | 20,122 | | 7,267 |
| | <hr/> | | | | |
| NET CHANGE IN FUND BALANCE | \$ (2,334) | \$ | \$ (2,334) | | 10,525 |
| | <hr/> | | | | |
| FUND BALANCE, MAY 1 | | | | | 64,380 |
| | <hr/> | | | | |
| FUND BALANCE, DECEMBER 31 | | | | \$ | <u>74,905</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 Eight Months Ended December 31, 2015

| | <u>Original Budget</u> | | <u>Final Budget</u> | | <u>Actual</u> |
|----------------------------------|----------------------------|----|-------------------------|----|----------------|
| REVENUES | | | | | |
| Charges for services | \$ 4,000 | \$ | 4,000 | \$ | - |
| Investment income | 65 | | 65 | | 167 |
| | <hr/> | | | | |
| Total revenues | 4,065 | | 4,065 | | 167 |
| | <hr/> | | | | |
| EXPENDITURES | | | | | |
| Culture and recreation | | | | | |
| Contractual services | 25,000 | | 25,000 | | - |
| | <hr/> | | | | |
| Total expenditures | 25,000 | | 25,000 | | - |
| | <hr/> | | | | |
| NET CHANGE IN FUND BALANCE | \$ (20,935) | \$ | (20,935) | | 167 |
| | <hr/> | | | | |
| FUND BALANCE, MAY 1 | | | | | 209,873 |
| | <hr/> | | | | |
| FUND BALANCE, DECEMBER 31 | | | | \$ | <u>210,040</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 Eight Months Ended December 31, 2015

| | Original Budget | Final Budget | Actual |
|--|----------------------------|-------------------------|-------------------|
| REVENUES | | | |
| Taxes | | | |
| Telecom | \$ 120,000 | \$ 120,000 | \$ 105,996 |
| Intergovernmental | 1,000 | 1,000 | - |
| Investment income | 800 | 800 | 856 |
| | | | |
| Total revenues | 121,800 | 121,800 | 106,852 |
| | | | |
| EXPENDITURES | | | |
| Capital outlay | 517,731 | 595,686 | 587,729 |
| Debt service | | | |
| Principal | - | 59,450 | 59,450 |
| Interest and fiscal charges | - | 455 | 455 |
| | | | |
| Total expenditures | 517,731 | 655,591 | 647,634 |
| | | | |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (395,931) | (533,791) | (540,782) |
| | | | |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from sale of capital assets | - | - | 9,640 |
| Transfers in | 150,000 | 150,000 | 150,000 |
| | | | |
| Total other financing sources (uses) | 150,000 | 150,000 | 159,640 |
| | | | |
| NET CHANGE IN FUND BALANCE | \$ (245,931) | \$ (383,791) | (381,142) |
| FUND BALANCE, MAY 1 | | | 1,146,254 |
| FUND BALANCE, DECEMBER 31 | | | \$ 765,112 |

(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 Eight Months Ended December 31, 2015

| | Original Budget | Final Budget | Actual |
|--|----------------------------|-------------------------|-------------------|
| REVENUES | | | |
| Investment income | \$ 21,000 | \$ 21,000 | \$ (23,745) |
| Miscellaneous | 12,500 | 12,500 | 3,483 |
| Total revenues | 33,500 | 33,500 | (20,262) |
| EXPENDITURES | | | |
| Culture and recreation | | | |
| Contractual services | 2,000 | 2,000 | 1,474 |
| Total expenditures | 2,000 | 2,000 | 1,474 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 31,500 | 31,500 | (21,736) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers (out) | (12,500) | (12,500) | (3,483) |
| Total other financing sources (uses) | (12,500) | (12,500) | (3,483) |
| NET CHANGE IN FUND BALANCE | \$ 19,000 | \$ 19,000 | (25,219) |
| FUND BALANCE, MAY 1 | | | 327,686 |
| FUND BALANCE, DECEMBER 31 | | | \$ 302,467 |

(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 Eight Months Ended December 31, 2015

| | Original Budget | Final Budget | Actual |
|---|----------------------------|-------------------------|---------------|
| OPERATING REVENUES | | | |
| Charges for services | | | |
| Water | \$ 3,004,798 | \$ 3,004,798 | \$ 3,115,783 |
| Sewer | 2,801,521 | 2,801,521 | 2,834,653 |
| Service fees and penalties | 142,260 | 142,260 | 181,969 |
| Miscellaneous | | | |
| Rental income | 31,310 | 31,310 | 31,407 |
| Other | 750 | 750 | 131 |
| | <hr/> | <hr/> | <hr/> |
| Total operating revenues | 5,980,639 | 5,980,639 | 6,163,943 |
| OPERATING EXPENSES | | | |
| Administration | 469,708 | 469,708 | 458,935 |
| Operations | 8,186,478 | 9,899,560 | 5,454,313 |
| | <hr/> | <hr/> | <hr/> |
| Total operating expenses | 8,656,186 | 10,369,268 | 5,913,248 |
| OPERATING INCOME (LOSS) | <hr/> | <hr/> | <hr/> |
| | (2,675,547) | (4,388,629) | 250,695 |
| NON-OPERATING REVENUES (EXPENSES) | | | |
| Gain on sale of equipment | - | - | 3,055 |
| Principal payments | (758,600) | (758,600) | (758,600) |
| Investment income | 7,000 | 7,000 | 8,131 |
| Issuance of IEPA loan | 1,645,000 | 1,645,000 | 1,601,722 |
| Interest and fiscal charges | (464,664) | (464,664) | (371,180) |
| | <hr/> | <hr/> | <hr/> |
| Total non-operating revenues (expenses) | 428,736 | 428,736 | 483,128 |
| INCOME (LOSS) BEFORE CAPITAL GRANTS AND CONTRIBUTIONS | <hr/> | <hr/> | <hr/> |
| | (2,246,811) | (3,959,893) | 733,823 |
| Capital grants and contributions | <hr/> | <hr/> | <hr/> |
| | - | - | 635,792 |
| CHANGE IN NET POSITION - BUDGET BASIS | <hr/> | <hr/> | <hr/> |
| | \$ (2,246,811) | \$ (3,959,893) | 1,369,615 |
| Principal paid | | | 758,600 |
| Issuance of IEPA loan | | | (1,601,722) |
| Depreciation | | | (1,589,965) |
| Capital outlay capitalized | | | 2,353,582 |
| | | | <hr/> |
| CHANGE IN NET POSITION - GAAP BASIS | | | 1,290,110 |
| NET POSITION, MAY 1 | | | 40,020,956 |
| Change in accounting principle | | | <hr/> |
| | | | (813,290) |
| NET POSITION, MAY 1, RESTATED | | | <hr/> |
| | | | 39,207,666 |
| NET POSITION, DECEMBER 31 | | | <hr/> |
| | | | \$ 40,497,776 |

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Eight Months Ended December 31, 2015

| | Original Budget | Final Budget | Actual |
|-----------------------------------|----------------------------|-------------------------|------------------|
| WATER DEPARTMENT | | | |
| Water facilities | | | |
| Personnel services | | | |
| Employee salaries | \$ 392,473 | \$ 392,473 | \$ 394,563 |
| Employee overtime | 16,700 | 16,700 | 14,886 |
| FICA/Medicare/IMRF | 79,123 | 79,123 | 77,234 |
| Health insurance | 71,948 | 71,948 | 71,948 |
| Compensated absences | - | - | 2,810 |
| Longevity | 4,353 | 4,353 | 3,911 |
| Sick leave incentive | 3,749 | 3,749 | 741 |
| Pension payments | - | - | 45,557 |
| Total personnel services | 568,346 | 568,346 | 611,650 |
| Commodities | | | |
| Building | 3,000 | 3,000 | 3,974 |
| Maintenance materials | 3,700 | 3,700 | 3,930 |
| Automotive | 200 | 200 | 145 |
| Tools and equipment | 4,000 | 4,000 | 5,269 |
| Office | 700 | 700 | 707 |
| Operating | 10,300 | 10,300 | 35,468 |
| Meters | 226,000 | 226,000 | 201,609 |
| Chemicals | 30,072 | 30,072 | 37,792 |
| Vehicles | 48,000 | 48,000 | 47,496 |
| Total commodities | 325,972 | 325,972 | 336,390 |
| Contractual services | | | |
| Dues and publications | 455 | 455 | 927 |
| Physical exams | 300 | 300 | - |
| Training and meeting | 1,800 | 1,800 | 1,469 |
| Building grounds | 1,670 | 1,670 | 1,228 |
| Professional services | 424,700 | 424,700 | 324,076 |
| Maintenance equipment | 21,000 | 21,000 | 3,158 |
| Electric | 162,500 | 162,500 | 126,542 |
| Heating | 6,500 | 6,500 | 4,180 |
| Telephone data | 2,600 | 2,600 | 2,473 |
| Water softener salt | 179,000 | 179,000 | 159,446 |
| Water well | 60,000 | 60,000 | 51,844 |
| Water alarm | 245 | 245 | 249 |
| Total contractual services | 860,770 | 860,770 | 675,592 |
| Capital outlay | 2,401,925 | 2,401,925 | 185,906 |
| Total water facilities | 4,157,013 | 4,157,013 | 1,809,538 |

(This schedule is continued on the following pages.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Eight Months Ended December 31, 2015

| | Original Budget | Final Budget | Actual |
|--|----------------------------|-------------------------|---------------|
| WATER DEPARTMENT (Continued) | | | |
| Water administrative and general | | | |
| Personnel services | | | |
| Employee salaries | \$ 197,520 | \$ 197,520 | \$ 182,928 |
| FICA/Medicare/IMRF | 37,866 | 37,866 | 34,480 |
| Health insurance | 52,076 | 52,076 | 52,076 |
| Compensated absences | - | - | (3,098) |
| Longevity | 800 | 800 | 560 |
| Sick leave incentive | 2,000 | 2,000 | 125 |
| Other postemployment benefits | - | - | 19,052 |
| Pension payments | - | - | 20,630 |
| Total personnel services | 290,262 | 290,262 | 306,753 |
| Administrative and general overhead | 179,446 | 179,446 | 152,182 |
| Total water administrative and general | 469,708 | 469,708 | 458,935 |
| Total water department | 4,626,721 | 4,626,721 | 2,268,473 |
| SEWER DEPARTMENT | | | |
| Sewer facilities | | | |
| Personnel services | | | |
| Employee salaries | 417,249 | 417,249 | 417,018 |
| Employee overtime | 21,000 | 21,000 | 21,193 |
| FICA/Medicare/IMRF | 84,598 | 84,598 | 80,922 |
| Health insurance | 95,207 | 95,207 | 95,207 |
| Compensated absences | - | - | (25,343) |
| Longevity | 3,425 | 3,425 | 2,613 |
| Attendance incentive | 4,244 | 4,244 | 2,989 |
| Pension payments | - | - | 47,276 |
| Total personnel services | 625,723 | 625,723 | 641,875 |
| Commodities | | | |
| Building | 8,000 | 8,000 | 8,655 |
| Maintenance materials | 23,000 | 23,000 | 7,347 |
| Lift station | 9,500 | 9,500 | 8,392 |
| Automotive | 200 | 200 | 221 |
| Tools and equipment | 15,000 | 15,000 | 12,712 |
| Office | 900 | 900 | 1,121 |
| Operating | 6,300 | 6,300 | 7,660 |
| Chemicals | 35,400 | 35,400 | 45,622 |
| Vehicles | 36,000 | 36,000 | 35,135 |
| Total commodities | 134,300 | 134,300 | 126,865 |

(This schedule is continued on the following pages.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Eight Months Ended December 31, 2015

| | Original Budget | Final Budget | Actual |
|-------------------------------------|----------------------------|-------------------------|---------------|
| SEWER DEPARTMENT (Continued) | | | |
| Sewer facilities (Continued) | | | |
| Contractual services | | | |
| Dues and publications | \$ 250 | \$ 250 | \$ 140 |
| Physical exams | 500 | 500 | - |
| Printing | 520 | 520 | 610 |
| Training and meeting | 1,800 | 1,800 | 322 |
| Other service | 46,500 | 46,500 | 31,516 |
| Building grounds | 6,700 | 6,700 | 1,728 |
| Maintenance equipment | 100,000 | 100,000 | 32,618 |
| Electricity | 163,500 | 163,500 | 148,641 |
| Heating | 6,000 | 6,000 | 2,876 |
| Telephone data | 2,200 | 2,200 | 2,066 |
| Sludge disposal | 75,000 | 75,000 | 59,225 |
| Testing | 5,400 | 5,400 | 4,713 |
| Total contractual services | 408,370 | 408,370 | 284,455 |
| Capital outlay | 1,868,000 | 1,868,000 | 1,676,360 |
| Total sewer facilities | 3,036,393 | 3,036,393 | 2,729,555 |
| Sewer underground | | | |
| Personnel services | | | |
| Employee salaries | 380,195 | 380,195 | 404,615 |
| Employee overtime | 30,000 | 30,000 | 24,901 |
| FICA/Medicare/IMRF | 80,055 | 80,055 | 76,771 |
| Health insurance | 107,162 | 107,162 | 107,162 |
| Compensated absences | - | - | (8,155) |
| Longevity | 4,720 | 4,720 | 4,720 |
| Sick leave incentive | 4,000 | 4,000 | 1,500 |
| Pension payments | - | - | 45,127 |
| Total personnel services | 606,132 | 606,132 | 656,641 |
| Commodities | | | |
| Building | 200 | 200 | 2,990 |
| Street | 16,000 | 16,000 | 11,426 |
| Maintenance materials | 21,000 | 21,000 | 20,190 |
| Sanitary sewer | 10,000 | 10,000 | 9,628 |
| Automotive | 350 | 350 | (90) |
| Tools and equipment | 14,100 | 14,100 | 13,716 |
| Office | 300 | 300 | - |
| Operating | 6,000 | 6,000 | 2,552 |
| Valves and pipes | 81,000 | 81,000 | 78,941 |
| Total commodities | 148,950 | 148,950 | 139,353 |

(This schedule is continued on the following page.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Eight Months Ended December 31, 2015

| | Original Budget | Final Budget | Actual |
|--|----------------------------|-------------------------|---------------------|
| SEWER DEPARTMENT (Continued) | | | |
| Sewer underground (Continued) | | | |
| Contractual services | | | |
| Dues and publications | \$ 450 | \$ 450 | \$ 553 |
| Physical exams | 500 | 500 | 98 |
| Printing | 200 | 200 | 613 |
| Training and meeting | 1,400 | 1,400 | 290 |
| Other service | 8,700 | 8,700 | 14,476 |
| Maintenance equipment | 65,600 | 65,600 | 58,600 |
| Maintenance vehicles | 300 | 300 | - |
| Maintenance building and grounds | 640 | 640 | 414 |
| Telephone data | 1,200 | 1,200 | 1,204 |
| Total contractual services | 78,990 | 78,990 | 76,248 |
| Capital outlay | 159,000 | 1,872,082 | 42,978 |
| Total sewer underground | 993,072 | 2,706,154 | 915,220 |
| Total sewer department | 4,029,465 | 5,742,547 | 3,644,775 |
| TOTAL OPERATING EXPENSES, EXCLUDING AMORTIZATION AND DEPRECIATION | \$ 8,656,186 | \$ 10,369,268 | \$ 5,913,248 |

(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 Eight Months Ended December 31, 2015

| | Original Budget | Final Budget | Actual |
|--------------------------------------|----------------------------|-------------------------|-------------------------------|
| OPERATING REVENUES | | | |
| Charges for services | | | |
| Employer contributions | \$ 2,496,452 | \$ 2,496,452 | \$ 2,500,202 |
| Employee contributions | 225,055 | 225,055 | 228,240 |
| Non-employee insurance contributions | 242,664 | 242,664 | 188,032 |
| | <hr/> | <hr/> | <hr/> |
| Total operating revenues | 2,964,171 | 2,964,171 | 2,916,474 |
| OPERATING EXPENSES | | | |
| Operations | | | |
| Health insurance | 2,549,357 | 2,549,357 | 2,199,615 |
| Risk management | 468,183 | 837,183 | 826,734 |
| | <hr/> | <hr/> | <hr/> |
| Total operating expenses | 3,017,540 | 3,386,540 | 3,026,349 |
| CHANGE IN NET POSITION | \$ (53,369) | \$ (422,369) | (109,875) |
| NET POSITION, MAY 1 | | | <hr/> 404,680 |
| NET POSITION, DECEMBER 31 | | | <hr/> \$ 294,805 <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, 2015

| | Pension Trust | | Total |
|--|---------------------------|----------------------------------|---------------|
| | Police Pension | Firefighters' Pension | |
| ASSETS | | | |
| Cash and cash equivalents | \$ - | \$ 4,784 | \$ 4,784 |
| Investments, at fair value | | | |
| Money market mutual funds | 1,087,318 | 279,642 | 1,366,960 |
| U.S. Treasury obligations | 6,080,703 | 1,345,389 | 7,426,092 |
| U.S. Agency obligations | 4,422,530 | 6,536,862 | 10,959,392 |
| Municipal bonds | - | 1,278,668 | 1,278,668 |
| Equities | 12,446,481 | - | 12,446,481 |
| Corporate bonds | 1,602,650 | - | 1,602,650 |
| Equity mutual funds | 9,295,635 | 9,238,922 | 18,534,557 |
| Receivables | | | |
| Accrued interest | 92,401 | 54,607 | 147,008 |
| | 35,027,718 | 18,738,874 | 53,766,592 |
| LIABILITIES | | | |
| Accounts payable | 2,340 | 17,895 | 20,235 |
| | 2,340 | 17,895 | 20,235 |
| NET POSITION HELD IN TRUST FOR PENSION BENEFITS | | | |
| | \$ 35,025,378 | \$ 18,720,979 | \$ 53,746,357 |

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Eight Months Ended December 31, 2015

| | Pension Trust | | Total |
|---|-------------------|--------------------------|---------------|
| | Police Pension | Firefighters' Pension | |
| ADDITIONS | | | |
| Contributions | | | |
| Employer contributions | \$ 2,085,015 | \$ 1,010,757 | \$ 3,095,772 |
| Employee contributions | 374,280 | 212,253 | 586,533 |
| Total contributions | 2,459,295 | 1,223,010 | 3,682,305 |
| Investment income | | | |
| Net (depreciation) in fair value of investments | (618,688) | (680,473) | (1,299,161) |
| Interest | 521,870 | 533,078 | 1,054,948 |
| Total investment income | (96,818) | (147,395) | (244,213) |
| Less investment expense | (97,503) | (36,908) | (134,411) |
| Net investment income | (194,321) | (184,303) | (378,624) |
| Total additions | 2,264,974 | 1,038,707 | 3,303,681 |
| DEDUCTIONS | | | |
| Administration | 31,603 | 20,862 | 52,465 |
| Pension benefits and refunds | 1,460,181 | 607,615 | 2,067,796 |
| Total deductions | 1,491,784 | 628,477 | 2,120,261 |
| NET INCREASE | 773,190 | 410,230 | 1,183,420 |
| NET POSITION RESTRICTED FOR PENSION BENEFITS | | | |
| May 1 | 34,252,188 | 18,310,749 | 52,562,937 |
| December 31 | \$ 35,025,378 | \$ 18,720,979 | \$ 53,746,357 |

(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. | 110-119 |
| Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax. | 120-125 |
| 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. | 126-129 |
| 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. | 130-131 |
| 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. | 132-134 |

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

| | 2007 | 2008 | 2009 | 2010 |
|---------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| GOVERNMENTAL ACTIVITIES | | | | |
| Net investment | | | | |
| in capital assets | \$ 59,316,754 | \$ 61,721,718 | \$ 60,725,028 | \$ 69,438,643 |
| Restricted | 4,241,765 | 4,069,115 | 3,734,343 | 3,820,380 |
| Unrestricted (deficit) | 5,300,206 | 4,978,269 | 5,499,191 | (809,335) |
| TOTAL GOVERNMENTAL ACTIVITIES | \$ 68,858,725 | \$ 70,769,102 | \$ 69,958,562 | \$ 72,449,688 |
| BUSINESS-TYPE ACTIVITIES | | | | |
| Net investment | | | | |
| in capital assets | \$ 31,795,655 | \$ 35,648,176 | \$ 34,664,845 | \$ 35,221,703 |
| Restricted | - | - | - | - |
| Unrestricted | 8,460,631 | 7,383,975 | 6,267,029 | 5,146,465 |
| TOTAL BUSINESS-TYPE ACTIVITIES | \$ 40,256,286 | \$ 43,032,151 | \$ 40,931,874 | \$ 40,368,168 |
| PRIMARY GOVERNMENT | | | | |
| Net investment | | | | |
| in capital assets | \$ 91,112,409 | \$ 97,369,894 | \$ 95,389,873 | \$ 104,660,346 |
| Restricted | 4,241,765 | 4,069,115 | 3,734,343 | 3,820,380 |
| Unrestricted (deficit) | 13,760,837 | 12,362,244 | 11,766,220 | 4,337,130 |
| TOTAL PRIMARY GOVERNMENT | \$ 109,115,011 | \$ 113,801,253 | \$ 110,890,436 | \$ 112,817,856 |

* 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

| 2011 | 2012 | 2013 | 2014 | 2015 | 2015**/*** |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|
| \$ 68,487,393 | \$ 68,905,034 | \$ 67,264,235 | \$ 71,003,712 | \$ 74,204,672 | \$ 75,256,131 |
| 2,880,926 | 4,181,749 | 3,862,323 | 4,363,328 | 4,925,886 | 5,137,307 |
| 508,223 | (514,535) | 1,528,171 | 1,645,509 | 219,766 | (34,740,782) |
| <u>\$ 71,876,542</u> | <u>\$ 72,572,248</u> | <u>\$ 72,654,729</u> | <u>\$ 77,012,549</u> | <u>\$ 79,350,324</u> | <u>\$ 45,652,656</u> |
| | | | | | |
| \$ 34,253,748 | \$ 33,583,685 | \$ 32,738,403 | \$ 33,383,375 | \$ 34,242,241 | \$ 34,640,323 |
| - | - | - | - | - | - |
| 4,778,620 | 4,893,037 | 5,390,950 | 5,126,975 | 5,778,715 | 5,857,453 |
| <u>\$ 39,032,368</u> | <u>\$ 38,476,722</u> | <u>\$ 38,129,353</u> | <u>\$ 38,510,350</u> | <u>\$ 40,020,956</u> | <u>\$ 40,497,776</u> |
| | | | | | |
| \$ 102,741,141 | \$ 102,488,719 | \$ 100,002,638 | \$ 104,387,087 | \$ 108,446,913 | \$ 109,896,454 |
| 2,880,926 | 4,181,749 | 3,862,323 | 4,363,328 | 4,925,886 | 5,137,307 |
| 5,286,843 | 4,378,502 | 6,919,121 | 6,772,484 | 5,998,481 | (28,883,329) |
| <u>\$ 110,908,910</u> | <u>\$ 111,048,970</u> | <u>\$ 110,784,082</u> | <u>\$ 115,522,899</u> | <u>\$ 119,371,280</u> | <u>\$ 86,150,432</u> |

VILLAGE OF CARPENTERSVILLE, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

| | 2007 | 2008 | 2009 | 2010 |
|---|------------------------|------------------------|------------------------|------------------------|
| EXPENSES | | | | |
| Governmental Activities | | | | |
| General government | \$ 2,776,222 | \$ 2,727,628 | \$ 2,923,365 | \$ 2,853,593 |
| Public safety | 13,254,573 | 13,943,995 | 14,820,887 | 15,706,172 |
| Highways and streets | 6,397,636 | 7,468,853 | 8,098,904 | 6,484,488 |
| Community development | 1,716,270 | 1,979,038 | 1,848,358 | 1,868,828 |
| Culture and recreation | 52,355 | 136,652 | 141,630 | 140,459 |
| Interest and fiscal charges | 309,424 | 308,839 | 460,971 | 541,615 |
| Total governmental activities expenses | 24,506,480 | 26,565,005 | 28,294,115 | 27,595,155 |
| Business-Type Activities | | | | |
| Water and sewer | 7,129,154 | 7,475,226 | 7,960,122 | 8,019,962 |
| Total business-type activities expenses | 7,129,154 | 7,475,226 | 7,960,122 | 8,019,962 |
| TOTAL PRIMARY GOVERNMENT EXPENSES | \$ 31,635,634 | \$ 34,040,231 | \$ 36,254,237 | \$ 35,615,117 |
| PROGRAM REVENUES | | | | |
| Governmental Activities | | | | |
| Charges for services | | | | |
| General government | \$ 759,788 | \$ 742,410 | \$ 822,343 | \$ 761,390 |
| Public safety | 2,044,888 | 2,420,812 | 2,332,098 | 2,535,773 |
| Highways and streets | 1,685,876 | 1,024,426 | 1,012,787 | 1,078,688 |
| Community development | 23,461 | 28,020 | 33,420 | 398,313 |
| Operating grants and contributions | 330,003 | 77,116 | 46,256 | 43,893 |
| Capital grants and contributions | 6,895,645 | 4,319,432 | 2,272,240 | 6,579,375 |
| Total governmental activities program revenues | 11,739,661 | 8,612,216 | 6,519,144 | 11,397,432 |
| Business-Type Activities | | | | |
| Charges for services | | | | |
| Water and sewer | 5,985,811 | 5,395,767 | 5,677,714 | 5,743,824 |
| Operating grants and contributions | - | - | - | - |
| Capital grants and contributions | 2,930,292 | 4,386,370 | 10,686 | 1,629,016 |
| Total business-type activities program revenues | 8,916,103 | 9,782,137 | 5,688,400 | 7,372,840 |
| TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES | \$ 20,655,764 | \$ 18,394,353 | \$ 12,207,544 | \$ 18,770,272 |
| NET REVENUES (EXPENSES) | | | | |
| Governmental activities | \$ (12,766,819) | \$ (17,952,789) | \$ (21,774,971) | \$ (16,197,723) |
| Business-type activities | 1,786,949 | 2,306,911 | (2,271,722) | (647,122) |
| TOTAL PRIMARY GOVERNMENT NET REVENUES (EXPENSES) | \$ (10,979,870) | \$ (15,645,878) | \$ (24,046,693) | \$ (16,844,845) |

| 2011 | 2012 | 2013* | 2014 | 2015 | 2015** |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| \$ 2,390,453 | \$ 2,722,030 | \$ 2,281,909 | \$ 3,463,699 | \$ 3,068,941 | \$ 4,434,143 |
| 14,028,417 | 14,157,163 | 17,077,983 | 16,729,905 | 17,426,252 | 14,410,997 |
| 7,969,022 | 7,656,046 | 8,215,225 | 8,603,291 | 8,884,557 | 5,863,027 |
| 1,719,127 | 1,443,759 | 1,818,908 | 1,294,810 | 1,376,258 | 881,623 |
| 132,958 | 211,356 | 136,440 | - | 184,862 | 251,617 |
| 1,208,904 | 1,493,384 | 1,460,952 | 1,385,304 | 1,426,663 | 1,017,569 |
| 27,448,881 | 27,683,738 | 30,991,417 | 31,477,009 | 32,367,533 | 26,858,976 |
| 7,803,929 | 7,579,013 | 8,310,778 | 7,962,573 | 7,872,584 | 5,520,811 |
| 7,803,929 | 7,579,013 | 8,310,778 | 7,962,573 | 7,872,584 | 5,520,811 |
| <u>\$ 35,252,810</u> | <u>\$ 35,262,751</u> | <u>\$ 39,302,195</u> | <u>\$ 39,439,582</u> | <u>\$ 40,240,117</u> | <u>\$ 32,379,787</u> |
| \$ 736,251 | \$ 734,263 | \$ 697,551 | \$ 1,303,596 | \$ 852,819 | \$ 640,512 |
| 2,603,446 | 2,034,826 | 2,299,566 | 1,363,971 | 1,409,904 | 1,104,987 |
| 1,488,860 | 1,007,358 | 1,256,200 | 764,335 | 749,638 | 491,853 |
| 297,958 | 244,260 | 362,249 | 19,450 | 7,360 | 1,190 |
| 225,386 | 540,523 | 584,260 | 2,368,312 | 2,418,801 | 1,812,675 |
| 2,043,895 | 2,532,024 | 1,786,938 | 2,335,740 | 3,202,586 | 1,018,727 |
| 7,395,796 | 7,093,254 | 6,986,764 | 8,155,404 | 8,641,108 | 5,069,944 |
| 5,813,101 | 6,972,009 | 7,776,607 | 8,184,588 | 8,419,290 | 6,132,405 |
| - | - | - | 6,072 | - | - |
| - | 30,000 | 266,496 | 1,255,682 | 968,186 | - |
| 5,813,101 | 7,002,009 | 8,043,103 | 9,446,342 | 9,387,476 | 6,132,405 |
| <u>\$ 13,208,897</u> | <u>\$ 14,095,263</u> | <u>\$ 15,029,867</u> | <u>\$ 17,601,746</u> | <u>\$ 18,028,584</u> | <u>\$ 11,202,349</u> |
| \$ (20,053,085) | \$ (20,590,484) | \$ (24,004,653) | \$ (23,321,605) | \$ (23,726,425) | \$ (21,789,032) |
| (1,990,828) | (577,004) | (267,675) | 1,483,769 | 1,514,892 | 611,594 |
| <u>\$ (22,043,913)</u> | <u>\$ (21,167,488)</u> | <u>\$ (24,272,328)</u> | <u>\$ (21,837,836)</u> | <u>\$ (22,211,533)</u> | <u>\$ (21,177,438)</u> |

VILLAGE OF CARPENTERSVILLE, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

| | 2007 | 2008 | 2009 | 2010 |
|---------------------------------------|----------------------|----------------------|-----------------------|----------------------|
| GENERAL REVENUES AND OTHER | | | | |
| CHANGES IN NET POSITION | | | | |
| Governmental Activities | | | | |
| Taxes | | | | |
| Property | \$ 6,792,096 | \$ 7,464,166 | \$ 7,643,392 | \$ 7,834,711 |
| Sales and use | 5,597,614 | 6,079,532 | 6,155,546 | 5,796,490 |
| Utility | 1,411,704 | 1,484,257 | 1,479,189 | 1,313,416 |
| Local motor fuel | - | - | - | - |
| Other | 196,596 | 214,450 | 702,120 | 452,242 |
| Intergovernmental | 3,003,525 | 3,258,589 | 2,770,355 | 2,630,608 |
| Investment earnings | 1,140,560 | 699,622 | 902,823 | 178,003 |
| Miscellaneous | 635,425 | 629,807 | 1,283,901 | 383,590 |
| Contributions | 6,923 | 32,743 | 27,105 | 7,387 |
| Gain of sale of capital assets | - | - | - | - |
| Transfers | - | - | - | 92,402 |
| Total governmental activities | 18,784,443 | 19,863,166 | 20,964,431 | 18,688,849 |
| Business-Type Activities | | | | |
| Investment earnings | 495,695 | 466,410 | 153,021 | 116,275 |
| Miscellaneous | 688 | 2,544 | 18,424 | 59,543 |
| Transfers | - | - | - | (92,402) |
| Total business-type activities | 496,383 | 468,954 | 171,445 | 83,416 |
| TOTAL PRIMARY GOVERNMENT | \$ 19,280,826 | \$ 20,332,120 | \$ 21,135,876 | \$ 18,772,265 |
| CHANGE IN NET POSITION | | | | |
| Governmental activities | \$ 6,017,624 | \$ 1,910,377 | \$ (810,540) | \$ 2,491,126 |
| Business-type activities | 2,283,332 | 2,775,865 | (2,100,277) | (563,706) |
| TOTAL PRIMARY GOVERNMENT | | | | |
| CHANGE IN NET POSITION | \$ 8,300,956 | \$ 4,686,242 | \$ (2,910,817) | \$ 1,927,420 |

*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

| | 2011 | 2012 | 2013* | 2014 | 2015 | 2015** |
|----|-------------|---------------|---------------|---------------|---------------|---------------|
| \$ | 8,339,117 | \$ 8,926,796 | \$ 11,540,085 | \$ 12,153,210 | \$ 12,712,189 | \$ 13,319,443 |
| | 6,097,724 | 7,172,770 | 6,587,215 | 6,555,619 | 7,791,885 | 5,842,939 |
| | 1,350,435 | 1,445,519 | 1,466,585 | 1,620,073 | 1,562,992 | 815,235 |
| | - | - | - | 266,189 | 262,310 | 278,952 |
| | 460,608 | 472,682 | 402,736 | 840,258 | 818,428 | 533,952 |
| | 2,727,726 | 2,494,821 | 3,396,732 | 3,843,504 | 3,857,758 | 2,717,696 |
| | 273,296 | 205,844 | 44,093 | 46,941 | (190,127) | (177) |
| | 859,567 | 544,901 | 549,688 | 529,558 | 520,791 | 387,797 |
| | 2,000 | 22,857 | - | - | - | - |
| | - | - | - | 24,946 | 22,032 | 9,640 |
| | (627,534) | - | 100,000 | 1,159,903 | - | (635,792) |
| | 19,482,939 | 21,286,190 | 24,087,134 | 27,040,201 | 27,358,258 | 23,269,685 |
| | 11,231 | 6,882 | 14,177 | 12,488 | (79,508) | 8,131 |
| | 16,263 | 14,476 | 6,129 | 274,609 | 75,222 | 34,593 |
| | 627,534 | - | (100,000) | (1,159,903) | - | 635,792 |
| | 655,028 | 21,358 | (79,694) | (872,806) | (4,286) | 678,516 |
| \$ | 20,137,967 | \$ 21,307,548 | \$ 24,007,440 | \$ 26,167,395 | \$ 27,353,972 | \$ 23,948,201 |
| \$ | (570,146) | \$ 695,706 | \$ 82,481 | \$ 3,718,596 | \$ 3,631,833 | \$ 1,480,653 |
| | (1,335,800) | (555,646) | (347,369) | 610,963 | 1,510,606 | 1,290,110 |
| \$ | (1,905,946) | \$ 140,060 | \$ (264,888) | \$ 4,329,559 | \$ 5,142,439 | \$ 2,770,763 |

VILLAGE OF CARPENTERSVILLE, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

| | 2007 | 2008 | 2009 | 2010 |
|---|---------------------|---------------------|----------------------|---------------------|
| GENERAL FUND | | | | |
| Nonspendable | | | | |
| Prepaid items | \$ - | \$ - | \$ - | \$ - |
| Advances | - | - | - | - |
| Restricted | | | | |
| Police department programs | - | - | - | - |
| Asset forfeiture | - | - | - | - |
| Assigned | | | | |
| Community improvements | - | - | - | - |
| Subsequent year's budget | - | - | - | - |
| Carryforwards | - | - | - | - |
| Future cash flow | - | - | - | - |
| Capital projects | - | - | - | - |
| Unassigned | - | - | - | - |
| Reserved | 859,862 | 751,132 | 356,859 | 1,810,930 |
| Unreserved | 5,075,576 | 5,247,538 | 4,891,184 | 1,249,519 |
| TOTAL GENERAL FUND | \$ 5,935,438 | \$ 5,998,670 | \$ 5,248,043 | \$ 3,060,449 |
| ALL OTHER GOVERNMENTAL FUNDS | | | | |
| Nonspendable | | | | |
| Prepaid items | \$ - | \$ - | \$ - | \$ - |
| Advances | - | - | - | - |
| Restricted | | | | |
| Police department programs | - | - | - | - |
| Street maintenance | - | - | - | - |
| Parks | - | - | - | - |
| Capital projects | - | - | - | - |
| Public improvements | - | - | - | - |
| Fire purposes | - | - | - | - |
| Debt Service | - | - | - | - |
| Assigned | | | | |
| Capital projects | - | - | - | - |
| Carryforwards | - | - | - | - |
| Unassigned, reported in | | | | |
| Special revenue funds | - | - | - | - |
| Reserved | 1,256,070 | 719,619 | 5,361,638 | 1,607,899 |
| Unreserved, reported in | | | | |
| Special revenue funds | 3,229,631 | 3,580,269 | 3,324,826 | 3,489,563 |
| Capital project funds | 5,353,858 | 2,547,002 | 2,089,602 | (2,279,789) |
| TOTAL ALL OTHER GOVERNMENTAL FUNDS | \$ 9,839,559 | \$ 6,846,890 | \$ 10,776,066 | \$ 2,817,673 |

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

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

Data Source

Audited Financial Statements

| | 2011 | 2012* | 2013 | 2014 | 2015 | 2015** |
|----|------------|--------------|--------------|--------------|---------------|---------------|
| \$ | - | \$ 281,293 | \$ 299,982 | \$ 28,969 | \$ 39,896 | \$ 69,206 |
| | - | - | - | - | - | 1,835,711 |
| | - | 82,527 | 32,947 | 53,862 | - | - |
| | - | - | - | 192,132 | 186,941 | 189,143 |
| | - | - | - | 42,178 | 107,268 | 182,588 |
| | - | - | - | 531,084 | - | 861,587 |
| | - | 93,980 | 445,873 | 118,750 | 50,000 | - |
| | - | - | - | - | 704,297 | 1,627,588 |
| | - | 4,178,189 | 4,594,252 | 5,243,591 | 6,262,055 | 3,981,550 |
| | 283,588 | - | - | - | - | - |
| | 2,738,487 | - | - | - | - | - |
| \$ | 3,022,075 | \$ 4,635,989 | \$ 5,373,054 | \$ 6,210,566 | \$ 7,350,457 | \$ 8,747,373 |
| \$ | - | \$ - | \$ - | \$ 429 | \$ 142 | \$ 141 |
| | - | - | - | 80,665 | - | - |
| | - | - | - | - | 64,380 | 74,905 |
| | - | 1,305,370 | 1,426,332 | 970,130 | 1,021,369 | 554,538 |
| | - | 54,043 | 54,611 | 393,150 | 382,295 | 353,783 |
| | - | 6,617,269 | 1,985,129 | - | 8,226,672 | 6,716,035 |
| | - | 909,777 | 1,983,547 | 2,078,205 | 2,706,045 | 3,243,327 |
| | - | 38,248 | 36,692 | 26,710 | 22,849 | 41,752 |
| | - | 892,900 | 803,049 | 649,139 | 542,007 | 679,859 |
| | - | 212,195 | 1,473,791 | 1,698,024 | 1,146,254 | 2,729,164 |
| | - | - | 904,362 | 1,482,780 | - | - |
| | - | (45,641) | (18,178) | (91,333) | (237,456) | (2,222,575) |
| | 1,266,048 | - | - | - | - | - |
| | 3,474,330 | - | - | - | - | - |
| | 13,247,392 | - | - | - | - | - |
| \$ | 17,987,770 | \$ 9,984,161 | \$ 8,649,335 | \$ 7,287,899 | \$ 13,874,557 | \$ 12,170,929 |

VILLAGE OF CARPENTERSVILLE, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

| | 2007 | 2008 | 2009 | 2010 |
|--|---------------------|-----------------------|---------------------|------------------------|
| REVENUES | | | | |
| Taxes | \$ 17,001,535 | \$ 18,500,995 | \$ 18,525,185 | \$ 17,026,816 |
| Intergovernmental | 2,894,935 | 2,804,058 | 3,176,894 | 3,025,051 |
| Licenses and permits | 1,431,063 | 1,298,635 | 1,499,358 | 1,572,549 |
| Fines and forfeitures | 625,312 | 576,710 | 569,590 | 507,637 |
| Charges for services | 923,091 | 1,279,666 | 1,492,650 | 1,518,178 |
| Investment income | 1,153,262 | 746,955 | 870,753 | 259,101 |
| Miscellaneous | 1,062,846 | 928,709 | 1,146,724 | 556,800 |
| Total revenues | 25,092,044 | 26,135,728 | 27,281,154 | 24,466,132 |
| EXPENDITURES | | | | |
| General government | 4,330,705 | 2,662,854 | 2,846,950 | 2,267,779 |
| Public safety | 12,656,119 | 13,823,810 | 14,494,721 | 14,498,478 |
| Public works | 4,557,505 | 5,204,268 | 5,886,022 | 5,245,326 |
| Community development | 1,758,962 | 2,046,670 | 1,945,120 | 1,865,603 |
| Culture and recreation | 52,355 | 133,988 | 169,295 | 142,130 |
| Debt service | | | | |
| Principal | 332,500 | 517,500 | 468,750 | 775,561 |
| Interest | 309,252 | 318,162 | 383,126 | 547,955 |
| Capital outlay | 2,450,666 | 4,386,193 | 4,575,570 | 9,386,373 |
| Total expenditures | 26,448,064 | 29,093,445 | 30,769,554 | 34,729,205 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (1,356,020) | (2,957,717) | (3,488,400) | (10,263,073) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 381,187 | 381,928 | 382,247 | 473,261 |
| Transfers (out) | (381,187) | (381,928) | (382,247) | (380,859) |
| Bonds issued | 5,000,000 | - | 6,700,000 | - |
| Bond issuance costs | - | - | (65,223) | - |
| Premium on bonds issued | 85,289 | - | - | - |
| Capital lease | - | - | - | - |
| Sale of capital assets | 33,758 | 28,280 | 32,172 | 24,684 |
| Total other financing sources (uses) | 5,119,047 | 28,280 | 6,666,949 | 117,086 |
| NET CHANGE IN FUND BALANCES | \$ 3,763,027 | \$ (2,929,437) | \$ 3,178,549 | \$ (10,145,987) |
| DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES | 2.26% | 2.55% | 2.44% | 3.00% |

* 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

| 2011 | 2012 | 2013 | 2014 | 2015 | 2015* |
|---------------|----------------|---------------|----------------|---------------|---------------|
| \$ 19,252,124 | \$ 20,522,991 | \$ 23,393,353 | \$ 21,435,351 | \$ 23,147,804 | \$ 20,790,521 |
| 3,024,388 | 3,772,840 | 3,062,165 | 6,827,783 | 7,186,475 | 5,549,098 |
| 1,411,820 | 1,416,228 | 1,506,600 | 1,201,973 | 696,017 | 572,249 |
| 507,610 | 545,393 | 416,421 | 426,802 | 368,281 | 311,764 |
| 2,354,945 | 1,774,945 | 2,138,241 | 1,721,881 | 1,849,974 | 1,264,798 |
| 364,679 | 227,365 | 44,093 | 46,941 | (190,127) | (177) |
| 965,110 | 550,580 | 409,238 | 628,003 | 625,245 | 477,528 |
| 27,880,676 | 28,810,342 | 30,970,111 | 32,288,734 | 33,683,669 | 28,965,781 |
| 2,362,357 | 2,664,634 | 3,068,266 | 3,302,152 | 3,396,854 | 4,212,505 |
| 13,697,709 | 13,620,554 | 15,558,217 | 15,673,106 | 16,475,061 | 12,826,029 |
| 5,660,245 | 5,108,788 | 5,494,017 | 5,888,530 | 6,187,517 | 2,423,308 |
| 1,730,193 | 1,457,576 | 1,816,542 | 1,299,271 | 1,258,329 | 885,561 |
| 139,029 | 207,653 | 133,078 | 190,218 | 165,119 | 139,968 |
| 794,791 | 1,505,211 | 1,597,889 | 2,120,233 | 1,373,712 | 4,685,850 |
| 1,119,833 | 1,492,405 | 1,459,828 | 1,426,366 | 1,357,644 | 1,603,944 |
| 6,653,317 | 10,189,531 | 2,893,822 | 4,689,098 | 4,538,828 | 5,791,001 |
| 32,157,474 | 36,246,352 | 32,021,659 | 34,588,974 | 34,753,064 | 32,568,166 |
| (4,276,798) | (7,436,010) | (1,051,548) | (2,300,240) | (1,069,395) | (3,602,385) |
| 3,051,575 | 796,337 | 1,339,868 | 3,227,398 | 578,287 | 2,911,650 |
| (3,679,109) | (796,337) | (1,239,868) | (2,177,165) | (578,287) | (2,911,650) |
| 20,000,000 | - | - | - | 8,278,960 | 2,920,000 |
| - | - | - | - | - | - |
| 36,025 | - | - | - | 494,952 | 366,033 |
| - | - | 350,000 | - | - | - |
| - | 46,808 | 3,787 | 24,946 | 22,032 | 9,640 |
| 19,408,491 | 46,808 | 453,787 | 1,075,179 | 8,795,944 | 3,295,673 |
| \$ 15,131,693 | \$ (7,389,202) | \$ (597,761) | \$ (1,225,061) | \$ 7,726,549 | \$ (306,712) |
| 5.04% | 6.63% | 8.81% | 11.38% | 8.70% | 21.49% |

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 |
|-----------|----------------------|---------------------|---------------------|---------------|----------------------------|------------------------------|-----------------------|--------------------------------|---|
| 2006 | \$ 560,072,824 | \$ 70,471,176 | \$ 17,713,603 | \$ 912,829 | \$ 649,170,432 | \$ 649,170,432 | \$ 1.3213 | \$ 1,947,511,296 | 33.333% |
| 2007 | 595,471,083 | 71,626,130 | 16,422,745 | 1,065,398 | 684,585,356 | 684,585,356 | 1.3313 | 2,053,756,068 | 33.333% |
| 2008 | 628,180,843 | 74,942,662 | 16,281,968 | 1,097,690 | 720,503,163 | 720,503,163 | 1.3307 | 2,161,509,489 | 33.333% |
| 2009 | 617,345,060 | 72,843,582 | 16,425,237 | 1,052,881 | 707,666,760 | 707,666,760 | 1.4500 | 2,123,000,280 | 33.333% |
| 2010 | 568,109,153 | 64,028,623 | 14,989,957 | 982,262 | 648,109,995 | 648,109,995 | 1.6902 | 1,944,329,985 | 33.333% |
| 2011 | 466,103,518 | 73,668,858 | 15,580,293 | 1,118,081 | 556,470,750 | 556,470,750 | 1.9580 | 1,669,412,250 | 33.333% |
| 2012 | 409,324,723 | 70,277,460 | 15,113,716 | 953,898 | 495,669,797 | 495,669,797 | 2.2993 | 1,487,009,391 | 33.333% |
| 2013 | 368,855,199 | 63,002,861 | 12,986,935 | 814,219 | 445,659,214 | 445,659,214 | 2.6707 | 1,336,977,642 | 33.333% |
| 2014 | 351,982,353 | 59,348,248 | 12,152,266 | 625,601 | 424,108,468 | 424,108,468 | 2.9454 | 1,272,325,404 | 33.333% |
| 2015* | 376,194,689 | 56,768,073 | 12,177,758 | 644,372 | 445,784,892 | 445,784,892 | 2.9299 | 1,337,354,676 | 33.333% |

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

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Village Direct Rates | | | | | | | | | | |
| Carpentersville Village | 1.0519 | 1.0239 | 1.3316 | 1.4517 | 1.6930 | 1.9613 | 2.2993 | 2.6707 | 2.9454 | 2.9299 |
| Carpentersville IMRF | 0.2702 | 0.3080 | - | - | - | - | - | - | - | - |
| Total direct tax rate | 1.3221 | 1.3319 | 1.3316 | 1.4517 | 1.6930 | 1.9613 | 2.2993 | 2.6707 | 2.9454 | 2.9299 |
| Overlapping Rates | | | | | | | | | | |
| School District 300 residents: | | | | | | | | | | |
| Kane County | 0.2847 | 0.2750 | 0.3336 | 0.3398 | 0.3730 | 0.3990 | 0.4336 | 0.4623 | 0.3794 | 0.3914 |
| Kane County IMRF | 0.0605 | 0.0571 | - | - | - | - | - | - | 0.0880 | 0.0565 |
| Kane County FICA | - | - | - | - | - | - | - | - | - | - |
| Kane County Forest Preserve | 0.1714 | 0.1942 | 0.1932 | 0.1997 | 0.2201 | 0.2609 | 0.2710 | 0.3039 | 0.3059 | 0.2882 |
| Kane County Forest Preserve IMRF | 0.0033 | 0.0032 | - | - | - | - | - | - | 0.0067 | 0.0038 |
| Kane County Forest Preserve FICA | - | - | - | - | - | - | - | - | - | - |
| Dundee Township | 0.1292 | 0.1440 | 0.1415 | 0.1498 | 0.1688 | 0.1854 | 0.2143 | 0.3261 | 0.2265 | 0.2164 |
| Dundee Township Road Funds | 0.0692 | 0.0665 | 0.0673 | 0.0695 | 0.0774 | 0.0838 | 0.0958 | - | 0.1112 | 0.1146 |
| Dundee Township IMRF | 0.0015 | 0.0014 | - | - | - | - | - | - | 0.0045 | - |
| Dundee Township FICA | - | - | - | - | - | - | - | - | - | - |
| School District 300 | 3.8308 | 3.7645 | 3.8603 | 3.9687 | 4.4615 | 4.7987 | 5.6752 | 6.3182 | 6.5000 | 7.1667 |
| School District 300 Pension | 0.1480 | 0.1028 | - | - | - | - | - | - | 0.2214 | 0.1790 |
| Elgin Community College 509 | 0.3345 | 0.3230 | 0.3275 | 0.3833 | 0.4407 | 0.4454 | 0.5215 | 0.5707 | 0.5994 | 0.6260 |
| Elgin Community College Pension | 0.0053 | 0.0051 | - | - | - | - | - | - | 0.0081 | - |
| Dundee Park District | 0.3474 | 0.3400 | 0.3648 | 0.3747 | 0.4251 | 0.4553 | 0.5145 | 0.6269 | 0.5873 | 0.5841 |
| Dundee Park District IMRF | 0.0424 | 0.0316 | - | - | - | - | - | - | 0.0726 | 0.0491 |
| Dundee Park District FICA | - | - | - | - | - | - | - | - | - | 0.0631 |
| Fox River Valley Public Library | 0.1245 | 0.1195 | 0.1273 | 0.1306 | 0.1456 | 0.1582 | 0.1811 | 0.2061 | 0.1949 | 0.1876 |
| Fox River Valley Public Library - IMRF | 0.0082 | 0.0084 | - | - | - | - | - | - | 0.0221 | 0.0119 |
| Fox River Valley Public Library - FICA | - | - | - | - | - | - | - | - | - | 0.0100 |

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 Four Years Ago

| Taxpayer | Type of Business | 2015 | | | 2011 | | |
|------------------------------|-------------------|------------------------|------|--|------------------------------|------|--|
| | | Taxable Assessed Value | Rank | Percentage of Total Village Taxable Assessed Valuation | Equalized Assessed Valuation | Rank | Percentage of Total Village Taxable Assessed Valuation |
| Spring Hill Mall | Shopping Center | \$ 4,747,530 | 1 | 1.06% | \$ 7,397,048 | 1 | 1.33% |
| Woodmans | Grocery Store | 4,160,908 | 2 | 0.93% | 5,725,260 | 2 | 1.03% |
| Steadfast Foxview | Rental Properties | 3,890,398 | 3 | 0.87% | 4,850,653 | 3 | 0.87% |
| Menard Inc | Hardware Store | 3,324,726 | 4 | 0.75% | 4,522,209 | 4 | 0.81% |
| Meadowdale Apartments | Rental Properties | 2,167,396 | 5 | 0.49% | | | |
| Meadowdale Apartments | Rental Properties | 2,156,761 | 6 | 0.48% | | | |
| Meadowdale Apartments | Rental Properties | 2,156,760 | 7 | 0.48% | | | |
| Improved Besinger Properties | Rental Properties | 2,017,091 | 8 | 0.45% | 2,711,055 | 5 | 0.49% |
| Trust #1-04-112 | Trust | 1,876,406 | 9 | 0.42% | 2,252,460 | 6 | 0.40% |
| CREA Spring Hill LLC | Shopping Center | 1,851,841 | 10 | 0.42% | | | |
| PCCR USA, Inc. | Industrial | | | | 2,214,729 | 7 | 0.40% |
| Meadowdale Apartments | Rental Properties | | | | 2,199,671 | 8 | 0.40% |
| 10 West Main, LLC | Industrial | | | | 1,856,935 | 9 | 0.33% |
| Revcor Inc | Industrial | | | | 1,806,181 | 10 | 0.32% |
| TOTAL | | <u>\$ 28,349,817</u> | | <u>6.35%</u> | <u>\$ 35,536,201</u> | | <u>6.38%</u> |

Information for the period nine years ago was not available, therefore, information for the period four years ago is presented.

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 |
| 2006 | \$ 8,582,436 | \$ 8,544,673 | 99.56% | \$ - | \$ 8,544,673 | 99.56% |
| 2007 | 9,117,746 | 9,093,394 | 99.73% | - | 9,093,394 | 99.73% |
| 2008 | 9,594,112 | 9,539,478 | 99.43% | - | 9,539,478 | 99.43% |
| 2009 | 10,201,246 | 10,200,572 | 99.99% | - | 10,200,572 | 99.99% |
| 2010 | 10,910,424 | 10,886,992 | 99.79% | - | 10,886,992 | 99.79% |
| 2011 | 10,913,883 | 10,872,428 | 99.62% | - | 10,872,428 | 99.62% |
| 2012 | 11,397,124 | 11,341,382 | 99.51% | - | 11,341,382 | 99.51% |
| 2013 | 11,902,305 | 11,844,299 | 99.51% | - | 11,844,299 | 99.51% |
| 2014 | 12,471,832 | 12,444,944 | 99.78% | - | 12,444,944 | 99.78% |
| 2015 | 13,061,065 | 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

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General merchandise | \$ 345,419 | \$ 427,172 | \$ 329,697 | \$ 288,621 | * | \$ 251,300 | \$ 236,477 | \$ 235,259 | \$ 241,561 | \$ 235,998 | \$ 242,394 |
| Food | 952,442 | 1,050,066 | 1,073,583 | 1,242,330 | \$ 1,206,769 | 1,205,361 | 1,231,555 | 1,197,703 | 1,142,340 | 1,190,412 | 1,250,684 |
| Drinking and eating places | 270,535 | 260,741 | 278,670 | 264,377 | 227,834 | 232,344 | 262,081 | 267,660 | 260,813 | 273,561 | 293,052 |
| Apparel | 29,949 | 34,010 | 36,041 | 43,636 | 36,744 | 33,785 | 30,918 | 29,881 | 30,732 | 29,167 | 30,989 |
| Furniture, H.H. and radio | 74,203 | 60,204 | 33,366 | 33,487 | * | 21,516 | 21,262 | 24,260 | 30,475 | 25,605 | 23,009 |
| Lumber, building hardware | 475,107 | 495,070 | 474,884 | 435,753 | 423,961 | 434,718 | 442,041 | 467,955 | 502,991 | 531,175 | 573,956 |
| Automobile and filling stations | 241,922 | 251,414 | 309,103 | 216,243 | 231,876 | 311,296 | 426,062 | 362,788 | 356,635 | 360,741 | 315,151 |
| Drugs and miscellaneous retail | 185,782 | 190,472 | 202,453 | 224,144 | 239,123 | 250,913 | 251,908 | 262,480 | 286,637 | 281,545 | 174,540 |
| Agriculture and all others | 79,183 | 89,073 | 108,229 | 94,683 | 71,183 | 69,967 | 74,663 | 76,466 | 73,582 | 69,695 | 215,318 |
| Manufacturers | 55,750 | 57,725 | 70,081 | 25,513 | 41,593 | 20,492 | 19,454 | 19,004 | 19,536 | 18,143 | 15,944 |
| Other (1) | - | - | - | - | 281,252 | - | - | - | - | - | - |
| TOTAL | \$ 2,710,292 | \$ 2,915,947 | \$ 2,916,107 | \$ 2,868,787 | \$ 2,760,335 | \$ 2,831,692 | \$ 2,996,421 | \$ 2,943,456 | \$ 2,945,302 | \$ 3,016,042 | \$ 3,135,037 |
| VILLAGE DIRECT SALES TAX RATE | 1.00% |

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

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

Data Source

Illinois Department of Revenue

VILLAGE OF CARPENTERSVILLE, ILLINOIS

HOME RULE SALES TAX BY CATEGORY

Last Two Calendar Years

| Calendar Year | 2013 | 2014 | 2015 |
|---------------------------------|---------------------|---------------------|---------------------|
| General merchandise | \$ 359,104 | \$ 418,572 | \$ 478,214 |
| Food | 575,416 | 705,585 | 898,917 |
| Drinking and eating places | 390,459 | 478,347 | 582,831 |
| Apparel | 46,098 | 51,318 | 61,977 |
| Furniture, H.H. and radio | 45,711 | 44,957 | 45,962 |
| Lumber, building hardware | 746,834 | 921,975 | 1,136,512 |
| Automobile and filling stations | 498,398 | 568,086 | 546,385 |
| Drugs and miscellaneous retail | 236,977 | 262,021 | 108,161 |
| Agriculture and all others | 99,376 | 107,216 | 344,364 |
| Manufacturers | 28,662 | 30,826 | 30,994 |
| TOTAL | \$ 3,027,035 | \$ 3,588,903 | \$ 4,234,317 |

Information for 2006 - 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 | |
|-------------------|--------------------------|--|-------------------------|--------------------------|----------------|-------------------------|--------------------------|--|-------------------------|--------------------------|---------------|--------------------------|------------------------------|----------------|
| | 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 | | Value of Property (1) | Per Capita (2) |
| | | Unamortized Bond Discount | Unamortized Loss/Refund | Unamortized Bond Premium | | | | Unamortized Bond Discount | Unamortized Loss/Refund | Unamortized Bond Premium | | | | |
| 2007 | \$ 7,690,000 | \$ - | \$ - | \$ 129,199 | \$ 48,081 | \$ - | \$ 6,080,000 | \$ - | \$ - | \$ 98,505 | \$ 15,334,223 | \$ 29,380,008 | 4.53% | \$ 960.57 |
| 2008 | 7,172,500 | - | - | 119,819 | 13,754 | - | 5,612,500 | - | - | 92,535 | 14,575,154 | 27,586,262 | 4.03% | 901.92 |
| 2009 | 13,403,750 | - | - | 110,439 | 1,068 | - | 8,641,250 | - | - | 86,565 | 13,796,720 | 36,039,792 | 5.00% | 1,178.31 |
| 2010 | 12,685,500 | - | - | 101,059 | - | 286,556 | 8,244,500 | - | - | 80,595 | 12,998,429 | 34,396,639 | 4.86% | 912.60 |
| 2011 | 31,948,050 | - | - | 91,679 | - | 229,245 | 7,836,950 | - | - | 74,625 | 12,179,773 | 52,360,322 | 8.08% | 1,389.20 |
| 2012 | 30,500,150 | - | - | 82,299 | - | 171,934 | 7,414,850 | - | - | 68,655 | 11,340,231 | 49,578,119 | 8.91% | 1,297.99 |
| 2013 | 29,016,800 | - | - | 72,919 | 292,772 | 114,623 | 6,978,200 | - | - | 62,685 | 10,479,272 | 47,017,271 | 9.49% | 1,230.95 |
| 2014 | 27,069,650 | - | - | 53,306 | 177,000 | 57,312 | 6,380,350 | - | - | 53,305 | 9,596,351 | 43,387,274 | 9.74% | 1,135.91 |
| 2015 | 34,149,760 | - | - | 535,744 | 59,450 | - | 15,415,240 | - | - | 814,050 | 623,404 | 51,597,648 | 12.17% | 1,350.87 |
| 2015* | 32,443,360 | - | - | 830,776 | 59,450 | - | 14,326,640 | - | - | 1,066,723 | 2,255,126 | 50,982,075 | 11.44% | 1,334.75 |

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

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

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

(2) See the schedule of Demographic and Economic Information on page 129 for personal income and population data.

Data Source

Village Records

VILLAGE OF CARPENTERSVILLE, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

| Fiscal Year | Governmental Activities | | Business-Type Activities | Less Amounts Available In Debt Service Fund | Total | Governmental Activities | | | Business-Type Activities | | | Percentage of Estimated Actual Taxable | |
|-------------|-------------------------|------------------|--------------------------|---|-------------------------|--------------------------|---------------|-------------------------|--------------------------|---------------|-------------------------|--|--------------------|
| | General | General | General | | | Obligation | Bonds | Refinancing Costs | General | Obligation | Bonds | Refinancing Costs | Value of Property* |
| | Obligation Bonds | Obligation Bonds | Obligation Bonds | Bond Discount | Unamortized Loss/Refund | Unamortized Bond Premium | Bond Discount | Unamortized Loss/Refund | Unamortized Bond Premium | Bond Discount | Unamortized Loss/Refund | Unamortized Bond Premium | |
| 2007 | \$ 7,690,000 | \$ 6,080,000 | \$ 715,304 | \$ 13,054,696 | \$ - | \$ - | \$ 129,199 | \$ - | \$ - | \$ 98,505 | 2.01% | \$ 426.82 | |
| 2008 | 7,172,500 | 5,612,500 | 719,619 | 12,065,381 | - | - | 119,819 | - | - | 92,535 | 1.76% | 394.47 | |
| 2009 | 13,403,750 | 8,641,250 | 1,018,109 | 21,026,891 | - | - | 110,439 | - | - | 86,565 | 2.92% | 687.47 | |
| 2010 | 12,685,500 | 8,244,500 | 1,054,454 | 19,875,546 | - | - | 101,059 | - | - | 80,595 | 2.81% | 527.33 | |
| 2011 | 31,948,050 | 7,836,950 | 903,275 | 38,881,725 | - | - | 91,679 | - | - | 74,625 | 6.00% | 1,031.59 | |
| 2012 | 30,500,150 | 7,414,850 | 883,704 | 37,031,296 | - | - | 82,299 | - | - | 68,655 | 6.65% | 969.51 | |
| 2013 | 29,016,800 | 6,978,200 | 803,049 | 35,191,951 | - | - | 72,919 | - | - | 62,685 | 7.10% | 921.35 | |
| 2014 | 27,069,650 | 6,380,350 | 649,279 | 32,800,721 | - | - | 53,306 | - | - | 53,305 | 7.36% | 858.75 | |
| 2015 | 34,149,760 | 15,415,240 | 542,007 | 49,022,993 | - | - | 535,744 | - | - | 814,050 | 11.56% | 1,283.46 | |
| 2015** | 32,443,360 | 14,326,640 | 679,859 | 46,090,141 | - | - | 830,776 | - | - | 1,066,723 | 10.34% | 1,206.67 | |

* See the schedule of Assessed Value and Actual Value of Taxable Property on page 119 for property value data.

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

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

Data Source

VILLAGE OF CARPENTERSVILLE, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2015

| | <u>Applicable to Village</u> | | |
|--------------------------------|------------------------------|-----------------|-----------------------|
| | <u>Outstanding Debt</u> | <u>Percent*</u> | <u>Amount</u> |
| Village Direct Debt | | | |
| Carpentersville Village | \$ 33,333,586 | 100.00% | \$ 33,333,586 |
| Overlapping Debt | | | |
| Kane County | 63,200,000 | 3.82% | 2,414,240 |
| Kane County Forest Preserve | 161,135,000 | 3.82% | 6,155,357 |
| Dundee Township | 5,270,000 | 32.04% | 1,688,508 |
| Barrington School District 220 | 62,430,600 | 1.07% | 668,007 |
| School District 300 | 484,155,134 | 15.22% | 73,688,411 |
| Elgin Community College 509 | 195,973,411 | 3.86% | 7,564,574 |
| Harper College 512 | 171,470,000 | 0.16% | 274,352 |
| Dundee Park District | 20,685,000 | 32.10% | 6,639,885 |
| | <u>1,164,319,145</u> | | <u>99,093,334</u> |
| TOTAL | <u>\$ 1,197,652,731</u> | | <u>\$ 132,426,920</u> |

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

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

Data Source

Office of the County Clerk

VILLAGE OF CARPENTERSVILLE, ILLINOIS

LEGAL DEBT MARGIN

December 31, 2015

The Village is a home rule municipality.

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

"The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 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** |
|--------------------|-------------------|------------------------|-----------------------------------|-------------------|---------------------------|----------------------------|
| 2007 | 30,586 | \$ 652,919,342 | \$ 21,347 | 29.6 | 19,119 | 6.4% |
| 2008 | 30,586 | 652,919,342 | 21,347 | 29.6 | 18,990 | 8.4% |
| 2009 | 30,586 | 652,919,342 | 21,347 | 29.6 | 19,628 | 12.9% |
| 2010 | 37,691 | 804,589,777 | 21,347 | 29.6 | 19,694 | 13.3% |
| 2011 | 37,691 | 804,589,777 | 21,347 | 29.6 | 19,959 | 12.7% |
| 2012 | 38,196 | 815,370,012 | 21,347 | 29.4 | 19,978 | 11.0% |
| 2013 | 38,196 | 815,370,012 | 21,347 | 29.4 | 20,856 | 13.1% |
| 2014 | 38,196 | 815,370,012 | 21,347 | 29.4 | 20,923 | 9.9% |
| 2015 | 38,196 | 815,370,012 | 21,347 | 29.4 | 7,786 | 5.8% |
| 2015*** | 38,196 | 815,370,012 | 21,347 | 29.4 | 7,786 | 5.8% |

*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

US Census Bureau

Office of the County Clerk

VILLAGE OF CARPENTERSVILLE, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

| Employer | 2015 | | | 2006 | | |
|-------------------------------|----------------------------|-------------|--------------------------------------|----------------------------|-------------|--------------------------------------|
| | Number of Employees | Rank | % of Total Village Population | Number of Employees | Rank | % of Total Village Population |
| Otto Engineering | 498 | 1 | 1.30% | 160 | 5 | 0.52% |
| Revcor, Inc. | 400 | 2 | 1.05% | 400 | 1 | 1.31% |
| Community School District 300 | 350 | 3 | 0.92% | 300 | 2 | 0.98% |
| Woodman's | 265 | 4 | 0.69% | | | |
| PCCR USA | 250 | 5 | 0.65% | 150 | 6 | 0.49% |
| Village of Carpentersville | 215 | 6 | 0.56% | 200 | 3 | 0.65% |
| Trim-Rite, Inc. | 200 | 7 | 0.52% | 200 | 3 | 0.65% |
| Menards | 140 | 8 | 0.37% | | | |
| KDM Enterprises, Inc. | 125 | 9 | 0.33% | | | |
| Grayhill Inc. | 120 | 10 | 0.31% | 150 | 6 | 0.49% |
| Bulk Lift | | | | 150 | 6 | 0.49% |
| ACME Industrial Comp. | | | | 150 | 6 | 0.49% |
| TOTAL | 2,563 | | 6.70% | 1,860 | | 6.07% |

Data Source

2015 Illinois Service Directory

VILLAGE OF CARPENTERSVILLE, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

| Function/Program | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2015* |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| GENERAL GOVERNMENT | | | | | | | | | | |
| Legislative | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Administration | 3 | 4 | 3 | 3 | 3 | 3 | 4 | 4 | 3 | 2 |
| Finance | 7 | 8 | 8 | 8 | 6 | 8 | 9 | 8 | 7 | 7 |
| Information systems | 2 | 2 | 3 | 3 | 3 | 2 | 2 | 2 | 3 | 3 |
| Community development | 11 | 15 | 15 | 16 | 16 | 11 | 11 | 9 | 11 | 11 |
| Public buildings | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 2 | 3 | 3 |
| PUBLIC SAFETY | | | | | | | | | | |
| Police personnel | 81 | 81 | 82 | 76 | 71 | 71 | 70 | 70 | 70 | 70 |
| Fire personnel | 42 | 42 | 42 | 42 | 39 | 39 | 37 | 37 | 48 | 48 |
| PUBLIC WORKS | | | | | | | | | | |
| Administration | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Utilities - water | 6 | 7 | 7 | 7 | 7 | 6 | 6 | 6 | 6 | 6 |
| Utilities - underground water/sewer | 10 | 11 | 11 | 11 | 8 | 8 | 8 | 8 | 8 | 8 |
| Utilities - wastewater | 8 | 8 | 8 | 8 | 7 | 6 | 6 | 5 | 7 | 7 |
| Street maintenance | 13 | 13 | 13 | 12 | 12 | 12 | 12 | 11 | 15 | 14 |
| Vehicle maintenance | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 |
| Parks | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| TOTAL | 191 | 200 | 201 | 194 | 180 | 174 | 174 | 170 | 189 | 187 |

* 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 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2015* |
|---------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| GENERAL GOVERNMENT | | | | | | | | | | |
| Number of permits issued | 1,894 | 1,896 | 3,620 | 4,062 | 3,313 | 2,677 | 2,992 | 2,412 | 3,667 | 1,226 |
| Building and engineering inspections | 4,634 | 6,750 | 5,671 | 5,930 | 5,472 | 5,149 | 5,367 | 5,007 | 5,138 | 4,503 |
| POLICE | | | | | | | | | | |
| DUI arrests | 201 | 194 | 202 | 167 | 169 | 106 | 128 | 108 | 24 | 52 |
| Criminal arrests | 3,175 | 2,741 | 2,546 | 2,366 | 1,799 | 1,759 | 1,684 | 1,420 | 374 | 895 |
| Accidents | 1,044 | 996 | 1,017 | 851 | 927 | 815 | 820 | 1,020 | 379 | 657 |
| Ordinance enforcement | 5,780 | 6,849 | 6,621 | 7,385 | 5,964 | 5,117 | 4,660 | 3,782 | 1,679 | 23,235 |
| Total tickets | 9,517 | 8,769 | 9,458 | 9,875 | 9,893 | 6,890 | 10,335 | 6,728 | 2,618 | 2,118 |
| Total calls | 19,552 | 22,332 | 21,837 | 20,703 | 19,783 | 17,786 | 16,296 | 16,952 | 5,720 | 11,180 |
| FIRE | | | | | | | | | | |
| Number of fire calls answered | 883 | 950 | 938 | 910 | 950 | 967 | 882 | 1,289 | 843 | 592 |
| Number of EMS calls answered | 2,387 | 2,660 | 2,602 | 2,590 | 2,650 | 2,670 | 2,551 | 2,608 | 2,625 | 1,723 |
| PUBLIC WORKS | | | | | | | | | | |
| Tons of garbage collected | 14,475 | 12,169 | 11,678 | 10,666 | 10,297 | 10,333 | 10,015 | 10,475 | 10,477 | 7,595 |
| Tons of yard waste collected | 1,421 | 1,792 | 1,600 | 1,758 | 1,688 | 1,882 | 1,302 | 1,816 | 1,582 | 1,753 |
| Tons of recyclable material collected | 3,039 | 3,252 | 3,499 | 3,184 | 3,540 | 3,451 | 3,284 | 3,421 | 3,264 | 2,414 |
| Trees planted | - | 66 | 100 | 29 | 18 | - | 28 | 201 | 302 | 223 |
| Trees removed | 7 | 5 | 16 | 12 | 45 | 687 | 803 | 522 | 385 | 273 |
| Street sweeping (hours) | 1,207 | 1,279 | 1,356 | 1,720 | 2,000 | 1,600 | 1,280 | 1,800 | 920 | 1,224 |
| Snow removal (hours) | 1,584 | 456 | 1,755 | 1,289 | 1,500 | 690 | 1,166 | 3,311 | 4,872 | 1,125 |
| WATER AND SEWER | | | | | | | | | | |
| Average daily consumption (gallons) | 3,331,507 | 2,747,945 | 2,805,479 | 2,747,945 | 2,534,247 | 2,539,726 | 2,540,000 | 2,600,000 | 2,485,000 | 2,527,000 |
| Meter installations | 166 | 51 | 1,400 | 1,750 | 1,640 | 1,375 | 1,375 | 1,650 | 1,304 | 1,310 |
| Catch basins/inlets cleaned | 30 | 17 | 29 | 41 | 11 | 12 | 36 | 51 | 52 | 35 |

* 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 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2015** |
|---------------------------------|-------|-------|------|-------|-------|-------|-------|-------|-------|--------|
| GENERAL GOVERNMENT | | | | | | | | | | |
| General government buildings* | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of vehicles | - | - | - | - | - | 1 | 1 | 1 | 1 | 1 |
| PUBLIC SAFETY | | | | | | | | | | |
| Police | | | | | | | | | | |
| Stations* | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of squad cars | 32 | 31 | 34 | 31 | 36 | 36 | 36 | 36 | 39 | 39 |
| Fire | | | | | | | | | | |
| Stations | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Number of vehicles | 13 | 14 | 12 | 12 | 14 | 13 | 14 | 14 | 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 |
| Number of vehicles | 33 | 31 | 30 | 31 | 31 | 28 | 26 | 26 | 28 | 28 |
| Streets (miles) | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 96 | 96 | 96 |
| WATER AND SEWER | | | | | | | | | | |
| Water mains (miles) | 98 | 99 | 102 | 105 | 105 | 120 | 120 | 128 | 128 | 128 |
| Sanitary sewers (miles) | 68 | 69 | 71 | 75 | 75 | 75 | 75 | 108 | 108 | 108 |
| Storm sewers (miles) | 84 | 104 | 104 | 104 | 104 | 104 | 104 | 87 | 87 | 87 |
| Number of fire hydrants | 1,536 | 1,536 | N/A | 1,555 | 1,592 | 1,592 | 1,592 | 1,642 | 1,629 | 1,629 |
| Vehicles | N/A | N/A | N/A | N/A | N/A | N/A | 26 | 24 | 27 | 27 |
| COMMUNITY DEVELOPMENT | | | | | | | | | | |
| Number of vehicles | 9 | 10 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| CULTURE AND RECREATION | | | | | | | | | | |
| Number of parks and playgrounds | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Number of vehicles | - | - | 1 | 1 | 1 | 4 | 4 | 4 | 3 | 3 |

* 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



Board of Trustees
Village of
Carpentersville, IL

