

Village of Carpentersville, IL



Comprehensive Annual Financial Report

Fiscal Year Ended
December 31, 2017



VILLAGE OF CARPENTERSVILLE, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
December 31, 2017

Prepared by the Finance Department

Katrina Hanna
Assistant Finance Director

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INTRODUCTORY SECTION

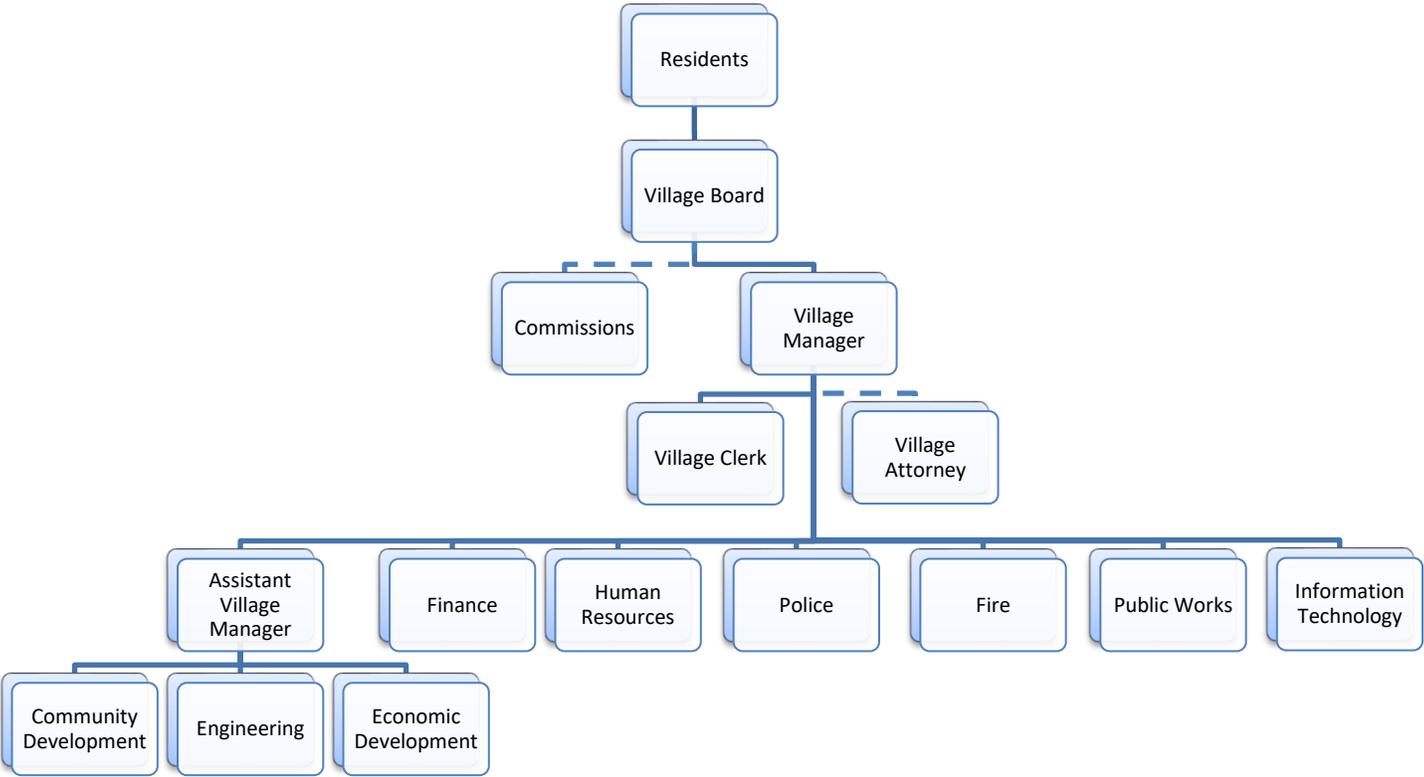
PRINCIPAL OFFICIALS
December 31, 2017

Village President
John Skillman

Board of Trustees
Don Burroway
Paul Humpfer
Jeff Frost
Diane Lawrence
John O'Sullivan
Kevin Rehberg

Village Clerk
Kelly Mastera

ORGANIZATIONAL CHART





Government Finance Officers Association

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

Presented to

**Village of Carpentersville
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO



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

June 22, 2018

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

The Comprehensive Annual Financial Report (CAFR) of the Village of Carpentersville for the year ending December 31, 2017 is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the Village issue an annual report on its financial position and activity presented in conformance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by an independent firm of certified public accountants.

This report consists of management's representations concerning the finances of the Village of Carpentersville. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Village has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Village of Carpentersville's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Village's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Village's financial statements have been audited by Sikich LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village of Carpentersville for the fiscal year ending December 31, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Village's financial statements for the year ending December 31, 2017, are fairly presented in

conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Village of Carpentersville Profile

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

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

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

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

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

Major Initiatives

Village staff, following specific directives from the Village Board and the Village Manager, were involved in a variety of projects throughout the year ending December 31, 2017 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:

- Reconstructed the pavement of a total of 5.9 lane miles.
- Substantially completed the Emerald Ash Borer (EAB) reforestation project.
- Awarded a grant of \$160,711 for construction costs associated with the 2017 MFT/CDBG Resurface Program from Kane County Community Development Block Grant (CDBG) Program.
- Completed the in-house construction management/inspection and/or engineering plans/documents for the following public construction projects:
 - 2017 MFT Westside Resurface Program (Providence Point Unit 1).
 - 2017 MFT/CDBG Resurface Program (Ball, Frontage & Lowell).
 - 2017 MFT Sidewalk Cutting Program (Select locations).
 - Ball Avenue storm sewer improvements.
 - Commerce Parkway Resurface Project.
- The Police Department fostered and/or participated in several community outreach programs.
- The Fire Department received an Assistance to Firefighters grant from FEMA for \$238,637. This was to purchase Self Contained Breathing Apparatuses for the Department.

Local Economy

A skilled and diverse area workforce supports healthy manufacturing areas within Carpentersville and the Village has actively supported industrial development. Because of its location in a region with a varied economic base, unemployment had been relatively stable until the effect of the recession was felt in 2009 (12.9%). However, the Village's unemployment rate improved in the last couple of years. At the end of 2017, the unemployment rate was 7.1%.

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

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

Long-term Financial Planning and Major Initiatives

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

Village staff /consultants worked on several major infrastructure projects during 2017. Some of the projects included Carpenter Creek, MFT Resurfacing Program, Route 31 & Huntley, Huntley Road improvements, and Spring Street Culvert replacement.

Relevant Financial Policies

The Village Board established financial management policies in 2014 to provide an effective tool for internal controls and fiscal discipline. One of the financial policies establishes minimum fund balance levels for the General Fund, the main operating fund of the Village. This fund balance policy was revised in 2016 to have total fund balance of 25% of annual operating expenditures. As of December 31, 2017, the total fund balance in the General Fund was \$10,758,199, representing 38% of annual General fund operating expenditures. A portion of this fund balance is nonspendable in nature, as it is being loaned to TIF #3 for capital and infrastructure improvements. This loan will be paid down as incremental property tax revenue is generated in the TIF.

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

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

The Village also provides pension benefits for its non-public safety employees. These benefits are provided through a state-wide plan managed by the Illinois Municipal Retirement Plan (IMRF). The Village contribution is determined on an annual basis by IMRF.

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

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

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

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to Villages that publish an easily readable and efficiently organized CAFR that satisfies both GAAP and applicable legal requirements. Recently, the Village received the award for its 2016 Comprehensive Annual Financial Report, for a fourth year in a row and will work to achieve the award going forward.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'M. P. Huber', with a long horizontal line extending to the right.

Marc P. Huber
Interim Village Manager

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Carpentersville, Illinois (the Village) as of and for the year ended December 31, 2017 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The introductory section, combining and individual fund financial statements and schedules and statistical section as listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 19, 2018, 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 19, 2018

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2017

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, 2017. We encourage readers to consider the information presented here in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Village of Carpentersville exceeded its liabilities and deferred inflows of resources by \$87,992,569 (*net position*). \$(30,157,705) of this amount is considered unrestricted net position, which is negative because of a change in reporting method and net pension liabilities being reported.
- The Village's total net position increased by \$3,101,109. Governmental activities net position increased by \$2,209,515. Business-type net position increased by \$891,594.
- On December 31, 2017, the Village's governmental funds reported combined fund balances of \$16,382,193, a decrease of \$490,418 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 \$8,298,482, or approximately 29% of the general fund's expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

DECEMBER 31, 2017

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

The government-wide financial statements can be found on pages 4-7 of this report.

Fund Financial Statements

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

Governmental Funds

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

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

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

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

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

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

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

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

DECEMBER 31, 2017

Proprietary fund financial statements present the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 13-17 of this report.

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

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

The fiduciary fund financial statements can be found on pages 18-19 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20-71 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information which include the budgetary comparison schedule for the General Fund and TIF #3 Fund and information concerning the Village's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on page 72-83 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund statements and schedules can be found on pages 84-113 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 \$87,992,569 as of December 31, 2017. 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, 2017

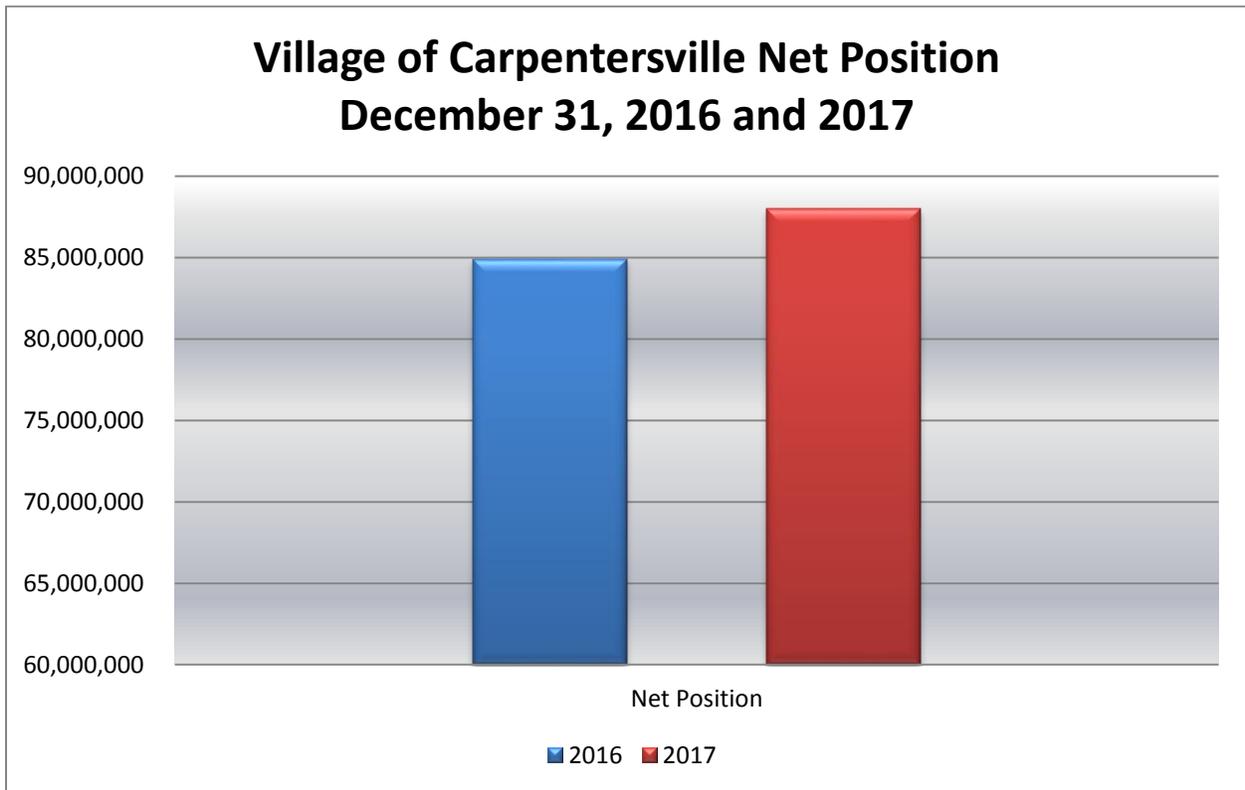
Table 1: Condensed Statements of Net Position

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Assets						
Current assets	39,768,306	40,131,908	11,857,581	10,285,277	51,625,887	50,417,185
Capital assets	105,367,803	103,999,377	48,117,053	50,189,610	153,484,856	154,188,987
Total Assets	145,136,109	144,131,285	59,974,634	60,474,887	205,110,743	204,606,172
Deferred Outflows of Resources						
Pension items	3,254,302	6,233,496	630,348	395,299	3,884,650	6,628,795
Deferred charge on refunding	349,195	380,940	171,992	187,627	521,187	568,567
Total Deferred outflows	3,603,497	6,614,436	802,340	582,926	4,405,837	7,197,362
Total Assets and Deferred outflows	148,739,606	150,745,721	60,776,974	61,057,813	209,516,580	211,803,534
Liabilities						
Current liabilities	7,106,774	7,400,083	1,083,083	874,767	8,189,857	8,274,850
Long-term liabilities	73,449,468	83,531,353	16,632,060	18,012,809	90,081,528	101,544,162
Total Liabilities	80,556,242	90,931,436	17,715,143	18,887,576	98,271,385	109,819,012
Deferred Inflows of Resources						
Unavailable property taxes	14,890,719	14,656,606	-	-	14,890,719	14,656,606
Pension items	8,174,295	2,248,844	187,612	187,612	8,361,907	2,436,456
Total Deferred inflows	23,065,014	16,905,450	187,612	187,612	23,252,626	17,093,062
Total Liabilities and Deferred Inflows	103,621,256	107,836,886	17,902,755	19,075,188	121,524,011	126,912,074
Net Position						
Net investment						
in capital assets	78,656,860	77,315,341	34,305,976	34,826,165	112,962,836	112,141,506
Restricted	5,187,438	5,791,953	-	-	5,187,438	5,791,953
Unrestricted	(38,725,948)	(40,198,459)	8,568,243	7,156,460	(30,157,705)	(33,041,999)
Total Net Position	\$45,118,350	\$42,908,835	\$42,874,219	\$41,982,625	\$87,992,569	\$84,891,460

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2017

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

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



The Village's overall net position increased \$3,101,109 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, 2017

Table 2: Condensed Statement of Activities

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues						
Charges for services	3,205,298	3,071,693	8,578,759	8,565,644	11,784,057	11,637,337
Operating grants and contributions	2,478,172	2,314,793	-	-	2,478,172	2,314,793
Capital grants and contributions	1,446,530	2,197,856	-	691,246	1,446,530	2,889,102
General Revenues						
Taxes						
Property taxes	14,610,907	14,023,894	-	-	14,610,907	14,023,894
Sales tax	9,019,909	8,293,136	-	-	9,019,909	8,293,136
Use tax	990,456	919,839	-	-	990,456	919,839
Utility tax	1,480,023	1,509,812	-	-	1,480,023	1,509,812
Local motor fuel	357,185	297,557	-	-	357,185	297,557
Telecommunications	510,490	593,559	-	-	510,490	593,559
Other taxes	239,824	169,710	-	-	239,824	169,710
Intergovernmental						
Income tax	3,516,997	3,668,994	-	-	3,516,997	3,668,994
Replacement tax	165,768	177,526	-	-	165,768	177,526
Investment income	219,868	88,510	90,626	14,449	310,494	102,959
Other/miscellaneous	521,533	663,942	90,040	76,043	611,573	739,985
Gain on sale of capital assets	-	16,268	-	-	-	16,268
Total Revenues	38,762,960	38,007,089	8,759,425	9,347,382	47,522,385	47,354,471
Expenses						
General government	5,716,921	5,842,206	-	-	5,716,921	5,842,206
Public safety	19,017,381	21,024,906	-	-	19,017,381	21,024,906
Public works	7,834,909	5,461,639	-	-	7,834,909	5,461,639
Community development	3,079,480	6,734,523	-	-	3,079,480	6,734,523
Culture and recreation	211,155	208,151	-	-	211,155	208,151
Waterworks and sewerage	-	-	8,271,157	7,862,533	8,271,157	7,862,533
Interest and fiscal charges	1,384,460	1,479,485	-	-	1,384,460	1,479,485
Total Expenses	37,244,306	40,750,910	8,271,157	7,862,533	45,515,463	48,613,443

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2017

Increase (Decrease) in Net Position						
Before Transfers	1,518,654	(2,743,821)	488,268	1,484,849	2,006,922	(1,258,972)
Transfers	-	-	-	-	-	-
Change in Net Position	1,518,654	(2,743,821)	488,268	1,484,849	2,006,922	(1,258,972)
Beginning Net Position	42,908,835	45,652,656	41,982,625	40,497,776	84,891,460	86,150,432
Change in Accounting Principle	690,861	-	403,326	-	1,094,187	-
Net Position, Restated	43,599,696	45,652,656	42,385,951	40,497,776	85,985,647	86,150,432
Ending Net Position	\$45,118,350	\$42,908,835	\$42,874,219	\$41,982,625	\$87,992,569	\$84,891,460

Governmental Activities

During the current fiscal period, net position for governmental activities increased \$2,209,515 from the prior fiscal year for an ending balance of \$45,118,350.

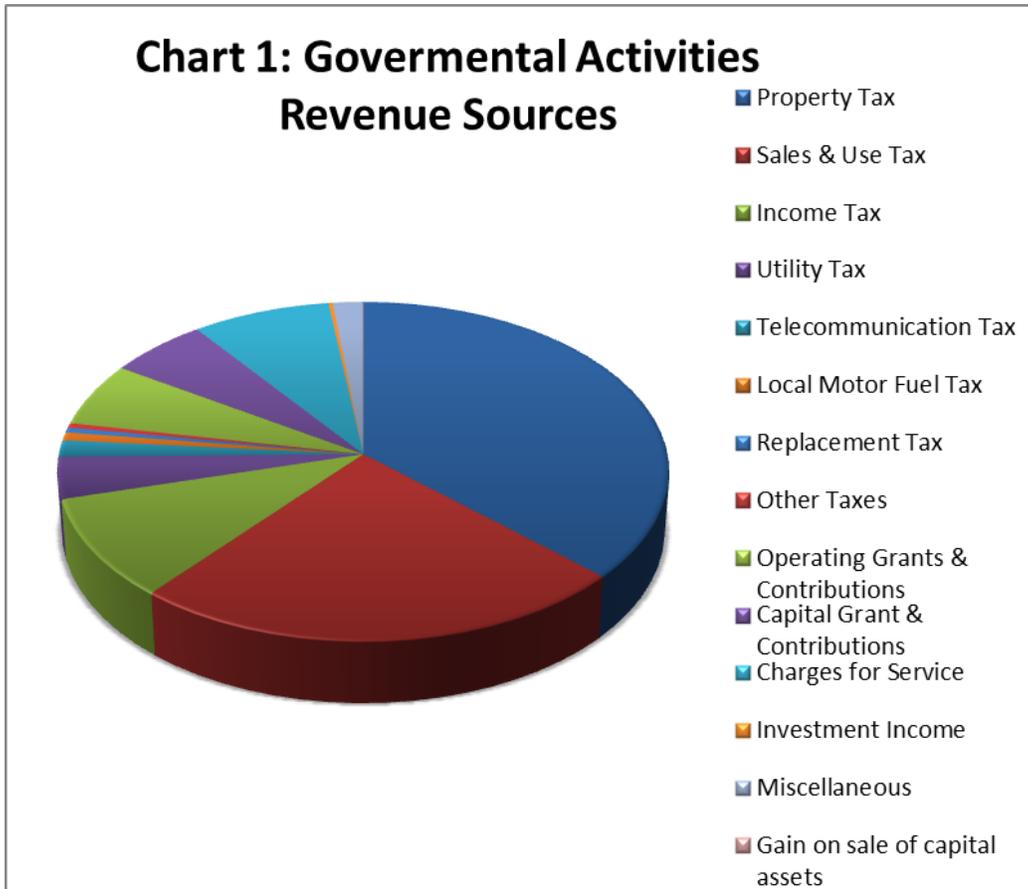
Current Year Impacts

- ◆ Municipal and Home Rule Sales tax realized a 9% increase.
- ◆ Telecommunication taxes decreased 14% from the prior year. The previous year also had over an 11% decrease. The Village anticipates continued reductions in revenue and will continue to budget accordingly.
- ◆ Income taxes decreased 4.1% over the prior year. The previous year also had a 13.2% decrease. Prior to this, Income tax had previously risen all of the previous five fiscal years as the economy continued to rebound from the decline of 2007. The source of the decline was due to the 10% reduction in local government distributive fund allocation to local governments included in the state's 2018 budget.
- ◆ The Village continues to receive construction grants from the State of Illinois and Federal Government to mitigate construction costs. This year, the Village recognized \$1.65 million in grants.
- ◆ Interest rates increased over the prior year and contributed to greater than budgeted interest income.
- ◆ Continued spending on projects for the 2014 bond issuance, with just over \$1.8 million spent in 2017. There is still \$3.6 million unspent from the original bond issuance at December 2017.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2017

Revenues

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

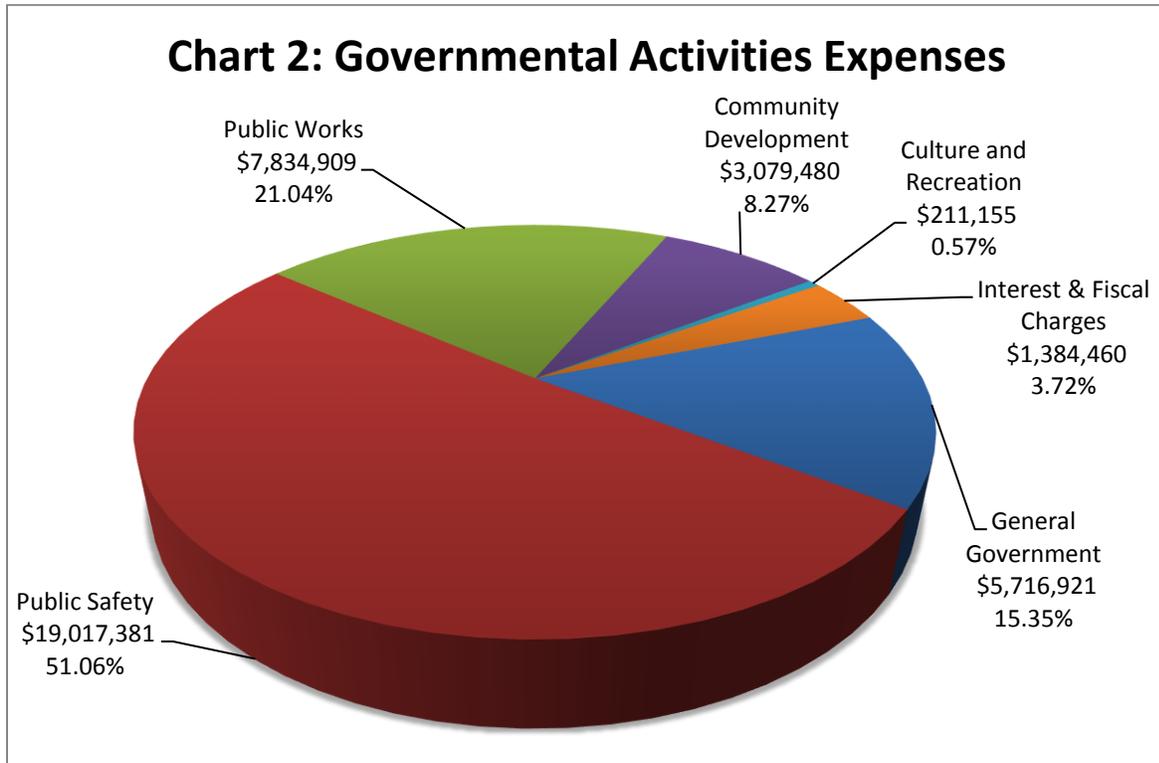


For the fiscal year ended December 31, 2017, revenues from governmental activities totaled \$38,762,960. Property taxes totaled \$14,610,907 representing 38% of total governmental funds' revenue. Sales and use taxes account for 23% of revenue and local utility tax combined with state income tax represents 13% of total governmental activity revenue.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2017

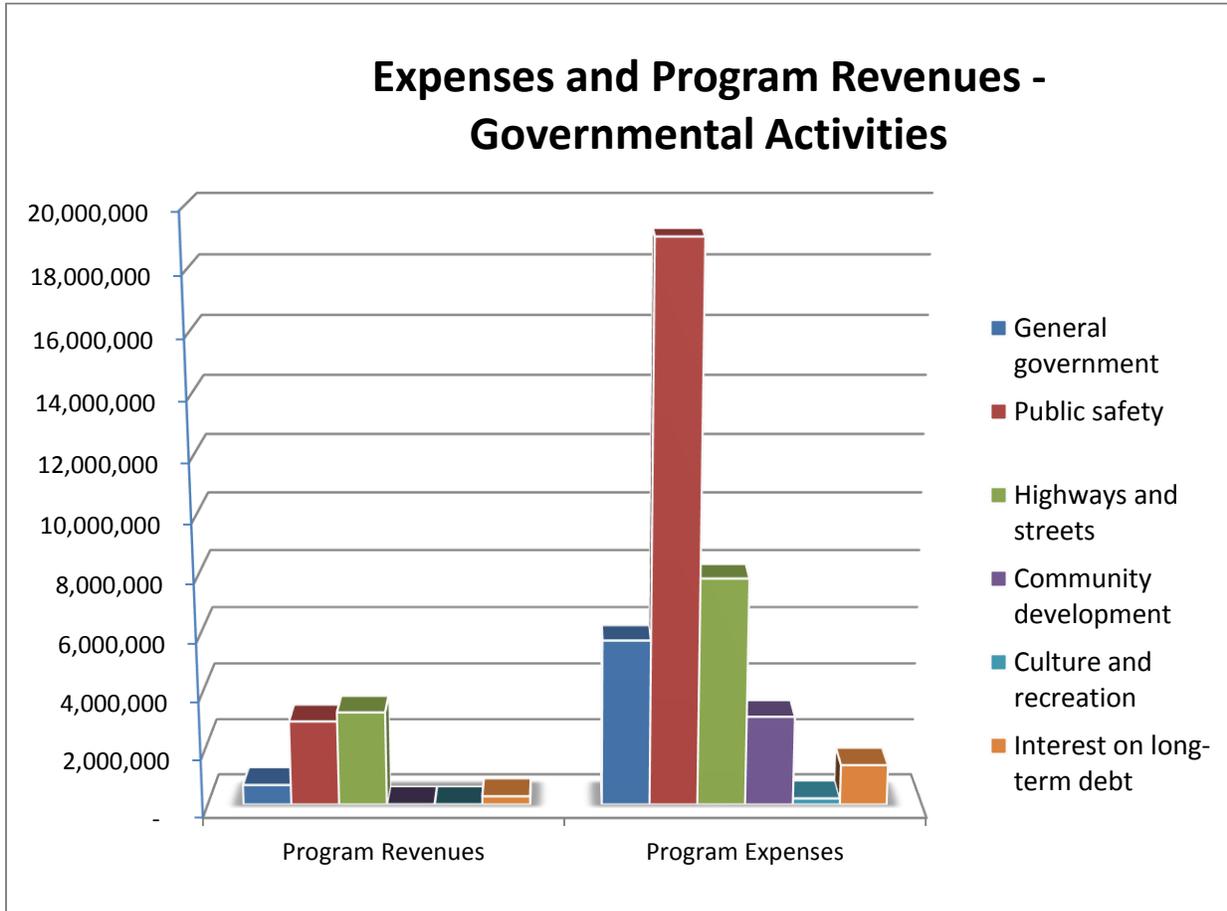
Expenses

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



For the fiscal year ended December 31, 2017 expenses from governmental activities totaled \$37,244,306. Public Safety, Public Works, and Community Development account for 51.06%, 21.04%, and 8.27% of all governmental activities expenses, respectively.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2017



Business-Type Activities

During the current fiscal period, net position for business-type activities increased \$891,594 from the prior fiscal year for an ending balance of \$42,874,219. This is the fourth increase in net position in a row and demonstrates the Water/Sewer fund is moving toward financial sustainability.

Current Year Impacts

- ◆ Operating expenses, including depreciation of \$2,412,938 were less than operating revenues by \$749,624.
- ◆ Water and sewer charges were approximately 8% over budget. The majority of this increase is the addition of a large water customer during the previous year, and not having a full year of data to budget. Water usage as a whole continues to decline.

Financial Analysis of the Village Funds

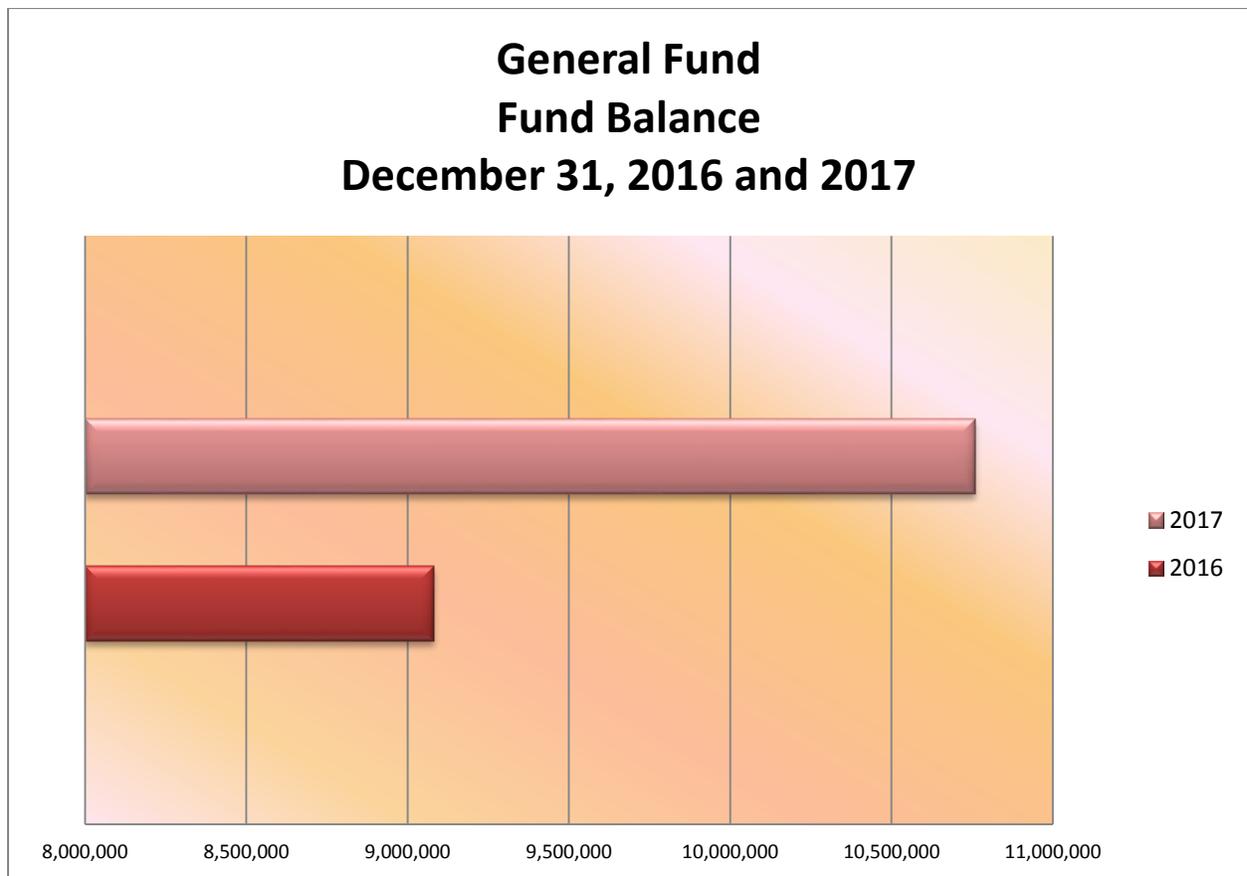
As noted earlier, the Village of Carpentersville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2017

Governmental Funds

The focus of the Village’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village’s financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Village of Carpentersville itself, or a group or individual that has been delegated authority to assign resources for use of particular purposes by the Village’s Board.

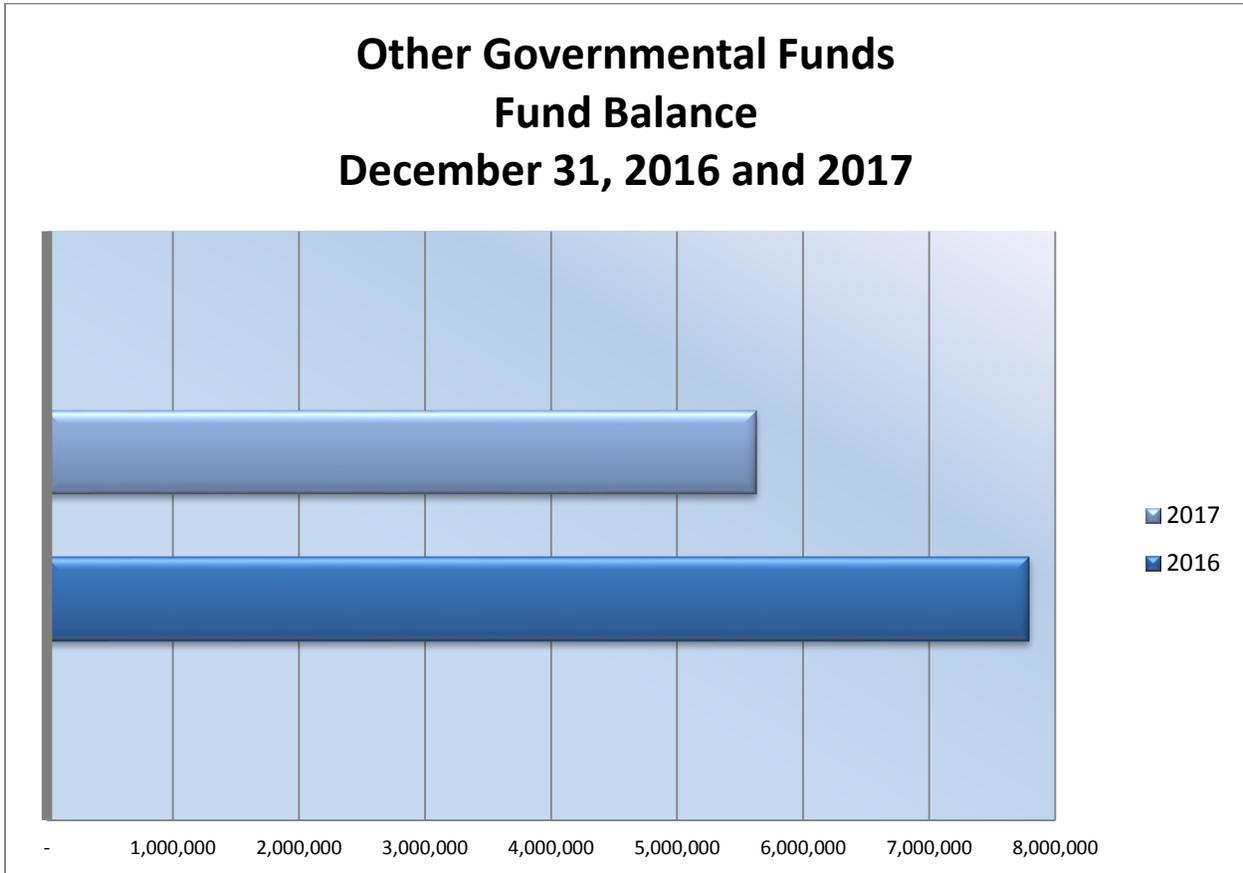
At December 31, 2017, the governmental funds reported a combined fund balance of \$16,382,193, which is a 2.9% decrease from the beginning of the year of \$16,872,611. Positive fund balances are *nonspendable, restricted, or assigned* to indicate that it is 1) not in spendable form (\$2,334,976), 2) legally required to be maintained intact (\$8,782,963), 3) assigned for particular purposes (\$3,736,938).



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 \$8,130,784 while total fund balance in the General Fund increased from \$9,080,155 in fiscal year 2016 to \$10,758,199 or 18.5% in fiscal year 2017. 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.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2017

Unassigned fund balance represents approximately 29% of total general fund expenditures, while total fund balance represents approximately 38% of that same amount. The increase in fund balance is largely due to revenues being more than budgeted and some expenditures coming in under budget.



The Capital Improvement 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 \$6,722,970 as of December 31, 2017, a decrease of \$1,884,287 from the 2016 fund balance of \$8,607,257. TIF #3 (Route 25) fund had deficit fund balance of \$6,602,411 as of December 31, 2017. This deficit will decrease as incremental property taxes are received.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2017

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 \$8,568,243. At December 31, 2017 the proprietary funds' total net position increased by \$891,594, or 2.1%, from \$41,982,625 in 2016 to \$42,874,219 in 2017.

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 2016 that were not spent until Fiscal Year 2017 and to cover excess expenditures over appropriations at fiscal year-end for Fiscal Year 2017.

Fund budget compared to actual results.

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

Revenue Source	Budgeted Revenues	Actual Revenues	Difference	% Difference
Sales Tax	7,860,000	9,019,909	1,159,909	14.76%
Income Tax	3,924,000	3,516,997	(407,003)	-10.37%
Local Use Tax	876,000	990,456	114,456	13.07%
Telecommunication Tax	456,000	382,867	(73,133)	-16.04%
Video Gaming Tax	110,000	210,166	100,166	91.06%

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 full year of operation. Income Tax declined due to the state's 10% reduction as noted above. Local Use tax was budgeted conservatively. Video Gaming Tax is higher than budget due to the addition of Video Gaming licenses during the year, and budgeting conservatively in the first few years of the program.

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

Expenditure Type	Budgeted Expenditures	Actual Expenditures	Difference	% Difference
General Services	4,268,982	4,061,529	(207,453)	-4.86%
Streets	2,552,614	2,373,658	(178,956)	-7.01%
Vehicle Maintenance	827,490	723,369	(104,121)	-12.58%

General Services saw some savings due to the refuse contract being renegotiated during the year and achieving a lower overall rate. Fiscal year 2018 will also see a small savings from the renegotiated contract. The Streets department kept personnel costs low and had a savings in the professional services category. Vehicle maintenance had lower fuel costs than anticipated and saved \$85,048 compared to budget.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2017

Capital Assets and Debt Administration
Table 3: Capital Assets

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Land	3,799,475	2,727,533	1,249,761	1,249,761	5,049,236	3,977,294
Right of ways	13,410,654	12,169,413	-	-	13,410,654	12,169,413
Construction in Progress	1,976,828	3,573,712	502,390	406,089	2,479,218	3,979,801
Land Improvements	1,383,655	219,362	-	-	1,383,655	219,362
Buildings	21,595,109	21,344,609	45,221,157	45,221,157	66,816,266	66,565,766
Vehicles	4,304,174	4,138,481	1,429,846	1,248,946	5,734,020	5,387,427
Equipment	3,474,536	3,102,830	3,255,783	3,210,506	6,730,319	6,313,336
Infrastructure	85,053,201	84,199,997	-	-	85,053,201	84,199,997
Water distribution system	-	-	42,275,377	42,275,377	42,275,377	42,275,377
Total Capital Assets	134,997,632	131,475,937	93,934,314	93,611,836	228,931,946	225,087,773
Less: Accumulated depreciation	(29,629,829)	(27,476,560)	(45,817,261)	(43,422,226)	(75,447,090)	(70,898,786)
Net Capital Assets	105,367,803	103,999,377	48,117,053	50,189,610	153,484,856	154,188,987

Capital assets. The Village's investment in capital assets net of related debt for its governmental and business-type activities as of December 31, 2017 amounts to \$112,962,836. 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.

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

- ◆ The purchase of various vehicles and equipment for a cost of \$709,190 in governmental activities and \$244,080 in business-type activities.
- ◆ Completion of the following projects:
 - Carpenter Park
 - Riversview Dr. culvert
 - Ball Ave. storm sewer
- ◆ Continued purchase of Right of Way and construction for the Route 31 & Huntley project
- ◆ Began the chemical feed project in the Water fund.

Additional information on the Village's capital assets can be found in Note 4 on pages 32-33 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 \$42,086,000, of which \$29,939,940 is attributed to governmental activities and \$12,146,060 is attributed to business-type activities.

VILLAGE OF CARPENTERSVILLE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
DECEMBER 31, 2017

The Village's loan from the Illinois Environmental Protection Agency for construction and engineering on the dewatering project carries an outstanding principal balance of \$2,063,296 in the Waterworks and Sewerage fund. The Village, under its home rule authority, does not have a legal debt limit and carries moderate debt burdens. The Village's current bond rating is Aa3.

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Bonds and notes payable						
General obligation bonds	29,939,940	31,313,890	12,146,060	13,307,110	42,086,000	44,621,000
IEPA loan	-	-	2,063,296	2,161,560	2,063,296	2,161,560
Premium on bonds payable	715,722	773,249	824,601	945,662	1,540,323	1,718,911
Other liabilities						
Vested compensated absences	901,103	836,769	141,572	158,143	1,042,675	994,912
Net pension liability	39,122,297	48,157,571	1,339,345	1,389,641	40,461,642	49,547,212
Other postemployment benefits	2,520,133	2,185,503	117,186	100,989	2,637,319	2,286,492
Insurance claims payable	250,273	346,158	-	-	250,273	346,158
Total	73,449,468	83,613,140	16,632,060	18,063,105	90,081,528	101,676,245

Additional information on the Village's long-term debt can be found in the Note 5 on pages 33-37 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, 2018 fiscal year budget.

- The property tax levy decreased by 0.03% due to a decrease in the police pension fund and debt service fund levy. The Corporate levy remained at \$7,475,000 for a third year in a row.
- The State of Illinois still has not made a determination on the impact to the Local Government Distributive Fund at the time this report was printed. It brings uncertainty to future State revenues.
- On the expenditure side, increases are expected in wages of contracted union positions and commodities and contractual services.
- The Village of Carpentersville continues to be self-insured for General Liability and Worker's Compensation losses.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to the Finance Department, Village of Carpentersville, 1200 L. W. Besinger Drive, Carpentersville, Illinois 60110.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 18,405,473	\$ 10,429,700	\$ 28,835,173
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	14,890,719	-	14,890,719
Other taxes	2,918,445	-	2,918,445
Accounts	493,973	1,375,710	1,869,683
Accrued interest	40,714	48,722	89,436
Other	1,757,401	-	1,757,401
Prepaid expenses	39,658	944	40,602
Due from other governments	1,224,428	-	1,224,428
Internal balances	(2,505)	2,505	-
Capital assets			
Not depreciated	19,186,957	1,752,151	20,939,108
Depreciated (net of accumulated depreciation)	86,180,846	46,364,902	132,545,748
	145,136,109	59,974,634	205,110,743
DEFERRED OUTFLOWS OF RESOURCES			
Pension items	3,254,302	630,348	3,884,650
Deferred charge on refunding	349,195	171,992	521,187
	3,603,497	802,340	4,405,837
Total assets and deferred outflows of resources	148,739,606	60,776,974	209,516,580

(This statement is continued on the following page.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2017

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable	\$ 5,534,069	\$ 618,403	\$ 6,152,472
Accrued payroll	674,448	90,023	764,471
Unearned revenue	58,399	10,730	69,129
Accrued interest payable	-	112,989	112,989
Deposits payable	839,858	250,938	1,090,796
Long-term liabilities			
Due within one year	1,914,678	1,335,448	3,250,126
Due in more than one year	71,534,790	15,296,612	86,831,402
 Total liabilities	 80,556,242	 17,715,143	 98,271,385
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	14,890,719	-	14,890,719
Pension items	8,174,295	187,612	8,361,907
 Total deferred inflows of resources	 23,065,014	 187,612	 23,252,626
 Total liabilities and deferred inflows of resources	 103,621,256	 17,902,755	 121,524,011
NET POSITION			
Net investment in capital assets	78,656,860	34,305,976	112,962,836
Restricted for			
Police department programs	92,496	-	92,496
Asset forfeiture	125,841	-	125,841
Street maintenance	829,843	-	829,843
Parks	340,063	-	340,063
Public improvements	2,303,508	-	2,303,508
Fire purposes	40,795	-	40,795
Debt service	1,454,892	-	1,454,892
Unrestricted (deficit)	(38,725,948)	8,568,243	(30,157,705)
 TOTAL NET POSITION	 \$ 45,118,350	 \$ 42,874,219	 \$ 87,992,569

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2017

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 5,716,921	\$ 687,453	\$ -	\$ -
Public safety	19,017,381	1,728,952	1,191,191	-
Public works	7,834,909	786,393	999,105	1,446,530
Community development	3,079,480	2,500	-	-
Culture and recreation	211,155	-	-	-
Interest	1,384,460	-	287,876	-
Total governmental activities	37,244,306	3,205,298	2,478,172	1,446,530
Business-Type Activities				
Waterworks and sewerage	8,271,157	8,578,759	-	-
Total business-type activities	8,271,157	8,578,759	-	-
TOTAL PRIMARY GOVERNMENT	\$ 45,515,463	\$ 11,784,057	\$ 2,478,172	\$ 1,446,530

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (5,029,468)	\$ -	\$ (5,029,468)
	(16,097,238)	-	(16,097,238)
	(4,602,881)	-	(4,602,881)
	(3,076,980)	-	(3,076,980)
	(211,155)	-	(211,155)
	(1,096,584)	-	(1,096,584)
	<u>(30,114,306)</u>	<u>-</u>	<u>(30,114,306)</u>
	-	307,602	307,602
	-	307,602	307,602
	<u>(30,114,306)</u>	<u>307,602</u>	<u>(29,806,704)</u>
General Revenues			
Taxes			
Property	14,610,907	-	14,610,907
Sales	9,019,909	-	9,019,909
Use	990,456	-	990,456
Utility	1,480,023	-	1,480,023
Local motor fuel	357,185	-	357,185
Telecommunications	510,490	-	510,490
Other	239,824	-	239,824
Intergovernmental			
Income tax	3,516,997	-	3,516,997
Replacement tax	165,768	-	165,768
Investment income	219,868	90,626	310,494
Miscellaneous	521,533	90,040	611,573
	<u>31,632,960</u>	<u>180,666</u>	<u>31,813,626</u>
CHANGE IN NET POSITION	<u>1,518,654</u>	<u>488,268</u>	<u>2,006,922</u>
NET POSITION, JANUARY 1	42,908,835	41,982,625	84,891,460
Change in accounting principle	690,861	403,326	1,094,187
NET POSITION, JANUARY 1 (RESTATED)	<u>43,599,696</u>	<u>42,385,951</u>	<u>85,985,647</u>
NET POSITION, DECEMBER 31	<u>\$ 45,118,350</u>	<u>\$ 42,874,219</u>	<u>\$ 87,992,569</u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2017

	General	TIF #3 Route 25	Capital Improvement Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 6,499,151	\$ -	\$ 6,284,573	\$ 5,621,749	\$ 18,405,473
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	11,546,528	621,478	-	2,722,713	14,890,719
Other taxes	2,888,834	-	-	29,611	2,918,445
Accounts	488,421	5,328	-	-	493,749
Accrued interest	4,845	-	25,694	10,175	40,714
Other	201,398	-	-	99,028	300,426
Prepaid items	36,792	-	-	1,100	37,892
Due from other governments	-	-	706,461	517,967	1,224,428
Due from other funds	14,193	-	-	1,057	15,250
Advances to other funds	2,297,084	-	-	-	2,297,084
TOTAL ASSETS	\$ 23,977,246	\$ 626,806	\$ 7,016,728	\$ 9,003,400	\$ 40,624,180

	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	\$ 539,262	\$ 4,310,655	\$ 293,758	\$ 357,582	\$ 5,501,257
Accrued payroll	674,275	-	-	173	674,448
Deposits payable	425,752	-	-	414,106	839,858
Unearned revenue	33,230	-	-	4,334	37,564
Due to other funds	-	-	-	1,057	1,057
Advances from other funds	-	2,297,084	-	-	2,297,084
Total liabilities	1,672,519	6,607,739	293,758	777,252	9,351,268
DEFERRED INFLOWS OF RESOURCES					
Unavailable property taxes	11,546,528	621,478	-	2,722,713	14,890,719
Total deferred inflows of resources	11,546,528	621,478	-	2,722,713	14,890,719
Total liabilities and deferred inflows of resources	13,219,047	7,229,217	293,758	3,499,965	24,241,987
FUND BALANCES					
Nonspendable					
Prepaid items	36,792	-	-	1,100	37,892
Advances	2,297,084	-	-	-	2,297,084
Restricted					
Police department programs	-	-	-	92,496	92,496
Asset forfeiture	125,841	-	-	-	125,841
Capital projects	-	-	3,595,525	-	3,595,525
Street maintenance	-	-	-	829,843	829,843
Parks	-	-	-	340,063	340,063
Public improvements	-	-	-	2,303,508	2,303,508
Fire purposes	-	-	-	40,795	40,795
Debt service	-	-	-	1,454,892	1,454,892
Assigned					
Community improvements	167,698	-	-	-	167,698
Carryforwards	-	-	3,127,445	-	3,127,445
Capital projects	-	-	-	441,795	441,795
Unassigned (deficit)	8,130,784	(6,602,411)	-	(1,057)	1,527,316
Total fund balances (deficit)	10,758,199	(6,602,411)	6,722,970	5,503,435	16,382,193
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 23,977,246	\$ 626,806	\$ 7,016,728	\$ 9,003,400	\$ 40,624,180

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, 2017

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 16,382,193
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	105,367,803
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	349,195
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	757,090
Police Pension Fund	(3,765,436)
Firefighters' Pension Fund	(1,911,647)
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Compensated absences payable	(901,103)
Bonds payable	(29,939,940)
Claims payable	(250,273)
Other postemployment benefit payable	(2,520,133)
Net pension liability for the Illinois Municipal Retirement Fund	(2,290,315)
Net pension liability for the Police Pension Fund	(27,857,884)
Net pension liability for the Firefighters' Pension Fund	(8,974,098)
Less amounts included in internal service funds below	250,273
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	(715,722)
The net position of the internal service fund is included in the governmental activities in the statement of net position	<u>1,138,347</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 45,118,350</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, 2017

	General	TIF #3 Route 25	Capital Improvement Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 23,581,637	\$ 440,121	\$ -	\$ 3,187,036	\$ 27,208,794
Intergovernmental	4,650,997	-	1,176,912	1,795,547	7,623,456
Licenses and permits	584,640	-	-	-	584,640
Charges for services	2,005,662	-	-	33,750	2,039,412
Fines and forfeitures	438,860	-	-	-	438,860
Investment income	49,407	-	64,026	106,435	219,868
Miscellaneous	622,116	-	500	25,314	647,930
Total revenues	31,933,319	440,121	1,241,438	5,148,082	38,762,960
EXPENDITURES					
Current					
General government	5,917,096	-	-	-	5,917,096
Public safety	17,780,665	-	-	54,588	17,835,253
Public works	3,097,027	-	-	419,612	3,516,639
Community development	1,335,100	16,092	-	666,883	2,018,075
Culture and recreation	220,536	-	-	5,454	225,990
Capital outlay	-	56,169	4,225,725	2,688,733	6,970,627
Debt service					
Principal retirement	-	-	-	1,373,950	1,373,950
Interest and fiscal charges	-	-	-	1,438,769	1,438,769
Total expenditures	28,350,424	72,261	4,225,725	6,647,989	39,296,399
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,582,895	367,860	(2,984,287)	(1,499,907)	(533,439)
OTHER FINANCING SOURCES (USES)					
Transfers in	38,685	-	1,100,000	1,766,886	2,905,571
Transfers (out)	(1,943,536)	(5,926)	-	(956,109)	(2,905,571)
Sale of capital assets	-	-	-	43,021	43,021
Total other financing sources (uses)	(1,904,851)	(5,926)	1,100,000	853,798	43,021
NET CHANGE IN FUND BALANCES	1,678,044	361,934	(1,884,287)	(646,109)	(490,418)
FUND BALANCES (DEFICIT), JANUARY 1	9,080,155	(6,964,345)	8,607,257	6,149,544	16,872,611
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 10,758,199	\$ (6,602,411)	\$ 6,722,970	\$ 5,503,435	\$ 16,382,193

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, 2017

NET CHANGE IN FUND BALANCES -	
TOTAL GOVERNMENTAL FUNDS	\$ (490,418)
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	3,693,486
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	5,713,197
Firefighters' Pension Fund	3,240,290
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	(370,707)
Police Pension Fund	(6,040,140)
Firefighters' Pension Fund	(3,266,446)
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	25,782
The repayment of the principal portion long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	1,373,950
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	(2,325,060)
Accrued interest	28,527
Compensated absences	(64,334)
Other postemployment benefit	(334,630)
The change in net position of internal service funds is reported with governmental activities	253,370
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 1,518,654

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2017

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service Funds
CURRENT ASSETS		
Cash and investments	\$ 10,429,700	\$ -
Receivables (net of allowances)		
Accounts	1,375,710	224
Accrued interest	48,722	-
Other	-	1,456,975
Prepaid expenses	944	1,766
Due from other funds	2,505	-
	<hr/>	<hr/>
Total current assets	11,857,581	1,458,965
CAPITAL ASSETS		
Nondepreciable	1,752,151	-
Depreciable	92,182,163	-
Accumulated depreciation	(45,817,261)	-
	<hr/>	<hr/>
Net capital assets	48,117,053	-
	<hr/>	<hr/>
Total assets	59,974,634	1,458,965
DEFERRED OUTFLOWS OF RESOURCES		
Pension items - IMRF	630,348	-
Deferred charge on refunding	171,992	-
	<hr/>	<hr/>
Total deferred outflows of resources	802,340	-
	<hr/>	<hr/>
Total assets and deferred outflows of resources	60,776,974	1,458,965

(This statement is continued on the following page.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF NET POSITION (Continued)
 PROPRIETARY FUNDS

December 31, 2017

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service Funds
CURRENT LIABILITIES		
Accounts payable	\$ 618,403	\$ 32,812
Accrued payroll	90,023	-
Unearned revenue	10,730	20,835
Accrued interest payable	112,989	-
Claims payable	-	125,137
Due to other funds	-	16,698
Deposits payable	250,938	-
Compensated absences payable	28,314	-
Bonds payable	1,206,900	-
IEPA loans payable	100,234	-
Total current liabilities	<u>2,418,531</u>	<u>195,482</u>
LONG-TERM LIABILITIES		
Compensated absences payable	113,258	-
Claims payable	-	125,136
Bonds payable	11,763,761	-
Net other postemployment benefit obligation	117,186	-
IEPA loans payable	1,963,062	-
IMRF net pension liability	1,339,345	-
Total long-term liabilities	<u>15,296,612</u>	<u>125,136</u>
Total liabilities	<u>17,715,143</u>	<u>320,618</u>
DEFERRED INFLOWS OF RESOURCES		
Pension items - IMRF	187,612	-
Total deferred inflows of resources	<u>187,612</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>17,902,755</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	34,305,976	-
Unrestricted	8,568,243	1,138,347
TOTAL NET POSITION	<u>\$ 42,874,219</u>	<u>\$ 1,138,347</u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2017

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service Funds
OPERATING REVENUES		
Charges for services	\$ 8,317,594	\$ 4,447,150
Service fees and penalties	261,165	-
Miscellaneous	84,562	-
Total operating revenues	8,663,321	4,447,150
OPERATING EXPENSES		
Administration	743,995	-
Operations	4,756,764	4,193,780
Depreciation and amortization	2,412,938	-
Total operating expenses	7,913,697	4,193,780
OPERATING INCOME	749,624	253,370
NON-OPERATING REVENUES (EXPENSES)		
Investment income	90,626	-
Disposal of capital assets	5,478	-
Interest and fiscal charges	(357,460)	-
Total non-operating revenues (expenses)	(261,356)	-
CHANGE IN NET POSITION	488,268	253,370
NET POSITION, JANUARY 1	41,982,625	884,977
Change in accounting principle	403,326	-
NET POSITION, JANUARY 1 (RESTATED)	42,385,951	884,977
NET POSITION, DECEMBER 31	\$ 42,874,219	\$ 1,138,347

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended December 31, 2017

	Business-Type Activities	Governmental Activities
	Waterworks and Sewerage	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 8,509,541	\$ 365,961
Receipts from interfund services transactions	-	3,772,979
Receipts from others	-	307,877
Receipts from miscellaneous	84,562	-
Payments for interfund services transactions	(587,986)	(234,844)
Payments to suppliers	(1,987,825)	(4,214,104)
Payments to employees	(2,331,585)	-
Net cash from operating activities	<u>3,686,707</u>	<u>(2,131)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interfund activity	<u>37,303</u>	-
Net cash from noncapital financing activities	<u>37,303</u>	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital assets purchased	(513,739)	-
Proceeds from disposal of capital assets	5,478	-
Principal payments on long-term debt	(1,259,314)	-
Interest payments on long-term debt	(487,744)	-
Net cash from capital and related financing activities	<u>(2,255,319)</u>	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(2,789,814)	-
Interest received on investments	(12,865)	-
Net cash from investing activities	<u>(2,802,679)</u>	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,333,988)	(2,131)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>2,657,018</u>	<u>2,131</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 1,323,030</u>	<u>\$ -</u>

(This statement is continued on the following page.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
 PROPRIETARY FUNDS

For the Year Ended December 31, 2017

	<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	\$ 749,624	\$ 253,370
Adjustments to reconcile operating income to net cash from operating activities		
Depreciation and amortization	2,412,938	-
Changes in assets and liabilities		
Accounts receivable	(49,996)	(224)
Other receivables	-	(388,661)
Prepaid expenses	(294)	432,326
Accounts payable	473,270	31,896
Accrued payroll	(47,516)	-
Deposits payable	(19,534)	-
Claims payable	-	(95,885)
Interfund balance	-	(234,844)
Net other postemployment benefit obligation	16,197	-
Unearned revenue	312	(109)
Pension amounts	168,277	-
Compensated absences	(16,571)	-
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 3,686,707</u>	<u>\$ (2,131)</u>
CASH AND INVESTMENTS		
Cash and cash equivalents	\$ 1,323,030	\$ -
Investments	9,106,670	-
TOTAL CASH AND INVESTMENTS	<u>\$ 10,429,700</u>	<u>\$ -</u>
NONCASH TRANSACTIONS		
Contributed capital assets	\$ -	\$ -
TOTAL NONCASH TRANSACTIONS	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS

December 31, 2017

	Pension Trust
	<hr/>
ASSETS	
Cash and short-term investments	\$ 69,358
Investments, at fair value	
Money market mutual funds	1,312,046
U.S. Treasury obligations	11,581,507
U.S. agency obligations	9,090,654
Municipal bonds	1,563,603
Equities	16,235,560
Corporate bonds	1,790,886
Equity mutual funds	23,932,213
Receivables	
Accrued interest	136,558
Prepaid expenses	<hr/> 4,278
 Total assets	 <hr/> 65,716,663
 LIABILITIES	
Accounts payable	<hr/> 22,239
 Total liabilities	 <hr/> 22,239
 NET POSITION RESTRICTED FOR PENSIONS	 <hr/> <hr/> \$ 65,694,424

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, 2017

ADDITIONS

Contributions

Employer contributions	\$ 3,829,796
Employee contributions	<u>927,007</u>

Total contributions	<u>4,756,803</u>
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Investment income

Net appreciation in fair value of investments	6,089,067
Interest	<u>1,681,905</u>

Total investment income	7,770,972
Less investment expense	<u>(228,232)</u>

Net investment income	<u>7,542,740</u>
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Total additions	<u>12,299,543</u>
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DEDUCTIONS

Administration	88,036
Pension benefits	<u>3,685,654</u>

Total deductions	<u>3,773,690</u>
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NET INCREASE	8,525,853
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**NET POSITION RESTRICTED
FOR PENSIONS**

January 1	<u>57,168,571</u>
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December 31	<u><u>\$ 65,694,424</u></u>
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See accompanying notes to financial statements.

VILLAGE OF CARPENTERSVILLE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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 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 2017 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 2017 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, 2017.

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

i. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads and bridges) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost in excess of \$10,000 for machinery, equipment and vehicles, \$50,000 for buildings improvements, \$100,000 for land improvements and infrastructure, \$1 for land and right of way and an estimated useful life in excess of one year.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Capital Assets (Continued)

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. 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	30-50
Machinery and equipment	5-20
Utility system	5-75
Infrastructure	10-75

j. Compensated Absences

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

k. Long-Term Obligations

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2017:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Municipal bonds	\$ 9,783,635	\$ 4,747,810	\$ 5,035,825	\$ -	\$ -
U.S. agency	693,509	693,509	-	-	-
Bond mutual funds	32,012	-	-	28,890	3,122
Negotiable CDs	3,205,359	1,973,278	1,232,081	-	-
TOTAL	\$ 13,714,515	\$ 7,414,597	\$ 6,267,906	\$ 28,890	\$ 3,122

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, 2017. The U.S. agency obligations, municipal obligations, and negotiable certificates of deposit are valued using quoted matrix pricing models (Level 2 inputs). The bond mutual fund is measured based on the net asset value of the shares in the fund, which is based on the fair value of the underlying investments in the mutual fund (Level 3 input).

The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. agency securities, external investment pools and state and local government bonds rated within the four highest general classifications established by a national rating service. 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.

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

IMET is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

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

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

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Investments (Continued)

Investments (Continued)

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

3. RECEIVABLES

The following receivables are included in other receivables on the statement of net position at December 31, 2017:

GOVERNMENTAL ACTIVITIES

Insurance receivables	\$ 1,456,975
Telecommunications tax	88,832
Franchise fee	100,173
Other	<u>111,421</u>

TOTAL GOVERNMENTAL ACTIVITIES \$ 1,757,401

The following receivables are included in due from other governments on the statement of net position at December 31, 2017:

GOVERNMENTAL ACTIVITIES

Illinois Department of Transportation - Grant Reimbursements	\$ 706,461
Illinois Department of Transportation - MFT allotments	84,610
Illinois Department of Natural Resources - Grant Reimbursements	400,000
Kane County, Illinois - Grant Reimbursements	<u>33,357</u>

TOTAL GOVERNMENTAL ACTIVITIES \$ 1,224,428

BUSINESS-TYPE ACTIVITIES

Other	<u>\$ 12,585</u>
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TOTAL BUSINESS-TYPE ACTIVITIES \$ 12,585

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

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 2,727,533	\$ 1,071,942	\$ -	\$ 3,799,475
Right of ways	12,169,413	1,241,241	-	13,410,654
Construction in progress	3,573,712	508,141	2,105,025	1,976,828
Total capital assets not being depreciated	<u>18,470,658</u>	<u>2,821,324</u>	<u>2,105,025</u>	<u>19,186,957</u>
Capital assets being depreciated				
Land improvements	219,362	1,164,293	-	1,383,655
Building and improvements	21,344,609	250,500	-	21,595,109
Vehicles	4,138,481	337,484	171,791	4,304,174
Equipment	3,102,830	371,706	-	3,474,536
Roads	48,256,116	-	-	48,256,116
Storm sewers	32,055,407	853,204	-	32,908,611
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>113,005,279</u>	<u>2,977,187</u>	<u>171,791</u>	<u>115,810,675</u>
Less accumulated depreciation for				
Land improvements	21,936	53,434	-	75,370
Buildings and improvements	4,525,000	429,151	-	4,954,151
Vehicles	3,051,466	244,890	171,791	3,124,565
Equipment	1,743,640	208,678	-	1,952,318
Roads	11,628,696	965,122	-	12,593,818
Storm sewers	5,993,026	356,899	-	6,349,925
Bridges	418,694	45,676	-	464,370
Retaining walls	36,249	2,941	-	39,190
Parking lot	57,853	18,269	-	76,122
Total accumulated depreciation	<u>27,476,560</u>	<u>2,325,060</u>	<u>171,791</u>	<u>29,629,829</u>
Total capital assets being depreciated, net	<u>85,528,719</u>	<u>652,127</u>	<u>-</u>	<u>86,180,846</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET				
	<u>\$ 103,999,377</u>	<u>\$ 3,473,451</u>	<u>\$ 2,105,025</u>	<u>\$ 105,367,803</u>

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

4. CAPITAL ASSETS (Continued)

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

GOVERNMENTAL ACTIVITIES

General government	\$ 98,625
Public safety	408,698
Public works	1,764,779
Culture and recreation	<u>52,958</u>

TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES \$ 2,325,060

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 1,249,761	\$ -	\$ -	\$ 1,249,761
Construction in progress	406,089	365,077	268,776	502,390
Total capital assets not being depreciated	<u>1,655,850</u>	<u>365,077</u>	<u>268,776</u>	<u>1,752,151</u>
Capital assets being depreciated				
Water and wastewater treatment improvements	45,221,157	-	-	45,221,157
Water distribution and sewer collection	42,275,377	-	-	42,275,377
Vehicles	1,248,946	198,803	17,903	1,429,846
Equipment	3,210,506	45,277	-	3,255,783
Total capital assets being depreciated	<u>91,955,986</u>	<u>244,080</u>	<u>17,903</u>	<u>92,182,163</u>
Less accumulated depreciation for				
Water and wastewater treatment improvements	26,232,377	1,457,971	-	27,690,348
Water distribution and sewer collection	15,309,714	716,579	-	16,026,293
Vehicles	979,043	96,629	17,903	1,057,769
Equipment	901,092	141,759	-	1,042,851
Total accumulated depreciation	<u>43,422,226</u>	<u>2,412,938</u>	<u>17,903</u>	<u>45,817,261</u>
Total capital assets being depreciated, net	<u>48,533,760</u>	<u>(2,168,858)</u>	<u>-</u>	<u>46,364,902</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 50,189,610</u>	<u>\$ (1,803,781)</u>	<u>\$ 268,776</u>	<u>\$ 48,117,053</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, 2017 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 3.00% to 4.50%; principal payable annually on December 30).	General Debt Service	Public Improvements	\$ 288,100	\$ -	\$ 174,200	\$ 113,900	\$ 113,900
	Waterworks and Sewerage	Public Improvements	141,900	-	85,800	56,100	56,100
General Obligation Bond Series 2010 - Build America Bonds (dated August 9, 2010; maturing December 30, 2030; original issue \$20,000,000; interest rates 1.12% to 6.35%; principal payable annually on December 30).	General Debt Service	Street Improvements and Public Works Building	15,760,000	-	745,000	15,015,000	760,000
	General Debt Service	Public Improvements	7,812,870	-	324,750	7,488,120	380,000
General Obligation Bonds, Series 2014 (dated December 10, 2014; maturing December 30, 2034; original issue \$9,560,000; interest rates 2.00% to 4.00%; principal payable annually on December 30).	Waterworks and Sewerage	Public Improvements	1,127,130	-	50,250	1,076,880	-
	General Debt Service	Public Improvements	7,812,870	-	324,750	7,488,120	380,000
General Obligation Refunding Bond Series 2015A (dated March 5, 2015; maturing July 25, 2023; original issue \$8,105,000; interest rates 2.50% to 4.00%; principal payable semiannually on July 15 and January 15).	Waterworks and Sewerage	Refunding	6,940,000	-	895,000	6,045,000	920,000
	General Debt Service	Public Improvements	7,812,870	-	324,750	7,488,120	380,000

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

5. LONG-TERM DEBT (Continued)

b. Changes in General Obligation Bonds (Continued)

Issue	Fund Debt Retired By	Purpose	Balances January 1	Additions	Reductions/ 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 4.00%, principal payable annually on December 30).	General Debt Service	Public Improvements	\$ 2,812,500	\$ -	\$ 130,000	\$ 2,682,500	\$ 135,000
	Waterworks and Sewerage	Public Improvements	2,812,500	-	130,000	2,682,500	135,000
General Obligation Refunding Bonds, Series 2016 (dated August 29, 2016; maturing December 30, 2028; original issue \$6,926,000; interest rate at 1.80%, principal payable annually on December 30).	General Debt Service	Refunding	4,640,420	-	-	4,640,420	91,120
	Waterworks and Sewerage	Refunding	2,285,580	-	-	2,285,580	44,880
TOTAL			<u>\$ 44,621,000</u>	<u>\$ -</u>	<u>\$ 2,535,000</u>	<u>\$ 42,086,000</u>	<u>\$ 2,636,000</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
2018	\$ 1,429,100	\$ 1,348,828	\$ 2,777,928	\$ 1,206,900	\$ 414,993	\$ 1,621,893
2019	1,818,990	1,295,666	3,114,656	1,482,010	378,401	1,860,411
2020	1,869,350	1,228,926	3,098,276	1,536,650	323,794	1,860,444
2021	1,925,560	1,160,191	3,085,751	1,595,440	267,088	1,862,528
2022	1,979,580	1,089,303	3,068,883	1,650,420	208,153	1,858,573
2023	2,039,450	1,009,464	3,048,914	1,708,550	147,104	1,855,654
2024	2,111,150	927,015	3,038,165	624,850	95,137	719,987
2025	2,179,010	841,440	3,020,450	642,990	75,734	718,724
2026	2,255,530	742,112	2,997,642	661,470	55,074	716,544
2027	2,624,730	638,928	3,263,658	306,270	33,749	340,019
2028	2,720,090	504,617	3,224,707	312,910	26,732	339,642
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	\$ 29,939,940	\$ 11,603,552	\$ 41,543,492	\$ 12,146,060	\$ 2,096,577	\$ 14,242,637

Year Ending December 31,	IEPA Loans Business-Type Activities	
	Principal	Interest
	2018	\$ 100,234
2019	102,243	38,921
2020	104,293	36,871
2021	106,384	34,780
2022	108,517	32,647
2023	110,693	30,471
2024	112,912	28,252
2025	115,176	25,988
2026	117,485	23,679
2027	119,841	21,323
2028	122,244	18,920
2029	124,695	16,469
2030	127,195	13,969
2031	129,745	11,419
2032	132,347	8,817
2033	135,000	6,164
2034	137,707	3,457
2035	56,585	13,997
TOTAL	\$ 2,063,296	\$ 407,074

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

5. LONG-TERM DEBT (Continued)

e. Changes in Long-Term Liabilities

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

	Balances January 1 (restated)	Issuances	Reductions/ Refunding	Balances December 31	Current Portion
General obligation bonds payable	\$ 31,313,890	\$ -	\$ 1,373,950	\$ 29,939,940	\$ 1,429,100
Premium on bonds payable	773,249	-	57,527	715,722	-
Compensated absences payable	836,769	901,103	836,769	901,103	360,441
Net pension liability - IMRF	2,372,102	-	81,787	2,290,315	-
Net pension liability - Police	33,571,081	-	5,713,197	27,857,884	-
Net pension liability - Fire	12,214,388	-	3,240,290	8,974,098	-
Net other postemployment benefit obligation	2,185,503	334,630	-	2,520,133	-
Insurance claims payable	346,158	-	95,885	250,273	125,137
TOTAL GOVERNMENTAL ACTIVITIES	\$ 83,613,140	\$ 1,235,733	\$ 11,399,405	\$ 73,449,468	\$ 1,914,678

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

During the year ended 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	\$ 13,307,110	\$ -	\$ 1,161,050	\$ 12,146,060	\$ 1,206,900
Premium on bonds payable	945,662	-	121,061	824,601	-
IEPA loan	2,161,560	-	98,264	2,063,296	100,234
Compensated absences	158,143	15,058	31,629	141,572	28,314
Net pension liability - IMRF	1,389,641	-	50,296	1,339,345	-
Net other postemployment benefit obligation	100,989	16,197	-	117,186	-
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 18,063,105	\$ 31,255	\$ 1,462,300	\$ 16,632,060	\$ 1,335,448

6. RISK MANAGEMENT

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

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

6. RISK MANAGEMENT (Continued)

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

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

Changes in the balances of claims liabilities during the fiscal years ended December 31, 2017 and 2016 are as follows:

	2017	2016
UNPAID CLAIMS - BEGINNING OF YEAR	\$ 346,158	\$ 676,315
Incurred claims (including IBNR)	2,868	(51,960)
Claims payments	(98,753)	(278,197)
	<u>\$ 250,273</u>	<u>\$ 346,158</u>
UNPAID CLAIMS - END OF YEAR	<u>\$ 250,273</u>	<u>\$ 346,158</u>

Intergovernmental Personnel Benefit Cooperative

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

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

6. RISK MANAGEMENT (Continued)

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

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

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

The Village also makes monthly payments to IPBC for administration of the plan. The Village had an estimated terminal reserve net of deficit of other accounts as of December 31, 2017 of \$1,406,975. 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, 2017.

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	\$ 2,505
General	Internal Service	14,193
Nonmajor Governmental	Nonmajor Governmental	<u>1,057</u>
TOTAL		<u>\$ 17,755</u>

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

- \$16,698 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>\$ 2,297,084</u>
TOTAL		<u>\$ 2,297,084</u>

- \$2,297,084 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, 2017 were as follows:

	Transfers In	Transfers Out
General		
Nonmajor Governmental (Park Trust)	\$ 3,127	\$ -
Nonmajor Governmental (TIF #1)	17,779	-
Nonmajor Governmental (TIF #5)	11,853	-
Tax Increment Financing #3	5,926	-
Nonmajor Governmental (Capital Equipment Replacement)	-	600,000
Nonmajor Governmental (Debt Service)	-	243,536
Capital Improvement Projects	-	1,100,000
	<hr/>	<hr/>
Total General	38,685	1,943,536
	<hr/>	<hr/>
Nonmajor governmental		
General	843,536	32,759
Nonmajor governmental	923,350	923,350
Capital Improvement Projects	-	-
	<hr/>	<hr/>
Total nonmajor governmental	1,766,886	956,109
	<hr/>	<hr/>
Capital Improvement Projects		
General	1,100,000	-
	<hr/>	<hr/>
Tax Increment Financing #3		
General	-	5,926
	<hr/>	<hr/>
TOTAL	\$ 2,905,571	\$ 2,905,571
	<hr/>	<hr/>

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. \$100,000 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.
- \$600,000 was transferred to the nonmajor governmental funds from the General Fund. \$600,000 was transferred to the Capital Equipment Replacement Fund to fund capital purchases and maintenance. This transfer will not be repaid.

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

8. INDIVIDUAL FUND DISCLOSURES (Continued)

c. Interfund Transfers (Continued)

- \$923,350 was transferred to nonmajor governmental funds from nonmajor governmental funds. \$487,400 was transferred to Tax Increment Financing #5 from 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 \$(1,057) and TIF # 3 (Route 25) had a deficit fund balance of \$(6,602,411) as of December 31, 2017.

9. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

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

b. Membership

At December 31, 2017, membership consisted of:

Retirees and beneficiaries currently receiving benefits	25
Terminated employees entitled to benefits but not yet receiving them	-
Active plan members	172
TOTAL	197
Participating employers	1

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

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Benefits Provided

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

All health care benefits are provided through the Village's health insurance plan with IPBC. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer and the Village's plan becomes secondary.

d. Funding Policy

The Village negotiates the contribution percentages between the Village and employees through the union contracts and personnel policy. Retirees currently contribute 100% of the blended rate cost of coverage, including spousal coverage. For the year ended December 31, 2017, retirees contributed \$304,178 and the Village contributed \$218,206. The Village is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

e. Annual OPEB Costs and Net OPEB Obligation

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the year ended December 31, 2017 and the prior two periods was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2015	\$ 316,277	\$ 158,084	49.98%	\$ 2,069,455
December 31, 2016	471,948	254,911	54.01%	2,286,492
December 31, 2017	569,033	218,206	38.35%	2,637,319

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

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

The net OPEB obligation (NOPEBO) at December 31, 2017 was calculated as follows:

Annual required contribution	\$ 604,715
Interest on net OPEB obligation	91,460
Adjustment to annual required contribution	<u>(127,142)</u>
Annual OPEB cost	569,033
Contributions made	<u>(218,206)</u>
Increase in net OPEB obligation	350,827
Net OPEB obligation, beginning of year	<u>2,286,492</u>
NET OPEB OBLIGATION, END OF YEAR	<u>\$ 2,637,319</u>

The funded status of the plan as of December 31, 2017 was as follows:

Actuarial accrued liability (AAL)	\$ 5,302,899
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	5,302,899
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 14,118,766
UAAL as a percentage of covered payroll	37.56%

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

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

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

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. Actuarial Methods and Assumptions

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

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

In the December 31, 2017 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return and an annual healthcare cost trend rate of 7.50% initially, reduced by decrements to an ultimate rate of 5.00% after six years. Both rates include a 2.50% 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.

The aggregate pension expense and net pension liability for the three defined benefit pension plans was \$5,276,856 and \$40,461,642, respectively, for the year ended December 31, 2017.

a. Plan Descriptions

Illinois Municipal Retirement Fund

Plan Administration

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

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Administration (Continued)

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in 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	<u>83</u>
 TOTAL	 <u><u>226</u></u>

Benefits Provided

All employees (other than those covered by the Police or Firefighters' Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

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

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund Continued)

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the year ended December 31, 2017 was 11.16% 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

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.

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. 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, 2017	\$ 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)
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, 2017	\$ 27,364,603	\$ 23,734,943	\$ 3,629,660

Changes in assumptions related to the discount rate were made since the prior measurement date.

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended December 31, 2017, the Village recognized pension expense of \$1,093,961.

At December 31, 2017, 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
	<u> </u>	<u> </u>
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	-
Contributions subsequent to the measurement date	<u>636,990</u>	<u>-</u>
TOTAL	<u><u>\$ 1,708,260</u></u>	<u><u>\$ 508,434</u></u>

\$636,990 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2018	\$ 159,095
2019	159,095
2020	219,740
2021	24,906
2022	-
Thereafter	<u>-</u>
TOTAL	<u><u>\$ 562,836</u></u>

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability	\$ 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.

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, 2017, 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	59
	<hr/>
TOTAL	102
	<hr/> <hr/>

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive 2.50% of salary for each year of service. The monthly benefit shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later.

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until 2040 to fund 90% of the past service cost for the Police Pension Plan. The Village has chosen a policy to fund 100% of the past service costs by 2040. For the year ended December 31, 2017, the Village's contribution was 46.97% of covered payroll.

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy

ILCS limits the Police Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorizes the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds and Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities and real estate investment trusts. The Fund's investment policy was not revised during the year ended December 31, 2017.

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	35.00%	2.71%
Domestic Equities	52.50%	7.94%
International Equities	10.00%	2.49%
Real Estate	2.50%	8.17%

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy (Continued)

The long-term expected rate of return on the Fund's investments was determined using the intermediate returns of the indexes included in the Fund's investment policy target. The best estimate ranges of expected nominal rates of return (including inflation) were developed for each investable index for the Fund as of December 31, 2017. 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, 2017 are listed in the table above.

Investment Valuations

All investments in the plan are stated at fair value and are recorded as of the trade date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.90%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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, 2017:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 10,437,906	\$ 812,624	\$ 8,027,625	\$ 1,597,657	\$ -
U.S. agency obligations	1,569,338	1,058	1,474,811	-	93,469
Corporate bonds	1,790,886	699,689	1,091,197	-	-
TOTAL	\$ 13,798,130	\$ 1,513,371	\$ 10,593,633	\$ 1,597,657	\$ 93,469

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, 2017: 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).

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Credit Risk

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

Concentration of Credit Risk

Concentration of credit risk is the risk that the Fund has a high percentage of their investments invested in one type of investment. The Fund's investment policy requires diversification of investment to avoid unreasonable risk.

Custodial Credit Risk

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

Discount Rate

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

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2017	\$ 70,517,378	\$ 36,946,297	\$ 33,571,081
Changes for the period			
Service cost	1,491,977	-	1,491,977
Interest	4,846,657	-	4,846,657
Difference between expected and actual experience	(490,941)	-	(490,941)
Changes in assumptions	(3,396,386)	-	(3,396,386)
Employer contributions	-	2,615,967	(2,615,967)
Employee contributions	-	544,302	(544,302)
Net investment income	-	5,050,122	(5,050,122)
Benefit payments and refunds	(2,558,848)	(2,558,848)	-
Administrative expense	-	(45,887)	45,887
Net changes	(107,541)	5,605,656	(5,713,197)
BALANCES AT DECEMBER 31, 2017	\$ 70,409,837	\$ 42,551,953	\$ 27,857,884

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, 2017
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.50% to 11.00%
Interest rate	7.00%
Cost of living adjustments	3.00% (Tier 1) 2.00% (Tier 2)
Asset valuation method	Market

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

Discount Rate Sensitivity

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net pension liability	\$ 37,750,422	\$ 27,857,884	\$ 19,737,010

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, 2017, the Village recognized pension expense of \$2,942,910. At December 31, 2017, 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	\$ -	\$ 894,674
Changes in assumptions	1,167,912	3,222,936
Net difference between projected and actual earnings on pension plan investments	-	815,738
TOTAL	\$ 1,167,912	\$ 4,933,348

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>	
2018	\$ (291,244)
2019	(478,677)
2020	(1,279,088)
2021	(1,299,928)
2022	(416,499)
Thereafter	-
TOTAL	\$ (3,765,436)

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, 2017, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	27
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	<u>34</u>
 TOTAL	 <u><u>64</u></u>

Benefits Provided

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

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

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 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with fewer than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. Contributions are recognized when due pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Firefighters' Pension Plan. The costs of administering the Firefighters' Pension Plan are financed through investment earnings. The Village is required to finance the Firefighters' Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until 2040 to fund 90% of the past service cost for the Firefighters' Pension Plan. The Village has chosen a policy to fund 100% of the past service costs by 2040. For the year ended December 31, 2017, the Village's contribution was 39.56% 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, 2017.

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Large Cap Domestic Equity	35.00%	6.60%
Small Cap Domestic Equity	10.00%	8.50%
International Equity	5.00%	6.40%
Fixed Income	50.00%	1.40%

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Investment Policy (Continued)

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

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

The long-term expected rate of return on the Fund's investments was determined using *Stocks, Bonds, Bills and Inflation 2013 Yearbook - Morningstar*, for the period of December 31, 1977 through December 31, 2015. The long-term expected rate of return on the International Equity class was based on the MCSI EAFE index for the period of December 31, 1969 through December 31, 2017. 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, 2017 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, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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.

Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2017:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 1,143,601	\$ 101,211	\$ 915,984	\$ 126,406	\$ -
U.S. agency obligations	7,521,316	392,090	2,500,474	4,628,752	-
Municipal bonds	1,563,603	-	1,196,188	314,593	52,822
TOTAL	\$ 10,228,520	\$ 493,301	\$ 4,612,646	\$ 5,069,751	\$ 52,822

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, 2017: 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.

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Credit Risk

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

Custodial Credit Risk

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

Concentration of Credit Risk

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

Discount Rate

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

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2017	\$ 32,436,662	\$ 20,222,274	\$ 12,214,388
Changes for the period			
Service cost	963,744	-	963,744
Interest	2,231,128	-	2,231,128
Difference between expected and actual experience	(658,180)	-	(658,180)
Changes in assumptions	(1,729,979)	-	(1,729,979)
Employer contributions	-	1,213,829	(1,213,829)
Employee contributions	-	382,705	(382,705)
Net investment income	-	2,492,618	(2,492,618)
Benefit payments and refunds	(1,126,806)	(1,126,806)	-
Administrative expense	-	(42,149)	42,149
Net changes	(320,093)	2,920,197	(3,240,290)
BALANCES AT DECEMBER 31, 2017	\$ 32,116,569	\$ 23,142,471	\$ 8,974,098

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)

Firefighters' Pension Plan (Continued)

Actuarial Assumptions

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

Actuarial valuation date	December 31, 2017
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	5.50%
Interest rate	7.00%
Cost of living adjustments	Tier 1 at 3.00% Tier 2 at 2.00%
Asset valuation method	Market

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

Discount Rate Sensitivity

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net pension liability	\$ 13,808,984	\$ 8,974,098	\$ 5,027,300

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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

For the year ended December 31, 2017, the Village recognized pension expense of \$1,239,985. At December 31, 2017, 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	\$ 325,647	\$ 915,721
Changes in assumption	682,831	1,693,925
Net difference between projected and actual earnings on pension plan investments	-	310,479
TOTAL	\$ 1,008,478	\$ 2,920,125

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

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

<u>Year Ending December 31,</u>	
2018	\$ (183,782)
2019	(183,782)
2020	(394,317)
2021	(492,144)
2022	(318,702)
Thereafter	<u>(338,920)</u>
TOTAL	\$ (1,911,647)

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

b. Pension Fund Disclosures

Plan Net Position

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 50	\$ 69,308	\$ 69,358
Investments, at fair value			
Money market mutual funds	935,497	376,549	1,312,046
U.S. Treasury obligations	10,437,906	1,143,601	11,581,507
U.S. agency obligations	1,569,338	7,521,316	9,090,654
Municipal bonds	-	1,563,603	1,563,603
Equities	16,235,560	-	16,235,560
Corporate bonds	1,790,886	-	1,790,886
Equity mutual funds	11,502,289	12,429,924	23,932,213
Accrued interest	81,227	55,331	136,558
Prepaid items	250	4,028	4,278
	<hr/>		
Total assets	42,553,003	23,163,660	65,716,663
LIABILITIES			
Accounts payable	1,050	21,189	22,239
	<hr/>		
Total liabilities	1,050	21,189	22,239
	<hr/>		
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	\$ 42,551,953	\$ 23,142,471	\$ 65,694,424

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

b. Pension Fund Disclosures (Continued)

Changes in Plan Net Position

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 2,615,967	\$ 1,213,829	\$ 3,829,796
Employee	544,302	382,705	927,007
Total contributions	3,160,269	1,596,534	4,756,803
Investment income			
Net appreciation in fair value of investments	4,466,201	1,622,866	6,089,067
Interest	746,230	935,675	1,681,905
Total investment income	5,212,431	2,558,541	7,770,972
Less investment expense	(162,309)	(65,923)	(228,232)
Net investment income	5,050,122	2,492,618	7,542,740
Total additions	8,210,391	4,089,152	12,299,543
DEDUCTIONS			
Administration	45,887	42,149	88,036
Pension benefits and refunds	2,558,848	1,126,806	3,685,654
Total deductions	2,604,735	1,168,955	3,773,690
NET INCREASE	5,605,656	2,920,197	8,525,853
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
January 1	36,946,297	20,222,274	57,168,571
December 31	\$ 42,551,953	\$ 23,142,471	\$ 65,694,424

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

11. TAX ABATEMENTS

The Village rebates home rule sales tax to encourage economic development in the Village. The terms of these rebate arrangements are specified within written agreements with the business concerned through the Village's economic development program. There are no recapture provisions if the business fails to meet or maintain the criteria established in the written agreements. These agreements are authorized through resolutions approved by the Village Board of Trustees. The Village did not rebate any home rule sales tax during the year ended December 31, 2017.

12. CHANGE IN ACCOUNTING PRINCIPLE

In 2015, the Village adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27*.

This standard required the Village to recognize a net pension liability, deferred inflows of resources and deferred outflows of resources in its government-wide financial statements and enterprise funds for its pension plans.

In 2017, the Village made a determination to report information from the December 31, 2016 actuarial valuation from IMRF in order to continue its dedication to timely financial reporting. Therefore, the related amounts were restated for the prior year to reflect the net pension liability and deferred outflows of resources from December 31, 2016.

The beginning net position reported in the government-wide financial statements has been restated as follows:

	Governmental Activities
BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	\$ 42,908,835
To rollback net pension liability and deferred outflows at December 31, 2016 to IMRF December 31, 2015 measurement date	274,385
To record contributions subsequent to the measurement date at December 31, 2016	416,476
BEGINNING NET POSITION, AS RESTATED	\$ 43,599,696

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

12. CHANGE IN ACCOUNTING PRINCIPLE (Continued)

	<u>Business-Type Activities</u>
BEGINNING NET POSITION, AS PREVIOUSLY REPORTED	\$ 41,982,625
To rollback net pension liability and deferred outflows at December 31, 2016 to IMRF December 31, 2015 measurement date	159,777
To record contributions subsequent to the measurement date at December 31, 2016	<u>243,549</u>
BEGINNING NET POSITION, AS RESTATED	<u>\$ 42,385,951</u>

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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Taxes	\$ 22,361,793	\$ 22,361,793	\$ 23,581,637
Intergovernmental	4,935,700	4,935,700	4,650,997
Licenses and permits	549,688	549,688	584,640
Charges for services	1,937,614	1,937,614	2,005,662
Fines and forfeitures	277,000	277,000	438,860
Interest	13,000	13,000	49,407
Miscellaneous	549,933	549,933	622,116
Total revenues	<u>30,624,728</u>	<u>30,624,728</u>	<u>31,933,319</u>
EXPENDITURES			
General government	6,279,195	6,279,195	5,917,096
Public safety	18,420,217	18,420,217	17,780,665
Public works	3,380,104	3,380,104	3,097,027
Community development	1,345,027	1,345,027	1,335,100
Culture and recreation	244,524	244,524	220,536
Total expenditures	<u>29,669,067</u>	<u>29,669,067</u>	<u>28,350,424</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>955,661</u>	<u>955,661</u>	<u>3,582,895</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	86,378	86,378	38,685
Transfers (out)	(943,536)	(1,943,536)	(1,943,536)
Total other financing sources (uses)	<u>(857,158)</u>	<u>(1,857,158)</u>	<u>(1,904,851)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 98,503</u>	<u>\$ (901,497)</u>	1,678,044
FUND BALANCE, JANUARY 1			<u>9,080,155</u>
FUND BALANCE, DECEMBER 31			<u>\$ 10,758,199</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, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 465,000	\$ 465,000	\$ 440,121
Total revenues	<u>465,000</u>	<u>465,000</u>	<u>440,121</u>
EXPENDITURES			
Current			
Community development			
Contractual services	1,100	21,249	16,092
Capital outlay	30,000	56,500	56,169
Total expenditures	<u>31,100</u>	<u>77,749</u>	<u>72,261</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>433,900</u>	<u>387,251</u>	<u>367,860</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(33,551)</u>	<u>(33,551)</u>	<u>(5,926)</u>
Total other financing sources (uses)	<u>(33,551)</u>	<u>(33,551)</u>	<u>(5,926)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 400,349</u>	<u>\$ 353,700</u>	361,934
FUND BALANCE (DEFICIT), JANUARY 1			<u>(6,964,345)</u>
FUND BALANCE (DEFICIT), DECEMBER 31			<u>\$ (6,602,411)</u>

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2017

BUDGETS

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

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

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

Fund	Actual Expenditures	Final Budget	Excess
Veteran's Memorial Garden Fund	\$ 3,200	\$ 3,000	\$ 200

VILLAGE OF CARPENTERSVILLE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFIT PLAN

December 31, 2017

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)
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%
2017	-	5,302,899	0.00%	5,302,899	14,118,766	37.56%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
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%
2017	218,206	604,715	36.08%

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 Three Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2015	2016	2017
Actuarially determined contribution	\$ 643,088	\$ 659,799	\$ 636,391
Contributions in relation to the actuarially determined contribution	643,088	659,799	636,391
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 5,611,585	\$ 5,772,517	\$ 5,702,426
Contributions as a percentage of covered-employee payroll	11.46%	11.43%	11.16%

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 available.

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND**

Last Four Fiscal Periods

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

* 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 23 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return at 7.00% annually, projected salary increases assumption of 3.50% to 11.00% compounded annually and postretirement benefit increases of 3.00% compounded annually.

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

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

Last Four Fiscal Periods

FISCAL PERIOD ENDED DECEMBER 31,	2015	2015*	2016	2017
Actuarially determined contribution	\$ 654,008	\$ 1,010,754	\$ 722,056	\$ 1,213,828
Contributions in relation to the actuarially determined contribution	<u>654,009</u>	<u>1,010,757</u>	<u>1,107,232</u>	<u>1,213,829</u>
CONTRIBUTION DEFICIENCY (Excess)	<u>\$ (1)</u>	<u>\$ (3)</u>	<u>\$ (385,176)</u>	<u>\$ (1)</u>
Covered-employee payroll	\$ 3,065,913	\$ 3,215,405	\$ 3,086,539	\$ 3,068,111
Contributions as a percentage of covered-employee payroll	21.33%	31.43%	35.87%	39.56%

* 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 23 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return at 7.00% annually, projected salary increases assumption of 3.50% to 12.50% compounded annually and postretirement benefit increases of 3.00% compounded annually.

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

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

Last Three Fiscal Years

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

The retirement age and mortality assumptions were changed in 2014.

The discount rate assumption was changed in 2015 and 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 Four Fiscal Periods

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

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

Notes to Required Supplementary Information

There was a change in 2015, 2015*, 2016 and 2017 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 Four Fiscal Periods

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

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

Notes to Required Supplementary Information

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

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 Four Fiscal Periods

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

* 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 Four Fiscal Periods

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

* 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, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 11,499,793	\$ 11,499,793	\$ 11,498,216
Sales	7,860,000	7,860,000	9,019,909
Local use	876,000	876,000	990,456
Utility tax	1,560,000	1,560,000	1,480,023
Telecommunications	456,000	456,000	382,867
Video gaming tax	110,000	110,000	210,166
Total taxes	22,361,793	22,361,793	23,581,637
Intergovernmental			
Illinois state income tax	3,924,000	3,924,000	3,516,997
Illinois state replacement tax	142,000	142,000	165,768
Fire protection district fees	869,700	869,700	937,800
Grants	-	-	28,451
Pull tabs	-	-	1,981
Total intergovernmental	4,935,700	4,935,700	4,650,997
Licenses and permits			
Business licenses	31,000	31,000	28,135
Liquor licenses	47,000	47,000	59,530
Vending licenses	7,000	7,000	3,535
Video gaming licenses	350	350	11,295
Rental licenses	163,497	163,497	197,994
Building permits	175,000	175,000	104,391
Electrical permits	56,646	56,646	129,985
Plumbing permits	29,945	29,945	11,514
Other permits	39,250	39,250	38,261
Total licenses and permits	549,688	549,688	584,640
Fines and forfeitures			
Local ordinance fines	106,500	106,500	175,487
Court fines	145,500	145,500	227,434
Admin tow fees	15,000	15,000	33,750
Asset forfeiture	10,000	10,000	2,189
Total fines and forfeitures	277,000	277,000	438,860

(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, 2017

	Original Budget	Final Budget	Actual
REVENUES (Continued)			
Charges for services			
Law enforcement	\$ 265,500	\$ 265,500	\$ 281,011
Fire protection	6,000	6,000	4,148
Ambulance	826,000	826,000	909,662
Environmental surcharge	825,094	825,094	793,911
Village services	10,200	10,200	12,130
Other charges for services	4,820	4,820	4,800
	<hr/>	<hr/>	<hr/>
Total charges for services	1,937,614	1,937,614	2,005,662
	<hr/>	<hr/>	<hr/>
Interest			
Investment income	13,000	13,000	49,407
	<hr/>	<hr/>	<hr/>
Miscellaneous			
Cable franchise fees	400,000	400,000	414,722
Rent	87,828	87,828	86,988
Contributions	3,350	3,350	6,054
Reimbursements	45,305	45,305	81,217
Other	13,450	13,450	33,135
	<hr/>	<hr/>	<hr/>
Total miscellaneous	549,933	549,933	622,116
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	\$ 30,624,728	\$ 30,624,728	\$ 31,933,319

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
EXPENDITURES			
General government			
Legislative	\$ 245,285	\$ 245,285	\$ 203,428
Administration	467,447	467,447	444,751
Information technology	422,511	422,511	388,952
Finance	471,867	471,867	472,311
General services	4,268,982	4,268,982	4,061,529
Public buildings	403,103	403,103	346,125
Total general government	<u>6,279,195</u>	<u>6,279,195</u>	<u>5,917,096</u>
Public safety			
Police	11,692,907	11,692,907	11,210,518
Fire and police commission	45,390	45,390	31,450
Fire	6,681,920	6,681,920	6,538,697
Total public safety	<u>18,420,217</u>	<u>18,420,217</u>	<u>17,780,665</u>
Public works			
Streets and highways	2,552,614	2,552,614	2,373,658
Vehicle maintenance	827,490	827,490	723,369
Total public works	<u>3,380,104</u>	<u>3,380,104</u>	<u>3,097,027</u>
Community development			
Community development	1,345,027	1,345,027	1,335,100
Total community development	<u>1,345,027</u>	<u>1,345,027</u>	<u>1,335,100</u>
Culture and recreation			
Parks	244,524	244,524	220,536
Total culture and recreation	<u>244,524</u>	<u>244,524</u>	<u>220,536</u>
TOTAL EXPENDITURES	<u><u>\$ 29,669,067</u></u>	<u><u>\$ 29,669,067</u></u>	<u><u>\$ 28,350,424</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, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental	\$ 240,000	\$ 1,203,580	\$ 1,176,912
Investment income	13,000	13,000	64,026
Miscellaneous	-	-	500
Total revenues	<u>253,000</u>	<u>1,216,580</u>	<u>1,241,438</u>
EXPENDITURES			
Capital outlay	<u>6,382,375</u>	<u>9,079,761</u>	<u>4,225,725</u>
Total expenditures	<u>6,382,375</u>	<u>9,079,761</u>	<u>4,225,725</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(6,129,375)</u>	<u>(7,863,181)</u>	<u>(2,984,287)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>
Total other financing sources (uses)	<u>100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (6,029,375)</u></u>	<u><u>\$ (6,763,181)</u></u>	<u>(1,884,287)</u>
FUND BALANCE, JANUARY 1			<u>8,607,257</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 6,722,970</u></u>

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUND

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

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS (Continued)

SPECIAL REVENUE FUNDS (Continued)

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

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

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

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

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

CAPITAL PROJECT FUND

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

PERMANENT FUND

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

VILLAGE OF CARPENTERSVILLE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2017

	Debt Service		Special Revenue			
	Debt Service	Motor Fuel Tax	Veterans' Memorial Garden	SSA #1 Newport Cove	SSA #2 Oak Meadows	SSA #3 Keele Farms
ASSETS						
Cash and investments	\$ 1,355,864	\$ 764,229	\$ 711	\$ 20,430	\$ 2,914	\$ 35,109
Receivables						
Property taxes	1,908,936	-	-	18,000	1,000	-
Other taxes	-	-	-	-	-	-
Accounts	99,028	-	-	-	-	-
Accrued interest	-	-	-	-	-	-
Prepaid items	1,100	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	84,610	-	-	-	-
TOTAL ASSETS	\$ 3,364,928	\$ 848,839	\$ 711	\$ 38,430	\$ 3,914	\$ 35,109
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ 18,996	\$ -	\$ -	\$ -	\$ -
Wages payable	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	-	18,996	-	-	-	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable property tax revenue	1,908,936	-	-	18,000	1,000	-
Total deferred inflows of resources	1,908,936	-	-	18,000	1,000	-
Total liabilities and deferred inflows of resources	1,908,936	18,996	-	18,000	1,000	-
FUND BALANCES						
Nonspendable						
Prepaid items	1,100	-	-	-	-	-
Restricted						
Capital projects	-	829,843	-	-	-	-
Parks	-	-	711	-	-	-
Public improvements	-	-	-	20,430	2,914	35,109
Police purposes	-	-	-	-	-	-
Fire purposes	-	-	-	-	-	-
Debt service	1,454,892	-	-	-	-	-
Assigned						
Capital projects	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-
Total fund balances (deficit)	1,455,992	829,843	711	20,430	2,914	35,109
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 3,364,928	\$ 3,364,928	\$ 711	\$ 38,430	\$ 3,914	\$ 35,109

SSA #21 White Oaks	TIF #1 Spring Hill Center for Commerce	TIF #4 Spring Hill Mall Redevelopment	Special Revenue				Capital Projects		Permanent	Total Nonmajor Governmental Funds
			TIF #5 Old Town	Foreign Fire Tax Board	Strengthening Families	Escrow	Equipment Replacement	Park Trust		
\$ 10,950	\$ 248,152	\$ -	\$ 1,834,500	\$ 40,795	\$ 97,036	\$ 416,411	\$ 455,296	\$ 339,352	\$ 5,621,749	
4,500	643,424	1,316	145,537	-	-	-	-	-	2,722,713	
-	-	-	-	-	-	-	29,611	-	29,611	
-	-	-	-	-	-	-	-	-	99,028	
-	-	-	10,175	-	-	-	-	-	10,175	
-	-	-	-	-	-	-	-	-	1,100	
-	1,057	-	-	-	-	-	-	-	1,057	
-	-	-	433,357	-	-	-	-	-	517,967	
\$ 15,450	\$ 892,633	\$ 1,316	\$ 2,423,569	\$ 40,795	\$ 97,036	\$ 416,411	\$ 484,907	\$ 339,352	\$ 9,003,400	
\$ -	\$ -	\$ -	\$ 295,441	\$ -	\$ 33	\$ -	\$ 43,112	\$ -	\$ 357,582	
-	-	-	-	-	173	-	-	-	173	
-	-	-	30,000	-	-	384,106	-	-	414,106	
-	-	-	-	-	4,334	-	-	-	4,334	
-	-	1,057	-	-	-	-	-	-	1,057	
-	-	1,057	325,441	-	4,540	384,106	43,112	-	777,252	
4,500	643,424	1,316	145,537	-	-	-	-	-	2,722,713	
4,500	643,424	1,316	145,537	-	-	-	-	-	2,722,713	
4,500	643,424	2,373	470,978	-	4,540	384,106	43,112	-	3,499,965	
-	-	-	-	-	-	-	-	-	1,100	
-	-	-	-	-	-	-	-	-	829,843	
-	-	-	-	-	-	-	-	339,352	340,063	
10,950	249,209	-	1,952,591	-	-	32,305	-	-	2,303,508	
-	-	-	-	-	92,496	-	-	-	92,496	
-	-	-	-	40,795	-	-	-	-	40,795	
-	-	-	-	-	-	-	-	-	1,454,892	
-	-	-	-	-	-	-	441,795	-	441,795	
-	-	(1,057)	-	-	-	-	-	-	(1,057)	
10,950	249,209	(1,057)	1,952,591	40,795	92,496	32,305	441,795	339,352	5,503,435	
\$ 15,450	\$ 892,633	\$ 1,316	\$ 2,423,569	\$ 40,795	\$ 97,036	\$ 416,411	\$ 484,907	\$ 339,352	\$ 9,003,400	

(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, 2017

	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	\$ 2,272,464	\$ -	\$ -	\$ 34,942	\$ 1,000	\$ -
Intergovernmental	287,876	999,105	-	-	-	-
Charges for services	33,750	-	-	-	-	-
Investment income	17,077	7,216	42	-	-	-
Miscellaneous	-	-	980	-	-	-
Total revenues	2,611,167	1,006,321	1,022	34,942	1,000	-
EXPENDITURES						
Current						
Public safety	-	-	-	-	-	-
Public works	-	402,608	-	9,284	750	4,380
Community development	-	-	-	-	-	-
Culture and recreation	-	-	3,200	-	-	-
Capital outlay	-	157,477	-	-	-	-
Debt service						
Principal retirement	1,373,950	-	-	-	-	-
Interest and fiscal charges	1,438,769	-	-	-	-	-
Total expenditures	2,812,719	560,085	3,200	9,284	750	4,380
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(201,552)	446,236	(2,178)	25,658	250	(4,380)
OTHER FINANCING SOURCES (USES)						
Transfers in	620,486	-	-	-	-	-
Transfers (out)	-	(376,950)	(49,000)	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	620,486	(376,950)	(49,000)	-	-	-
NET CHANGE IN FUND BALANCES	418,934	69,286	(51,178)	25,658	250	(4,380)
FUND BALANCES (DEFICIT), JANUARY 1	1,037,058	760,557	51,889	(5,228)	2,664	39,489
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 1,455,992	\$ 829,843	\$ 711	\$ 20,430	\$ 2,914	\$ 35,109

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	
\$ 4,500	\$ 618,282	\$ 1,031	\$ 97,537	\$ 29,658	\$ -	\$ -	\$ 127,622	\$ -	\$ 3,187,036
-	-	-	269,619	-	-	-	238,947	-	1,795,547
-	-	-	-	-	-	-	-	-	33,750
-	3,714	-	21,799	12	34	2,020	3,751	50,770	106,435
-	-	-	-	-	24,334	-	-	-	25,314
4,500	621,996	1,031	388,955	29,670	24,368	2,020	370,320	50,770	5,148,082
-	-	-	-	35,634	18,954	-	-	-	54,588
2,590	-	-	-	-	-	-	-	-	419,612
-	74,050	1,522	591,311	-	-	-	-	-	666,883
-	-	-	-	-	-	-	-	2,254	5,454
-	62,075	-	1,347,684	-	-	-	1,121,497	-	2,688,733
-	-	-	-	-	-	-	-	-	1,373,950
-	-	-	-	-	-	-	-	-	1,438,769
2,590	136,125	1,522	1,938,995	35,634	18,954	-	1,121,497	2,254	6,647,989
1,910	485,871	(491)	(1,550,040)	(5,964)	5,414	2,020	(751,177)	48,516	(1,499,907)
-	-	-	546,400	-	-	-	600,000	-	1,766,886
-	(505,179)	-	(11,853)	-	-	-	-	(13,127)	(956,109)
-	-	-	-	-	-	-	43,021	-	43,021
-	(505,179)	-	534,547	-	-	-	643,021	(13,127)	853,798
1,910	(19,308)	(491)	(1,015,493)	(5,964)	5,414	2,020	(108,156)	35,389	(646,109)
9,040	268,517	(566)	2,968,084	46,759	87,082	30,285	549,951	303,963	6,149,544
\$ 10,950	\$ 249,209	\$ (1,057)	\$ 1,952,591	\$ 40,795	\$ 92,496	\$ 32,305	\$ 441,795	\$ 339,352	\$ 5,503,435

(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, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 1,900,000	\$ 1,900,000	\$ 1,915,279
Local motor fuel tax	215,000	215,000	357,185
Intergovernmental	287,712	287,712	287,876
Fines and forfeitures	15,000	15,000	33,750
Investment income	5,000	5,000	17,077
Total revenues	2,422,712	2,422,712	2,611,167
EXPENDITURES			
Debt service			
Principal retirement	1,373,950	1,373,950	1,373,950
Interest and fiscal charges	1,151,531	1,439,252	1,438,769
Total expenditures	2,525,481	2,813,202	2,812,719
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(102,769)	(390,490)	(201,552)
OTHER FINANCING SOURCES (USES)			
Transfers in	620,486	620,486	620,486
Total other financing sources (uses)	620,486	620,486	620,486
NET CHANGE IN FUND BALANCE	\$ 517,717	\$ 229,996	418,934
FUND BALANCE, JANUARY 1			1,037,058
FUND BALANCE, DECEMBER 31			\$ 1,455,992

(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, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
State motor fuel tax	\$ 980,000	\$ 980,000	\$ 999,105
Investment income	2,500	2,500	7,216
	<hr/>	<hr/>	<hr/>
Total revenues	982,500	982,500	1,006,321
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
Public works			
Commodities	454,500	454,500	327,692
Contractual services	75,060	75,060	74,916
Capital outlay	150,000	150,000	157,477
	<hr/>	<hr/>	<hr/>
Total expenditures	679,560	679,560	560,085
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<hr/>	<hr/>	<hr/>
	302,940	302,940	446,236
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	(376,950)	(376,950)	(376,950)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(376,950)	(376,950)	(376,950)
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<hr/>	<hr/>	<hr/>
	\$ (74,010)	\$ (74,010)	69,286
	<hr/>	<hr/>	<hr/>
FUND BALANCE, JANUARY 1			<hr/>
			760,557
			<hr/>
FUND BALANCE, DECEMBER 31			<hr/>
			\$ 829,843
			<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, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ 24	\$ 24	\$ 42
Miscellaneous	70	70	980
Total revenues	<u>94</u>	<u>94</u>	<u>1,022</u>
EXPENDITURES			
Culture and recreation			
Commodities	<u>3,000</u>	<u>3,000</u>	<u>3,200</u>
Total expenditures	<u>3,000</u>	<u>3,000</u>	<u>3,200</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,906)</u>	<u>(2,906)</u>	<u>(2,178)</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(49,000)</u>	<u>(49,000)</u>	<u>(49,000)</u>
Total other financing sources (uses)	<u>(49,000)</u>	<u>(49,000)</u>	<u>(49,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (51,906)</u>	<u>\$ (51,906)</u>	<u>(51,178)</u>
FUND BALANCE, JANUARY 1			<u>51,889</u>
FUND BALANCE, DECEMBER 31			<u>\$ 711</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, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 35,000	\$ 35,000	\$ 34,942
Total revenues	35,000	35,000	34,942
EXPENDITURES			
Public works			
Commodities	10,000	10,000	-
Contractual services	8,400	8,400	9,284
Total expenditures	18,400	18,400	9,284
NET CHANGE IN FUND BALANCE	\$ 16,600	\$ 16,600	25,658
FUND BALANCE (DEFICIT), JANUARY 1			(5,228)
FUND BALANCE, DECEMBER 31			\$ 20,430

(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, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 1,000	\$ 1,000	\$ 1,000
Total revenues	1,000	1,000	1,000
EXPENDITURES			
Public works			
Contractual services	1,000	1,000	750
Total expenditures	1,000	1,000	750
NET CHANGE IN FUND BALANCE	\$ -	\$ -	250
FUND BALANCE, JANUARY 1			2,664
FUND BALANCE, DECEMBER 31			\$ 2,914

(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, 2017

	Original Budget	Final Budget	Actual
REVENUES			
None	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
Public works			
Contractual services	20,000	20,000	4,380
Total expenditures	20,000	20,000	4,380
NET CHANGE IN FUND BALANCE	<u>\$ (20,000)</u>	<u>\$ (20,000)</u>	(4,380)
FUND BALANCE, JANUARY 1			<u>39,489</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 35,109</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, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ 4,500	\$ 4,500	\$ 4,500
Total revenues	<u>4,500</u>	<u>4,500</u>	<u>4,500</u>
EXPENDITURES			
Public works			
Contractual services	<u>10,000</u>	<u>10,000</u>	<u>2,590</u>
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>2,590</u>
NET CHANGE IN FUND BALANCE	<u>\$ (5,500)</u>	<u>\$ (5,500)</u>	1,910
FUND BALANCE, JANUARY 1			<u>9,040</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 10,950</u></u>

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 600,000	\$ 600,000	\$ 618,282
Investment income	1,500	1,500	3,714
Total revenues	<u>601,500</u>	<u>601,500</u>	<u>621,996</u>
EXPENDITURES			
Current			
Community development			
Capital outlay	155,000	155,000	62,075
Contractual services	2,300	73,045	74,050
Total expenditures	<u>157,300</u>	<u>228,045</u>	<u>136,125</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>444,200</u>	<u>373,455</u>	<u>485,871</u>
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(2,204,176)</u>	<u>(504,176)</u>	<u>(505,179)</u>
Total other financing sources (uses)	<u>(2,204,176)</u>	<u>(504,176)</u>	<u>(505,179)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,759,976)</u>	<u>\$ (130,721)</u>	<u>(19,308)</u>
FUND BALANCE, JANUARY 1			<u>268,517</u>
FUND BALANCE, DECEMBER 31			<u>\$ 249,209</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, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 325	\$ 325	\$ 1,031
Total revenues	<u>325</u>	<u>325</u>	<u>1,031</u>
EXPENDITURES			
Current			
Community development			
Contractual services	<u>1,100</u>	<u>1,523</u>	<u>1,522</u>
Total expenditures	<u>1,100</u>	<u>1,523</u>	<u>1,522</u>
NET CHANGE IN FUND BALANCE	<u>\$ (775)</u>	<u>\$ (1,198)</u>	(491)
FUND BALANCE (DEFICIT), JANUARY 1			<u>(566)</u>
FUND BALANCE (DEFICIT), DECEMBER 31			<u><u>\$ (1,057)</u></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, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property taxes	\$ -	\$ 97,537	\$ 97,537
Intergovernmental	-	269,619	269,619
Investment income	2,400	2,400	21,799
	<hr/>	<hr/>	<hr/>
Total revenues	2,400	369,556	388,955
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
Community development			
Contractual services	324,632	917,752	591,311
Capital outlay	2,410,621	3,642,717	1,347,684
	<hr/>	<hr/>	<hr/>
Total expenditures	2,735,253	4,560,469	1,938,995
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,732,853)	(4,190,913)	(1,550,040)
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfers in	2,246,400	546,400	546,400
Transfers (out)	(33,551)	(33,551)	(11,853)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	2,212,849	512,849	534,547
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ (520,004)	\$ (3,678,064)	(1,015,493)
	<hr/>	<hr/>	<hr/>
FUND BALANCE, JANUARY 1			2,968,084
			<hr/>
FUND BALANCE, DECEMBER 31			\$ 1,952,591
			<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, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Foreign fire	\$ 26,400	\$ 26,400	\$ 29,658
Investment income	9	9	12
	<hr/>	<hr/>	<hr/>
Total revenues	26,409	26,409	29,670
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Public safety			
Commodities	19,800	34,023	28,602
Contractual services	6,600	6,600	7,032
	<hr/>	<hr/>	<hr/>
Total expenditures	26,400	40,623	35,634
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ 9	\$ (14,214)	(5,964)
	<hr/>	<hr/>	<hr/>
FUND BALANCE, JANUARY 1			46,759
			<hr/>
FUND BALANCE, DECEMBER 31			\$ 40,795
			<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, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ 26	\$ 26	\$ 34
Miscellaneous			
Contributions	26,667	26,667	24,334
Total revenues	26,693	26,693	24,368
EXPENDITURES			
Public Safety			
Personnel services	12,102	12,941	12,901
Contractual services	60	60	60
Commodities	3,000	6,000	5,993
Total expenditures	15,162	19,001	18,954
NET CHANGE IN FUND BALANCE	\$ 11,531	\$ 7,692	5,414
FUND BALANCE, JANUARY 1			87,082
FUND BALANCE, DECEMBER 31			\$ 92,496

(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, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ 260	\$ 260	\$ 2,020
Total revenues	<u>260</u>	<u>260</u>	<u>2,020</u>
EXPENDITURES			
None	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 260</u>	<u>\$ 260</u>	2,020
FUND BALANCE, JANUARY 1			<u>30,285</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 32,305</u></u>

(See independent auditor's report.)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Telecom	\$ 145,000	\$ 145,000	\$ 127,622
Intergovernmental	5,000	243,637	238,947
Investment income	1,700	1,700	3,751
	<hr/>	<hr/>	<hr/>
Total revenues	151,700	390,337	370,320
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Capital outlay	1,059,824	1,338,963	1,121,497
	<hr/>	<hr/>	<hr/>
Total expenditures	1,059,824	1,338,963	1,121,497
	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(908,124)	(948,626)	(751,177)
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	10,000	10,000	43,021
Transfers in	600,000	600,000	600,000
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	610,000	610,000	643,021
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (298,124)</u>	<u>\$ (338,626)</u>	(108,156)
FUND BALANCE, JANUARY 1			<hr/> 549,951
FUND BALANCE, DECEMBER 31			<hr/> <u>\$ 441,795</u>

(See independent auditor's report.)

PROPRIETARY FUNDS

MAJOR ENTERPRISE FUND

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

VILLAGE OF CARPENTERSVILLE, ILLINOIS

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

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Water	\$ 3,979,820	\$ 3,979,820	\$ 4,305,293
Sewer	3,687,829	3,687,829	4,012,301
Service fees and penalties	251,000	251,000	261,165
Miscellaneous			
Rental income	42,204	42,204	80,061
Other	100	100	4,501
	<hr/>	<hr/>	<hr/>
Total operating revenues	7,960,953	7,960,953	8,663,321
OPERATING EXPENSES			
Administration	753,256	753,256	743,995
Operations	7,109,131	7,377,721	5,097,144
	<hr/>	<hr/>	<hr/>
Total operating expenses	7,862,387	8,130,977	5,841,139
OPERATING INCOME			
	<hr/>	<hr/>	<hr/>
	98,566	(170,024)	2,822,182
NON-OPERATING REVENUES (EXPENSES)			
Gain on sale of equipment	-	-	5,478
Principal payments	(1,269,314)	(1,269,314)	(1,259,314)
Investment income	27,700	27,700	90,626
Interest and fiscal charges	(477,738)	(477,738)	(357,460)
	<hr/>	<hr/>	<hr/>
Total non-operating revenues (expenses)	(1,719,352)	(1,719,352)	(1,520,670)
CHANGE IN NET POSITION - BUDGET BASIS			
	<hr/>	<hr/>	<hr/>
	\$ (1,620,786)	\$ (1,889,376)	1,301,512
Principal paid			1,259,314
Depreciation			(2,412,938)
Capital outlay capitalized			<hr/> 340,380
CHANGE IN NET POSITION - GAAP BASIS			
			<hr/> 488,268
NET POSITION, JANUARY 1			
			41,982,625
Change in accounting principle			<hr/> 403,326
NET POSITION, JANUARY 1, RESTATED			
			<hr/> 42,385,951
NET POSITION, DECEMBER 31			
			<hr/> <hr/> \$ 42,874,219

(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, 2017

	Original Budget	Final Budget	Actual
WATER DEPARTMENT			
Water facilities			
Personnel services			
Employee salaries	\$ 623,559	\$ 623,559	\$ 509,941
Employee overtime	26,000	26,000	15,159
FICA/Medicare/IMRF	123,738	123,738	99,480
Health insurance	115,447	115,447	115,447
Compensated absences	-	-	1,243
Pension payments	-	-	48,463
Longevity	4,171	4,171	3,565
Sick leave incentive	5,309	5,309	2,215
Total personnel services	898,224	898,224	795,513
Commodities			
Building	8,000	8,000	7,475
Maintenance materials	4,200	4,200	3,736
Automotive	200	200	46
Tools and equipment	6,000	6,000	7,507
Office	700	700	1,165
Operating	22,000	22,000	23,003
Meters	10,000	10,000	11,461
Chemicals	33,000	33,000	30,569
Total commodities	84,100	84,100	84,962
Contractual services			
Dues and publications	645	645	381
Physical exams	200	200	185
Training and meeting	6,000	6,000	2,999
Building grounds	6,000	6,000	7,903
Professional services	102,350	191,050	85,360
Maintenance equipment	30,000	30,000	40,152
Maintenance vehicles	-	-	2,461
Electric	230,000	230,000	195,994
Heating	9,500	9,500	8,764
Telephone data	3,600	3,600	3,539
Water softener salt	286,200	286,200	258,761
Water well	60,000	60,000	51,907
Water alarm	650	650	668
Total contractual services	735,145	823,845	659,074
Capital outlay	1,405,856	1,552,356	21,861
Total water facilities	3,123,325	3,358,525	1,561,410

(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, 2017

	Original Budget	Final Budget	Actual
WATER DEPARTMENT (Continued)			
Water administrative and general			
Personnel services			
Employee salaries	\$ 334,621	\$ 334,621	\$ 301,225
FICA/Medicare/IMRF	64,260	64,260	56,081
Health insurance	78,032	78,032	78,032
Compensated absences	-	-	4,254
Pension payments	-	-	21,517
Longevity	808	808	808
Sick leave incentive	2,050	2,050	-
Other postemployment benefits	-	-	16,197
Total personnel services	479,771	479,771	478,114
Administrative and general overhead	273,485	273,485	265,881
Total water administrative and general	753,256	753,256	743,995
Total water department	3,876,581	4,111,781	2,305,405
SEWER DEPARTMENT			
Sewer facilities			
Personnel services			
Employee salaries	679,872	679,872	665,286
Employee overtime	31,000	31,000	43,097
FICA/Medicare/IMRF	135,431	135,431	131,872
Health insurance	122,115	122,115	122,115
Compensated absences	-	-	(1,599)
Pension payments	-	-	50,292
Longevity	3,283	3,283	3,239
Attendance incentive	6,104	6,104	4,365
Total personnel services	977,805	977,805	1,018,667
Commodities			
Building	6,400	6,400	3,441
Maintenance materials	35,000	35,000	33,460
Lift station	8,000	8,000	15,528
Automotive	200	200	985
Tools and equipment	14,000	14,000	28,284
Awards and recognition	-	-	100
Office	1,000	1,000	1,510
Operating	11,000	11,000	14,044
Chemicals	80,000	80,000	68,503
Total commodities	155,600	155,600	165,855

(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, 2017

	Original Budget	Final Budget	Actual
SEWER DEPARTMENT (Continued)			
Sewer facilities (Continued)			
Contractual services			
Dues and publications	\$ 300	\$ 300	\$ 911
Physical exams	250	250	328
Printing	1,000	1,000	2,188
Training and meeting	4,500	4,500	4,974
Building grounds	7,700	7,700	14,177
Professional services sewer	46,824	46,824	72,145
Maintenance equipment	182,380	182,380	127,747
Electricity	270,000	270,000	263,776
Heating	8,500	8,500	6,403
Telephone data	3,200	3,200	2,936
Sludge disposal	95,000	95,000	68,059
Testing	7,000	7,000	8,237
Total contractual services	626,654	626,654	571,881
Capital outlay	435,000	435,000	431,609
Total sewer facilities	2,195,059	2,195,059	2,188,012
Sewer underground			
Personnel services			
Employee salaries	523,966	523,966	466,194
Employee overtime	47,300	47,300	19,629
FICA/Medicare/IMRF	108,364	108,364	84,851
Health insurance	140,872	140,872	140,872
Compensated absences	-	-	(17,727)
Pension payments	-	-	48,005
Longevity	3,840	3,840	3,040
Sick leave incentive	5,050	5,050	2,800
Total personnel services	829,392	829,392	747,664
Commodities			
Building	200	200	-
Street	16,000	16,000	14,792
Maintenance materials	30,000	30,000	28,269
Sanitary sewer	20,000	20,000	19,490
Automotive	500	500	-
Tools and equipment	8,000	8,000	7,723
Office	400	400	378
Operating	7,000	7,000	7,799
Valves and pipes	90,000	90,000	88,979
Total commodities	172,100	172,100	167,430

(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, 2017

	Original Budget	Final Budget	Actual
SEWER DEPARTMENT (Continued)			
Sewer underground (Continued)			
Contractual services			
Dues and publications	\$ 600	\$ 600	\$ -
Physical exams	1,500	1,500	884
Printing	1,000	1,000	711
Training and meeting	5,000	5,000	3,585
Other service	25,000	25,000	5,917
Maintenance equipment	102,500	102,500	59,370
Maintenance vehicles	300	300	-
Maintenance building and grounds	800	800	1,129
Telephone data	2,000	2,000	1,689
Total contractual services	138,700	138,700	73,285
Capital outlay	650,555	683,945	359,343
Total sewer underground	1,790,747	1,824,137	1,347,722
Total sewer department	3,985,806	4,019,196	3,535,734
TOTAL OPERATING EXPENSES, EXCLUDING AMORTIZATION AND DEPRECIATION	\$ 7,862,387	\$ 8,130,977	\$ 5,841,139

(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, 2017

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
Employer contributions	\$ 3,772,979	\$ 3,772,979	\$ 3,772,979
Employee contributions	356,042	356,042	366,294
Non-employee insurance contributions	304,834	304,834	307,877
	<hr/>	<hr/>	<hr/>
Total operating revenues	4,433,855	4,433,855	4,447,150
OPERATING EXPENSES			
Operations			
Health insurance	3,595,069	3,595,069	3,350,720
Risk management	834,800	921,090	843,060
	<hr/>	<hr/>	<hr/>
Total operating expenses	4,429,869	4,516,159	4,193,780
CHANGE IN NET POSITION	<u>\$ 3,986</u>	<u>\$ (82,304)</u>	253,370
NET POSITION, JANUARY 1			<hr/> 884,977
NET POSITION, DECEMBER 31			<hr/> <u>\$ 1,138,347</u>

(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, 2017

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 50	\$ 69,308	\$ 69,358
Investments, at fair value			
Money market mutual funds	935,497	376,549	1,312,046
U.S. Treasury obligations	10,437,906	1,143,601	11,581,507
U.S. agency obligations	1,569,338	7,521,316	9,090,654
Municipal bonds	-	1,563,603	1,563,603
Equities	16,235,560	-	16,235,560
Corporate bonds	1,790,886	-	1,790,886
Equity mutual funds	11,502,289	12,429,924	23,932,213
Receivables			
Accrued interest	81,227	55,331	136,558
Prepaid expenses	250	4,028	4,278
Total assets	42,553,003	23,163,660	65,716,663
LIABILITIES			
Accounts payable	1,050	21,189	22,239
Total liabilities	1,050	21,189	22,239
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
	\$ 42,551,953	\$ 23,142,471	\$ 65,694,424

(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, 2017

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ADDITIONS			
Contributions			
Employer contributions	\$ 2,615,967	\$ 1,213,829	\$ 3,829,796
Employee contributions	544,302	382,705	927,007
Total contributions	<u>3,160,269</u>	<u>1,596,534</u>	<u>4,756,803</u>
Investment income			
Net appreciation in fair value of investments	4,466,201	1,622,866	6,089,067
Interest	746,230	935,675	1,681,905
Total investment income	5,212,431	2,558,541	7,770,972
Less investment expense	<u>(162,309)</u>	<u>(65,923)</u>	<u>(228,232)</u>
Net investment income	<u>5,050,122</u>	<u>2,492,618</u>	<u>7,542,740</u>
Total additions	<u>8,210,391</u>	<u>4,089,152</u>	<u>12,299,543</u>
DEDUCTIONS			
Administration	45,887	42,149	88,036
Pension benefits and refunds	2,558,848	1,126,806	3,685,654
Total deductions	<u>2,604,735</u>	<u>1,168,955</u>	<u>3,773,690</u>
NET INCREASE	5,605,656	2,920,197	8,525,853
NET POSITION RESTRICTED FOR PENSION BENEFITS			
January 1	<u>36,946,297</u>	<u>20,222,274</u>	<u>57,168,571</u>
December 31	<u>\$ 42,551,953</u>	<u>\$ 23,142,471</u>	<u>\$ 65,694,424</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.

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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.	114-123
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	124-129
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.	130-133
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.	134-135
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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

	2009	2010	2011	2012
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 60,725,028	\$ 69,438,643	\$ 68,487,393	\$ 68,905,034
Restricted	3,734,343	3,820,380	2,880,926	4,181,749
Unrestricted (deficit)	5,499,191	(809,335)	508,223	(514,535)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 69,958,562	\$ 72,449,688	\$ 71,876,542	\$ 72,572,248
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 34,664,845	\$ 35,221,703	\$ 34,253,748	\$ 33,583,685
Restricted	-	-	-	-
Unrestricted	6,267,029	5,146,465	4,778,620	4,893,037
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 40,931,874	\$ 40,368,168	\$ 39,032,368	\$ 38,476,722
PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 95,389,873	\$ 104,660,346	\$ 102,741,141	\$ 102,488,719
Restricted	3,734,343	3,820,380	2,880,926	4,181,749
Unrestricted (deficit)	11,766,220	4,337,130	5,286,843	4,378,502
TOTAL PRIMARY GOVERNMENT	\$ 110,890,436	\$ 112,817,856	\$ 110,908,910	\$ 111,048,970

* 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

2013	2014	2015	2015**/***	2016	2017
\$ 67,264,235	\$ 71,003,712	\$ 74,204,672	\$ 75,256,131	\$ 77,315,341	\$ 78,656,860
3,862,323	4,363,328	4,925,886	5,137,307	5,791,953	5,187,438
1,528,171	1,645,509	219,766	(34,740,782)	(40,198,459)	(38,725,948)
\$ 72,654,729	\$ 77,012,549	\$ 79,350,324	\$ 45,652,656	\$ 42,908,835	\$ 45,118,350
\$ 32,738,403	\$ 33,383,375	\$ 34,242,241	\$ 34,640,323	\$ 34,826,165	\$ 34,305,976
-	-	-	-	-	-
5,390,950	5,126,975	5,778,715	5,857,453	7,156,460	8,568,243
\$ 38,129,353	\$ 38,510,350	\$ 40,020,956	\$ 40,497,776	\$ 41,982,625	\$ 42,874,219
\$ 100,002,638	\$ 104,387,087	\$ 108,446,913	\$ 109,896,454	\$ 112,141,506	\$ 112,962,836
3,862,323	4,363,328	4,925,886	5,137,307	5,791,953	5,187,438
6,919,121	6,772,484	5,998,481	(28,883,329)	(33,041,999)	(30,157,705)
\$ 110,784,082	\$ 115,522,899	\$ 119,371,280	\$ 86,150,432	\$ 84,891,460	\$ 87,992,569

VILLAGE OF CARPENTERSVILLE, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

	2009	2010	2011	2012
EXPENSES				
Governmental Activities				
General government	\$ 2,923,365	\$ 2,853,593	\$ 2,390,453	\$ 2,722,030
Public safety	14,820,887	15,706,172	14,028,417	14,157,163
Highways and streets	8,098,904	6,484,488	7,969,022	7,656,046
Community development	1,848,358	1,868,828	1,719,127	1,443,759
Culture and recreation	141,630	140,459	132,958	211,356
Interest and fiscal charges	460,971	541,615	1,208,904	1,493,384
Total governmental activities expenses	<u>28,294,115</u>	<u>27,595,155</u>	<u>27,448,881</u>	<u>27,683,738</u>
Business-Type Activities				
Water and sewer	7,960,122	8,019,962	7,803,929	7,579,013
Total business-type activities expenses	<u>7,960,122</u>	<u>8,019,962</u>	<u>7,803,929</u>	<u>7,579,013</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u><u>\$ 36,254,237</u></u>	<u><u>\$ 35,615,117</u></u>	<u><u>\$ 35,252,810</u></u>	<u><u>\$ 35,262,751</u></u>
PROGRAM REVENUES				
Governmental Activities				
Charges for services				
General government	\$ 822,343	\$ 761,390	\$ 736,251	\$ 734,263
Public safety	2,332,098	2,535,773	2,603,446	2,034,826
Highways and streets	1,012,787	1,078,688	1,488,860	1,007,358
Community development	33,420	398,313	297,958	244,260
Operating grants and contributions	46,256	43,893	225,386	540,523
Capital grants and contributions	2,272,240	6,579,375	2,043,895	2,532,024
Total governmental activities program revenues	<u>6,519,144</u>	<u>11,397,432</u>	<u>7,395,796</u>	<u>7,093,254</u>
Business-Type Activities				
Charges for services				
Water and sewer	5,677,714	5,743,824	5,813,101	6,972,009
Operating grants and contributions	-	-	-	-
Capital grants and contributions	10,686	1,629,016	-	30,000
Total business-type activities program revenues	<u>5,688,400</u>	<u>7,372,840</u>	<u>5,813,101</u>	<u>7,002,009</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u><u>\$ 12,207,544</u></u>	<u><u>\$ 18,770,272</u></u>	<u><u>\$ 13,208,897</u></u>	<u><u>\$ 14,095,263</u></u>
NET REVENUES (EXPENSES)				
Governmental activities	\$ (21,774,971)	\$ (16,197,723)	\$ (20,053,085)	\$ (20,590,484)
Business-type activities	<u>(2,271,722)</u>	<u>(647,122)</u>	<u>(1,990,828)</u>	<u>(577,004)</u>
TOTAL PRIMARY GOVERNMENT NET REVENUES (EXPENSES)	<u><u>\$ (24,046,693)</u></u>	<u><u>\$ (16,844,845)</u></u>	<u><u>\$ (22,043,913)</u></u>	<u><u>\$ (21,167,488)</u></u>

	2013*	2014	2015	2015**	2016	2017
\$	2,281,909	\$ 3,463,699	\$ 3,068,941	\$ 4,434,143	\$ 5,842,206	\$ 5,716,921
	17,077,983	16,729,905	17,426,252	14,410,997	21,024,906	19,017,381
	8,215,225	8,603,291	8,884,557	5,863,027	5,461,639	7,834,909
	1,818,908	1,294,810	1,376,258	881,623	6,734,523	3,079,480
	136,440	193,463	184,862	251,617	208,151	211,155
	1,460,952	1,385,304	1,426,663	1,017,569	1,479,485	1,384,460
	30,991,417	31,670,472	32,367,533	26,858,976	40,750,910	37,244,306
	8,310,778	7,962,573	7,872,584	5,520,811	7,862,533	8,271,157
	8,310,778	7,962,573	7,872,584	5,520,811	7,862,533	8,271,157
\$	39,302,195	\$ 39,633,045	\$ 40,240,117	\$ 32,379,787	\$ 48,613,443	\$ 45,515,463
\$	697,551	\$ 1,303,596	\$ 852,819	\$ 640,512	\$ 631,980	\$ 687,453
	2,299,566	1,363,971	1,409,904	1,104,987	1,682,400	1,728,952
	1,256,200	764,335	749,638	491,853	754,965	786,393
	362,249	19,450	7,360	1,190	2,348	2,500
	584,260	2,368,312	2,418,801	1,812,675	2,314,793	2,478,172
	1,786,938	2,335,740	3,202,586	1,018,727	2,197,856	1,446,530
	6,986,764	8,155,404	8,641,108	5,069,944	7,584,342	7,130,000
	7,776,607	8,184,588	8,419,290	6,132,405	8,565,644	8,578,759
	-	6,072	-	-	-	-
	266,496	1,255,682	968,186	-	691,246	-
	8,043,103	9,446,342	9,387,476	6,132,405	9,256,890	8,578,759
\$	15,029,867	\$ 17,601,746	\$ 18,028,584	\$ 11,202,349	\$ 16,841,232	\$ 15,708,759
\$	(24,004,653)	\$ (23,515,068)	\$ (23,726,425)	\$ (21,789,032)	\$ (33,166,568)	\$ (30,114,306)
	(267,675)	1,483,769	1,514,892	611,594	1,394,357	307,602
\$	(24,272,328)	\$ (22,031,299)	\$ (22,211,533)	\$ (21,177,438)	\$ (31,772,211)	\$ (29,806,704)

VILLAGE OF CARPENTERSVILLE, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

	2009	2010	2011	2012
GENERAL REVENUES AND OTHER				
CHANGES IN NET POSITION				
Governmental Activities				
Taxes				
Property	\$ 7,643,392	\$ 7,834,711	\$ 8,339,117	\$ 8,926,796
Sales and use	6,155,546	5,796,490	6,097,724	7,172,770
Utility	1,479,189	1,313,416	1,350,435	1,445,519
Local motor fuel	-	-	-	-
Other	702,120	452,242	460,608	472,682
Intergovernmental	2,770,355	2,630,608	2,727,726	2,494,821
Investment earnings	902,823	178,003	273,296	205,844
Miscellaneous	1,283,901	383,590	859,567	544,901
Contributions	27,105	7,387	2,000	22,857
Gain of sale of capital assets	-	-	-	-
Transfers	-	92,402	(627,534)	-
Total governmental activities	20,964,431	18,688,849	19,482,939	21,286,190
Business-Type Activities				
Investment earnings	153,021	116,275	11,231	6,882
Miscellaneous	18,424	59,543	16,263	14,476
Transfers	-	(92,402)	627,534	-
Total business-type activities	171,445	83,416	655,028	21,358
TOTAL PRIMARY GOVERNMENT	\$ 21,135,876	\$ 18,772,265	\$ 20,137,967	\$ 21,307,548
CHANGE IN NET POSITION				
Governmental activities	\$ (810,540)	\$ 2,491,126	\$ (570,146)	\$ 695,706
Business-type activities	(2,100,277)	(563,706)	(1,335,800)	(555,646)
TOTAL PRIMARY GOVERNMENT				
CHANGE IN NET POSITION	\$ (2,910,817)	\$ 1,927,420	\$ (1,905,946)	\$ 140,060

* 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

	2013*	2014	2015	2015**	2016	2017
\$	11,540,085	\$ 12,153,210	\$ 12,712,189	\$ 13,319,443	\$ 14,023,894	\$ 14,610,907
	6,587,215	6,555,619	7,791,885	5,842,939	9,212,975	10,010,365
	1,466,585	1,620,073	1,562,992	815,235	1,509,812	1,480,023
	-	266,189	262,310	278,952	297,557	357,185
	402,736	840,258	818,428	533,952	763,269	750,314
	3,396,732	3,843,504	3,857,758	2,717,696	3,846,520	3,682,765
	44,093	46,941	(190,127)	(177)	88,510	219,868
	549,688	529,558	520,791	387,797	663,942	521,533
	-	-	-	-	-	-
	-	24,946	22,032	9,640	16,268	-
	100,000	1,159,903	-	(635,792)	-	-
	24,087,134	27,040,201	27,358,258	23,269,685	30,422,747	31,632,960
	14,177	12,488	(79,508)	8,131	14,449	90,626
	6,129	274,609	75,222	34,593	76,043	90,040
	(100,000)	(1,159,903)	-	635,792	-	-
	(79,694)	(872,806)	(4,286)	678,516	90,492	180,666
\$	24,007,440	\$ 26,167,395	\$ 27,353,972	\$ 23,948,201	\$ 30,513,239	\$ 31,813,626
\$	82,481	\$ 3,525,133	\$ 3,631,833	\$ 1,480,653	\$ (2,743,821)	\$ 1,518,654
	(347,369)	610,963	1,510,606	1,290,110	1,484,849	488,268
\$	(264,888)	\$ 4,136,096	\$ 5,142,439	\$ 2,770,763	\$ (1,258,972)	\$ 2,006,922

VILLAGE OF CARPENTERSVILLE, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2009	2010	2011	2012*
GENERAL FUND				
Nonspendable				
Prepaid items	\$ -	\$ -	\$ -	\$ 281,293
Advances	-	-	-	-
Restricted				
Police department programs	-	-	-	82,527
Asset forfeiture	-	-	-	-
Assigned				
Community improvements	-	-	-	-
Subsequent year's budget	-	-	-	-
Carryforwards	-	-	-	93,980
Future cash flow	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	4,178,189
Reserved	356,859	1,810,930	283,588	-
Unreserved	4,891,184	1,249,519	2,738,487	-
TOTAL GENERAL FUND	\$ 5,248,043	\$ 3,060,449	\$ 3,022,075	\$ 4,635,989
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable				
Prepaid items	\$ -	\$ -	\$ -	\$ -
Advances	-	-	-	-
Restricted				
Police department programs	-	-	-	-
Street maintenance	-	-	-	1,305,370
Parks	-	-	-	54,043
Capital projects	-	-	-	6,617,269
Public improvements	-	-	-	909,777
Fire purposes	-	-	-	38,248
Debt service	-	-	-	892,900
Assigned				
Capital projects	-	-	-	212,195
Carryforwards	-	-	-	-
Unassigned, reported in				
Special revenue funds	-	-	-	(45,641)
Reserved	5,361,638	1,607,899	1,266,048	-
Unreserved, reported in				
Special revenue funds	3,324,826	3,489,563	3,474,330	-
Capital project funds	2,089,602	(2,279,789)	13,247,392	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 10,776,066	\$ 2,817,673	\$ 17,987,770	\$ 9,984,161

* 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

	2013	2014	2015	2015**	2016	2017
\$	299,982	\$ 28,969	\$ 39,896	\$ 69,206	\$ 32,975	\$ 36,792
	-	-	-	1,835,711	2,664,345	2,297,084
	32,947	53,862	-	-	-	-
	-	192,132	186,941	189,143	187,666	125,841
	-	42,178	107,268	182,588	75,237	167,698
	-	531,084	-	861,587	-	-
	445,873	118,750	50,000	-	-	-
	-	-	-	1,627,588	-	-
	-	-	704,297	-	-	-
	4,594,252	5,243,591	6,262,055	3,981,550	6,119,932	8,130,784
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	5,373,054	\$ 6,210,566	\$ 7,350,457	\$ 8,747,373	\$ 9,080,155	\$ 10,758,199
\$	-	\$ 429	\$ 142	\$ 141	\$ 1,100	\$ 1,100
	-	80,665	-	-	-	-
	-	-	64,380	74,905	87,082	92,496
	1,426,332	970,130	1,021,369	554,538	760,557	829,843
	54,611	393,150	382,295	353,783	355,852	340,063
	1,985,129	-	8,226,672	6,716,035	5,403,103	3,595,525
	1,983,547	2,078,205	2,706,045	3,243,327	3,318,079	2,303,508
	36,692	26,710	22,849	41,752	46,759	40,795
	803,049	649,139	542,007	679,859	1,035,958	1,454,892
	1,473,791	1,698,024	1,146,254	2,729,164	2,101,872	441,795
	904,362	1,482,780	-	-	1,652,233	3,127,445
	(18,178)	(91,333)	(237,456)	(2,222,575)	(6,970,139)	(6,603,468)
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	8,649,335	\$ 7,287,899	\$ 13,874,557	\$ 12,170,929	\$ 7,792,456	\$ 5,623,994

VILLAGE OF CARPENTERSVILLE, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2009	2010	2011	2012
REVENUES				
Taxes	\$ 18,525,185	\$ 17,026,816	\$ 19,252,124	\$ 20,522,991
Intergovernmental	3,176,894	3,025,051	3,024,388	3,772,840
Licenses and permits	1,499,358	1,572,549	1,411,820	1,416,228
Fines and forfeitures	569,590	507,637	507,610	545,393
Charges for services	1,492,650	1,518,178	2,354,945	1,774,945
Investment income	870,753	259,101	364,679	227,365
Miscellaneous	1,146,724	556,800	965,110	550,580
Total revenues	27,281,154	24,466,132	27,880,676	28,810,342
EXPENDITURES				
General government	2,846,950	2,267,779	2,362,357	2,664,634
Public safety	14,494,721	14,498,478	13,697,709	13,620,554
Public works	5,886,022	5,245,326	5,660,245	5,108,788
Community development	1,945,120	1,865,603	1,730,193	1,457,576
Culture and recreation	169,295	142,130	139,029	207,653
Debt service				
Principal	468,750	775,561	794,791	1,505,211
Interest	383,126	547,955	1,119,833	1,492,405
Capital outlay	4,575,570	9,386,373	6,653,317	10,189,531
Total expenditures	30,769,554	34,729,205	32,157,474	36,246,352
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,488,400)	(10,263,073)	(4,276,798)	(7,436,010)
OTHER FINANCING SOURCES (USES)				
Transfers in	382,247	473,261	3,051,575	796,337
Transfers (out)	(382,247)	(380,859)	(3,679,109)	(796,337)
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	32,172	24,684	-	46,808
Total other financing sources (uses)	6,666,949	117,086	19,408,491	46,808
NET CHANGE IN FUND BALANCES	\$ 3,178,549	\$ (10,145,987)	\$ 15,131,693	\$ (7,389,202)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	2.44%	3.00%	5.04%	6.63%

* 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

	2013	2014	2015	2015*	2016	2017
\$	23,393,353	\$ 21,435,351	\$ 23,147,804	\$ 20,790,521	\$ 25,807,506	\$ 27,208,794
	3,062,165	6,827,783	7,186,475	5,549,098	6,989,756	7,623,456
	1,506,600	1,201,973	696,017	572,249	518,516	584,640
	416,421	426,802	368,281	311,764	417,241	438,860
	2,138,241	1,721,881	1,849,974	1,264,798	2,004,875	2,039,412
	44,093	46,941	(190,127)	(177)	88,510	219,868
	409,238	628,003	625,245	477,528	793,281	647,930
	30,970,111	32,288,734	33,683,669	28,965,781	36,619,685	38,762,960
	3,068,266	3,302,152	3,396,854	4,212,505	5,790,986	5,917,096
	15,558,217	15,673,106	16,475,061	12,826,029	17,695,839	17,835,253
	5,494,017	5,888,530	6,187,517	2,423,308	3,509,948	3,516,639
	1,816,542	1,299,271	1,258,329	885,561	5,689,024	2,018,075
	133,078	190,218	165,119	139,968	173,095	225,990
	1,597,889	2,120,233	1,373,712	4,685,850	1,445,040	1,373,950
	1,459,828	1,426,366	1,357,644	1,603,944	1,527,048	1,438,769
	2,893,822	4,689,098	4,538,828	5,791,001	4,488,677	6,970,627
	32,021,659	34,588,974	34,753,064	32,568,166	40,319,657	39,296,399
	(1,051,548)	(2,300,240)	(1,069,395)	(3,602,385)	(3,699,972)	(533,439)
	1,339,868	3,227,398	578,287	2,911,650	6,287,527	2,905,571
	(1,239,868)	(2,177,165)	(578,287)	(2,911,650)	(6,587,527)	(2,905,571)
	-	-	8,278,960	2,920,000	4,640,420	-
	-	-	-	-	-	-
	-	-	494,952	366,033	-	-
	350,000	-	-	-	-	-
	-	-	-	-	(4,705,790)	-
	3,787	24,946	22,032	9,640	19,651	43,021
	453,787	1,075,179	8,795,944	3,295,673	(345,719)	43,021
\$	(597,761)	\$ (1,225,061)	\$ 7,726,549	\$ (306,712)	\$ (4,045,691)	\$ (490,418)
	8.81%	11.38%	8.70%	21.49%	7.97%	7.90%

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
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%
2017	477,627,533	63,093,572	12,908,607	697,331	554,327,043	554,327,043	2.3852	1,662,981,129	33.333%

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Village Direct Rates										
Carpentersville Village	1.3316	1.4517	1.6930	1.9613	2.2993	2.6707	2.9454	2.9299	2.6052	2.3852
Carpentersville IMRF	-	-	-	-	-	-	-	-	-	-
Total direct tax rate	1.3316	1.4517	1.6930	1.9613	2.2993	2.6707	2.9454	2.9299	2.6052	2.3852
Overlapping Rates										
School District 300 residents:										
Kane County	0.3336	0.3398	0.3730	0.3990	0.4336	0.4623	0.3794	0.3914	0.3401	0.4025
Kane County IMRF	-	-	-	-	-	-	0.0880	0.0565	0.0799	0.0470
Kane County Forest Preserve	0.1932	0.1997	0.2201	0.2609	0.2710	0.3039	0.3059	0.2882	0.2193	0.1657
Kane County Forest Preserve IMRF	-	-	-	-	-	-	0.0067	0.0038	0.0060	0.0001
Dundee Township	0.1415	0.1498	0.1688	0.1854	0.2143	0.3261	0.2265	0.2164	0.1973	0.0783
Dundee Township Road Funds	0.0673	0.0695	0.0774	0.0838	0.0958	-	0.1112	0.1146	0.0988	0.0986
Dundee Township IMRF	-	-	-	-	-	-	0.0045	-	0.0040	-
Dundee Township FICA	-	-	-	-	-	-	-	-	-	-
School District 300	3.8603	3.9687	4.4615	4.7987	5.6752	6.3182	6.5000	7.1667	5.9196	5.7240
School District 300 Pension	-	-	-	-	-	-	0.2214	0.1790	0.2200	0.1523
Elgin Community College 509	0.3275	0.3833	0.4407	0.4454	0.5215	0.5707	0.5994	0.6260	0.5223	0.4999
Elgin Community College Pension	-	-	-	-	-	-	0.0081	-	0.0073	-
Dundee Park District	0.3648	0.3747	0.4251	0.4553	0.5145	0.6269	0.5873	0.5841	0.5348	0.5643
Dundee Park District IMRF	-	-	-	-	-	-	0.0726	0.0491	0.0526	0.5714
Dundee Park District FICA	-	-	-	-	-	-	-	0.0631	-	-
Fox River Valley Public Library	0.1273	0.1306	0.1456	0.1582	0.1811	0.2061	0.1949	0.1876	0.1808	0.1864
Fox River Valley Public Library - IMRF	-	-	-	-	-	-	0.0221	0.0119	0.0133	0.2015
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 Five Years Ago

Taxpayer	Type of Business	2017			2012		
		Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Equalized Assessed Valuation	Rank	Percentage of Total Village Taxable Assessed Valuation
Wal-Mart Real Estate Business Trust	Retail	5,544,441	1	1.00%			
Steadfast Foxview	Rental Properties	4,958,673	2	0.89%	4,850,653	3	0.87%
Spring Hill Mall	Shopping Center	\$ 3,839,652	3	0.69%	\$ 7,397,048	1	1.33%
Woodmans	Grocery Store	3,820,977	4	0.69%	5,725,260	2	1.03%
Menard Inc	Hardware Store	3,768,850	5	0.68%	4,522,209	4	0.81%
Meadowdale Apartments	Rental Properties	2,703,171	6	0.49%			
Meadowdale Apartments	Rental Properties	2,691,188	7	0.49%			
Meadowdale Apartments	Rental Properties	2,691,188	7	0.49%			
Improved Besinger Properties	Rental Properties	2,354,474	9	0.42%	2,711,055	5	0.49%
PCCR USA, Inc.	Industrial	2,047,911	10	0.37%	2,214,729	7	0.40%
CREA Spring Hill LLC	Shopping Center						
Trust #1-04-112	Trust				2,252,460	6	0.40%
Meadowdale Apartments	Rental Properties				2,199,671	8	0.40%
TKJ Enterprises	Industrial				1,856,935	9	0.33%
Dominick's	Grocery Store				1,806,181	10	0.32%
TOTAL		<u>\$ 34,420,525</u>		<u>4.32%</u>	<u>\$ 30,685,548</u>		<u>5.51%</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
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	13,189,742	99.73%	-	13,189,742	99.73%
2017	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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General merchandise	\$ 288,621	*	\$ 251,300	\$ 236,477	\$ 235,259	\$ 241,561	\$ 235,998	\$ 242,394	\$ 553,070	\$ 823,885
Food	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	1,312,199
Drinking and eating places	264,377	227,834	232,344	262,081	267,660	260,813	273,561	293,052	314,337	323,766
Apparel	43,636	36,744	33,785	30,918	29,881	30,732	29,167	30,989	37,363	32,878
Furniture, H.H. and radio	33,487	*	21,516	21,262	24,260	30,475	25,605	23,009	11,870	9,321
Lumber, building hardware	435,753	423,961	434,718	442,041	467,955	502,991	531,175	573,956	590,646	588,438
Automobile and filling stations	216,243	231,876	311,296	426,062	362,788	356,635	360,741	315,151	270,892	296,100
Drugs and miscellaneous retail	224,144	239,123	250,913	251,908	262,480	286,637	281,545	174,540	364,829	353,292
Agriculture and all others	94,683	71,183	69,967	74,663	76,466	73,582	69,695	215,318	94,169	88,425
Manufacturers	25,513	41,593	20,492	19,454	19,004	19,536	18,143	15,944	25,806	34,932
Other (1)	-	281,252	-	-	-	-	-	-	-	-
TOTAL	\$ 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	\$ 3,863,236
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 Five Calendar Years

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

Information for 2008 - 2012 is not available.

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

Data Source

Illinois Department of Revenue

VILLAGE OF CARPENTERSVILLE, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities					Business-Type Activities				Percentage of Actual Taxable Value of Property (1) Per Capita (2)		
	General Obligation Bonds	Refinancing Cost of General Obligation Bonds		Capital Leases	Promissory Note Payable	General Obligation Bonds	Refinancing Cost of General Obligation Bonds		IEPA Loan	Total Primary Government		
		Unamortized Bond Discount	Unamortized Bond Premium				Unamortized Bond Discount	Unamortized Bond Premium				
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	-	773,249	-	-	13,307,110	-	945,662	2,161,560	48,501,471	9.55%	1,266.65
2017	29,939,940	-	715,723	-	-	12,146,060	-	824,601	2,063,296	45,689,620	8.24%	1,193.22

* 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 134 for personal income and population data.

Data Source

Village Records

VILLAGE OF CARPENTERSVILLE, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	Governmental Activities	Business-Type Activities	Less Amounts Available In Debt Service Fund	Total	Governmental Activities Obligation Bonds Refinancing Costs		Business-Type Activities General Obligation Bonds Refinancing Costs		Percentage of Estimated Actual Taxable Value of Property*	Per Capita
	General Obligation Bonds	General Obligation Bonds			Unamortized Bond Discount	Unamortized Bond Premium	Unamortized Bond Discount	Unamortized Bond Premium		
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	-	773,249	-	945,662	8.59%	1,138.23
2017	29,939,940	12,146,060	1,455,992	40,630,008	-	715,723	-	824,601	7.33%	1,061.09

* See the schedule of Assessed Value and Actual Value of Taxable Property on page 124 for property value data.

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

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

Data Source

Village Records

VILLAGE OF CARPENTERSVILLE, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2017

	Applicable to Village		
	Outstanding Debt	Percent*	Amount
Village Direct Debt			
Carpentersville Village	\$ 30,655,663	100.00%	\$ 30,655,663
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>\$ 1,013,127,295</u>		<u>\$ 133,525,721</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, 2017

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**
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%
2017	38,291	817,397,977	21,347	29.4	21,261	7.1%

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

**Unemployment rate is the 12-month average.

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

Data Sources

Village Records

US Census Bureau

Office of the County Clerk

VILLAGE OF CARPENTERSVILLE, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2017			2008		
	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%
Polynt	220	6	0.58%			
Trim Rite Food Corporation Inc.	200	7	0.52%	150	6	0.49%
Village of Carpentersville	194	8	0.51%	201	4	0.66%
Home Depot	150	9	0.39%			
Grayhill Inc.	120	10	0.31%	120	7	0.39%
Stanley Machining & Tool Corp				105	9	0.34%
Acme Industrial				100	10	0.33%
A Schulman Inc.						
Avens Controls				120	8	0.39%
Hexian Specialty				200	4	0.65%
Hexian Specialty Chemicals				200	5	0.65%
TOTAL	2,656		6.95%	2,286		7.47%

Data Sources

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

VILLAGE OF CARPENTERSVILLE, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2015*	2016	2017
GENERAL GOVERNMENT										
Legislative	1	1	1	1	1	1	1	1	1	1.50
Administration	3	3	3	3	4	4	3	2	3	3.75
Finance	8	8	6	8	9	8	7	7	8	8.70
Information systems	3	3	3	2	2	2	3	3	2	2.00
Community development	15	16	16	11	11	9	11	11	12	8.80
Public buildings	2	1	1	1	1	2	3	3	3	3.70
PUBLIC SAFETY										
Police personnel	82	76	71	71	70	70	70	70	68	69.25
Fire personnel	42	42	39	39	37	37	48	48	50	51.00
PUBLIC WORKS										
Administration	3	3	3	3	3	3	3	3	4	3.20
Utilities - water	7	7	7	6	6	6	6	6	6	6.00
Utilities - underground water/sewer	11	11	8	8	8	8	8	8	8	8.30
Utilities - wastewater	8	8	7	6	6	5	7	7	7	7.00
Street maintenance	13	12	12	12	12	11	15	14	14	14.80
Vehicle maintenance	2	2	2	2	3	3	3	3	3	3.25
Parks	1	1	1	1	1	1	1	1	2	2.40
TOTAL	201	194	180	174	174	170	189	187	191	193.65

* 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	2009	2010	2011	2012	2013	2014	2015	2015*	2016	2017
GENERAL GOVERNMENT										
Number of permits issued	3,620	4,062	3,313	2,677	2,992	2,412	3,667	1,226	3,768	3,402
Building and engineering inspections	5,671	5,930	5,472	5,149	5,367	5,007	5,138	4,503	4,181	4,510
POLICE										
DUI arrests	202	167	169	106	128	108	24	52	85	46
Criminal arrests	2,546	2,366	1,799	1,759	1,684	1,420	374	895	1,831	1,743
Accidents	1,017	851	927	815	820	1,020	379	657	1,087	1,092
Ordinance enforcement	6,621	7,385	5,964	5,117	4,660	3,782	1,679	23,235	4,843	4,468
Total tickets	9,458	9,875	9,893	6,890	10,335	6,728	2,618	2,118	4,861	4,860
Total calls	21,837	20,703	19,783	17,786	16,296	16,952	5,720	11,180	17,191	17,727
FIRE										
Number of fire calls answered	938	910	950	967	882	1,289	843	592	886	1,057
Number of EMS calls answered	2,602	2,590	2,650	2,670	2,551	2,608	2,625	1,723	2,733	2,894
PUBLIC WORKS										
Tons of garbage collected	11,678	10,666	10,297	10,333	10,015	10,475	10,477	7,595	11,116	11,191
Tons of yard waste collected	1,600	1,758	1,688	1,882	1,302	1,816	1,582	1,753	1,938	1,717
Tons of recyclable material collected	3,499	3,184	3,540	3,451	3,284	3,421	3,264	2,414	3,460	3,341
Trees planted	100	29	18	-	28	201	302	223	443	501
Trees removed	16	12	45	687	803	522	385	273	339	90
Street sweeping (hours)	1,356	1,720	2,000	1,600	1,280	1,800	920	1,224	840	N/A
Snow removal (hours)	1,755	1,289	1,500	690	1,166	3,311	4,872	1,125	4,240	887
WATER AND SEWER										
Average daily consumption (gallons)	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	2,393,000
Meter installations	1,400	1,750	1,640	1,375	1,375	1,650	1,304	1,310	1,131	185
Catch basins/inlets cleaned	29	41	11	12	36	51	52	35	75	1,590

* 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	2009	2010	2011	2012	2013	2014	2015	2015**	2016	2017
GENERAL GOVERNMENT										
General government buildings*	1	1	1	1	1	1	1	1	1	1
Number of vehicles	-	-	-	1	1	1	1	1	2	2
PUBLIC SAFETY										
Police										
Stations*	1	1	1	1	1	1	1	1	1	1
Number of squad cars	34	31	36	36	36	36	39	39	37	37
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Number of vehicles	12	12	14	13	14	14	14	14	15	15
PUBLIC WORKS										
Public works buildings	3	3	3	3	3	3	3	3	3	3
Number of bridges	1	1	1	1	1	1	1	1	1	1
Number of vehicles	30	31	31	28	26	26	28	28	31	31
Streets (miles)	30	30	30	30	30	96	96	96	96	96
WATER AND SEWER										
Water mains (miles)	102	105	105	120	120	128	128	128	128	128
Sanitary sewers (miles)	71	75	75	75	75	108	108	108	108	108
Storm sewers (miles)	104	104	104	104	104	87	87	87	87	87
Number of fire hydrants	N/A	1,555	1,592	1,592	1,592	1,642	1,629	1,629	1,638	1,638
Vehicles	N/A	N/A	N/A	N/A	26	24	27	27	26	26
COMMUNITY DEVELOPMENT										
Number of vehicles	11	11	11	11	11	11	11	11	9	10
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	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

