

Village of Carpentersville, IL



Comprehensive Annual Financial Report

Fiscal Year Ended
December 31, 2016



VILLAGE OF CARPENTERSVILLE, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
December 31, 2016

Prepared by the Finance Department

Hitesh Desai
Finance Director

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INTRODUCTORY SECTION

PRINCIPAL OFFICIALS

December 31, 2016

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*

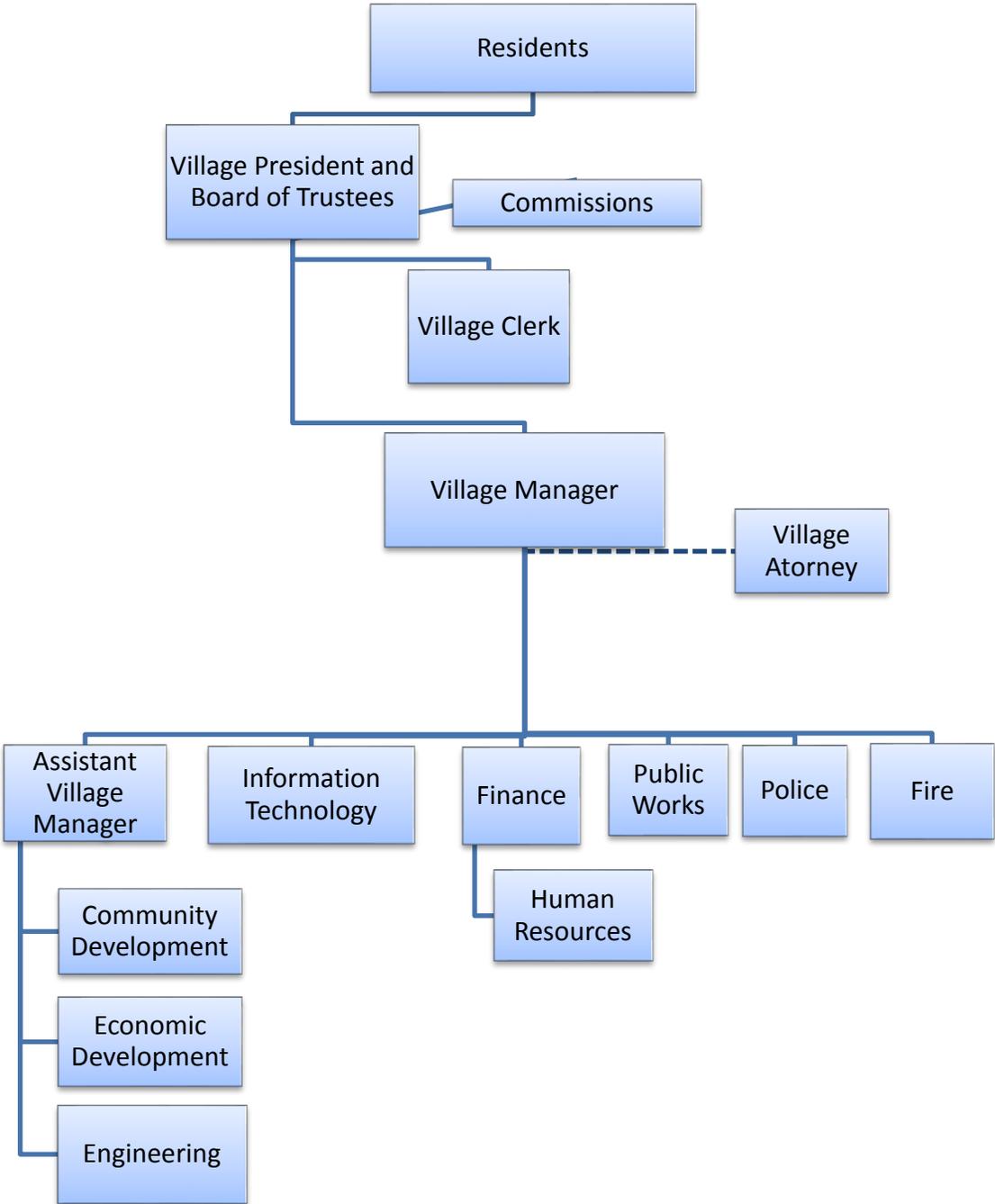
Kevin Goethals, *Director of Information Technology*

Marc Huber, *Director of Community Development*

Michael Kilbourne, *Police Chief*

John-Paul Schilling, *Fire Chief*

ORGANIZATIONAL CHART





Government Finance Officers Association

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

Presented to

**Village of Carpentersville
Illinois**

For its Comprehensive Annual
Financial Report
for the Eight Months Ended

December 31, 2015

Executive Director/CEO



1200 LW Besinger Drive • Carpentersville, IL 60110
Phone: (847) 426-3439 • Fax: (847) 551-9278

June 21, 2017

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

The Comprehensive Annual Financial Report of the Village of Carpentersville for the year ended December 31, 2016 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 is the first report on a calendar year basis with a full twelve (12) months. 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 for the fiscal year ended December 31, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Village's financial statements for the year ended December 31, 2016, 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 38,291. The town has grown from the industrial riverfront community with major expansions occurring in the 1960's moving east and the 2000's moving west. Carpentersville has a diverse housing stock from affordable to high end homes. The Village of 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 year ended December 31, 2016 which reflect the Village's commitment towards its citizens to provide them with the best possible services. Some of the major projects are detailed below:

- Conducted the 2016 Partial Special Census for Winchester Glen which identified a population increase of 600 residents adding over \$337,000 to State Shared revenues over the next five years.
- Negotiated Successor Collective Bargaining Agreements with three of the Village's Labor Unions.
- "Shop C 'Ville", an interactive online business directory, was launched August 8 replacing a static and out of date business listing. A sales tax sharing agreement with Boss Automotive was approved June 21.
- Implemented a new Systems Management Software allowing IT to streamline management of IT processes, alerts, devices, network activity, and help desk tickets
- Issued GO Refunding Series 2016 (refunding Series 2008 GO Bonds) Bonds with a competitive rate resulting in gross savings of \$622,000.
- Reconstructed the pavement of a total of 3.0 lane miles. Excavated, widened, and reconstructed 11 streets within the "Old Town" area. Excavated and replaced 12 driveway aprons with Hot-Mix Asphalt within the "Old Town" area.
- Submitted grants for the following projects:
 - \$238,000 for construction costs associated with the 2017 MFT/CDBG Resurface Program from Kane County Community Development Block Grant (CDBG) Program
 - \$100,000 for construction costs associated with the Carpenter Park Improvement Project from Kane County Riverboat Fund Program
 - \$1,600,000 for construction costs associated with the Washington and Main Streets Intersection Improvements from the Illinois Department of Transportation's Illinois Transportation Enhancement Program
- Completed the in-house construction management/inspection and/or engineering plans/documents for the following public construction projects:
 - 2016 MFT Westside Resurface Program (Providence Point Unit 2 & portion of Unit 1)
 - 2016 MFT/CDBG Resurface Program (Sioux, Ball, Wren, and Greenwood)
 - 2016 MFT Sidewalk Cutting Program (Select locations)
 - 2016 Village Roadway Improvements (Keele Farms Sub north)
 - 2016 Ball Avenue Extension
 - 2016 Old Town Drive Apron Improvements
- The Police Department fostered and/or participated in the several community outreach programs
- The Fire Department implemented a new fire station alerting system which has increased the department's ability to recognize and react to emergency calls.
- The Water Department completed installation of fixed based meter read system as well as replacement of an aeration tower.

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 steady decline in last couple of years.

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. Wal-Mart, which is going to be reimbursed part of redevelopment cost via TIF incentives from the Village, opened their store on June 22, 2016. The Wal-Mart store is going to generate significant Sales Tax revenues. At the same time, the Village's newly created couple of TIF's (Tax Increment Financing) Districts 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 had 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 is reviewed and updated annually.

In 2016, the Village Board authorized issue of Series 2016 G.O. (General Obligation) Bonds in the amount not exceeding \$7M for partial refunding of series 2006 G.O. bonds.

The Village staff /consultants worked on several major infrastructure projects during 2016. Some of them are as follows:

Carpenter Creek, MFT Resurfacing Program, Route 31 & Huntley, Huntley Road improvements, Main/Washington street improvements, 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. This fund balance policy was revised in 2016 to have total fund balance of 25% of annual operating expenditures. As of December 31, 2016, the total fund balance in the General Fund was \$9,080,155, representing 32% of annual General fund operating expenditures, well above the policy target of 25%.

With the positive change in economy and interest rates, the village has been investing in the products covered under the investment policy. 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 the local bank certificates of deposit, the Illinois Metropolitan Investment Fund (IMET), Municipal Bonds (Muni's) and the US Treasuries /Agencies. The maturities of the investments range from being immediately accessible (IMET) to 12-30 months term (certificates of deposit, Municipal Bonds, US 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 Plan (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.

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

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to 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 2015 Comprehensive Annual Financial Report, for a third 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 sincere thanks to Katrina Hanna, Assistant Finance Director, department heads and their staff, and the finance staff who assisted and contributed to the timely completion of the audit. 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 flourish extending to the right.

Hitesh D. Desai
Finance Director

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT



1415 W. Diehl Road, Suite 400
Naperville, Illinois 60563

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Carpentersville, Illinois (the Village) as of and for the year ended December 31, 2016 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The introductory section, combining and individual fund 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 16, 2017, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Sikich LLP

Naperville, Illinois
June 16, 2017

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2016

As management of the Village of Carpentersville, we offer readers of the Village of Carpentersville's financial statements this narrative overview and analysis of the financial activities of the Village of Carpentersville for the fiscal year ended December 31, 2016. 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. The Village had an 8-month fiscal year May through December 2015. Beginning in 2016, the Village's fiscal year aligned 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 \$84,891,460 (*net position*). \$(33,041,999) of this amount is considered unrestricted net position, which is negative because of a change in reporting method and net pension liabilities being reported.
- The Village's total net position decreased by \$1,258,972. Governmental activities net position decreased by \$2,743,821. Business-type net position increased by \$1,484,849.
- On December 31, 2016, the Village's governmental funds reported combined fund balances of \$16,872,611, a decrease of \$4,045,691 in comparison with the prior year.
- At the end of the current fiscal period, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$6,195,169, or approximately 22% of the general fund's expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

The *statement of activities* presents information showing how the Village of Carpentersville's net position changed during the most recent fiscal period. All changes in net position are reported as soon as the underlying event giving rise to the change 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).

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

DECEMBER 31, 2016

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

The Village adopts an annual appropriated budget for its governmental (except for the Park Trust Fund) and enterprise funds. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 8-12 of this report.

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

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2016

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 20-70 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 71-82 of this report.

The combining and individual fund financial statements and schedules 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 financial statements and schedules can be found on pages 83-112 of this report.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

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

Government-wide Statements

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Carpentersville, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$84,891,460 as of December 31, 2016. A summary of the Village's Statement of Net position is presented below in Table 1.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2016

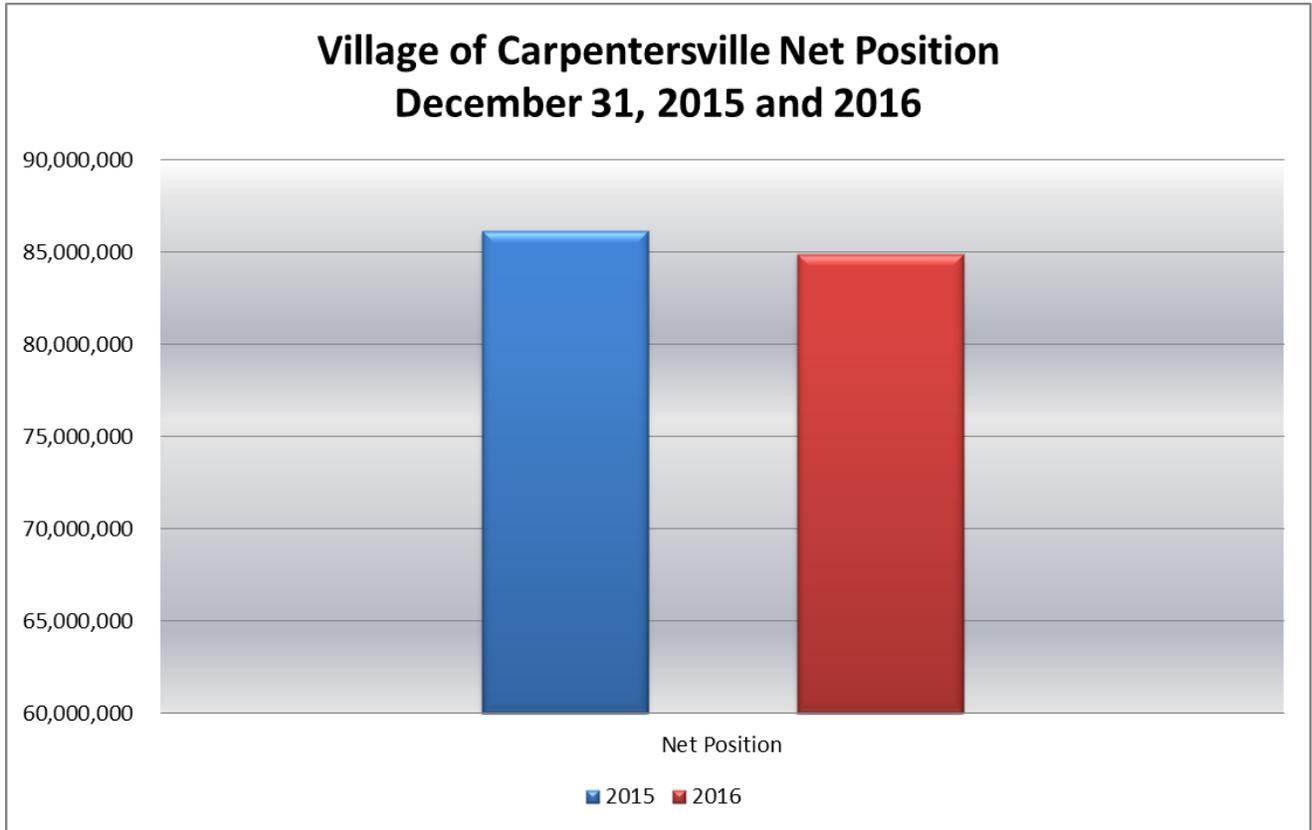
Table 1: Condensed Statements of Net Position

	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Assets						
Current assets	40,131,908	40,404,666	10,285,277	9,527,171	50,417,185	49,931,837
Capital assets	103,999,377	101,814,232	50,189,610	51,233,962	154,188,987	153,048,194
Total Assets	144,131,285	142,218,898	60,474,887	60,761,133	204,606,172	202,980,031
Deferred Outflows of Resources						
Pension items	6,233,496	6,738,859	395,299	480,431	6,628,795	7,219,290
Deferred charge on refunding	380,940	-	187,627	-	568,567	-
Total Deferred outflows	6,614,436	6,738,859	582,926	480,431	7,197,362	7,219,290
Total Assets and Deferred outflows	150,745,721	148,957,757	61,057,813	61,241,564	211,803,534	210,199,321
Liabilities						
Current liabilities	7,400,083	4,464,286	874,767	1,361,377	8,274,850	5,825,663
Long-term liabilities	83,531,353	83,875,968	18,012,809	19,319,740	101,544,162	103,195,708
Total Liabilities	90,931,436	88,340,254	18,887,576	20,681,117	109,819,012	109,021,371
Deferred Inflows of Resources						
Unavailable property taxes	14,656,606	14,069,521	-	-	14,656,606	14,069,521
Pension items	2,248,844	895,326	187,612	62,671	2,436,456	957,997
Total Deferred inflows	16,905,450	14,964,847	187,612	62,671	17,093,062	15,027,518
Total Liabilities and Deferred Inflows	107,836,886	103,305,101	19,075,188	20,743,788	126,912,074	124,048,889
Net Position						
Net investment in capital assets	77,315,341	75,256,131	34,826,165	34,640,323	112,141,506	109,896,454
Restricted	5,791,953	5,137,307	-	-	5,791,953	5,137,307
Unrestricted	(40,198,459)	(34,740,782)	7,156,460	5,857,453	(33,041,999)	(28,883,329)
Total Net Position	\$42,908,835	\$45,652,656	\$41,982,625	\$40,497,776	\$84,891,460	\$86,150,432

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

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

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
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The Village's overall net position decreased \$1,258,972 from the prior fiscal year.

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

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

DECEMBER 31, 2016

Table 2: Condensed Statement of Activities

	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Revenues						
Program Revenues						
Charges for services	3,071,693	2,238,542	8,565,644	6,132,405	11,637,337	8,370,947
Operating grants and contributions	2,314,793	1,812,675	-	-	2,314,793	1,812,675
Capital grants and contributions	2,197,856	1,018,727	691,246	-	2,889,102	1,018,727
General Revenues						
Taxes						
Property taxes	14,023,894	13,319,443	-	-	14,023,894	13,319,443
Sales tax	8,293,136	5,246,973	-	-	8,293,136	5,246,973
Use tax	919,839	595,966			919,839	595,966
Utility tax	1,509,812	815,235	-	-	1,509,812	815,235
Local motor fuel	297,557	278,952			297,557	278,952
Telecommunications	593,559	423,986			593,559	423,986
Other taxes	169,710	109,966	-	-	169,710	109,966
Intergovernmental						
Income tax	3,668,994	2,637,090	-	-	3,668,994	2,637,090
Replacement tax	177,526	80,606	-	-	177,526	80,606
Investment income	88,510	(177)	14,449	8,131	102,959	7,954
Other/miscellaneous	663,942	387,797	76,043	34,593	739,985	422,390
Gain on sale of capital assets	16,268	9,640	-	-	16,268	9,640
Total Revenues	38,007,089	28,975,421	9,347,382	6,175,129	47,354,471	35,150,550
Expenses						
General government	5,842,206	4,434,143	-	-	5,842,206	4,434,143
Public safety	21,024,906	14,410,997	-	-	21,024,906	14,410,997
Public works	5,461,639	5,863,027	-	-	5,461,639	5,863,027
Community development	6,734,523	881,623	-	-	6,734,523	881,623
Culture and recreation	208,151	251,617	-	-	208,151	251,617
Waterworks and sewerage	-	-	7,862,533	5,520,811	7,862,533	5,520,811
Interest and fiscal charges	1,479,485	1,017,569	-	-	1,479,485	1,017,569
Total Expenses	40,750,910	26,858,976	7,862,533	5,520,811	48,613,443	32,379,787
Increase (Decrease) in Net Position						
Before Transfers	(2,743,821)	2,116,445	1,484,849	654,318	(1,258,972)	2,770,763
Transfers	-	(635,792)	-	635,792	-	-
Change in Net Position	(2,743,821)	1,480,653	1,484,849	1,290,110	(1,258,972)	2,770,763
Beginning Net Position	45,652,656	79,350,324	40,497,776	40,020,956	86,150,432	119,371,280
Change in Accounting Principle	-	(35,178,321)	-	(813,290)	-	(35,991,611)
Net Position, Restated	45,652,656	44,172,003	40,497,776	39,207,666	86,150,432	83,379,669
Ending Net Position	\$42,908,835	\$45,652,656	\$41,982,625	\$40,497,776	\$84,891,460	\$86,150,432

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

DECEMBER 31, 2016

Governmental Activities

During the current fiscal period, net position for governmental activities decreased \$2,743,821 from the prior fiscal year for an ending balance of \$42,908,835.

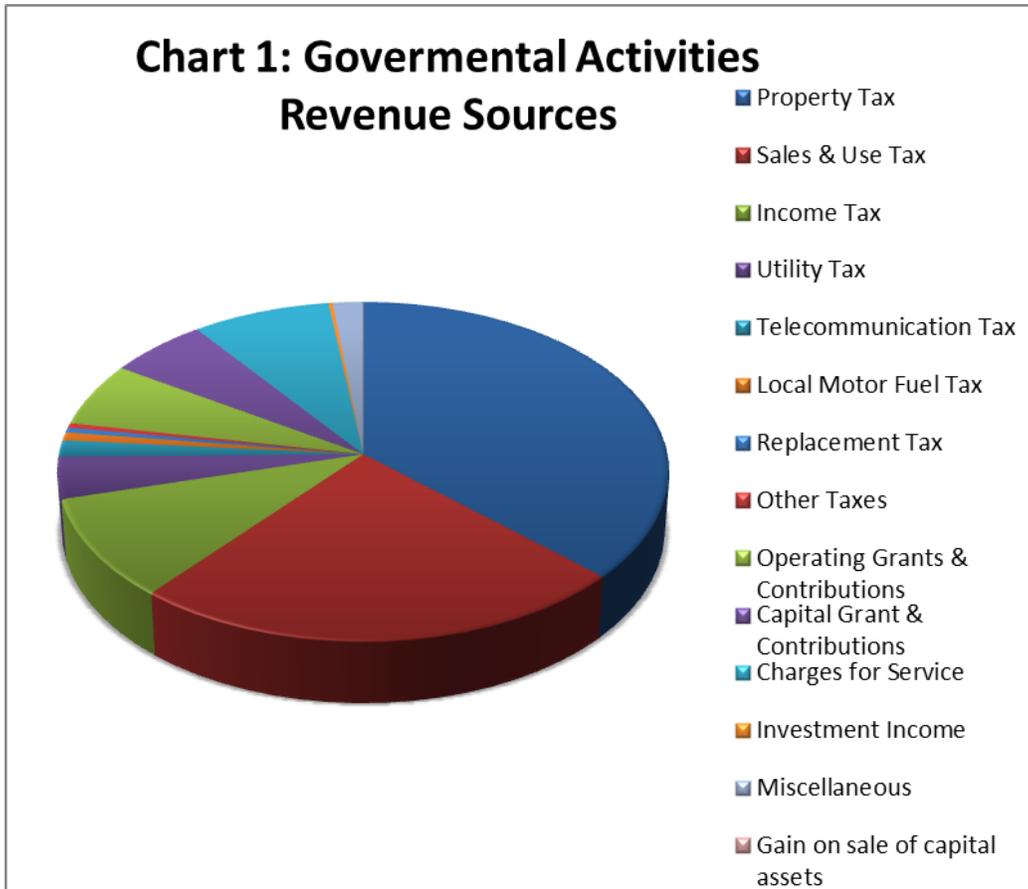
Current Year Impacts

- ◆ All revenues and expenditures have shown an increase over prior year. This is attributed to the fact that this fiscal year is for a full year and the previous covered an 8-month period. When the 8-month numbers are annualized, revenues and expenditures show a steady increase over prior year.
- ◆ When comparing the same 8 month period in the previous year:
 - 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 reductions in revenue as the communication industry continues to evolve.
 - Income taxes decreased 13.2% over the prior year. Income tax had previously risen all of the previous five fiscal years as the economy continued to rebound from the decline of 2007. The source of the decline is yet unknown and being investigated by the Illinois Department of Revenue.
 - The municipal share of sales tax has increased 14.7% over the previous year, using month to month averages as a comparison. Home rule sales tax saw an increase of 14.3% over the previous year. Most of this increase is attributed to Walmart opening a store in June 2016.
- ◆ The Village continues to receive construction grants from the State of Illinois and Federal Government to mitigate construction costs. This year, the Village recognized slightly under \$1 million in grants.
- ◆ Interest rates saw a slight increase over the prior year and contributed to greater than budgeted interest income.
- ◆ Continuing spending on projects for the 2014 bond issuance, with just over \$1.3 million spent in 2016.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2016

Revenues

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



For the fiscal year ended December 31, 2016, revenues from governmental activities totaled \$38,007,089. Property taxes totaled \$14,023,894 representing 37% of total governmental funds’ revenue. Sales and use taxes account for 24% of revenue and local utility tax combined with state income tax represents 14% of total governmental activity revenue.

Property tax revenues increased from \$13,319,443 in fiscal year 2015 to \$14,023,894 in fiscal period 2016, an increase of \$704,451 or 5.3%. The Village experienced a 13.9% increase in its rate setting equalized assessed valuation (EAV) from \$445,784,892 in tax year 2015 to \$507,642,342 in tax year 2016.

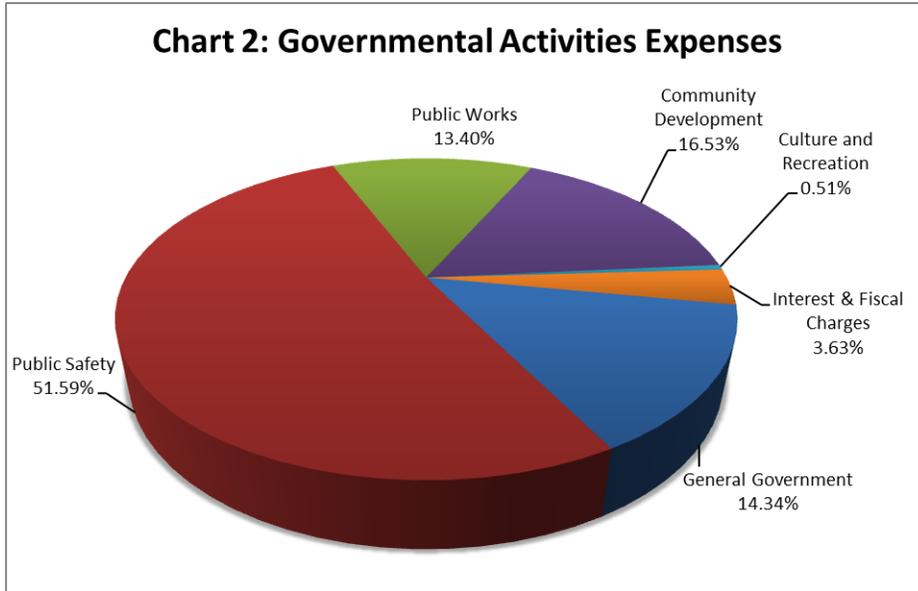
<u>Levy Year</u>
2015
2016
Increase
% Increase

<u>Rate Setting EAV in Kane County</u>
\$ 445,784,892
\$ 507,642,342
\$ 61,857,450
13.9%

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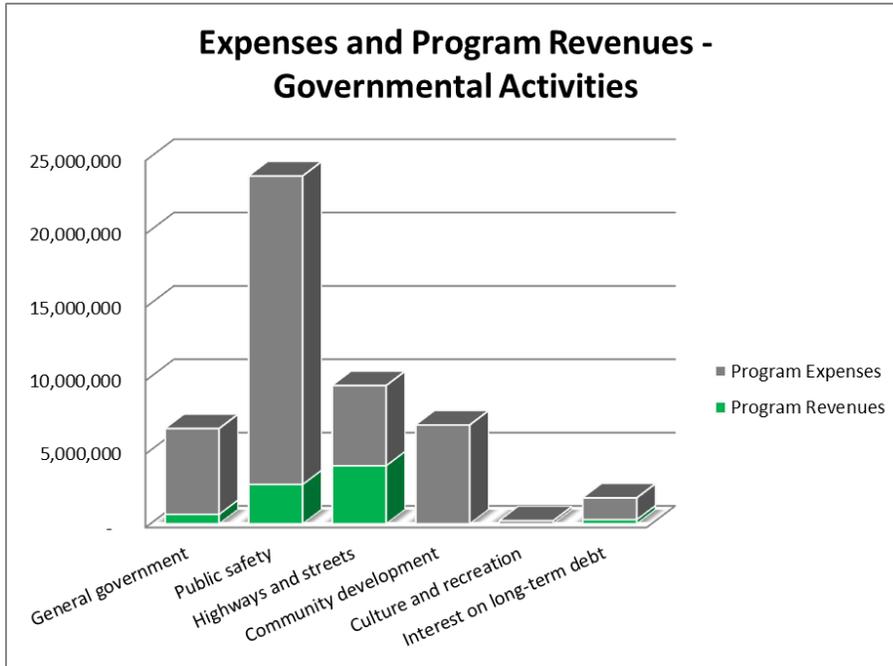
Expenses

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



For the fiscal year ended December 31, 2016 expenses from governmental activities totaled \$40,750,910. Public Safety, Public Works, and Community Development account for 52%, 13%, and 17% of all governmental activities expenses, respectively. It is important to note that \$4.3 million of Community Development expenses are related to a development stimulus in TIF # 3 fund. Community Development operating expenses represent 6.0% of governmental activities expenses, when the amount is excluded.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
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Business-Type Activities

During the current fiscal period, net position for business-type activities increased \$1,484,849 from the prior fiscal year for an ending balance of 41,982,625. This is the third 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 became effective in September 2016.

Current Year Impacts

- ◆ Operating expenses, including depreciation of \$2,393,782 were less than operating revenues by \$1,168,661.
- ◆ The Utility recognized \$691,246 in contributed assets (infrastructure) during the fiscal year ended December 31, 2016.
- ◆ Water and sewer charges were approximately 5% over budget. The majority of this increase is the addition of a large water customer during the year. Water usage continues to decline.

Financial Analysis of the Village Funds

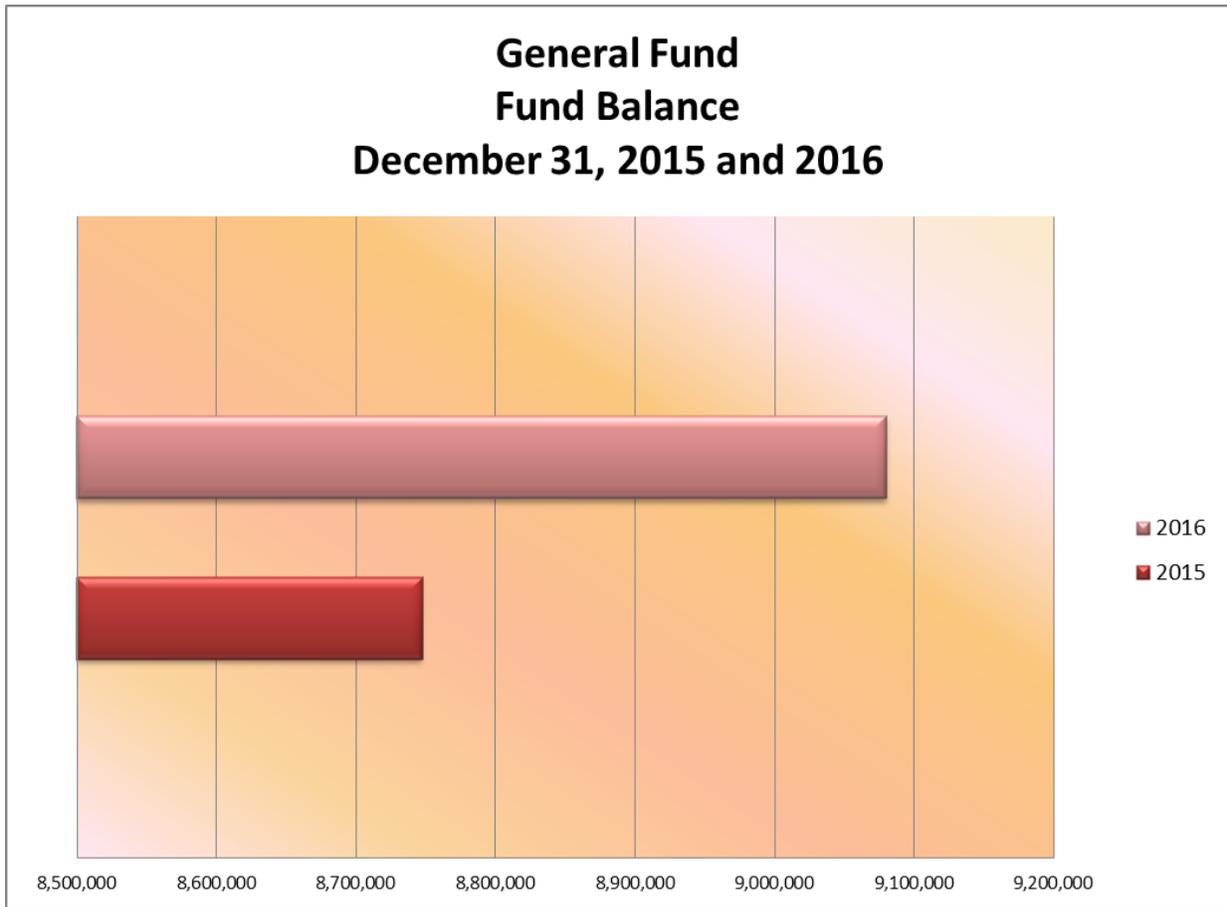
As noted earlier, the Village of Carpentersville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 itself, or a group or individual that has been delegated authority to assign resources for use of particular purposes by the Village’s Board.

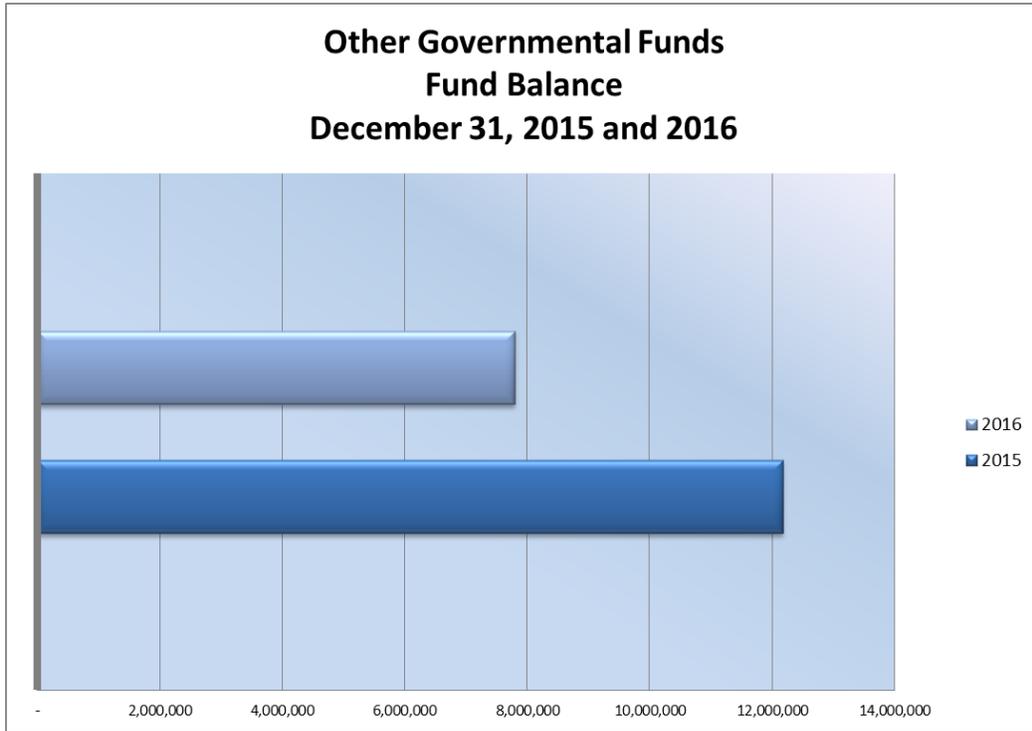
VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
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At December 31, 2016, the governmental funds reported a combined fund balance of \$16,872,611, which is a 19.3% decrease from the beginning of the year of \$20,918,302. Positive fund balances are *nonspendable, restricted, or assigned* to indicate that it is 1) not in spendable form (\$2,698,420), 2) legally required to be maintained intact (\$11,195,056), and 3) assigned for particular purposes (\$3,829,342).



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 \$6,119,932 while total fund balance in the General Fund increased from \$8,747,373 in fiscal year 2015 to \$9,080,155 or 3.8% in fiscal year 2016. 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 22% of total general fund expenditures, while total fund balance represents approximately 33% of that same amount. The increase in fund balance is largely due to revenues being more than budgeted and expenditures under budget.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
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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, 2016, a decrease of \$72,830 from the 2015 fund balance. TIF #3 (Route 25) fund expenditures included a development stimulus payable of \$4.3 million, which contributed to the deficit fund balance of \$6,964,345 as of December 31, 2016.

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 \$7,156,460. At December 31, 2016 the proprietary funds’ total net position increased by \$1,484,849, or 3.7%, from \$40,497,776 in 2015 to \$41,982,625 in 2016.

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

DECEMBER 31, 2016

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 included carryovers of certain appropriations from the Fiscal Year 2015 that were not spent until Fiscal Year 2016 and to cover excess expenditures over appropriations at fiscal year-end for Fiscal Year 2016.

Fund budget compared to actual results.

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

Revenue Source	Estimated Revenues	Actual Revenues	Difference	% Difference
Sales Tax	7,400,000	8,293,136	893,136	12.07%
Local Use Tax	725,000	919,839	194,839	26.87%
Local Ordinance Fines	81,420	182,278	100,858	123.87%
Video Gaming Tax	50,000	136,640	86,640	173.28%
Admin Tow Fees	10,000	42,500	32,500	325.00%

Sales Tax and Local Use Tax receipts have been making a steady comeback over the last few fiscal years. In addition, Walmart provided additional unbudgeted Sales Tax this year as the Village budgeted conservatively for their first year of operation. Local Ordinance Fines and Tow Fees, which are loosely related, had previously shown a decline but have since rebounded. Video Gaming Tax is higher than budget due to the addition of Video Gaming licenses during the year.

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

Expenditure Type	Budgeted Expenditures	Actual Expenditures	Difference	% Difference
Finance	523,868	470,965	(52,903)	-10.10%
Vehicle Maintenance	863,815	692,143	(171,672)	-19.87%
Administration	610,443	404,003	(206,440)	-33.82%

The Finance department saw some savings due to employee turnover and a position not being immediately replaced. The Vehicle maintenance department recognized a fuel cost savings of \$141,000 compared to budget. Fuel costs remained steady during the fiscal period, but are not anticipated to remain as low in 2017. Administration had a budgeted contingency of \$95,000 but only used slightly over \$9,000.

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, 2016 amounts to \$112,141,506. 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.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2016

Table 3: Capital Assets

	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Land	2,727,533	2,727,533	1,249,761	1,249,761	3,977,294	3,977,294
Right of ways	12,169,413	11,809,913	-	-	12,169,413	11,809,913
Construction in Progress	3,573,712	1,970,730	406,089	303,032	3,979,801	2,273,762
Land Improvements	219,362	219,362	-	-	219,362	219,362
Buildings	21,344,609	21,245,511	45,221,157	44,798,933	66,565,766	66,044,444
Vehicles	4,138,481	4,041,728	1,248,946	1,230,667	5,387,427	5,272,395
Equipment	3,102,830	2,910,888	3,210,506	3,166,048	6,313,336	6,076,936
Infrastructure	84,199,997	82,300,465	-	-	84,199,997	82,300,465
Water distribution system	-	-	42,275,377	41,556,008	42,275,377	41,556,008
Total Capital Assets	131,475,937	127,226,130	93,611,836	92,304,449	225,087,773	219,530,579
Less: Accumulated depreciation	(27,476,560)	(25,411,898)	(43,422,226)	(41,070,487)	(70,898,786)	(66,482,385)
Net Capital Assets	103,999,377	101,814,232	50,189,610	51,233,962	154,188,987	153,048,194

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

- ◆ The purchase of various vehicles and equipment for a cost of \$462,118 in governmental activities and \$104,780 in business-type activities.
- ◆ Completion of Carpenter Creek project
- ◆ Continued purchase of Right of Way and construction on Route 31 & Huntley project
- ◆ Acceptance of Winchester Glen subdivision – Phase 2A
- ◆ Completed water Aeration Tower project.

Additional information on the Village's capital assets can be found in Note 4 on pages 31-33 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 \$44,621,000, of which \$31,313,890 is attributed to governmental activities and \$13,307,110 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 \$2,161,560 in the Waterworks and Sewerage fund. The Village, under its home rule authority, does not have a legal debt limit and carries moderate debt burdens. The Village's current bond rating is Aa2.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2016

	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Bonds and notes payable						
General obligation bonds	31,313,890	32,443,360	13,307,110	14,326,640	44,621,000	46,770,000
IEPA loan	-	-	2,161,560	2,255,126	2,161,560	2,255,126
Capital leases	-	-	-	-	-	-
Premium on bonds payable	773,249	830,776	945,662	1,066,723	1,718,911	1,897,499
Other liabilities						
Vested compensated absences	836,769	898,539	158,143	208,742	994,912	1,107,281
Net pension liability	48,075,784	47,030,391	1,339,345	1,389,641	49,415,129	48,420,032
Other postemployment benefits	2,185,503	1,996,587	100,989	72,868	2,286,492	2,069,455
Insurance claims payable	346,158	676,315	-	-	346,158	676,315
Total	83,531,353	83,875,968	18,012,809	19,319,740	101,544,162	103,195,708

Additional information on the Village's long-term debt can be found in the Note 5 on pages 33-38 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, 2017 fiscal year budget.

- The Village board has commissioned a new water rate study to evaluate the current and future rate structure, as the previous one expired in 2016.
- A property tax levy increased by 1.28% to fund increases in recurring pension 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 wages of 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.

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, 2016

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 18,814,791	\$ 8,883,248	\$ 27,698,039
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	14,656,606	-	14,656,606
Other taxes	3,222,337	-	3,222,337
Accounts	501,240	1,317,630	1,818,870
Accrued interest	21,470	35,857	57,327
Other	1,433,561	-	1,433,561
Prepaid expenses	468,167	650	468,817
Due from other governments	1,053,544	8,084	1,061,628
Internal balances	(39,808)	39,808	-
Capital assets			
Not depreciated	18,470,658	1,655,850	20,126,508
Depreciated (net of accumulated depreciation)	85,528,719	48,533,760	134,062,479
Total assets	144,131,285	60,474,887	204,606,172
DEFERRED OUTFLOWS OF RESOURCES			
Pension items	6,233,496	395,299	6,628,795
Deferred charge on refunding	380,940	187,627	568,567
Total deferred outflows of resources	6,614,436	582,926	7,197,362
Total assets and deferred outflows of resources	150,745,721	61,057,813	211,803,534

(This statement is continued on the following page.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2016

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable	\$ 5,976,086	\$ 318,492	\$ 6,294,578
Retainage payable	50,792	-	50,792
Accrued payroll	606,691	137,539	744,230
Unearned revenue	53,261	10,418	63,679
Accrued interest payable	28,527	137,846	166,373
Deposits payable	684,726	270,472	955,198
Long-term liabilities			
Due within one year	1,885,187	1,290,943	3,176,130
Due in more than one year	81,646,166	16,721,866	98,368,032
Total liabilities	90,931,436	18,887,576	109,819,012
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	14,656,606	-	14,656,606
Pension items	2,248,844	187,612	2,436,456
Total deferred inflows of resources	16,905,450	187,612	17,093,062
Total liabilities and deferred inflows of resources	107,836,886	19,075,188	126,912,074
NET POSITION			
Net investment in capital assets	77,315,341	34,826,165	112,141,506
Restricted for			
Police department programs	87,082	-	87,082
Asset forfeiture	187,666	-	187,666
Street maintenance	760,557	-	760,557
Parks	355,852	-	355,852
Public improvements	3,318,079	-	3,318,079
Fire purposes	46,759	-	46,759
Debt service	1,035,958	-	1,035,958
Unrestricted (deficit)	(40,198,459)	7,156,460	(33,041,999)
TOTAL NET POSITION	\$ 42,908,835	\$ 41,982,625	\$ 84,891,460

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2016

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 5,842,206	\$ 631,980	\$ 19,076	\$ -
Public safety	21,024,906	1,682,400	1,000,920	-
Public works	5,461,639	754,965	1,007,230	2,197,856
Community development	6,734,523	2,348	-	-
Culture and recreation	208,151	-	-	-
Interest	1,479,485	-	287,567	-
Total governmental activities	40,750,910	3,071,693	2,314,793	2,197,856
Business-Type Activities				
Waterworks and sewerage	7,862,533	8,565,644	-	691,246
Total business-type activities	7,862,533	8,565,644	-	691,246
TOTAL PRIMARY GOVERNMENT	\$ 48,613,443	\$ 11,637,337	\$ 2,314,793	\$ 2,889,102

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
	\$ (5,191,150)	\$ -	\$ (5,191,150)
	(18,341,586)	-	(18,341,586)
	(1,501,588)	-	(1,501,588)
	(6,732,175)	-	(6,732,175)
	(208,151)	-	(208,151)
	(1,191,918)	-	(1,191,918)
	(33,166,568)	-	(33,166,568)
	-	1,394,357	1,394,357
	-	1,394,357	1,394,357
	(33,166,568)	1,394,357	(31,772,211)
General Revenues			
Taxes			
Property	14,023,894	-	14,023,894
Sales	8,293,136	-	8,293,136
Use	919,839	-	919,839
Utility	1,509,812	-	1,509,812
Local motor fuel	297,557	-	297,557
Telecommunications	593,559	-	593,559
Other	169,710	-	169,710
Intergovernmental			
Income tax	3,668,994	-	3,668,994
Replacement tax	177,526	-	177,526
Investment income	88,510	14,449	102,959
Miscellaneous	663,942	76,043	739,985
Gain on sale of capital assets	16,268	-	16,268
Total	30,422,747	90,492	30,513,239
CHANGE IN NET POSITION	(2,743,821)	1,484,849	(1,258,972)
NET POSITION, JANUARY 1	45,652,656	40,497,776	86,150,432
NET POSITION, DECEMBER 31	\$ 42,908,835	\$ 41,982,625	\$ 84,891,460

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2016

	General	TIF #3 Route 25	Capital Improvement Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 3,912,175	\$ -	\$ 8,476,596	\$ 6,423,889	\$ 18,812,660
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	11,529,007	443,743	-	2,683,856	14,656,606
Other taxes	3,186,629	-	-	35,708	3,222,337
Accounts	501,240	-	-	-	501,240
Accrued interest	521	-	20,949	-	21,470
Other	234,408	-	-	130,839	365,247
Prepaid items	32,975	-	-	1,100	34,075
Due from other governments	-	-	666,029	387,515	1,053,544
Due from other funds	215,162	-	-	566	215,728
Advances to other funds	2,664,345	-	-	-	2,664,345
TOTAL ASSETS	\$ 22,276,462	\$ 443,743	\$ 9,163,574	\$ 9,663,473	\$ 41,547,252

	General	TIF #3 Route 25	Capital Improvement Projects	Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 727,842	\$ 4,300,000	\$ 531,952	\$ 415,376	\$ 5,975,170
Retainage payable	-	-	24,365	26,427	50,792
Accrued payroll	606,521	-	-	170	606,691
Deposits payable	300,620	-	-	384,106	684,726
Unearned revenue	32,317	-	-	-	32,317
Due to other funds	-	-	-	3,994	3,994
Advances from other funds	-	2,664,345	-	-	2,664,345
Total liabilities	1,667,300	6,964,345	556,317	830,073	10,018,035
DEFERRED INFLOWS OF RESOURCES					
Unavailable property taxes	11,529,007	443,743	-	2,683,856	14,656,606
Total deferred inflows of resources	11,529,007	443,743	-	2,683,856	14,656,606
Total liabilities and deferred inflows of resources	13,196,307	7,408,088	556,317	3,513,929	24,674,641
FUND BALANCES					
Nonspendable					
Prepaid items	32,975	-	-	1,100	34,075
Advances	2,664,345	-	-	-	2,664,345
Restricted					
Police department programs	-	-	-	87,082	87,082
Asset forfeiture	187,666	-	-	-	187,666
Capital projects	-	-	5,403,103	-	5,403,103
Street maintenance	-	-	-	760,557	760,557
Parks	-	-	-	355,852	355,852
Public improvements	-	-	-	3,318,079	3,318,079
Fire purposes	-	-	-	46,759	46,759
Debt service	-	-	-	1,035,958	1,035,958
Assigned					
Community improvements	75,237	-	-	-	75,237
Carryforwards	-	-	1,652,233	-	1,652,233
Capital projects	-	-	1,551,921	549,951	2,101,872
Unassigned (deficit)	6,119,932	(6,964,345)	-	(5,794)	(850,207)
Total fund balances (deficit)	9,080,155	(6,964,345)	8,607,257	6,149,544	16,872,611
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 22,276,462	\$ 443,743	\$ 9,163,574	\$ 9,663,473	\$ 41,547,252

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, 2016

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 16,872,611
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	103,999,377
Unamortized loss on refunding are other financing uses in governmental funds in the year of issuance, but are capitalized and amortized on the statement of net position	380,940
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	355,149
Police Pension Fund	2,274,704
Firefighters' Pension Fund	1,354,799
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	(28,527)
Compensated absences payable	(836,769)
Bonds payable	(31,313,890)
Claims payable	(173,079)
Other postemployment benefit payable	(2,185,503)
Net pension liability for the Illinois Municipal Retirement Fund	(2,290,315)
Net pension liability for the Police Pension Fund	(33,571,081)
Net pension liability for the Firefighters' Pension Fund	(12,214,388)
Less amounts included in internal service funds below	173,079
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	(773,249)
The net position of the internal service fund is included in the governmental activities in the statement of net position	<u>884,977</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 42,908,835</u></u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2016

	General	TIF #3 Route 25	Capital Improvement Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 22,408,786	\$ 149,763	\$ -	\$ 3,248,957	\$ 25,807,506
Intergovernmental	4,789,144	-	530,042	1,670,570	6,989,756
Licenses and permits	518,516	-	-	-	518,516
Charges for services	1,962,375	-	-	42,500	2,004,875
Fines and forfeitures	417,241	-	-	-	417,241
Investment income	19,245	-	45,727	23,538	88,510
Miscellaneous	642,435	-	-	150,846	793,281
Total revenues	30,757,742	149,763	575,769	5,136,411	36,619,685
EXPENDITURES					
Current					
General government	5,790,986	-	-	-	5,790,986
Public safety	17,655,475	-	-	40,364	17,695,839
Public works	2,949,194	-	-	560,754	3,509,948
Community development	1,271,247	4,316,403	-	101,374	5,689,024
Culture and recreation	170,567	-	-	2,528	173,095
Capital outlay	-	563,579	2,028,599	1,896,499	4,488,677
Debt service					
Principal retirement	-	-	-	1,445,040	1,445,040
Interest and fiscal charges	-	-	-	1,527,048	1,527,048
Total expenditures	27,837,469	4,879,982	2,028,599	5,573,607	40,319,657
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,920,273	(4,730,219)	(1,452,830)	(437,196)	(3,699,972)
OTHER FINANCING SOURCES (USES)					
Transfers in	71,543	-	1,380,000	4,835,984	6,287,527
Transfers (out)	(2,659,034)	(11,551)	-	(3,916,942)	(6,587,527)
Issuance of debt	-	-	-	4,640,420	4,640,420
Payment to escrow agent	-	-	-	(4,705,790)	(4,705,790)
Sale of capital assets	-	-	-	19,651	19,651
Total other financing sources (uses)	(2,587,491)	(11,551)	1,380,000	873,323	(345,719)
NET CHANGE IN FUND BALANCES	332,782	(4,741,770)	(72,830)	436,127	(4,045,691)
FUND BALANCES (DEFICIT), JANUARY 1	8,747,373	(2,222,575)	8,680,087	5,713,417	20,918,302
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 9,080,155	\$ (6,964,345)	\$ 8,607,257	\$ 6,149,544	\$ 16,872,611

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2016

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (4,045,691)
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	3,052,094
Contributions of capital assets are reported as capital contributions in the statement of activities	1,371,136
Loss on disposal of capital assets	(3,383)
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	(4,640,420)
The change in the net pension liabilities are only reported only in the statement of activities	
Illinois Municipal Retirement Fund	81,787
Police Pension Fund	(372,793)
Firefighters' Pension Fund	(754,387)
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	(356,172)
Police Pension Fund	(1,489,241)
Firefighters' Pension Fund	(13,468)
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	57,527
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	1,445,040
The payment to escrow agent for the refunding of long-term debt is reported as an other financing use in the governmental funds but as	
A decrease in principal outstanding on the statement of net position	4,324,850
Loss on refunding amortized over the life of the bonds	380,940
Some expenses in the statement of activities do not required the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation	(2,234,702)
Accrued interest	(9,964)
Compensated absences	61,770
Other postemployment benefit	(188,916)
The change in net position of internal service funds is reported with governmental activities	590,172
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ (2,743,821)

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2016

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service Funds
CURRENT ASSETS		
Cash and investments	\$ 8,883,248	\$ 2,131
Receivables (net of allowances)		
Accounts	1,317,630	-
Accrued interest	35,857	-
Other	-	1,068,314
Prepaid expenses	650	434,092
Due from other funds	39,808	-
Due from other governments	8,084	-
	<hr/>	<hr/>
Total current assets	10,285,277	1,504,537
CAPITAL ASSETS		
Nondepreciable	1,655,850	-
Depreciable	91,955,986	-
Accumulated depreciation	(43,422,226)	-
	<hr/>	<hr/>
Net capital assets	50,189,610	-
	<hr/>	<hr/>
Total assets	60,474,887	1,504,537
DEFERRED OUTFLOWS OF RESOURCES		
Pension items - IMRF	395,299	-
Deferred charge on refunding	187,627	-
	<hr/>	<hr/>
Total deferred outflows of resources	582,926	-
	<hr/>	<hr/>
Total assets and deferred outflows of resources	61,057,813	1,504,537
	<hr/>	<hr/>

(This statement is continued on the following page.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF NET POSITION (Continued)
 PROPRIETARY FUNDS

December 31, 2016

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service Funds
CURRENT LIABILITIES		
Accounts payable	\$ 318,492	\$ 916
Accrued payroll	137,539	-
Unearned revenue	10,418	20,944
Accrued interest payable	137,846	-
Claims payable	-	173,079
Due to other funds	-	251,542
Deposits payable	270,472	-
Compensated absences payable	31,629	-
Bonds payable	1,161,050	-
IEPA loans payable	98,264	-
	<hr/>	<hr/>
Total current liabilities	2,165,710	446,481
LONG-TERM LIABILITIES		
Compensated absences payable	126,514	-
Claims payable	-	173,079
Bonds payable	13,091,722	-
Net other postemployment benefit obligation	100,989	-
IEPA loans payable	2,063,296	-
IMRF net pension liability	1,339,345	-
	<hr/>	<hr/>
Total long-term liabilities	16,721,866	173,079
	<hr/>	<hr/>
Total liabilities	18,887,576	619,560
DEFERRED INFLOWS OF RESOURCES		
Pension items - IMRF	187,612	-
	<hr/>	<hr/>
Total deferred inflows of resources	187,612	-
	<hr/>	<hr/>
Total liabilities and deferred inflows of resources	19,075,188	-
NET POSITION		
Net investment in capital assets	34,826,165	-
Unrestricted	7,156,460	884,977
	<hr/>	<hr/>
TOTAL NET POSITION	\$ 41,982,625	\$ 884,977
	<hr/>	<hr/>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2016

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service Funds
OPERATING REVENUES		
Charges for services	\$ 8,287,478	\$ 4,212,952
Service fees and penalties	278,166	-
Miscellaneous	73,693	-
Total operating revenues	<u>8,639,337</u>	<u>4,212,952</u>
OPERATING EXPENSES		
Administration	740,642	-
Operations	4,336,252	3,922,780
Depreciation and amortization	2,393,782	-
Total operating expenses	<u>7,470,676</u>	<u>3,922,780</u>
OPERATING INCOME	<u>1,168,661</u>	<u>290,172</u>
NON-OPERATING REVENUES (EXPENSES)		
Investment income	14,449	-
Disposal of capital assets	2,350	-
Interest and fiscal charges	(391,857)	-
Total non-operating revenues (expenses)	<u>(375,058)</u>	<u>-</u>
INCOME BEFORE CAPITAL GRANTS AND CONTRIBUTIONS AND TRANSFERS	793,603	290,172
CAPITAL GRANTS AND CONTRIBUTIONS	691,246	-
TRANSFERS IN	<u>-</u>	<u>300,000</u>
CHANGE IN NET POSITION	1,484,849	590,172
NET POSITION, JANUARY 1	<u>40,497,776</u>	<u>294,805</u>
NET POSITION, DECEMBER 31	<u>\$ 41,982,625</u>	<u>\$ 884,977</u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the Year Ended December 31, 2016

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 8,571,540	\$ 359,520
Receipts from interfund services transactions	-	3,592,879
Receipts from others	-	(6,785)
Receipts from miscellaneous	73,693	-
Payments for interfund services transactions	(581,842)	(89,118)
Payments to suppliers	(2,159,147)	(4,154,365)
Payments to employees	(2,387,844)	-
	<u>3,516,400</u>	<u>(297,869)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interfund activity	13,646	300,000
	<u>13,646</u>	<u>300,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from capital grants	66,620	-
Capital assets purchased	(925,718)	-
Proceeds from disposal of capital assets	2,350	-
Principal payments on long-term debt	(1,268,526)	-
Interest payments on long-term debt	(559,128)	-
	<u>(2,684,402)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(6,877,011)	-
Sale of investments	753,134	-
Interest received on investments	28,425	-
	<u>(6,095,452)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(5,249,808)	2,131
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>7,906,826</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 2,657,018</u></u>	<u><u>\$ 2,131</u></u>

(This statement is continued on the following page.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
 PROPRIETARY FUNDS

For the Year Ended December 31, 2016

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Waterworks and Sewerage</u>	<u>Internal Service Fund</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income	\$ 1,168,661	\$ 290,172
Adjustments to reconcile operating income to net cash from operating activities		
Depreciation and amortization	2,393,782	-
Changes in assets and liabilities		
Accounts receivable	22,371	14,921
Other receivables	-	(283,274)
Prepaid expenses	(650)	109,761
Accounts payable	(244,708)	(11,189)
Accrued payroll	56,120	-
Deposits payable	(21,687)	-
Claims payable	-	(330,157)
Interfund balance	-	(89,118)
Net other postemployment benefit obligation	28,121	-
Unearned revenue	5,212	1,015
Pension amounts	159,777	-
Compensated absences	(50,599)	-
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 3,516,400</u>	<u>\$ (297,869)</u>
CASH AND INVESTMENTS		
Cash and cash equivalents	\$ 2,657,018	\$ 2,131
Investments	6,226,230	-
TOTAL CASH AND INVESTMENTS	<u>\$ 8,883,248</u>	<u>\$ 2,131</u>
NONCASH TRANSACTIONS		
Contributed capital assets	\$ 691,246	\$ -
TOTAL NONCASH TRANSACTIONS	<u>\$ 691,246</u>	<u>\$ -</u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS

December 31, 2016

	Pension Trust
	<hr/>
ASSETS	
Cash and short-term investments	\$ 6,284
Investments, at fair value	
Money market mutual funds	477,701
U.S. Treasury obligations	4,167,765
U.S. agency obligations	15,234,212
Municipal bonds	1,568,085
Equities	14,122,422
Corporate bonds	1,640,962
Equity mutual funds	19,837,314
Receivables	
Accrued interest	129,058
Prepaid expenses	<hr/> 4,057
 Total assets	 <hr/> 57,187,860
 LIABILITIES	
Accounts payable	<hr/> 19,289
 Total liabilities	 <hr/> 19,289
 NET POSITION RESTRICTED FOR PENSIONS	 <hr/> <hr/> \$ 57,168,571

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2016

ADDITIONS

Contributions	
Employer contributions	\$ 3,453,937
Employee contributions	<u>830,585</u>
Total contributions	<u>4,284,522</u>
Investment income	
Net appreciation in fair value of investments	1,912,767
Interest	<u>1,192,709</u>
Total investment income	3,105,476
Less investment expense	<u>(210,523)</u>
Net investment income	<u>2,894,953</u>
Total additions	<u>7,179,475</u>

DEDUCTIONS

Administration	78,373
Pension benefits	<u>3,678,888</u>
Total deductions	<u>3,757,261</u>

NET INCREASE 3,422,214

**NET POSITION RESTRICTED
FOR PENSIONS**

January 1	<u>53,746,357</u>
December 31	<u>\$ 57,168,571</u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

a. Reporting Entity

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

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

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

b. Fund Accounting

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

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

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

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

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

c. Government-Wide and Fund Financial Statements

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The Village reports the following major governmental funds:

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

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

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

The Village reports the following major proprietary funds:

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

Additionally, the Village reports the following Internal Service Fund:

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, generally 60 days except for sales taxes, 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.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

e. Cash and Investments

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

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

f. Interfund Receivables/Payables

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Interfund Receivables/Payables (Continued)

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

g. Property Taxes

Property taxes are levied in December of each year on all taxable real property in the Village and attach as an enforceable lien on the property as of the preceding January 1. Property taxes receivable represent the balance due on the 2016 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 2016 levy is intended to finance the next fiscal year, the levy has been recorded as a receivable and unavailable/deferred revenue.

h. Inventories and Prepaid Items/Expenses

Governmental fund inventory items are expensed when purchased. Proprietary fund inventories are valued at cost based on weighted average and expensed when consumed. Proprietary fund inventory was not significant at December 31, 2016.

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 acquisition value at the date of donation.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Capital Assets (Continued)

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. 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% of annual operating expenditures.

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Use of Estimates

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

2. DEPOSITS AND INVESTMENTS

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

a. Village Investments

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

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

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Investments (Continued)

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

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

Deposits with Financial Institutions

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

Investments

The following table presents the investments and maturities of the Village's debt securities as of December 31, 2016:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Municipal bonds	\$ 5,989,432	\$ 3,242,095	\$ 2,747,337	\$ -	\$ -
U.S. agency	493,508	-	493,508	-	-
Bond mutual funds	41,766	-	12,793	23,192	5,781
Negotiable CDs	2,713,031	2,223,866	489,165	-	-
TOTAL	\$ 9,237,737	\$ 5,465,961	\$ 3,742,803	\$ 23,192	\$ 5,781

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

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

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Investments (Continued)

Investments (Continued)

The Village has the following recurring fair value measurements as of December 31, 2016. The U.S. Agency obligations and the municipal obligations are valued using quoted matrix pricing models (Level 2 inputs). The bond mutual fund is measured based on the net asset value of the shares in the fund, which is based on the fair value of the underlying investments in the mutual fund (Level 3 input).

The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. agency securities, external investment pools and state and local government bonds rated within the four highest general classifications established by a national rating service. 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. Investments in Illinois Funds are valued at Illinois Funds' share price, the price for which the investment could be sold.

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.

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

3. RECEIVABLES

The following receivables are included in other receivables on the statement of net position at December 31, 2016:

GOVERNMENTAL ACTIVITIES	
Insurance receivables	\$ 1,068,314
Telecommunications tax	107,123
Franchise fee	106,125
Other	<u>151,999</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 1,433,561</u>

The following receivables are included in due from other governments on the statement of net position at December 31, 2016:

GOVERNMENTAL ACTIVITIES	
Illinois Department of Transportation - Grant Reimbursements	\$ 357,724
Illinois Department of Transportation - MFT allotments	90,837
Illinois Environment Protection Agency - Grant Reimbursements	308,305
Illinois Department of Natural Resources - Grant Reimbursements	163,738
Kane County, Illinois - Grant Reimbursements	<u>132,940</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 1,053,544</u>
BUSINESS-TYPE ACTIVITIES	
Other	<u>\$ 8,084</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ 8,084</u>

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016 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	359,500	-	12,169,413
Construction in progress	1,970,730	1,602,982	-	3,573,712
Total capital assets not being depreciated	<u>16,508,176</u>	<u>1,962,482</u>	-	<u>18,470,658</u>

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

4. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
(Continued)				
Capital assets being depreciated				
Land improvements	\$ 219,362	\$ -	\$ -	\$ 219,362
Building and improvements	21,245,511	99,098	-	21,344,609
Vehicles	4,041,728	270,176	173,423	4,138,481
Equipment	2,910,888	191,942	-	3,102,830
Roads	47,050,188	1,205,928	-	48,256,116
Storm sewers	31,361,803	693,604	-	32,055,407
Bridges	3,425,670	-	-	3,425,670
Retaining walls	97,418	-	-	97,418
Parking lot	365,386	-	-	365,386
Total capital assets being depreciated	<u>110,717,954</u>	<u>2,460,748</u>	<u>173,423</u>	<u>113,005,279</u>
Less accumulated depreciation for				
Land improvements	7,312	14,624	-	21,936
Buildings and improvements	4,101,850	423,150	-	4,525,000
Vehicles	2,959,241	262,265	170,040	3,051,466
Equipment	1,570,357	173,283	-	1,743,640
Roads	10,675,633	953,063	-	11,628,696
Storm sewers	5,651,595	341,431	-	5,993,026
Bridges	373,018	45,676	-	418,694
Retaining walls	33,308	2,941	-	36,249
Parking lot	39,584	18,269	-	57,853
Total accumulated depreciation	<u>25,411,898</u>	<u>2,234,702</u>	<u>170,040</u>	<u>27,476,560</u>
Total capital assets being depreciated, net	<u>85,306,056</u>	<u>226,046</u>	<u>3,383</u>	<u>85,528,719</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET				
	<u>\$ 101,814,232</u>	<u>\$ 2,188,528</u>	<u>\$ 3,383</u>	<u>\$ 103,999,377</u>

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

GOVERNMENTAL ACTIVITIES	
General government	\$ 88,731
Public safety	374,583
Public works	1,741,908
Culture and recreation	29,480
	<u>2,234,702</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u>\$ 2,234,702</u>

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

4. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 1,249,761	\$ -	\$ -	\$ 1,249,761
Construction in progress	303,032	141,783	38,726	406,089
Total capital assets not being depreciated	<u>1,552,793</u>	<u>141,783</u>	<u>38,726</u>	<u>1,655,850</u>
Capital assets being depreciated				
Water and wastewater treatment improvements	44,798,933	422,224	-	45,221,157
Water distribution and sewer collection	41,556,008	719,369	-	42,275,377
Vehicles	1,230,667	60,322	42,043	1,248,946
Equipment	3,166,048	44,458	-	3,210,506
Total capital assets being depreciated	<u>90,751,656</u>	<u>1,246,373</u>	<u>42,043</u>	<u>91,955,986</u>
Less accumulated depreciation for				
Water and wastewater treatment improvements	24,774,096	1,458,281	-	26,232,377
Water distribution and sewer collection	14,594,928	714,786	-	15,309,714
Vehicles	942,476	78,610	42,043	979,043
Equipment	758,987	142,105	-	901,092
Total accumulated depreciation	<u>41,070,487</u>	<u>2,393,782</u>	<u>42,043</u>	<u>43,422,226</u>
Total capital assets being depreciated, net	<u>49,681,169</u>	<u>(1,147,409)</u>	<u>-</u>	<u>48,533,760</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 51,233,962</u>	<u>\$ (1,005,626)</u>	<u>\$ 38,726</u>	<u>\$ 50,189,610</u>

5. LONG-TERM DEBT

a. General Obligation Bonds

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

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

5. LONG-TERM DEBT (Continued)

b. Changes in General Obligation Bonds

A summary of changes in long-term debt of the Village for the year ended December 31, 2016 is as follows:

Issue	Fund Debt Retired By	Purpose	Balances January 1	Additions	Reductions/ Refunding	Balances December 31	Current
General Obligation Bonds, Series 2008 (dated September 11, 2008; maturing December 30, 2028; original issue \$10,000,000; interest rates 3.0% to 4.5%; principal payable annually on December 30).	General Debt Service	Public Improvements	\$ 4,904,400	\$ -	\$ 4,616,300	\$ 288,100	\$ 174,200
	Waterworks and Sewerage	Public Improvements	2,415,600	-	2,273,700	141,900	85,800
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	16,490,000	-	730,000	15,760,000	745,000
	General Debt Service	Public Improvements	8,128,960	-	316,090	7,812,870	324,750
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	1,176,040	-	48,910	1,127,130	50,250
	General Debt Service	Public Improvements	8,128,960	-	316,090	7,812,870	324,750
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	7,815,000	-	875,000	6,940,000	895,000
	General Debt Service	Public Improvements	8,128,960	-	316,090	7,812,870	324,750

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

5. LONG-TERM DEBT (Continued)

b. Changes in General Obligation Bonds (Continued)

Issue	Fund Debt Retired By	Purpose	Balances January 1	Additions	Reductions/ Refundings	Balances December 31	Current
General Obligation Refunding Bonds, Series 2015B (dated November 5, 2015; maturing December 30, 2026; original issue \$5,840,000; interest rate at 4%, principal payable annually on December 30).	General Debt Service	Public Improvements	\$ 2,920,000	\$ -	\$ 107,500	\$ 2,812,500	\$ 130,000
	Waterworks and Sewerage	Public Improvements	2,920,000	-	107,500	2,812,500	130,000
General Obligation Refunding Bonds, Series 2016 (dated August 29, 2016; maturing December 30, 2028; original issue \$6,926,000; interest rate at 1.8%, principal payable annually on December 30).	General Debt Service	Refunding	-	4,640,420	-	4,640,420	-
	Waterworks and Sewerage	Refunding	-	2,285,580	-	2,285,580	-
TOTAL			<u>\$ 46,770,000</u>	<u>\$ 6,926,000</u>	<u>\$ 9,075,000</u>	<u>\$ 44,621,000</u>	<u>\$ 2,535,000</u>

c. Legal Debt Margin

The Village is a home rule municipality.

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

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

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

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

5. LONG-TERM DEBT (Continued)

d. Debt Service Requirements to Maturity

Year Ending December 31,	General Obligation Bonds					
	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 1,373,950	\$ 1,435,750	\$ 2,809,700	\$ 1,161,050	\$ 443,121	\$ 1,604,171
2018	1,429,100	1,348,828	2,777,928	1,206,900	414,993	1,555,733
2019	1,818,990	1,295,666	3,114,656	1,482,010	378,401	1,798,844
2020	1,869,350	1,228,926	3,098,276	1,536,650	323,794	1,806,258
2021	1,925,560	1,160,191	3,085,751	1,595,440	267,088	1,816,064
2022	1,979,580	1,089,303	3,068,883	1,650,420	208,153	1,820,242
2023	2,039,450	1,009,464	3,048,914	1,708,550	147,104	1,825,803
2024	2,111,150	927,015	3,038,165	624,850	95,137	699,038
2025	2,179,010	841,440	3,020,450	642,990	75,734	707,201
2026	2,255,530	742,112	2,997,642	661,470	55,074	714,880
2027	2,624,730	638,928	3,263,658	306,270	33,749	348,656
2028	2,720,090	504,617	3,224,707	312,910	26,732	343,996
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	\$ 31,313,890	\$ 13,039,302	\$ 44,353,192	\$ 13,307,110	\$ 2,539,698	\$ 15,529,104

Year Ending December 31,	IEPA Loans	
	Business-Type Activities	
	Principal	Interest
2017	\$ 98,264	\$ 42,900
2018	100,234	40,930
2019	102,243	38,921
2020	104,293	36,871
2021	106,384	34,780
2022	108,517	32,647
2023	110,693	30,471
2024	112,912	28,252
2025	115,176	25,988
2026	117,485	23,679
2027	119,841	21,323
2028	122,244	18,920
2029	124,695	16,469
2030	127,195	13,969

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

5. LONG-TERM DEBT (Continued)

d. Debt Service Requirements to Maturity (Continued)

Year Ending December 31,	IEPA Loans	
	Business-Type Activities	
	Principal	Interest
2031	\$ 129,745	\$ 11,419
2032	132,347	8,817
2033	135,000	6,164
2034	137,707	3,457
2035	56,585	13,997
TOTAL	\$ 2,161,560	\$ 449,974

e. Changes in Long-Term Liabilities

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

	Balances January 1	Issuances	Reductions/ Refunding	Balances December 31	Current Portion
General obligation bonds payable	\$ 32,443,360	\$ 4,640,420	\$ 5,769,890	\$ 31,313,890	\$ 1,373,950
Premium on bonds payable	830,776	-	57,527	773,249	-
Compensated absences payable	898,539	477,353	539,123	836,769	338,158
Net pension liability - IMRF	2,372,102	-	81,787	2,290,315	-
Net pension liability - Police	33,198,288	372,793	-	33,571,081	-
Net pension liability- Fire	11,460,001	754,387	-	12,214,388	-
Net other postemployment benefit obligation	1,996,587	188,916	-	2,185,503	-
Insurance claims payable	676,315	-	330,157	346,158	173,079
TOTAL GOVERNMENTAL ACTIVITIES	\$ 83,875,968	\$ 6,433,869	\$ 6,778,484	\$ 83,531,353	\$ 1,885,187

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

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

5. LONG-TERM DEBT (Continued)

e. Changes in Long-Term Liabilities (Continued)

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

	Balances January 1	Issuances	Reductions/ Refunding	Balances December 31	Current Portion
General obligation bonds payable	\$ 14,326,640	\$ 2,285,580	\$ 3,305,110	\$ 13,307,110	\$ 1,161,050
Premium on bonds payable	1,066,723	-	121,061	945,662	-
IEPA loan	2,255,126	-	93,566	2,161,560	98,264
Compensated absences	208,742	-	50,599	158,143	31,629
Net pension liability - IMRF	1,389,641	-	50,296	1,339,345	-
Net other postemployment benefit obligation	72,868	28,121	-	100,989	-
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 19,319,740	\$ 2,313,701	\$ 3,620,632	\$ 18,012,809	\$ 1,290,943

f. Advance Refunding

On August 29, 2016, the Village issued \$6,926,000 Series 2016 General Obligation Refunding Bonds to refund the 2008 General Obligation Bonds. As a result of the refunding, the Village achieved cash flow savings of \$622,131 and an economic gain on the refunding of \$604,003. The bonds will be called and retired on December 30, 2018.

6. RISK MANAGEMENT

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

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

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, 2016 and 2015 are as follows:

	2016	2015
UNPAID CLAIMS - BEGINNING OF PERIOD	\$ 676,315	\$ 419,636
Incurred claims (including IBNR)	(51,960)	488,551
Claims payments	(278,197)	(231,872)
UNPAID CLAIMS - END OF PERIOD	\$ 346,158	\$ 676,315

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, 2016 of \$982,008. 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, 2016.

7. CONTINGENT LIABILITIES

a. Litigation

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

b. Grants

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

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

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

8. INDIVIDUAL FUND DISCLOSURES

a. Due From/To Other Funds

Individual fund interfund receivables/payables are as follows:

Receivable Fund	Payable Fund	Amount
Waterworks and Sewerage	Internal Service	\$ 39,808
General	Internal Service	211,734
General	Nonmajor Governmental	3,428
Nonmajor Governmental	Nonmajor Governmental	<u>566</u>
TOTAL		<u>\$ 255,536</u>

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

- \$251,542 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>\$ 2,664,345</u>
TOTAL		<u>\$ 2,664,345</u>

- \$2,664,345 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 year ended December 31, 2016 were as follows:

	Transfers In	Transfers Out
General		
Nonmajor Governmental (Park Trust)	\$ 13,787	\$ -
Nonmajor Governmental (TIF #1)	11,551	-
Nonmajor Governmental (TIF #5)	34,654	-
Tax Increment Financing #3	11,551	-
Nonmajor Governmental (Motor Fuel Tax)	-	500,000
Nonmajor Governmental (Capital Equipment Replacement)	-	400,000
Nonmajor Governmental (Debt Service)	-	259,034
Capital Improvement Projects	-	1,200,000
Internal Service Fund (Insurance)	-	300,000
	<hr/>	<hr/>
Total General	71,543	2,659,034
	<hr/>	<hr/>
Nonmajor governmental		
General	1,159,034	59,992
Nonmajor governmental	3,676,950	3,676,950
Capital Improvement Projects	-	180,000
	<hr/>	<hr/>
Total nonmajor governmental	4,835,984	3,916,942
	<hr/>	<hr/>
Capital Improvement Projects		
General	1,200,000	-
Nonmajor Governmental (Escrow)	180,000	-
	<hr/>	<hr/>
Total Capital Improvement Projects	1,380,000	-
	<hr/>	<hr/>
Tax Increment Financing #3		
General	-	11,551
	<hr/>	<hr/>
Internal Service Funds (Insurance)		
General	300,000	-
	<hr/>	<hr/>
TOTAL	\$ 6,587,527	\$ 6,587,527

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

8. INDIVIDUAL FUND DISCLOSURES (Continued)

c. Interfund Transfers (Continued)

The purpose of significant transfers is as follows:

- \$1,000,000 was transferred to the Capital Improvement Projects Fund from the General Fund in accordance with financial policies. \$200,000 of video gaming revenue was transferred to the Capital Improvement Projects Fund from the General Fund to fund the Keith Andres project. This transfer will not be repaid.
- \$900,000 was transferred to the nonmajor governmental funds from the General Fund. \$500,000 was transferred to the Motor Fuel Tax Fund for street project contributions and \$400,000 was transferred to the Capital Equipment Replacement Fund to fund capital purchases and maintenance. These transfers will not be repaid.
- \$3,676,950 was transferred to nonmajor governmental funds from nonmajor governmental funds. \$3,300,000 was transferred to Tax Increment Financing #5 Tax Increment Financing #1 to port TIF Funds and \$376,950 was transferred to the Debt Service Fund from the Motor Fuel Tax Fund to transfer the Motor Fuel Tax portion of the 2014 bonds. These transfers will not be repaid.

d. Deficit Fund Balances

- TIF # 4 (Spring Hill Mall Redevelopment) had a deficit fund balance of \$(566), SSA #1 (Newport Cove) had a deficit fund balance of \$(5,228), and TIF # 3 (Route 25) had a deficit fund balance of \$(6,964,345) as of December 31, 2016.

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.

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

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

b. Membership

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

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

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 currently contribute 100% of the blended rate cost of coverage, including spousal coverage. For the year ended December 31, 2016, retirees contributed \$272,203 and the Village contributed \$254,911. 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.

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

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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 year ended December 31, 2016 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, 2015	\$ 478,441	\$ 220,582	46.10%	\$ 1,911,262
December 31, 2015	316,277	158,084	49.98%	2,069,455
December 31, 2016	471,948	254,911	54.01%	2,286,492

The net OPEB obligation (NOPEBO) at December 31, 2016 was calculated as follows:

Annual required contribution	\$ 504,244
Interest on net OPEB obligation	82,778
Adjustment to annual required contribution	<u>(115,074)</u>
Annual OPEB cost	471,948
Contributions made	<u>(254,911)</u>
Increase in net OPEB obligation	217,037
Net OPEB obligation, beginning of period	<u>2,069,455</u>
NET OPEB OBLIGATION, END OF PERIOD	<u>\$ 2,286,492</u>

The funded status of the plan as of December 31, 2016 (interim actuarial valuation date) was as follows:

Actuarial accrued liability (AAL)	\$ 4,863,058
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	4,863,058
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 14,123,320
UAAL as a percentage of covered payroll	34.43%

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.

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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.

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 data available), the entry-age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return and an annual healthcare cost trend rate of 7.5% initially, reduced by decrements to an ultimate rate of 5.0%. 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 ILCS and can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at imrf.org. The Police and Firefighters' Pension Plans do not issue separate reports.

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions

Illinois Municipal Retirement Fund

Plan Administration

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

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

Plan Membership

At December 31, 2016, IMRF membership consisted of:

Inactive employees or their beneficiaries	
currently receiving benefits	57
Inactive employees entitled to but not yet receiving benefits	86
Active employees	83
 TOTAL	 226

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 year ended December 31, 2016 was 11.43% of covered payroll.

Actuarial Assumptions

The Village's net pension liability was measured as of December 31, 2016 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, 2016
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

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

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 2012). 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 2012). 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 2012). 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 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2016	\$ 26,462,835	\$ 22,701,092	\$ 3,761,743
Changes for the period			
Service cost	595,614	-	595,614
Interest	1,959,737	-	1,959,737
Difference between expected and actual experience	(460,272)	-	(460,272)

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 (Continued)

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
<i>Changes for the period (Continued)</i>			
Changes in assumptions	\$ (71,404)	\$ -	\$ (71,404)
Employer contributions	-	659,799	(659,799)
Employee contributions	-	259,764	(259,764)
Net investment income	-	1,558,386	(1,558,386)
Benefit payments and refunds	(1,121,907)	(1,121,907)	-
Administrative expense	-	(322,191)	322,191
 Net changes	 901,768	 1,033,851	 (132,083)
 BALANCES AT DECEMBER 31, 2016	 \$ 27,364,603	 \$ 23,734,943	 \$ 3,629,660

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

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

For the year ended December 31, 2016, the Village recognized pension expense of \$1,093,961.

At December 31, 2016, 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	\$ -	\$ 455,333
Changes in assumption	17,756	53,101
Net difference between projected and actual earnings on pension plan investments	1,053,514	-
 TOTAL	 \$ 1,071,270	 \$ 508,434

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)

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>	
2017	\$ 159,095
2018	159,095
2019	219,740
2020	24,906
2021	-
Thereafter	-
	<hr/>
TOTAL	<u>\$ 562,836</u>

Discount Rate Sensitivity

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
	<hr/>		
Net pension liability	\$ 7,522,360	\$ 3,629,660	\$ 486,133

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.

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Plan Administration (Continued)

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

Plan Membership

At December 31, 2016, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	42
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	60
 TOTAL	 103

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 year ended December 31, 2016, the Village's contribution was 43.07% 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 issued or guaranteed by the United States Government or agreements to repurchase

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)

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 modified during year ended December 31, 2016 with respect to the following: target allocations by asset class and permissible investments.

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%	4.70%
Domestic Equities	52.50%	4.80%
International Equities	10.00%	1.00%
Real Estate	2.50%	13.00%

The long-term expected real rates of return presented in the table above are net of estimated inflation of 1.20%. 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, 2016. 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, 2016 are listed in the table above.

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 the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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 year ended December 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.40%. 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, 2016:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 8,335,519	\$ 400,000	\$ 5,752,980	\$ 2,182,539	\$ -
U.S. agency obligations	2,834,484	1,205,022	1,506,838	-	122,624
Corporate bonds	1,640,962	235,384	1,405,578	-	-
TOTAL	\$ 12,810,965	\$ 1,840,406	\$ 8,665,396	\$ 2,182,539	\$ 122,624

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.

Fair Value

The Fund has the following recurring fair value measurements as of December 31, 2016: The U.S. Treasury obligations are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. agency obligations and the corporate bonds are valued using quoted matrix pricing models (Level 2 inputs). The equity investments and equity mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs).

Credit Risk

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

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.

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

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 JANUARY 1, 2016	\$ 68,223,666	\$ 35,025,378	\$ 33,198,288
Changes for the period			
Service cost	1,588,339	-	1,588,339
Interest	4,681,518	-	4,681,518
Difference between expected and actual experience	(605,963)	-	(605,963)
Changes in assumptions	(680,503)	-	(680,503)
Employer contributions	-	2,346,705	(2,346,705)
Employee contributions	-	531,488	(531,488)
Net investment income	-	1,768,216	(1,768,216)
Benefit payments and refunds	(2,689,679)	(2,689,679)	-
Administrative expense	-	(35,811)	35,811
Net changes	2,293,712	1,920,919	372,793
BALANCES AT DECEMBER 31, 2016	\$ 70,517,378	\$ 36,946,297	\$ 33,571,081

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

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions

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

Actuarial valuation date	December 31, 2016
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) projected to 2017 using the improvement scale MP-2016. The actuarial assumptions used in the December 31, 2016 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	\$ 43,435,422	\$ 33,571,081	\$ 25,462,573

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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

For the year ended December 31, 2016, the Village recognized pension expense of \$4,208,739. At December 31, 2016, 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	\$ -	\$ 663,804
Changes in assumptions	1,854,918	556,775
Net difference between projected and actual earnings on pension plan investments	1,640,365	-
TOTAL	\$ 3,495,283	\$ 1,220,579

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>	
2017	\$ 891,733
2018	891,733
2019	704,302
2020	(96,113)
2021	(116,951)
Thereafter	-
TOTAL	\$ 2,274,704

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan

Plan Administration

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

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

Plan Membership

At December 31, 2016, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	25
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	<u>35</u>
 TOTAL	 <u><u>63</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. 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)

Firefighters' Pension Plan (Continued)

Benefits Provided (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% 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 preceding calendar year.

Contributions

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with fewer than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. Contributions are recognized when due pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Firefighters' Pension Plan. The costs of administering the Firefighters' Pension Plan are financed through investment earnings. The Village is required to finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until 2040 to fund 90% of the past service cost for the Firefighters' Pension Plan. The Village has chosen a policy to fund 100% of the past service costs by 2040. For the year ended December 31, 2016, the Village's contribution was 35.87% 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.

The Fund's investment policy was not revised during the year ended December 31, 2016.

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%	6.4%
Small Cap Domestic Equity	10.0%	8.4%
International Equity	5.0%	6.7%
Fixed Income	50.0%	1.2%

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, 1977 through December 31, 2015. The long-term expected rate of return on the International Equity class was based on the MCSI EAFE index for the period of December 31, 1977 through December 31, 2015. 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, 2016 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.

Investment Rate of Return

For the year ended December 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.00%. 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, 2016:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 1,333,281	\$ 151,336	\$ 700,433	\$ 481,512	\$ -
U.S. Agency obligations	6,898,693	191,396	2,120,766	4,586,531	-
Municipal bonds	1,568,085	100,008	885,210	477,140	105,727
TOTAL	\$ 9,800,059	\$ 442,740	\$ 3,706,409	\$ 5,545,183	\$ 105,727

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

Fair Value

The Fund has the following recurring fair value measurements as of December 31, 2016: The U.S. Treasury obligations are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. agency obligations and the municipal bonds are valued using quoted matrix pricing models (Level 2 inputs). The equity mutual funds are priced daily at net asset value and are considered Level 1 inputs.

Credit Risk

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. Treasury and U.S. agency obligations and municipal bonds. The U.S. agency obligations are rated Aaa and AA+ by Moody's and Standard and Poor's, respectively. The municipal bonds range in rating from Aa1 to A2 and AAA to A+ by Moody's and Standard and Poor's, respectively.

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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.

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 JANUARY 1, 2016	\$ 30,180,980	\$ 18,720,979	\$ 11,460,001
Changes for the period			
Service cost	1,007,357	-	1,007,357
Interest	2,078,046	-	2,078,046
Difference between expected and actual experience	453,352	-	453,352

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Changes in the Net Pension Liability (Continued)

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Changes for the period (Continued)			
Changes in assumptions	\$ (293,864)	\$ -	\$ (293,864)
Employer contributions	-	1,107,232	(1,107,232)
Employee contributions	-	299,097	(299,097)
Net investment income	-	1,126,737	(1,126,737)
Benefit payments and refunds	(989,209)	(989,209)	-
Administrative expense	-	(42,562)	42,562
	<u>2,255,682</u>	<u>1,501,295</u>	<u>754,387</u>
BALANCES AT			
DECEMBER 31, 2016	<u>\$ 32,436,662</u>	<u>\$ 20,222,274</u>	<u>\$ 12,214,388</u>

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

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, 2016
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

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 (Continued)

Mortality rates were based on the RP 2014 Mortality Table (BCHA) projected to 2017 using improvement scale MP-2016. The actuarial assumptions used in the December 31, 2016 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 7.0% 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	\$ 17,098,039	\$ 12,214,388	\$ 8,214,982

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

For the year ended December 31, 2016, the Village recognized pension expense of \$1,875,087. At December 31, 2016, 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	\$ 389,500	\$ 454,968
Changes in assumption	883,663	252,475
Net difference between projected and actual earnings on pension plan investments	789,079	-
TOTAL	\$ 2,062,242	\$ 707,443

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 (Continued)

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</u> <u>December 31,</u>	
2017	\$ 369,797
2018	369,797
2019	369,798
2020	159,263
2021	86,144
Thereafter	<u>-</u>
TOTAL	<u>\$ 1,354,799</u>

b. Pension Fund Disclosures

Plan Net Position

	<u>Police</u> <u>Pension</u>	<u>Firefighters'</u> <u>Pension</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 50	\$ 6,234	\$ 6,284
Investments, at fair value			
Money market mutual funds	294,806	182,895	477,701
U.S. Treasury obligations	2,834,484	1,333,281	4,167,765
U.S. agency obligations	8,335,519	6,898,693	15,234,212
Municipal bonds	-	1,568,085	1,568,085
Equities	14,122,422	-	14,122,422
Corporate bonds	1,640,962	-	1,640,962
Equity mutual funds	9,645,144	10,192,170	19,837,314

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

b. Pension Fund Disclosures (Continued)

Plan Net Position (Continued)

	Police Pension	Firefighters' Pension	Total
ASSETS (Continued)			
Accrued interest	\$ 74,955	\$ 54,103	\$ 129,058
Prepaid items	-	4,057	4,057
Total assets	36,948,342	20,239,518	57,187,860
LIABILITIES			
Accounts payable	2,045	17,244	19,289
Total liabilities	2,045	17,244	19,289
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	\$ 36,946,297	\$ 20,222,274	\$ 57,168,571

Changes in Plan Net Position

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 2,346,705	\$ 1,107,232	\$ 3,453,937
Employee	531,488	299,097	830,585
Total contributions	2,878,193	1,406,329	4,284,522
Investment income			
Net appreciation in fair value of investments	1,308,481	604,286	1,912,767
Interest	610,878	581,831	1,192,709
Total investment income	1,919,359	1,186,117	3,105,476
Less investment expense	(151,143)	(59,380)	(210,523)
Net investment income	1,768,216	1,126,737	2,894,953
Total additions	4,646,409	2,533,066	7,179,475

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

b. Pension Fund Disclosures (Continued)

Changes in Plan Net Position (Continued)

	Police Pension	Firefighters' Pension	Total
DEDUCTIONS			
Administration	\$ 35,811	\$ 42,562	\$ 78,373
Pension benefits and refunds	2,689,679	989,209	3,678,888
Total deductions	<u>2,725,490</u>	<u>1,031,771</u>	<u>3,757,261</u>
NET INCREASE	1,920,919	1,501,295	3,422,214
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
January 1	<u>35,025,378</u>	<u>18,720,979</u>	<u>53,746,357</u>
December 31	<u>\$ 36,946,297</u>	<u>\$ 20,222,274</u>	<u>\$ 57,168,571</u>

11. TAX ABATEMENTS

The Village rebates home rule sales tax to encourage economic development in the Village. The terms of these rebate arrangements are specified within written agreements with the business concerned through the Village's economic development program. There are no recapture provisions if the business fails to meet or maintain the criteria established in the written agreements. These agreements are authorized through resolutions approved by the Village Board of Trustees. The Village did not rebate any home rule sales tax during the year ended December 31, 2016.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 21,211,933	\$ 21,211,933	\$ 22,408,786
Intergovernmental	4,570,000	4,570,000	4,789,144
Licenses and permits	579,393	579,393	518,516
Charges for services	1,627,930	1,627,930	1,962,375
Fines and forfeitures	233,920	233,920	417,241
Interest	9,600	9,600	19,245
Miscellaneous	541,338	541,338	642,435
Total revenues	<u>28,774,114</u>	<u>28,774,114</u>	<u>30,757,742</u>
EXPENDITURES			
General government	6,223,131	6,267,131	5,790,986
Public safety	18,008,530	18,011,580	17,655,475
Public works	3,121,667	3,121,667	2,949,194
Community development	1,170,037	1,199,037	1,271,247
Culture and recreation	212,362	212,362	170,567
Total expenditures	<u>28,735,727</u>	<u>28,811,777</u>	<u>27,837,469</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>38,387</u>	<u>(37,663)</u>	<u>2,920,273</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	259,060	93,714	71,543
Transfers (out)	(1,159,034)	(2,659,034)	(2,659,034)
Total other financing sources (uses)	<u>(899,974)</u>	<u>(2,565,320)</u>	<u>(2,587,491)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (861,587)</u>	<u>\$ (2,602,983)</u>	332,782
FUND BALANCE, JANUARY 1			<u>8,747,373</u>
FUND BALANCE, DECEMBER 31			<u>\$ 9,080,155</u>

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 20,000	\$ 20,000	\$ 149,763
Total revenues	20,000	20,000	149,763
EXPENDITURES			
Current			
Community development			
Contractual services	19,363	4,319,363	4,316,403
Capital outlay	-	605,000	563,579
Total expenditures	19,363	4,924,363	4,879,982
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	637	(4,904,363)	(4,730,219)
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(23,280)	(23,280)	(11,551)
Total other financing sources (uses)	(23,280)	(23,280)	(11,551)
NET CHANGE IN FUND BALANCE	\$ (22,643)	\$ (4,927,643)	(4,741,770)
FUND BALANCE (DEFICIT), JANUARY 1			(2,222,575)
FUND BALANCE (DEFICIT), DECEMBER 31			\$ (6,964,345)

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2016

BUDGETS

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

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

VILLAGE OF CARPENTERSVILLE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFIT PLAN

December 31, 2016

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)
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%
2016	-	4,863,058	0.00%	4,863,058	14,123,320	34.43%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
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%
2016	254,911	504,244	50.55%

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**

Last Two Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2015	2016
Actuarially determined contribution	\$ 643,088	\$ 659,799
Contributions in relation to the actuarially determined contribution	<u>643,088</u>	<u>659,799</u>
CONTRIBUTION DEFICIENCY (Excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 5,611,585	\$ 5,772,517
Contributions as a percentage of covered-employee payroll	11.46%	11.43%

Notes to Required Supplementary Information

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

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

VILLAGE OF CARPENTERSVILLE, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND**

Last Three Fiscal Periods

FISCAL PERIOD ENDED DECEMBER 31,	2015	2015*	2016
Actuarially determined contribution	\$ 1,890,507	\$ 2,085,014	\$ 1,530,352
Contributions in relation to the actuarially determined contribution	2,018,731	2,085,015	2,346,705
CONTRIBUTION DEFICIENCY (Excess)	\$ (128,224)	\$ (1)	\$ (816,353)
Covered-employee payroll	\$ 5,313,697	\$ 5,672,798	\$ 5,448,711
Contributions as a percentage of covered-employee payroll	37.99%	36.75%	43.07%

* 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 January 1 of the prior fiscal period. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 24 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 and postretirement benefit increases of 3.0% compounded annually.

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

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

Last Three Fiscal Periods

FISCAL PERIOD ENDED DECEMBER 31,	2015	2015*	2016
Actuarially determined contribution	\$ 654,008	\$ 1,010,754	\$ 722,056
Contributions in relation to the actuarially determined contribution	<u>654,009</u>	<u>1,010,757</u>	<u>1,107,232</u>
CONTRIBUTION DEFICIENCY (Excess)	<u>\$ (1)</u>	<u>\$ (3)</u>	<u>\$ (385,176)</u>
Covered-employee payroll	\$ 3,065,913	\$ 3,215,405	\$ 3,086,539
Contributions as a percentage of covered-employee payroll	21.33%	31.43%	35.87%

* 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 January 1 of the prior fiscal period. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 24 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 and postretirement benefit increases of 3.0% compounded annually.

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

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

Last Two Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016
TOTAL PENSION LIABILITY		
Service cost	\$ 621,377	\$ 595,614
Interest	1,866,746	1,959,737
Changes of benefit terms	-	-
Differences between expected and actual experience	(225,721)	(460,272)
Changes of assumptions	35,454	(71,404)
Benefit payments, including refunds of member contributions	(895,018)	(1,121,907)
Net change in total pension liability	1,402,838	901,768
Total pension liability - beginning	25,059,997	26,462,835
TOTAL PENSION LIABILITY - ENDING	\$ 26,462,835	\$ 27,364,603
PLAN FIDUCIARY NET POSITION		
Contributions - employer	\$ 643,088	\$ 659,799
Contributions - member	252,522	259,764
Net investment income	114,281	1,558,386
Benefit payments, including refunds of member contributions	(895,018)	(1,121,907)
Administrative expense	(269,739)	(322,191)
Net change in plan fiduciary net position	(154,866)	1,033,851
Plan fiduciary net position - beginning	22,855,958	22,701,092
PLAN FIDUCIARY NET POSITION - ENDING	\$ 22,701,092	\$ 23,734,943
EMPLOYER'S NET PENSION LIABILITY	\$ 3,761,743	\$ 3,629,660
Plan fiduciary net position as a percentage of the total pension liability	85.78%	86.74%
Covered-employee payroll	\$ 5,611,585	\$ 5,772,517
Employer's net pension liability as a percentage of covered-employee payroll	67.04%	62.88%

Notes to Required Supplementary Information

The discount rate assumption was changed from 7.48% to 7.50% in 2016. The retirement age and mortality assumptions were also changed in 2016.

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

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

Last Three Fiscal Periods

MEASUREMENT DATE DECEMBER 31,	2015	2015*	2016
TOTAL PENSION LIABILITY			
Service cost	\$ 1,397,914	\$ 986,247	\$ 1,588,339
Interest	3,918,413	2,899,473	4,681,518
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(1,402,369)	(292,474)	(605,963)
Changes of assumptions	4,078,160	3,228,932	(680,503)
Benefit payments, including refunds of member contributions	(2,215,557)	(1,460,181)	(2,689,679)
Net change in total pension liability	5,776,561	5,361,997	2,293,712
Total pension liability - beginning	57,085,108	62,861,669	68,223,666
TOTAL PENSION LIABILITY - ENDING	\$ 62,861,669	\$ 68,223,666	\$ 70,517,378
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 2,018,731	\$ 2,085,015	\$ 2,346,705
Contributions - member	516,271	374,280	531,488
Net investment income	2,214,608	(194,321)	1,768,216
Benefit payments, including refunds of member contributions	(2,215,557)	(1,460,181)	(2,689,679)
Administrative expense	(32,809)	(31,603)	(35,811)
Net change in plan fiduciary net position	2,501,244	773,190	1,920,919
Plan fiduciary net position - beginning	31,750,944	34,252,188	35,025,378
PLAN FIDUCIARY NET POSITION - ENDING	\$ 34,252,188	\$ 35,025,378	\$ 36,946,297
EMPLOYER'S NET PENSION LIABILITY	\$ 28,609,481	\$ 33,198,288	\$ 33,571,081
Plan fiduciary net position as a percentage of the total pension liability	54.49%	51.34%	52.39%
Covered-employee payroll	\$ 5,313,697	\$ 5,672,798	\$ 5,448,711
Employer's net pension liability as a percentage of covered-employee payroll	538.41%	585.22%	616.13%

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

Notes to Required Supplementary Information

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

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

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

Last Three Fiscal Periods

MEASUREMENT DATE DECEMBER 31,	2015	2015*	2016
TOTAL PENSION LIABILITY			
Service cost	\$ 977,566	\$ 630,209	\$ 1,007,357
Interest	1,680,310	1,303,294	2,078,046
Changes of benefit terms	-	-	-
Differences between expected and actual experience	807,759	(661,772)	453,352
Changes to assumptions	1,170,637	1,285,329	(293,864)
Benefit payments, including refunds of member contributions	(818,320)	(607,615)	(989,209)
Net change in total pension liability	3,817,952	1,949,445	2,255,682
Total pension liability - beginning	24,413,583	28,231,535	30,180,980
TOTAL PENSION LIABILITY - ENDING	\$ 28,231,535	\$ 30,180,980	\$ 32,436,662
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 654,009	\$ 1,010,757	\$ 1,107,232
Contributions - member	300,585	212,253	299,097
Net investment income	1,176,055	(184,303)	1,126,737
Benefit payments, including refunds of member contributions	(818,320)	(607,615)	(989,209)
Administrative expense	(44,299)	(20,862)	(42,562)
Net change in plan fiduciary net position	1,268,030	410,230	1,501,295
Plan fiduciary net position - beginning	17,042,719	18,310,749	18,720,979
PLAN FIDUCIARY NET POSITION - ENDING	\$ 18,310,749	\$ 18,720,979	\$ 20,222,274
EMPLOYER'S NET PENSION LIABILITY	\$ 9,920,786	\$ 11,460,001	\$ 12,214,388
Plan fiduciary net position as a percentage of the total pension liability	64.86%	62.03%	62.34%
Covered-employee payroll	\$ 3,065,913	\$ 3,215,405	\$ 3,086,539
Employer's net pension liability as a percentage of covered-employee payroll	323.58%	356.41%	395.73%

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

Notes to Required Supplementary Information

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

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

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND**

Last Three Fiscal Periods

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

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

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

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

Last Three Fiscal Periods

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

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

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

(See independent auditor's report.)

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

MAJOR GOVERNMENTAL FUNDS

MAJOR GOVERNMENTAL FUNDS

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

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

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 11,128,933	\$ 11,128,933	\$ 11,104,190
Sales	7,400,000	7,400,000	8,293,136
Local use	725,000	725,000	919,839
Utility tax	1,440,000	1,440,000	1,509,812
Telecommunications	468,000	468,000	445,169
Video gaming tax	50,000	50,000	136,640
Total taxes	21,211,933	21,211,933	22,408,786
Intergovernmental			
Illinois state income tax	3,600,000	3,600,000	3,668,994
Illinois state replacement tax	145,000	145,000	177,526
Fire protection district fees	820,000	820,000	875,000
Grants	5,000	5,000	65,900
Pull tabs	-	-	1,724
Total intergovernmental	4,570,000	4,570,000	4,789,144
Licenses and permits			
Business licenses	31,000	31,000	32,440
Liquor licenses	47,000	47,000	61,080
Vending licenses	7,000	7,000	4,840
Video gaming licenses	-	-	4,990
Rental licenses	166,260	166,260	194,081
Building permits	203,469	203,469	121,731
Electrical permits	30,556	30,556	58,854
Plumbing permits	36,604	36,604	12,150
Public service fees	-	-	300
Other permits	57,504	57,504	28,050
Total licenses and permits	579,393	579,393	518,516
Fines and forfeitures			
Local ordinance fines	81,420	81,420	182,278
Court fines	137,500	137,500	186,873
Admin tow fees	10,000	10,000	42,500
Asset forfeiture	5,000	5,000	5,590
Total fines and forfeitures	233,920	233,920	417,241

(This schedule is continued on the following page.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual
REVENUES (Continued)			
Charges for services			
Law enforcement	\$ 258,000	\$ 258,000	\$ 271,616
Fire protection	7,000	7,000	1,253
Ambulance	621,750	621,750	898,999
Environmental surcharge	734,640	734,640	761,518
Village services	280	280	23,584
Other charges for services	6,260	6,260	5,405
	<hr/>		
Total charges for services	1,627,930	1,627,930	1,962,375
	<hr/>		
Interest			
Investment income	9,600	9,600	19,245
	<hr/>		
Miscellaneous			
Cable franchise fees	420,000	420,000	422,842
Rent	81,578	81,578	87,082
Contributions	350	350	9,414
Reimbursements	38,520	38,520	91,035
Other	890	890	32,062
	<hr/>		
Total miscellaneous	541,338	541,338	642,435
	<hr/>		
TOTAL REVENUES	\$ 28,774,114	\$ 28,774,114	\$ 30,757,742

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual
EXPENDITURES			
General government			
Legislative	\$ 226,394	\$ 270,394	\$ 258,303
Administration	610,443	610,443	404,003
Information technology	447,186	447,186	419,125
Finance	523,868	523,868	470,965
General services	4,077,750	4,077,750	3,924,923
Public buildings	337,490	337,490	313,667
Total general government	<u>6,223,131</u>	<u>6,267,131</u>	<u>5,790,986</u>
Public safety			
Police	11,493,688	11,496,738	11,191,385
Fire and police commission	36,890	36,890	17,904
Fire	6,477,952	6,477,952	6,446,186
Total public safety	<u>18,008,530</u>	<u>18,011,580</u>	<u>17,655,475</u>
Public works			
Streets and highways	2,257,852	2,257,852	2,257,051
Vehicle maintenance	863,815	863,815	692,143
Total public works	<u>3,121,667</u>	<u>3,121,667</u>	<u>2,949,194</u>
Community development			
Community development	1,170,037	1,199,037	1,271,247
Total community development	<u>1,170,037</u>	<u>1,199,037</u>	<u>1,271,247</u>
Culture and recreation			
Parks	212,362	212,362	170,567
Total culture and recreation	<u>212,362</u>	<u>212,362</u>	<u>170,567</u>
TOTAL EXPENDITURES	<u><u>\$ 28,735,727</u></u>	<u><u>\$ 28,811,777</u></u>	<u><u>\$ 27,837,469</u></u>

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental	\$ -	\$ 645,777	\$ 530,042
Interest	9,000	9,000	45,727
Total revenues	9,000	654,777	575,769
EXPENDITURES			
Capital outlay	1,264,078	5,204,870	2,028,599
Total expenditures	1,264,078	5,204,870	2,028,599
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,255,078)	(4,550,093)	(1,452,830)
OTHER FINANCING SOURCES (USES)			
Transfers in	180,000	1,380,000	1,380,000
Total other financing sources (uses)	180,000	1,380,000	1,380,000
NET CHANGE IN FUND BALANCE	<u>\$ (1,075,078)</u>	<u>\$ (3,170,093)</u>	(72,830)
FUND BALANCE, JANUARY 1			<u>8,680,087</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 8,607,257</u></u>

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUND

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

SPECIAL REVENUE FUNDS

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

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

SSA#1 (Newport 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.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

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

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

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

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

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

CAPITAL PROJECT FUND

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

PERMANENT FUND

Park Trust - 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, 2016

	Debt Service			Special Revenue		
	Debt Service	Motor Fuel Tax	Veterans' Memorial Garden	SSA #1 Newport Cove	SSA #2 Oak Meadows	SSA #3 Keele Farms
ASSETS						
Cash and investments	\$ 947,926	\$ 674,449	\$ 51,889	\$ -	\$ 2,664	\$ 39,489
Receivables						
Property taxes	1,920,513	-	-	35,000	1,000	-
Other taxes	-	-	-	-	-	-
Accounts	88,032	-	-	-	-	-
Prepaid items	1,100	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	223,777	-	-	-	-
TOTAL ASSETS	\$ 2,957,571	\$ 898,226	\$ 51,889	\$ 35,000	\$ 3,664	\$ 39,489
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ 137,669	\$ -	\$ 1,800	\$ -	\$ -
Retainage payable	-	-	-	-	-	-
Wages payable	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Due to other funds	-	-	-	3,428	-	-
Total liabilities	-	137,669	-	5,228	-	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable property tax revenue	1,920,513	-	-	35,000	1,000	-
Total deferred inflows of resources	1,920,513	-	-	35,000	1,000	-
Total liabilities and deferred inflows of resources	1,920,513	137,669	-	40,228	1,000	-
FUND BALANCES						
Nonspendable						
Prepaid items	1,100	-	-	-	-	-
Restricted						
Capital projects	-	760,557	-	-	-	-
Parks	-	-	51,889	-	-	-
Public improvements	-	-	-	-	2,664	39,489
Police purposes	-	-	-	-	-	-
Fire purposes	-	-	-	-	-	-
Debt service	1,035,958	-	-	-	-	-
Assigned						
Capital projects	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	(5,228)	-	-
Total fund balances (deficit)	1,037,058	760,557	51,889	(5,228)	2,664	39,489
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 2,957,571	\$ 2,957,571	\$ 51,889	\$ 35,000	\$ 3,664	\$ 39,489

SSA #21 White Oaks	Special Revenue					Capital Projects	Permanent	Total Nonmajor Governmental Funds	
	TIF #1 Spring Hill Center for Commerce	TIF #4 Spring Hill Mall Redevelopment	TIF #5 Old Town	Foreign Fire Tax Board	Strengthening Families	Escrow	Equipment Replacement		Park Trust
\$ 9,040	\$ 267,951	\$ -	\$ 3,090,404	\$ 13,689	\$ 87,252	\$ 414,391	\$ 520,782	\$ 303,963	\$ 6,423,889
4,500	623,372	1,039	98,432	-	-	-	-	-	2,683,856
-	-	-	-	-	-	-	35,708	-	35,708
-	-	-	-	33,070	-	-	9,737	-	130,839
-	-	-	-	-	-	-	-	-	1,100
-	566	-	-	-	-	-	-	-	566
-	-	-	163,738	-	-	-	-	-	387,515
\$ 13,540	\$ 891,889	\$ 1,039	\$ 3,352,574	\$ 46,759	\$ 87,252	\$ 414,391	\$ 566,227	\$ 303,963	\$ 9,663,473
\$ -	\$ -	\$ -	\$ 259,631	\$ -	\$ -	\$ -	\$ 16,276	\$ -	\$ 415,376
-	-	-	26,427	-	-	-	-	-	26,427
-	-	-	-	-	170	-	-	-	170
-	-	-	-	-	-	384,106	-	-	384,106
-	-	566	-	-	-	-	-	-	3,994
-	-	566	286,058	-	170	384,106	16,276	-	830,073
4,500	623,372	1,039	98,432	-	-	-	-	-	2,683,856
4,500	623,372	1,039	98,432	-	-	-	-	-	2,683,856
4,500	623,372	1,605	384,490	-	170	384,106	16,276	-	3,513,929
-	-	-	-	-	-	-	-	-	1,100
-	-	-	-	-	-	-	-	-	760,557
-	-	-	-	-	-	-	-	303,963	355,852
9,040	268,517	-	2,968,084	-	-	30,285	-	-	3,318,079
-	-	-	-	-	87,082	-	-	-	87,082
-	-	-	-	46,759	-	-	-	-	46,759
-	-	-	-	-	-	-	-	-	1,035,958
-	-	-	-	-	-	-	549,951	-	549,951
-	-	(566)	-	-	-	-	-	-	(5,794)
9,040	268,517	(566)	2,968,084	46,759	87,082	30,285	549,951	303,963	6,149,544
\$ 13,540	\$ 891,889	\$ 1,039	\$ 3,352,574	\$ 46,759	\$ 87,252	\$ 414,391	\$ 566,227	\$ 303,963	\$ 9,663,473

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2016

	Debt Service		Special Revenue			
	Debt Service	Motor Fuel Tax	Veterans' Memorial Garden	SSA #1 Newport Cove	SSA #2 Oak Meadows	SSA #3 Keele Farms
REVENUES						
Taxes	\$ 2,422,272	\$ -	\$ -	\$ 13,658	\$ 997	\$ 4,986
Intergovernmental	287,567	1,140,170	-	-	-	-
Charges for services	42,500	-	-	-	-	-
Investment income	6,334	2,655	23	-	-	-
Miscellaneous	-	-	990	-	-	-
Total revenues	2,758,673	1,142,825	1,013	13,658	997	4,986
EXPENDITURES						
Current						
Public safety	-	-	-	-	-	-
Public works	-	516,007	-	31,853	750	4,380
Community development	-	-	-	-	-	-
Culture and recreation	-	-	440	-	-	-
Capital outlay	-	543,849	-	-	-	-
Debt service						
Principal retirement	1,445,040	-	-	-	-	-
Interest and fiscal charges	1,527,048	-	-	-	-	-
Total expenditures	2,972,088	1,059,856	440	31,853	750	4,380
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(213,415)	82,969	573	(18,195)	247	606
OTHER FINANCING SOURCES (USES)						
Transfers in	635,984	500,000	-	-	-	-
Transfers (out)	-	(376,950)	-	-	-	-
Issuance of debt	4,640,420	-	-	-	-	-
Payment to escrow agent	(4,705,790)	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	570,614	123,050	-	-	-	-
NET CHANGE IN FUND BALANCES	357,199	206,019	573	(18,195)	247	606
FUND BALANCES, JANUARY 1	679,859	554,538	51,316	12,967	2,417	38,883
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 1,037,058	\$ 760,557	\$ 51,889	\$ (5,228)	\$ 2,664	\$ 39,489

SSA #21 White Oaks	Special Revenue						Capital Projects	Permanent	Total Nonmajor Governmental Funds
	TIF #1 Spring Hill Center for Commerce	TIF #4 Spring Hill Mall Redevelopment	TIF #5 Old Town	Foreign Fire Tax Board	Strengthening Families	Escrow	Equipment Replacement	Park Trust	
\$ 4,494	\$ 620,764	\$ 326	\$ -	\$ 33,070	\$ -	\$ -	\$ 148,390	\$ -	\$ 3,248,957
-	-	-	163,738	-	-	-	79,095	-	1,670,570
-	-	-	-	-	-	-	-	-	42,500
-	4,635	-	3,900	8	25	245	2,129	3,584	23,538
-	-	-	111,624	-	24,445	-	-	13,787	150,846
4,494	625,399	326	279,262	33,078	24,470	245	229,614	17,371	5,136,411
-	-	-	-	28,071	12,293	-	-	-	40,364
7,764	-	-	-	-	-	-	-	-	560,754
-	12,182	892	88,300	-	-	-	-	-	101,374
-	-	-	-	-	-	-	-	2,088	2,528
-	-	-	488,224	-	-	-	864,426	-	1,896,499
-	-	-	-	-	-	-	-	-	1,445,040
-	-	-	-	-	-	-	-	-	1,527,048
7,764	12,182	892	576,524	28,071	12,293	-	864,426	2,088	5,573,607
(3,270)	613,217	(566)	(297,262)	5,007	12,177	245	(634,812)	15,283	(437,196)
-	-	-	3,300,000	-	-	-	400,000	-	4,835,984
-	(3,311,551)	-	(34,654)	-	-	(180,000)	-	(13,787)	(3,916,942)
-	-	-	-	-	-	-	-	-	4,640,420
-	-	-	-	-	-	-	-	-	(4,705,790)
-	-	-	-	-	-	-	19,651	-	19,651
-	(3,311,551)	-	3,265,346	-	-	(180,000)	419,651	(13,787)	873,323
(3,270)	(2,698,334)	(566)	2,968,084	5,007	12,177	(179,755)	(215,161)	1,496	436,127
12,310	2,966,851	-	-	41,752	74,905	210,040	765,112	302,467	5,713,417
\$ 9,040	\$ 268,517	\$ (566)	\$ 2,968,084	\$ 46,759	\$ 87,082	\$ 30,285	\$ 549,951	\$ 303,963	\$ 6,149,544

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 2,111,014	\$ 2,111,014	\$ 2,124,715
Local motor fuel tax	200,000	200,000	297,557
Intergovernmental	287,712	287,712	287,567
Fines and forfeitures	10,000	10,000	42,500
Investment income	1,000	1,000	6,334
	<hr/>	<hr/>	<hr/>
Total revenues	2,609,726	2,609,726	2,758,673
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Debt service			
Principal retirement	1,445,040	1,445,040	1,445,040
Interest and fiscal charges	1,592,680	1,620,600	1,527,048
	<hr/>	<hr/>	<hr/>
Total expenditures	3,037,720	3,065,640	2,972,088
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(427,994)	(455,914)	(213,415)
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfers in	635,984	635,984	635,984
Transfers (out)	(200,000)	-	-
Issuance of debt	-	4,640,420	4,640,420
Payment to escrow agent	-	(4,705,790)	(4,705,790)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	435,984	570,614	570,614
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ 7,990	\$ 114,700	357,199
	<hr/>	<hr/>	<hr/>
FUND BALANCE, JANUARY 1			679,859
			<hr/>
FUND BALANCE, DECEMBER 31			\$ 1,037,058
			<hr/>

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
State motor fuel tax	\$ 940,000	\$ 940,000	\$ 1,007,230
Grants	200,000	200,000	132,940
Investment income	1,500	1,500	2,655
	<hr/>	<hr/>	<hr/>
Total revenues	1,141,500	1,141,500	1,142,825
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
Public works			
Commodities	560,000	560,000	457,872
Contractual services	75,000	75,000	58,135
Capital outlay	700,000	700,000	543,849
	<hr/>	<hr/>	<hr/>
Total expenditures	1,335,000	1,335,000	1,059,856
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(193,500)	(193,500)	82,969
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfers in	500,000	500,000	500,000
Transfers (out)	(376,950)	(376,950)	(376,950)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	123,050	123,050	123,050
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ (70,450)	\$ (70,450)	206,019
	<hr/>	<hr/>	<hr/>
FUND BALANCE, JANUARY 1			554,538
			<hr/>
FUND BALANCE, DECEMBER 31			\$ 760,557
			<hr/>

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ 12	\$ 12	\$ 23
Miscellaneous	50	50	990
Total revenues	<u>62</u>	<u>62</u>	<u>1,013</u>
EXPENDITURES			
Culture and recreation			
Commodities	-	440	440
Total expenditures	<u>-</u>	<u>440</u>	<u>440</u>
NET CHANGE IN FUND BALANCE	<u>\$ 62</u>	<u>\$ (378)</u>	573
FUND BALANCE, JANUARY 1			<u>51,316</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 51,889</u></u>

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 13,700	\$ 13,700	\$ 13,658
Total revenues	13,700	13,700	13,658
EXPENDITURES			
Public works			
Contractual services	20,000	31,855	31,853
Total expenditures	20,000	31,855	31,853
NET CHANGE IN FUND BALANCE	\$ (6,300)	\$ (18,155)	(18,195)
FUND BALANCE, JANUARY 1			12,967
FUND BALANCE (DEFICIT), DECEMBER 31			\$ (5,228)

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 1,000	\$ 1,000	\$ 997
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>997</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>	247
FUND BALANCE, JANUARY 1			<u>2,417</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 2,664</u></u>

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 5,000	\$ 5,000	\$ 4,986
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>4,986</u>
EXPENDITURES			
Public works			
Contractual services	<u>7,000</u>	<u>7,000</u>	<u>4,380</u>
Total expenditures	<u>7,000</u>	<u>7,000</u>	<u>4,380</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,000)</u>	<u>\$ (2,000)</u>	606
FUND BALANCE, JANUARY 1			<u>38,883</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 39,489</u></u>

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 4,500	\$ 4,500	\$ 4,494
Total revenues	4,500	4,500	4,494
EXPENDITURES			
Public works			
Contractual services	3,500	7,765	7,764
Total expenditures	3,500	7,765	7,764
NET CHANGE IN FUND BALANCE	\$ 1,000	\$ (3,265)	(3,270)
FUND BALANCE, JANUARY 1			12,310
FUND BALANCE, DECEMBER 31			\$ 9,040

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Taxes			
Property	\$ 550,000	\$ 550,000	\$ 620,764
Investment income	3,000	3,000	4,635
Total revenues	<u>553,000</u>	<u>553,000</u>	<u>625,399</u>
EXPENDITURES			
Current			
Community development			
Contractual services	118,200	118,200	12,182
Total expenditures	<u>118,200</u>	<u>118,200</u>	<u>12,182</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>434,800</u>	<u>434,800</u>	<u>613,217</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(23,280)	(3,323,280)	(3,311,551)
Total other financing sources (uses)	<u>(23,280)</u>	<u>(3,323,280)</u>	<u>(3,311,551)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 411,520</u>	<u>\$ (2,888,480)</u>	<u>(2,698,334)</u>
FUND BALANCE, JANUARY 1			<u>2,966,851</u>
FUND BALANCE, DECEMBER 31			<u>\$ 268,517</u>

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ -	\$ -	\$ 326
Total revenues	-	-	326
EXPENDITURES			
Current			
Community development			
Contractual services	-	892	892
Total expenditures	-	892	892
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (892)</u>	(566)
FUND BALANCE, JANUARY 1			<u>-</u>
FUND BALANCE (DEFICIT), DECEMBER 31			<u>\$ (566)</u>

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental	\$ -	\$ -	\$ 163,738
Investment income	-	-	3,900
Miscellaneous			
Reimbursements	-	111,624	111,624
	<hr/>		
Total revenues	-	111,624	279,262
	<hr/>		
EXPENDITURES			
Current			
Community development			
Contractual services	-	670,963	88,300
Capital outlay	-	1,312,700	488,224
	<hr/>		
Total expenditures	-	1,983,663	576,524
	<hr/>		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(1,872,039)	(297,262)
	<hr/>		
OTHER FINANCING SOURCES (USES)			
Transfers in	-	3,300,000	3,300,000
Transfers (out)	-	(34,655)	(34,654)
	<hr/>		
Total other financing sources (uses)	-	3,265,345	3,265,346
	<hr/>		
NET CHANGE IN FUND BALANCE	\$ -	\$ 1,393,306	2,968,084
	<hr/>		
FUND BALANCE, JANUARY 1			-
	<hr/>		
FUND BALANCE, DECEMBER 31			\$ 2,968,084
	<hr/>		

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Foreign fire	\$ 26,400	\$ 26,400	\$ 33,070
Investment income	8	8	8
	<hr/>	<hr/>	<hr/>
Total revenues	26,408	26,408	33,078
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Public safety			
Commodities	21,000	24,350	21,334
Contractual services	5,300	5,300	6,737
	<hr/>	<hr/>	<hr/>
Total expenditures	26,300	29,650	28,071
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ 108	\$ (3,242)	5,007
	<hr/>	<hr/>	<hr/>
FUND BALANCE, JANUARY 1			41,752
			<hr/>
FUND BALANCE, DECEMBER 31			\$ 46,759
			<hr/>

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ 10	\$ 10	\$ 25
Miscellaneous			
Contributions	13,334	13,334	24,445
Total revenues	13,344	13,344	24,470
EXPENDITURES			
Public Safety			
Personnel services	11,477	11,477	10,733
Contractual services	60	60	60
Commodities	3,000	3,000	1,500
Total expenditures	14,537	14,537	12,293
NET CHANGE IN FUND BALANCE	<u>\$ (1,193)</u>	<u>\$ (1,193)</u>	12,177
FUND BALANCE, JANUARY 1			<u>74,905</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 87,082</u></u>

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ 100	\$ 100	\$ 245
Total revenues	100	100	245
EXPENDITURES			
None	-	-	-
Total expenditures	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	100	100	245
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(180,000)	(180,000)	(180,000)
Total other financing sources (uses)	(180,000)	(180,000)	(180,000)
NET CHANGE IN FUND BALANCE	<u>\$ (179,900)</u>	<u>\$ (179,900)</u>	(179,755)
FUND BALANCE, JANUARY 1			<u>210,040</u>
FUND BALANCE, DECEMBER 31			<u>\$ 30,285</u>

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Telecom	\$ 144,000	\$ 144,000	\$ 148,390
Intergovernmental	1,000	70,091	79,095
Investment income	1,200	1,200	2,129
	<hr/>	<hr/>	<hr/>
Total revenues	146,200	215,291	229,614
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Capital outlay	805,008	947,758	864,426
	<hr/>	<hr/>	<hr/>
Total expenditures	805,008	947,758	864,426
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(658,808)	(732,467)	(634,812)
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	-	-	19,651
Transfers in	400,000	400,000	400,000
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	400,000	400,000	419,651
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ (258,808)	\$ (332,467)	(215,161)
	<hr/>	<hr/>	<hr/>
FUND BALANCE, JANUARY 1			765,112
			<hr/>
FUND BALANCE, DECEMBER 31			\$ 549,951
			<hr/>

(See independent auditor's report.)

PROPRIETARY FUNDS

MAJOR ENTERPRISE FUND

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

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Water	\$ 4,033,010	\$ 4,033,010	\$ 4,284,908
Sewer	3,883,341	3,883,341	4,002,570
Service fees and penalties	272,695	272,695	278,166
Miscellaneous			
Rental income	41,475	41,475	73,566
Other	180	180	127
	<hr/>	<hr/>	<hr/>
Total operating revenues	8,230,701	8,230,701	8,639,337
OPERATING EXPENSES			
Administration	729,065	729,065	740,642
Operations	5,015,597	5,626,959	4,994,436
	<hr/>	<hr/>	<hr/>
Total operating expenses	5,744,662	6,356,024	5,735,078
OPERATING INCOME	<hr/>	<hr/>	<hr/>
	2,486,039	1,874,677	2,904,259
NON-OPERATING REVENUES (EXPENSES)			
Gain on sale of equipment	-	-	2,350
Principal payments	(1,174,960)	(1,268,530)	(1,174,960)
Investment income	8,600	8,600	14,449
Interest and fiscal charges	(515,036)	(574,146)	(391,857)
	<hr/>	<hr/>	<hr/>
Total non-operating revenues (expenses)	(1,681,396)	(1,834,076)	(1,550,018)
INCOME BEFORE CAPITAL GRANTS AND CONTRIBUTIONS	804,643	40,601	1,354,241
Capital grants and contributions	<hr/>	<hr/>	<hr/>
	-	-	691,246
CHANGE IN NET POSITION - BUDGET BASIS	<hr/>	<hr/>	<hr/>
	\$ 804,643	\$ 40,601	2,045,487
Principal paid			1,174,960
Depreciation			(2,393,782)
Capital outlay capitalized			<hr/>
			658,184
CHANGE IN NET POSITION - GAAP BASIS			<hr/>
			1,484,849
NET POSITION, JANUARY 1			<hr/>
			40,497,776
NET POSITION, DECEMBER 31			<hr/>
			\$ 41,982,625

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual
WATER DEPARTMENT			
Water facilities			
Personnel services			
Employee salaries	\$ 602,120	\$ 602,120	\$ 636,781
Employee overtime	29,500	29,500	15,982
FICA/Medicare/IMRF	120,500	120,500	118,464
Health insurance	109,295	109,295	109,295
Compensated absences	-	-	(26,149)
Pension payments	-	-	46,021
Longevity	3,963	3,963	4,147
Sick leave incentive	3,789	3,789	2,753
Total personnel services	869,167	869,167	907,294
Commodities			
Building	5,000	5,000	5,106
Maintenance materials	4,200	4,200	3,828
Automotive	200	200	1,022
Tools and equipment	6,600	6,600	10,772
Office	700	700	808
Operating	18,000	18,000	33,792
Meters	53,700	53,700	12,189
Chemicals	47,000	47,000	46,151
Total commodities	135,400	135,400	113,668
Contractual services			
Dues and publications	800	800	484
Physical exams	200	200	-
Training and meeting	2,500	2,500	5,429
Building grounds	2,000	2,000	1,019
Professional services	22,250	115,412	29,960
Maintenance equipment	30,000	30,000	14,507
Electric	228,000	228,000	227,008
Heating	9,500	9,500	7,535
Telephone data	3,000	3,000	3,472
Water softener salt	290,000	290,000	253,865
Water well	50,000	50,000	18,386
Water alarm	630	630	644
Total contractual services	638,880	732,042	562,309
Capital outlay	258,000	574,500	429,418
Total water facilities	1,901,447	2,311,109	2,012,689

(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 Year Ended December 31, 2016

	Original Budget	Final Budget	Actual
WATER DEPARTMENT (Continued)			
Water administrative and general			
Personnel services			
Employee salaries	\$ 310,461	\$ 310,461	\$ 300,934
FICA/Medicare/IMRF	59,803	59,803	56,124
Health insurance	73,253	73,253	73,253
Compensated absences	-	-	1,875
Pension payments	-	-	20,411
Longevity	944	944	664
Sick leave incentive	2,025	2,025	500
Other postemployment benefits	-	-	28,121
Total personnel services	446,486	446,486	481,882
Administrative and general overhead	282,579	282,579	258,760
Total water administrative and general	729,065	729,065	740,642
Total water department	2,630,512	3,040,174	2,753,331
SEWER DEPARTMENT			
Sewer facilities			
Personnel services			
Employee salaries	664,071	664,071	644,251
Employee overtime	31,000	31,000	23,422
FICA/Medicare/IMRF	132,663	132,663	125,182
Health insurance	127,317	127,317	127,317
Compensated absences	-	-	7,220
Pension payments	-	-	47,758
Longevity	3,715	3,715	2,935
Attendance incentive	4,284	4,284	4,382
Total personnel services	963,050	963,050	982,467
Commodities			
Building	6,400	6,400	6,386
Maintenance materials	34,000	34,000	38,997
Lift station	8,000	8,000	9,114
Automotive	200	200	749
Tools and equipment	14,000	14,000	14,038
Office	1,000	1,000	800
Operating	9,500	9,500	13,792
Chemicals	65,000	65,000	64,841
Total commodities	138,100	138,100	148,717

(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 Year Ended December 31, 2016

	Original Budget	Final Budget	Actual
SEWER DEPARTMENT (Continued)			
Sewer facilities (Continued)			
Contractual services			
Dues and publications	\$ 300	\$ 300	\$ 320
Physical exams	250	250	-
Printing	650	650	417
Training and meeting	3,000	3,000	3,086
Building grounds	7,700	7,700	6,579
Professional services sewer	71,500	99,500	58,808
Maintenance equipment	120,000	120,000	70,284
Electricity	246,000	246,000	289,643
Heating	8,500	8,500	7,079
Telephone data	2,400	2,400	2,989
Sludge disposal	95,000	95,000	85,608
Testing	5,400	5,400	8,969
Total contractual services	560,700	588,700	533,782
Capital outlay	45,000	183,700	41,560
Total sewer facilities	1,706,850	1,873,550	1,706,526
Sewer underground			
Personnel services			
Employee salaries	590,674	590,674	484,387
Employee overtime	47,300	47,300	18,175
FICA/Medicare/IMRF	123,419	123,419	92,917
Health insurance	147,977	147,977	147,977
Compensated absences	-	-	(4,394)
Pension payments	-	-	45,587
Longevity	4,880	4,880	3,680
Sick leave incentive	4,000	4,000	3,133
Total personnel services	918,250	918,250	791,462
Commodities			
Building	200	200	-
Street	16,000	16,000	15,392
Maintenance materials	27,000	27,000	26,550
Sanitary sewer	14,000	14,000	17,005
Automotive	500	500	-
Tools and equipment	8,000	8,000	7,140
Office	400	400	61
Operating	7,000	7,000	4,897
Valves and pipes	85,000	85,000	91,456
Total commodities	158,100	158,100	162,501

(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 Year Ended December 31, 2016

	Original Budget	Final Budget	Actual
SEWER DEPARTMENT (Continued)			
Sewer underground (Continued)			
Contractual services			
Dues and publications	\$ 600	\$ 600	\$ 68
Physical exams	250	250	457
Printing	250	250	551
Training and meeting	1,800	1,800	4,022
Other service	25,000	25,000	73,038
Maintenance equipment	70,450	70,450	10,484
Maintenance vehicles	300	300	-
Maintenance building and grounds	800	800	630
Telephone data	1,500	1,500	2,087
Total contractual services	100,950	100,950	91,337
Capital outlay	230,000	265,000	229,921
Total sewer underground	1,407,300	1,442,300	1,275,221
Total sewer department	3,114,150	3,315,850	2,981,747
TOTAL OPERATING EXPENSES, EXCLUDING AMORTIZATION AND DEPRECIATION	\$ 5,744,662	\$ 6,356,024	\$ 5,735,078

(See independent auditor's report.)

INTERNAL SERVICE FUND

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

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Employer contributions	\$ 3,592,879	\$ 3,592,879	\$ 3,592,879
Employee contributions	333,004	333,004	343,584
Non-employee insurance contributions	363,895	363,895	276,489
Total operating revenues	4,289,778	4,289,778	4,212,952
OPERATING EXPENSES			
Operations			
Health insurance	3,496,979	3,496,979	3,397,814
Risk management	775,000	827,700	524,966
Total operating expenses	4,271,979	4,324,679	3,922,780
INCOME (LOSS) BEFORE TRANSFERS	17,799	(34,901)	290,172
TRANSFERS IN	-	300,000	300,000
CHANGE IN NET POSITION	\$ 17,799	\$ 265,099	590,172
NET POSITION, JANUARY 1			294,805
NET POSITION, DECEMBER 31			\$ 884,977

(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, 2016

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 50	\$ 6,234	\$ 6,284
Investments, at fair value			
Money market mutual funds	294,806	182,895	477,701
U.S. Treasury obligations	2,834,484	1,333,281	4,167,765
U.S. agency obligations	8,335,519	6,898,693	15,234,212
Municipal bonds	-	1,568,085	1,568,085
Equities	14,122,422	-	14,122,422
Corporate bonds	1,640,962	-	1,640,962
Equity mutual funds	9,645,144	10,192,170	19,837,314
Receivables			
Accrued interest	74,955	54,103	129,058
Prepaid expenses	-	4,057	4,057
Total assets	36,948,342	20,239,518	57,187,860
LIABILITIES			
Accounts payable	2,045	17,244	19,289
Total liabilities	2,045	17,244	19,289
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
	\$ 36,946,297	\$ 20,222,274	\$ 57,168,571

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2016

	<u>Pension Trust</u>		<u>Total</u>
	<u>Police Pension</u>	<u>Firefighters' Pension</u>	
ADDITIONS			
Contributions			
Employer contributions	\$ 2,346,705	\$ 1,107,232	\$ 3,453,937
Employee contributions	531,488	299,097	830,585
Total contributions	<u>2,878,193</u>	<u>1,406,329</u>	<u>4,284,522</u>
Investment income			
Net appreciation in fair value of investments	1,308,481	604,286	1,912,767
Interest	610,878	581,831	1,192,709
Total investment income	1,919,359	1,186,117	3,105,476
Less investment expense	<u>(151,143)</u>	<u>(59,380)</u>	<u>(210,523)</u>
Net investment income	<u>1,768,216</u>	<u>1,126,737</u>	<u>2,894,953</u>
Total additions	<u>4,646,409</u>	<u>2,533,066</u>	<u>7,179,475</u>
DEDUCTIONS			
Administration	35,811	42,562	78,373
Pension benefits and refunds	<u>2,689,679</u>	<u>989,209</u>	<u>3,678,888</u>
Total deductions	<u>2,725,490</u>	<u>1,031,771</u>	<u>3,757,261</u>
NET INCREASE	1,920,919	1,501,295	3,422,214
NET POSITION RESTRICTED FOR PENSION BENEFITS			
January 1	<u>35,025,378</u>	<u>18,720,979</u>	<u>53,746,357</u>
December 31	<u>\$ 36,946,297</u>	<u>\$ 20,222,274</u>	<u>\$ 57,168,571</u>

(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.	113-122
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	123-128
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.	129-132
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.	133-134
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.	135-137

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

	2008	2009	2010	2011
GOVERNMENTAL ACTIVITIES				
Net investment				
in capital assets	\$ 61,721,718	\$ 60,725,028	\$ 69,438,643	\$ 68,487,393
Restricted	4,069,115	3,734,343	3,820,380	2,880,926
Unrestricted (deficit)	4,978,269	5,499,191	(809,335)	508,223
TOTAL GOVERNMENTAL ACTIVITIES	\$ 70,769,102	\$ 69,958,562	\$ 72,449,688	\$ 71,876,542
BUSINESS-TYPE ACTIVITIES				
Net investment				
in capital assets	\$ 35,648,176	\$ 34,664,845	\$ 35,221,703	\$ 34,253,748
Restricted	-	-	-	-
Unrestricted	7,383,975	6,267,029	5,146,465	4,778,620
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 43,032,151	\$ 40,931,874	\$ 40,368,168	\$ 39,032,368
PRIMARY GOVERNMENT				
Net investment				
in capital assets	\$ 97,369,894	\$ 95,389,873	\$ 104,660,346	\$ 102,741,141
Restricted	4,069,115	3,734,343	3,820,380	2,880,926
Unrestricted (deficit)	12,362,244	11,766,220	4,337,130	5,286,843
TOTAL PRIMARY GOVERNMENT	\$ 113,801,253	\$ 110,890,436	\$ 112,817,856	\$ 110,908,910

* 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

2012	2013	2014	2015	2015**/**	2016
\$ 68,905,034	\$ 67,264,235	\$ 71,003,712	\$ 74,204,672	\$ 75,256,131	\$ 77,315,341
4,181,749	3,862,323	4,363,328	4,925,886	5,137,307	5,791,953
(514,535)	1,528,171	1,645,509	219,766	(34,740,782)	(40,198,459)
<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>	<u>\$ 42,908,835</u>
\$ 33,583,685	\$ 32,738,403	\$ 33,383,375	\$ 34,242,241	\$ 34,640,323	\$ 34,826,165
-	-	-	-	-	-
4,893,037	5,390,950	5,126,975	5,778,715	5,857,453	7,156,460
<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>	<u>\$ 41,982,625</u>
\$ 102,488,719	\$ 100,002,638	\$ 104,387,087	\$ 108,446,913	\$ 109,896,454	\$ 112,141,506
4,181,749	3,862,323	4,363,328	4,925,886	5,137,307	5,791,953
4,378,502	6,919,121	6,772,484	5,998,481	(28,883,329)	(33,041,999)
<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>	<u>\$ 84,891,460</u>

VILLAGE OF CARPENTERSVILLE, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

	2008	2009	2010	2011
EXPENSES				
Governmental Activities				
General government	\$ 2,727,628	\$ 2,923,365	\$ 2,853,593	\$ 2,390,453
Public safety	13,943,995	14,820,887	15,706,172	14,028,417
Highways and streets	7,468,853	8,098,904	6,484,488	7,969,022
Community development	1,979,038	1,848,358	1,868,828	1,719,127
Culture and recreation	136,652	141,630	140,459	132,958
Interest and fiscal charges	308,839	460,971	541,615	1,208,904
Total governmental activities expenses	26,565,005	28,294,115	27,595,155	27,448,881
Business-Type Activities				
Water and sewer	7,475,226	7,960,122	8,019,962	7,803,929
Total business-type activities expenses	7,475,226	7,960,122	8,019,962	7,803,929
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 34,040,231	\$ 36,254,237	\$ 35,615,117	\$ 35,252,810
PROGRAM REVENUES				
Governmental Activities				
Charges for services				
General government	\$ 742,410	\$ 822,343	\$ 761,390	\$ 736,251
Public safety	2,420,812	2,332,098	2,535,773	2,603,446
Highways and streets	1,024,426	1,012,787	1,078,688	1,488,860
Community development	28,020	33,420	398,313	297,958
Operating grants and contributions	77,116	46,256	43,893	225,386
Capital grants and contributions	4,319,432	2,272,240	6,579,375	2,043,895
Total governmental activities program revenues	8,612,216	6,519,144	11,397,432	7,395,796
Business-Type Activities				
Charges for services				
Water and sewer	5,395,767	5,677,714	5,743,824	5,813,101
Operating grants and contributions	-	-	-	-
Capital grants and contributions	4,386,370	10,686	1,629,016	-
Total business-type activities program revenues	9,782,137	5,688,400	7,372,840	5,813,101
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 18,394,353	\$ 12,207,544	\$ 18,770,272	\$ 13,208,897
NET REVENUES (EXPENSES)				
Governmental activities	\$ (17,952,789)	\$ (21,774,971)	\$ (16,197,723)	\$ (20,053,085)
Business-type activities	2,306,911	(2,271,722)	(647,122)	(1,990,828)
TOTAL PRIMARY GOVERNMENT NET REVENUES (EXPENSES)	\$ (15,645,878)	\$ (24,046,693)	\$ (16,844,845)	\$ (22,043,913)

2012	2013*	2014	2015	2015**	2016
\$ 2,722,030	\$ 2,281,909	\$ 3,463,699	\$ 3,068,941	\$ 4,434,143	\$ 5,842,206
14,157,163	17,077,983	16,729,905	17,426,252	14,410,997	21,024,906
7,656,046	8,215,225	8,603,291	8,884,557	5,863,027	5,461,639
1,443,759	1,818,908	1,294,810	1,376,258	881,623	6,734,523
211,356	136,440	193,463	184,862	251,617	208,151
1,493,384	1,460,952	1,385,304	1,426,663	1,017,569	1,479,485
27,683,738	30,991,417	31,670,472	32,367,533	26,858,976	40,750,910
7,579,013	8,310,778	7,962,573	7,872,584	5,520,811	7,862,533
7,579,013	8,310,778	7,962,573	7,872,584	5,520,811	7,862,533
\$ 35,262,751	\$ 39,302,195	\$ 39,633,045	\$ 40,240,117	\$ 32,379,787	\$ 48,613,443
\$ 734,263	\$ 697,551	\$ 1,303,596	\$ 852,819	\$ 640,512	\$ 631,980
2,034,826	2,299,566	1,363,971	1,409,904	1,104,987	1,682,400
1,007,358	1,256,200	764,335	749,638	491,853	754,965
244,260	362,249	19,450	7,360	1,190	2,348
540,523	584,260	2,368,312	2,418,801	1,812,675	2,314,793
2,532,024	1,786,938	2,335,740	3,202,586	1,018,727	2,197,856
7,093,254	6,986,764	8,155,404	8,641,108	5,069,944	7,584,342
6,972,009	7,776,607	8,184,588	8,419,290	6,132,405	8,565,644
-	-	6,072	-	-	-
30,000	266,496	1,255,682	968,186	-	691,246
7,002,009	8,043,103	9,446,342	9,387,476	6,132,405	9,256,890
\$ 14,095,263	\$ 15,029,867	\$ 17,601,746	\$ 18,028,584	\$ 11,202,349	\$ 16,841,232
\$ (20,590,484)	\$ (24,004,653)	\$ (23,515,068)	\$ (23,726,425)	\$ (21,789,032)	\$ (33,166,568)
(577,004)	(267,675)	1,483,769	1,514,892	611,594	1,394,357
\$ (21,167,488)	\$ (24,272,328)	\$ (22,031,299)	\$ (22,211,533)	\$ (21,177,438)	\$ (31,772,211)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

	2008	2009	2010	2011
GENERAL REVENUES AND OTHER				
CHANGES IN NET POSITION				
Governmental Activities				
Taxes				
Property	\$ 7,464,166	\$ 7,643,392	\$ 7,834,711	\$ 8,339,117
Sales and use	6,079,532	6,155,546	5,796,490	6,097,724
Utility	1,484,257	1,479,189	1,313,416	1,350,435
Local motor fuel	-	-	-	-
Other	214,450	702,120	452,242	460,608
Intergovernmental	3,258,589	2,770,355	2,630,608	2,727,726
Investment earnings	699,622	902,823	178,003	273,296
Miscellaneous	629,807	1,283,901	383,590	859,567
Contributions	32,743	27,105	7,387	2,000
Gain of sale of capital assets	-	-	-	-
Transfers	-	-	92,402	(627,534)
Total governmental activities	19,863,166	20,964,431	18,688,849	19,482,939
Business-Type Activities				
Investment earnings	466,410	153,021	116,275	11,231
Miscellaneous	2,544	18,424	59,543	16,263
Transfers	-	-	(92,402)	627,534
Total business-type activities	468,954	171,445	83,416	655,028
TOTAL PRIMARY GOVERNMENT	\$ 20,332,120	\$ 21,135,876	\$ 18,772,265	\$ 20,137,967
CHANGE IN NET POSITION				
Governmental activities	\$ 1,910,377	\$ (810,540)	\$ 2,491,126	\$ (570,146)
Business-type activities	2,775,865	(2,100,277)	(563,706)	(1,335,800)
TOTAL PRIMARY GOVERNMENT				
CHANGE IN NET POSITION	\$ 4,686,242	\$ (2,910,817)	\$ 1,927,420	\$ (1,905,946)

* 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

	2012	2013*	2014	2015	2015**	2016
\$	8,926,796	\$ 11,540,085	\$ 12,153,210	\$ 12,712,189	\$ 13,319,443	\$ 14,023,894
	7,172,770	6,587,215	6,555,619	7,791,885	5,842,939	9,212,975
	1,445,519	1,466,585	1,620,073	1,562,992	815,235	1,509,812
	-	-	266,189	262,310	278,952	297,557
	472,682	402,736	840,258	818,428	533,952	763,269
	2,494,821	3,396,732	3,843,504	3,857,758	2,717,696	3,846,520
	205,844	44,093	46,941	(190,127)	(177)	88,510
	544,901	549,688	529,558	520,791	387,797	663,942
	22,857	-	-	-	-	-
	-	-	24,946	22,032	9,640	16,268
	-	100,000	1,159,903	-	(635,792)	-
	21,286,190	24,087,134	27,040,201	27,358,258	23,269,685	30,422,747
	6,882	14,177	12,488	(79,508)	8,131	14,449
	14,476	6,129	274,609	75,222	34,593	76,043
	-	(100,000)	(1,159,903)	-	635,792	-
	21,358	(79,694)	(872,806)	(4,286)	678,516	90,492
\$	21,307,548	\$ 24,007,440	\$ 26,167,395	\$ 27,353,972	\$ 23,948,201	\$ 30,513,239
\$	695,706	\$ 82,481	\$ 3,525,133	\$ 3,631,833	\$ 1,480,653	\$ (2,743,821)
	(555,646)	(347,369)	610,963	1,510,606	1,290,110	1,484,849
\$	140,060	\$ (264,888)	\$ 4,136,096	\$ 5,142,439	\$ 2,770,763	\$ (1,258,972)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2008	2009	2010	2011
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	751,132	356,859	1,810,930	283,588
Unreserved	5,247,538	4,891,184	1,249,519	2,738,487
TOTAL GENERAL FUND	\$ 5,998,670	\$ 5,248,043	\$ 3,060,449	\$ 3,022,075
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	719,619	5,361,638	1,607,899	1,266,048
Unreserved, reported in				
Special revenue funds	3,580,269	3,324,826	3,489,563	3,474,330
Capital project funds	2,547,002	2,089,602	(2,279,789)	13,247,392
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 6,846,890	\$ 10,776,066	\$ 2,817,673	\$ 17,987,770

* 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

	2012*	2013	2014	2015	2015**	2016
\$	281,293	\$ 299,982	\$ 28,969	\$ 39,896	\$ 69,206	\$ 32,975
	-	-	-	-	1,835,711	2,664,345
	82,527	32,947	53,862	-	-	-
	-	-	192,132	186,941	189,143	187,666
	-	-	42,178	107,268	182,588	75,237
	-	-	531,084	-	861,587	-
	93,980	445,873	118,750	50,000	-	-
	-	-	-	-	1,627,588	-
	-	-	-	704,297	-	-
	4,178,189	4,594,252	5,243,591	6,262,055	3,981,550	6,119,932
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	4,635,989	\$ 5,373,054	\$ 6,210,566	\$ 7,350,457	\$ 8,747,373	\$ 9,080,155
\$	-	\$ -	\$ 429	\$ 142	\$ 141	\$ 1,100
	-	-	80,665	-	-	-
	-	-	-	64,380	74,905	87,082
	1,305,370	1,426,332	970,130	1,021,369	554,538	760,557
	54,043	54,611	393,150	382,295	353,783	355,852
	6,617,269	1,985,129	-	8,226,672	6,716,035	5,403,103
	909,777	1,983,547	2,078,205	2,706,045	3,243,327	3,318,079
	38,248	36,692	26,710	22,849	41,752	46,759
	892,900	803,049	649,139	542,007	679,859	1,035,958
	212,195	1,473,791	1,698,024	1,146,254	2,729,164	2,101,872
	-	904,362	1,482,780	-	-	1,652,233
	(45,641)	(18,178)	(91,333)	(237,456)	(2,222,575)	(6,970,139)
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	9,984,161	\$ 8,649,335	\$ 7,287,899	\$ 13,874,557	\$ 12,170,929	\$ 7,792,456

VILLAGE OF CARPENTERSVILLE, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2008	2009	2010	2011
REVENUES				
Taxes	\$ 18,500,995	\$ 18,525,185	\$ 17,026,816	\$ 19,252,124
Intergovernmental	2,804,058	3,176,894	3,025,051	3,024,388
Licenses and permits	1,298,635	1,499,358	1,572,549	1,411,820
Fines and forfeitures	576,710	569,590	507,637	507,610
Charges for services	1,279,666	1,492,650	1,518,178	2,354,945
Investment income	746,955	870,753	259,101	364,679
Miscellaneous	928,709	1,146,724	556,800	965,110
Total revenues	26,135,728	27,281,154	24,466,132	27,880,676
EXPENDITURES				
General government	2,662,854	2,846,950	2,267,779	2,362,357
Public safety	13,823,810	14,494,721	14,498,478	13,697,709
Public works	5,204,268	5,886,022	5,245,326	5,660,245
Community development	2,046,670	1,945,120	1,865,603	1,730,193
Culture and recreation	133,988	169,295	142,130	139,029
Debt service				
Principal	517,500	468,750	775,561	794,791
Interest	318,162	383,126	547,955	1,119,833
Capital outlay	4,386,193	4,575,570	9,386,373	6,653,317
Total expenditures	29,093,445	30,769,554	34,729,205	32,157,474
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,957,717)	(3,488,400)	(10,263,073)	(4,276,798)
OTHER FINANCING SOURCES (USES)				
Transfers in	381,928	382,247	473,261	3,051,575
Transfers (out)	(381,928)	(382,247)	(380,859)	(3,679,109)
Bonds issued	-	6,700,000	-	20,000,000
Bond issuance costs	-	(65,223)	-	-
Premium on bonds issued	-	-	-	36,025
Capital lease	-	-	-	-
Payment to escrow agent	-	-	-	-
Sale of capital assets	28,280	32,172	24,684	-
Total other financing sources (uses)	28,280	6,666,949	117,086	19,408,491
NET CHANGE IN FUND BALANCES	\$ (2,929,437)	\$ 3,178,549	\$ (10,145,987)	\$ 15,131,693
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	2.55%	2.44%	3.00%	5.04%

* 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

	2012	2013	2014	2015	2015*	2016
\$	20,522,991	\$ 23,393,353	\$ 21,435,351	\$ 23,147,804	\$ 20,790,521	\$ 25,807,506
	3,772,840	3,062,165	6,827,783	7,186,475	5,549,098	6,989,756
	1,416,228	1,506,600	1,201,973	696,017	572,249	518,516
	545,393	416,421	426,802	368,281	311,764	417,241
	1,774,945	2,138,241	1,721,881	1,849,974	1,264,798	2,004,875
	227,365	44,093	46,941	(190,127)	(177)	88,510
	550,580	409,238	628,003	625,245	477,528	793,281
	28,810,342	30,970,111	32,288,734	33,683,669	28,965,781	36,619,685
	2,664,634	3,068,266	3,302,152	3,396,854	4,212,505	5,790,986
	13,620,554	15,558,217	15,673,106	16,475,061	12,826,029	17,695,839
	5,108,788	5,494,017	5,888,530	6,187,517	2,423,308	3,509,948
	1,457,576	1,816,542	1,299,271	1,258,329	885,561	5,689,024
	207,653	133,078	190,218	165,119	139,968	173,095
	1,505,211	1,597,889	2,120,233	1,373,712	4,685,850	1,445,040
	1,492,405	1,459,828	1,426,366	1,357,644	1,603,944	1,527,048
	10,189,531	2,893,822	4,689,098	4,538,828	5,791,001	4,488,677
	36,246,352	32,021,659	34,588,974	34,753,064	32,568,166	40,319,657
	(7,436,010)	(1,051,548)	(2,300,240)	(1,069,395)	(3,602,385)	(3,699,972)
	796,337	1,339,868	3,227,398	578,287	2,911,650	6,287,527
	(796,337)	(1,239,868)	(2,177,165)	(578,287)	(2,911,650)	(6,587,527)
	-	-	-	8,278,960	2,920,000	4,640,420
	-	-	-	-	-	-
	-	-	-	494,952	366,033	-
	-	350,000	-	-	-	-
	-	-	-	-	-	(4,705,790)
	46,808	3,787	24,946	22,032	9,640	19,651
	46,808	453,787	1,075,179	8,795,944	3,295,673	(345,719)
\$	(7,389,202)	\$ (597,761)	\$ (1,225,061)	\$ 7,726,549	\$ (306,712)	\$ (4,045,691)
	6.63%	8.81%	11.38%	8.70%	21.49%	7.97%

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
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%
2016	434,962,298	59,242,183	12,759,964	677,897	507,642,342	507,642,342	2.6052	1,522,927,026	33.333%

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Village Direct Rates										
Carpentersville Village	1.0239	1.3316	1.4517	1.6930	1.9613	2.2993	2.6707	2.9454	2.9299	2.6052
Carpentersville IMRF	0.3080	-	-	-	-	-	-	-	-	-
Total direct tax rate	1.3319	1.3316	1.4517	1.6930	1.9613	2.2993	2.6707	2.9454	2.9299	2.6052
Overlapping Rates										
School District 300 residents:										
Kane County	0.2750	0.3336	0.3398	0.3730	0.3990	0.4336	0.4623	0.3794	0.3914	0.3401
Kane County IMRF	0.0571	-	-	-	-	-	-	0.0880	0.0565	0.0799
Kane County Forest Preserve	0.1942	0.1932	0.1997	0.2201	0.2609	0.2710	0.3039	0.3059	0.2882	0.2193
Kane County Forest Preserve IMRF	0.0032	-	-	-	-	-	-	0.0067	0.0038	0.0060
Dundee Township	0.1440	0.1415	0.1498	0.1688	0.1854	0.2143	0.3261	0.2265	0.2164	0.1973
Dundee Township Road Funds	0.0665	0.0673	0.0695	0.0774	0.0838	0.0958	-	0.1112	0.1146	0.0988
Dundee Township IMRF	0.0014	-	-	-	-	-	-	0.0045	-	0.0040
Dundee Township FICA	-	-	-	-	-	-	-	-	-	-
School District 300	3.7645	3.8603	3.9687	4.4615	4.7987	5.6752	6.3182	6.5000	7.1667	5.9196
School District 300 Pension	0.1028	-	-	-	-	-	-	0.2214	0.1790	0.2200
Elgin Community College 509	0.3230	0.3275	0.3833	0.4407	0.4454	0.5215	0.5707	0.5994	0.6260	0.5223
Elgin Community College Pension	0.0051	-	-	-	-	-	-	0.0081	-	0.0073
Dundee Park District	0.3400	0.3648	0.3747	0.4251	0.4553	0.5145	0.6269	0.5873	0.5841	0.5348
Dundee Park District IMRF	0.0316	-	-	-	-	-	-	0.0726	0.0491	0.0526
Dundee Park District FICA	-	-	-	-	-	-	-	-	0.0631	-
Fox River Valley Public Library	0.1195	0.1273	0.1306	0.1456	0.1582	0.1811	0.2061	0.1949	0.1876	0.1808
Fox River Valley Public Library - IMRF	0.0084	-	-	-	-	-	-	0.0221	0.0119	0.0133
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	2016			2012		
		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	\$ 4,434,155	1	0.99%	\$ 7,397,048	1	1.33%
Steadfast Foxview	Rental Properties	4,000,885	2	0.90%	4,850,653	3	0.87%
Menard Inc	Hardware Store	3,419,374	3	0.77%	4,522,209	4	0.81%
Meadowdale Apartments	Rental Properties	2,228,950	4	0.50%			
Meadowdale Apartments	Rental Properties	2,218,013	5	0.50%			
Meadowdale Apartments	Rental Properties	2,218,012	6	0.50%			
Improved Besinger Properties	Rental Properties	2,107,232	7	0.47%	2,711,055	5	0.49%
Trust #1-04-112	Trust	1,994,932	8	0.45%	2,252,460	6	0.40%
Woodmans	Grocery Store	1,899,630	9	0.43%	5,725,260	2	1.03%
CREA Spring Hill LLC	Shopping Center	1,866,479	10	0.42%			
PCCR USA, Inc.	Industrial				2,214,729	7	0.40%
Meadowdale Apartments	Rental Properties				2,199,671	8	0.40%
TKJ Enterprises	Industrial				1,856,935	9	0.33%
Dominck's	Grocery Store				1,806,181	10	0.32%
TOTAL		<u>\$ 26,387,662</u>		<u>5.93%</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 five 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
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	13,015,707	99.65%	-	13,015,707	99.65%
2016	13,225,312	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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General merchandise	\$ 329,697	\$ 288,621	*	\$ 251,300	\$ 236,477	\$ 235,259	\$ 241,561	\$ 235,998	\$ 242,394	\$ 553,070
Food	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	1,236,176
Drinking and eating places	278,670	264,377	227,834	232,344	262,081	267,660	260,813	273,561	293,052	314,337
Apparel	36,041	43,636	36,744	33,785	30,918	29,881	30,732	29,167	30,989	37,363
Furniture, H.H. and radio	33,366	33,487	*	21,516	21,262	24,260	30,475	25,605	23,009	11,870
Lumber, building hardware	474,884	435,753	423,961	434,718	442,041	467,955	502,991	531,175	573,956	590,646
Automobile and filling stations	309,103	216,243	231,876	311,296	426,062	362,788	356,635	360,741	315,151	270,892
Drugs and miscellaneous retail	202,453	224,144	239,123	250,913	251,908	262,480	286,637	281,545	174,540	364,829
Agriculture and all others	108,229	94,683	71,183	69,967	74,663	76,466	73,582	69,695	215,318	94,169
Manufacturers	70,081	25,513	41,593	20,492	19,454	19,004	19,536	18,143	15,944	25,806
Other (1)	-	-	281,252	-	-	-	-	-	-	-
TOTAL	\$ 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	\$ 3,499,158
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 Four Calendar Years

Calendar Year	2013	2014	2015	2016
General merchandise	\$ 359,104	\$ 418,572	\$ 478,214	871,808
Food	575,416	705,585	898,917	896,526
Drinking and eating places	390,459	478,347	582,831	621,624
Apparel	46,098	51,318	61,977	74,726
Furniture, H.H. and radio	45,711	44,957	45,962	23,739
Lumber, building hardware	746,834	921,975	1,136,512	1,169,960
Automobile and filling stations	498,398	568,086	546,385	466,224
Drugs and miscellaneous retail	236,977	262,021	108,161	362,049
Agriculture and all others	99,376	107,216	344,364	176,122
Manufacturers	28,662	30,826	30,994	50,945
TOTAL	\$ 3,027,035	\$ 3,588,903	\$ 4,234,317	\$ 4,713,723

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 Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Refinancing Cost of General Obligation Bonds			Capital Leases	Promissory Note Payable	General Obligation Bonds	Refinancing Cost of General Obligation Bonds			IEPA Loan			
		Unamortized Bond Discount	Unamortized Loss/Refund	Unamortized Bond Premium				Unamortized Bond Discount	Unamortized Loss/Refund	Unamortized Bond Premium				
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	-	-	14,326,640	-	-	1,066,723	2,255,126	50,922,625	11.42%	1,333.19
2016	31,313,890	-	380,940	773,249	-	-	13,307,110	-	187,627	945,662	2,161,560	49,070,038	9.67%	1,281.50

* 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 133 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*	Per Capita
	Obligation	Obligation	Obligation			Unamortized Bond Discount	Unamortized Loss/Refund	Unamortized Bond Premium	Unamortized Bond Discount	Unamortized Loss/Refund	Unamortized Bond Premium	Property*	Capita	
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	697,859	46,072,141	-	-	830,776	-	-	1,066,723	10.34%	1,206.20		
2016	31,313,890	13,307,110	1,037,058	43,583,942	-	380,940	773,249	-	187,627	945,662	8.59%	1,138.23		

* See the schedule of Assessed Value and Actual Value of Taxable Property on page 123 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, 2016

	<u>Applicable to Village</u>		
	<u>Outstanding Debt</u>	<u>Percent*</u>	<u>Amount</u>
Village Direct Debt			
Carpentersville Village	\$ 32,468,079	100.00%	\$ 32,468,079
Overlapping Debt			
Kane County	47,605,000	3.82%	1,818,511
Kane County Forest Preserve	150,780,000	3.82%	5,759,796
Dundee Township	1,765,000	32.04%	565,506
Barrington School District 220	49,910,600	1.07%	534,043
School District 300	334,201,064	15.22%	50,865,402
Elgin Community College 509	191,609,968	3.86%	7,396,145
Harper College 512	188,745,000	16.00%	30,199,200
Dundee Park District	17,855,000	32.10%	5,731,455
	<u>982,471,632</u>		<u>102,870,058</u>
TOTAL	<u>\$ 1,014,939,711</u>		<u>\$ 135,338,137</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, 2016

The Village is a home rule municipality.

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

"The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 50,000 an aggregate of one per cent:...indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts."

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

VILLAGE OF CARPENTERSVILLE, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment*	Unemployment Rate**
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%
2016	38,291	817,397,977	21,347	29.4	6,882	7.0%

*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	2016			2007		
	Number of Employees	Rank	% of Total Village Population	Number of Employees	Rank	% of Total Village Population
Otto Engineering Inc	638	1	1.67%	470	1	1.54%
Bulk Lift International Inc	325	2	0.85%	220	3	0.72%
Walmart Supercenter	315	3	0.82%			
Woodmans Food Market	274	4	0.72%			
Revcor Inc	220	5	0.58%	400	2	1.31%
Pccr USA Inc	220	6	0.58%			
Trim Rite Food Corporation Inc	200	7	0.52%	150	6	0.49%
Home Depot	150	8	0.39%			
Grayhill Inc	120	9	0.31%	120	7	0.39%
Stanley Machining & Tool Corp	110	10	0.29%	105	9	0.34%
Acme Industrial	110	10	0.29%	100	10	0.33%
A Schulman Inc	99	10	0.26%			
Avens Controls				120	8	0.39%
Hexian Specialty				200	4	0.65%
Hexian Specialty Chemicals				200	5	0.65%
TOTAL	2,781		7.28%	2,085		6.81%

Data Source

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

VILLAGE OF CARPENTERSVILLE, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2015*	2016
GENERAL GOVERNMENT										
Legislative	1	1	1	1	1	1	1	1	1	1
Administration	4	3	3	3	3	4	4	3	2	3
Finance	8	8	8	6	8	9	8	7	7	8
Information systems	2	3	3	3	2	2	2	3	3	2
Community development	15	15	16	16	11	11	9	11	11	12
Public buildings	2	2	1	1	1	1	2	3	3	3
PUBLIC SAFETY										
Police personnel	81	82	76	71	71	70	70	70	70	68
Fire personnel	42	42	42	39	39	37	37	48	48	50
PUBLIC WORKS										
Administration	3	3	3	3	3	3	3	3	3	4
Utilities - water	7	7	7	7	6	6	6	6	6	6
Utilities - underground water/sewer	11	11	11	8	8	8	8	8	8	8
Utilities - wastewater	8	8	8	7	6	6	5	7	7	7
Street maintenance	13	13	12	12	12	12	11	15	14	14
Vehicle maintenance	2	2	2	2	2	3	3	3	3	3
Parks	1	1	1	1	1	1	1	1	1	2
TOTAL	200	201	194	180	174	174	170	189	187	191

* 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	2008	2009	2010	2011	2012	2013	2014	2015	2015*	2016
GENERAL GOVERNMENT										
Number of permits issued	1,896	3,620	4,062	3,313	2,677	2,992	2,412	3,667	1,226	3,768
Building and engineering inspections	6,750	5,671	5,930	5,472	5,149	5,367	5,007	5,138	4,503	4,181
POLICE										
DUI arrests	194	202	167	169	106	128	108	24	52	85
Criminal arrests	2,741	2,546	2,366	1,799	1,759	1,684	1,420	374	895	1,831
Accidents	996	1,017	851	927	815	820	1,020	379	657	1,087
Ordinance enforcement	6,849	6,621	7,385	5,964	5,117	4,660	3,782	1,679	23,235	4,843
Total tickets	8,769	9,458	9,875	9,893	6,890	10,335	6,728	2,618	2,118	4,861
Total calls	22,332	21,837	20,703	19,783	17,786	16,296	16,952	5,720	11,180	17,191
FIRE										
Number of fire calls answered	950	938	910	950	967	882	1,289	843	592	886
Number of EMS calls answered	2,660	2,602	2,590	2,650	2,670	2,551	2,608	2,625	1,723	2,733
PUBLIC WORKS										
Tons of garbage collected	12,169	11,678	10,666	10,297	10,333	10,015	10,475	10,477	7,595	11,116
Tons of yard waste collected	1,792	1,600	1,758	1,688	1,882	1,302	1,816	1,582	1,753	1,938
Tons of recyclable material collected	3,252	3,499	3,184	3,540	3,451	3,284	3,421	3,264	2,414	3,460
Trees planted	66	100	29	18	-	28	201	302	223	443
Trees removed	5	16	12	45	687	803	522	385	273	339
Street sweeping (hours)	1,279	1,356	1,720	2,000	1,600	1,280	1,800	920	1,224	840
Snow removal (hours)	456	1,755	1,289	1,500	690	1,166	3,311	4,872	1,125	4,240
WATER AND SEWER										
Average daily consumption (gallons)	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	2,410,000
Meter installations	51	1,400	1,750	1,640	1,375	1,375	1,650	1,304	1,310	1,131
Catch basins/inlets cleaned	17	29	41	11	12	36	51	52	35	75

* 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	2008	2009	2010	2011	2012	2013	2014	2015	2015**	2016
GENERAL GOVERNMENT										
General government buildings*	1	1	1	1	1	1	1	1	1	1
Number of vehicles	-	-	-	-	1	1	1	1	1	2
PUBLIC SAFETY										
Police										
Stations*	1	1	1	1	1	1	1	1	1	1
Number of squad cars	31	34	31	36	36	36	36	39	39	37
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Number of vehicles	14	12	12	14	13	14	14	14	14	15
PUBLIC WORKS										
Public works buildings	3	3	3	3	3	3	3	3	3	3
Number of bridges	1	1	1	1	1	1	1	1	1	1
Number of vehicles	31	30	31	31	28	26	26	28	28	31
Streets (miles)	30	30	30	30	30	30	96	96	96	96
WATER AND SEWER										
Water mains (miles)	99	102	105	105	120	120	128	128	128	128
Sanitary sewers (miles)	69	71	75	75	75	75	108	108	108	108
Storm sewers (miles)	104	104	104	104	104	104	87	87	87	87
Number of fire hydrants	1,536	N/A	1,555	1,592	1,592	1,592	1,642	1,629	1,629	1,638
Vehicles	N/A	N/A	N/A	N/A	N/A	26	24	27	27	26
COMMUNITY DEVELOPMENT										
Number of vehicles	10	11	11	11	11	11	11	11	11	9
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	2

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

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

N/A - Information not available

Data Source

Village Records



Village of
Carpentersville, IL

