



**AGENDA**  
**NORTH AURORA VILLAGE BOARD MEETING**  
**MONDAY, NOVEMBER 7, 2016 – 7:00 p.m.**  
**NORTH AURORA VILLAGE HALL - 25 E. STATE ST.**

**CALL TO ORDER - SILENT PRAYER - MEDITATION - PLEDGE OF ALLEGIANCE**

**ROLL CALL**

**PRESENTATIONS**

1. Recognition Award – Rodd Winscott, Police Commissioner
2. Comprehensive Annual Financial Report (CAFR) Presentation – Sikich

**PROCLAMATIONS**

1. Aurora Mayor Tom Weisner
2. Fox Valley Special Recreation Association – 40<sup>th</sup> Anniversary
3. Waubensee Community College – 50<sup>th</sup> Anniversary

**AUDIENCE COMMENTS**

**TRUSTEE COMMENTS**

**CONSENT AGENDA**

1. Approval of Village Board Minutes dated 10/17/2016; Approval of Committee of the Whole Minutes dated 10/17/2016
2. Approval of an Interim Bill List dated 10/31/2016 in the Amount of **\$119,417.44**
3. Approval of a Pay Request No. 1 to Fox Excavating, Inc., in the Amount of **\$48,345.00** for the 24 S. Lincolnway Demolition

**NEW BUSINESS**

1. Approval of a Motion to Receive, Accept and Place on File the Comprehensive Annual Financial Report as of May 31, 2016 and Other Related Reports for the Fiscal Year
2. Approval of a Property Tax Levy Estimate
3. Approval of the Normal Contribution Payment to IML Risk Management Association for the 2017 Renewal in the Amount of \$282,108.42

4. Approval of a Bid from Acres Group in the Amount of \$59,985.00 for the Replacement of 215 Parkway Trees
5. Approval of a Bill List dated November 7, 2016 in the Amount of \$502,625.30

**OLD BUSINESS**

**VILLAGE PRESIDENT'S REPORT**

**COMMITTEE REPORTS**

**TRUSTEES' COMMENTS**

**ADMINISTRATOR'S REPORT**

**ATTORNEY'S REPORT**

**FIRE DISTRICT REPORT**

**VILLAGE DEPARTMENT REPORTS**

1. Finance
2. Community Development
3. Police
4. Public Works
5. Water

**ADJOURN**

Initials: SB



## *PROCLAMATION*

### **HONORING AURORA MAYOR TOM WEISNER**

**WHEREAS**, Mayor Tom Weisner has served three terms as Mayor of Aurora, the state's second largest city; and

**WHEREAS**, Mayor Weisner has worked to make Aurora a stronger, safer and resilient city and has improved efficiencies to maintain a high level of services for Aurora residents; and

**WHEREAS**, Mayor Weisner has enhanced Aurora during his tenure by strengthening neighborhoods, reducing crime, reviving Aurora's downtown, revitalizing Aurora's riverfront including RiverEdge Park, and promoting sustainable development practices, including Aurora's LEED certified police building; and

**WHEREAS**, Mayor Weisner's efforts and accomplishments with the City of Aurora is an inspiration to his neighboring communities; and

**WHEREAS**, Mayor Weisner was a leader who fostered strong effective and efficient relationships with neighboring communities, including North Aurora; and

**WHEREAS**, Mayor Weisner was an integral part of many Mayor's groups in Kane County and in Chicago, including, leadership in Kane/Kendal Council of Mayors (KKCOM), Metrowest Council of Government, Chicago Metropolitan Agency for Planning (CMAP) and the Northwest Water Planning Alliance (NWPAA).

**NOW, THEREFORE, BE IT PROCLAIMED**, I, Dale Berman, Village President of the Village of North Aurora, along with the Village Board of Trustees, do hereby offer our mutual appreciation and respect in honor of Mayor Tom Weisner's contributions to the City of Aurora.

Dated this \_\_\_\_ day of November, 2016

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Dale Berman, Village President

ATTEST:

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Lori Murray, Village Clerk



## *PROCLAMATION*

### **CELEBRATING THE 40<sup>TH</sup> ANNIVERSARY OF THE FOX VALLEY SPECIAL RECREATION ASSOCIATION**

**WHEREAS**, the Fox Valley Special Recreation Association (FVSRA) was formed in 1976 to serve the residents with disabilities from Fox Valley, St. Charles and Geneva Park Districts; and

**WHEREAS**, in recognizing the need to serve all of their residents and seeing the success of FVSRA, the Batavia, Oswegoland, Sugar Grove Park Districts and Village of South Elgin Parks and Recreation Department joined FVSRA; and

**WHEREAS**, over the past 40 years, FVSRA has provided year round recreation opportunities for residents of all ages and abilities so that they may develop friendships, increase leisure skills, enhance self-esteem, improve overall fitness and experience active lifestyles; and

**WHEREAS**, over the past 40 years, FVSRA has grown from offering one program to providing comprehensive recreation and leisure services for more than 27,000 registrants; and

**WHEREAS**, that the Village of North Aurora honors the Fox Valley Special Recreation Association for their 40<sup>th</sup> Anniversary and their leadership and commitment to the recreational needs of individuals with disabilities in Aurora, Batavia, Geneva, Montgomery, North Aurora, Oswego, St. Charles, South Elgin and Sugar Grove.

**NOW, THEREFORE, BE IT PROCLAIMED**, I, Dale Berman, Village President of the Village of North Aurora, do hereby congratulate **Fox Valley Special Recreation Association** on 40 years of service in providing recreation programs to enrich the lives of individuals with special needs.

Dated this \_\_\_\_\_ day of November, 2016

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Dale Berman, Village President

ATTEST:

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Lori Murray, Village Clerk



## *PROCLAMATION*

### **IN RECOGNITION OF THE 50<sup>TH</sup> ANNIVERSARY OF WAUBONSEE COMMUNITY COLLEGE**

**WHEREAS**, In 1966, the electorate of school districts in most of Kane and portions of Kendall, DeKalb, LaSalle and Will counties vote to establish Community College District 516; and

**WHEREAS**, Waubonsee Community College has served more than 290,000 students – including 33,568 degree and certificate earners; and

**WHEREAS**, Waubonsee has grown to four campuses, including Aurora Downtown, Aurora Fox Valley, Plano, and Sugar Grove; and

**WHEREAS**, Waubonsee has a reputation as an innovator in the areas of accessibility, distance learning and sustainability, as well as, its history of bold initiatives in partnership with the community, including the 2020 College Master Plan and Vision 2050.

**NOW, THEREFORE, BE IT PROCLAIMED**, in recognition of the 50<sup>th</sup> Anniversary of Waubonsee Community College, I Dale Berman, Village President for the Village of North Aurora, encourage and invite all residents of the Village of North Aurora and residents of Waubonsee College District 516 to join in the celebration of this most distinguished occasion.

Dated this \_\_\_\_\_ day of November, 2016

\_\_\_\_\_  
Dale Berman, Village President

ATTEST:

\_\_\_\_\_  
Lori Murray, Village Clerk

**VILLAGE OF NORTH AURORA  
VILLAGE BOARD MEETING MINUTES  
OCTOBER 17, 2016**

**CALL TO ORDER**

Mayor Berman called the meeting to order.

**SILENT PRAYER - MEDITATION - PLEDGE OF ALLEGIANCE**

**ROLL CALL**

**In attendance:** Mayor Dale Berman, Trustee Laura Curtis, Trustee Mike Lowery, Trustee Chris Faber, Trustee Mark Gaffino, Trustee Guethle, Village Clerk Lori Murray. Trustee Mark Carroll (arrived at 7:04 p.m.).

**Staff in attendance:** Village Administrator Steve Bosco, Community and Economic Development Director Mike Toth, Public Works Superintendent Mike Glock, Water Superintendent Paul Young, Village Attorney Kevin Drendel.

**AUDIENCE COMMENTS** - None

**TRUSTEE COMMENTS** - None

**CONSENT AGENDA**

- 1. Approval of Village Board Minutes dated 10/03/2016; Approval of Committee of the Whole Minutes dated 10/03/2016**
- 2. Approval of the Release of Executive Session Minutes dated 11/10/2008, 11/24/2016 Sessions I, II, & III, 12/8/2008, Sessions I, II, III & IV; 12/7/2009 Session II; 8/16/2010; 9/21/2015; 1/18/2016; 3/7/2016; and 4/4/2016**

Motion made by Trustee Curtis and seconded by Trustee Guethle to approve the Consent Agenda.

**Roll Call Vote:** Trustee Curtis – yes, Trustee Lowery – yes, Trustee Faber – yes, Trustee Gaffino – yes, Trustee Guethle – yes. **Motion approved (5-0).**

**NEW BUSINESS**

- 1. Motion to Waive Bids and Approval of the Purchase of Chlorination Equipment from Parkson Corporation in the Amount of \$136,400.00**

(Trustee Carroll arrived)

Motion for approval made by Trustee Guethle and seconded by Trustee Curtis. **Roll Call Vote:** Trustee Guethle – yes, Trustee Gaffino – yes, Trustee Carroll – yes, Trustee Faber – yes, Trustee Lowery – yes, Trustee Curtis – yes. **Motion approved (6-0).**

- 2. Approval of a Resolution Approving an Engagement Letter with Chapman and Cutler**

Motion for approval made by Trustee Guethle and seconded by Trustee Lowery. **Roll Call Vote:** Trustee Guethle – yes, Trustee Gaffino – yes, Trustee Carroll – yes, Trustee Faber – yes, Trustee Lowery – yes, Trustee Curtis – yes. **Motion approved (6-0).**

**3. Approval of a Resolution Approving an Engagement Letter with Speer Financial, Inc.**

Motion for approval made by Trustee Curtis and seconded by Trustee Lowery. **Roll Call Vote:**

Trustee Curtis – yes, Trustee Lowery – yes, Trustee Faber – yes, Trustee Carroll – yes, Trustee Gaffino – yes, Trustee Guethle – yes. **Motion approved (6-0).**

**4. Approval of a Bill List dated October 17, 2016 in the Amount of \$401,825.71**

Motion for approval made by Trustee Lowery and seconded by Trustee Guethle. **Roll Call Vote:**

Trustee Lowery – yes, Trustee Curtis – yes, Trustee Faber – yes, Trustee Carroll – yes, Trustee Gaffino – yes, Trustee Guethle – yes. **Motion approved (6-0).**

**OLD BUSINESS** - None

**VILLAGE PRESIDENT'S REPORT** - None

**COMMITTEE REPORTS** - None

**TRUSTEES' COMMENTS** - None

**ADMINISTRATOR'S REPORT**

Steve Bosco stated that someone has come to the Village expressing their interest in opening a bbq/restaurant/sports bar business in the Clock Tower Plaza in the former carpet business location. The proposal will be for seating for 130 people in a dining area and 20-30 people in the bar area. The owner is interested in opening by the end of the year. This item will be on a future agenda.

**ATTORNEY'S REPORT** - None

**FIRE DISTRICT REPORT** – None

**VILLAGE DEPARTMENT REPORTS**

1. **Finance** - None
2. **Community Development** - None
3. **Police** - None
4. **Public Works** - None
5. **Water** – Flushing of fire hydrants started today and will continue for the next two weeks.

**ADJOURNMENT**

Motion to adjourn made by Trustee Guethle and seconded by Trustee Carroll. All in favor. **Motion approved.**

Respectfully Submitted,

Lori J. Murray  
Village Clerk

**VILLAGE OF NORTH AURORA  
COMMITTEE OF THE WHOLE MEETING MINUTES  
OCTOBER 17, 2016**

**CALL TO ORDER**

Mayor Berman called the meeting to order.

**ROLL CALL**

**In attendance:** Mayor Dale Berman, Trustee Laura Curtis, Trustee Mike Lowery, Trustee Chris Faber, Trustee Mark Carroll, Trustee Mark Gaffino, Trustee Mark Guethle, Village Clerk Lori Murray.

**Staff in attendance:** Village Administrator Steve Bosco, Community and Economic Development Director Mike Toth, Public Works Superintendent Mike Glock, Water Superintendent Paul Young, Village Attorney Kevin Drendel.

**AUDIENCE COMMENTS** - None

**TRUSTEE COMMENTS** - None

**DISCUSSION**

**1. Discussion of Mobile Food Vendors**

There was discussion regarding mobile food vendors in the Village of North Aurora. The trustees discussed food vendors being required to register for a permit. Trustee Guethle said that the county and state would regulate food vendors. Trustee Faber asked if the Village could treat this as a peddler's license. Trustee Gaffino wanted to make sure the Village was aware of what the vendors were selling and how much was being sold.

**2. Discussion of Future Land Uses for 24 S. Lincolnway**

Toth asked the Board for feedback regarding what uses they would find desirable or non-desirable. Trustee Curtis said that she did not want to see any car related businesses in the 24 S. Lincolnway location. Curtis added that the property would be good for small office or a coffee shop. Trustee Gaffino suggested food related businesses since that will bring people to the area. Gaffino also agreed with not allowing car related businesses. Trustee Faber said he did not want to see a title loans business in that location. Trustee Carroll suggested a business that is food related which would complement the other food businesses. Trustee Curtis suggested an ice cream shop, adding that she did not want the area to turn into a fast food strip. Trustee Guethle said he would like to see a Starbucks or a Dunkin Donuts.

The Board agreed that they were not in favor of businesses such as car sales, mechanics, gas stations, or rental car companies.

**TRUSTEE COMMENTS** – None

**EXECUTIVE SESSION** - None

**ADJOURNMENT**

Motion to adjourn made by Trustee Guethle and seconded by Trustee Carroll. All in favor. **Motion approved.**

Respectfully Submitted,

Lori J. Murray/Village Clerk



# Accounts Payable

## To Be Paid Proof List

User: karolem  
 Printed: 10/31/2016 - 8:25AM  
 Batch: 00504.10.2016 - 10252016



Description	Amount	Account	Acct Name	Invoice #	Inv Date	Pmt Date
Accela, Inc. #774375						
034670						
Web Payments/September 2016	766.00	60-445-4510	Equipment/IT Maint	ACC24742	10/25/2016	10/25/2016
Total:	766.00	*Vendor Total				
ADT						
048240						
Alarm Services/VH/Oct 16-Jan17	243.36	01-445-4520	Public Buildings Rpr & Mtce	401309301/1-	10/25/2016	10/25/2016
Total:	243.36	*Vendor Total				
Assurant Employee Benefits						
033620						
Emp Pd Dental/Nov 2016	199.29	01-430-4136	Dental Insurance	112016-001	10/25/2016	10/25/2016
Emp Pd Dental/Nov 2016	85.58	01-441-4136	Dental Insurance	112016-002	10/25/2016	10/25/2016
Emp Pd Dental/Nov 2016	741.32	01-440-4136	Dental Insurance	112016-003	10/25/2016	10/25/2016
Emp Pd Dental/Nov 2016	134.06	01-445-4136	Dental Insurance	112016-004	10/25/2016	10/25/2016
Emp Pd Dental/Nov 2016	26.33	60-445-4136	Dental Insurance	112016-005	10/25/2016	10/25/2016
Vllg Pd Dental/Nov 2016	1,304.87	01-000-2054	Insurance Employee Reimburse	112016-006	10/25/2016	10/25/2016
Total:	2,491.45	*Vendor Total				
AT&T						
001620						
Internet Svcs/PWks Garage	161.73	01-445-4651	Telephone	thru Nov 7 20	10/25/2016	10/25/2016
Total:	161.73	*Vendor Total				
Builders License						
026880						
Title and Plates Processing Fee/Ford Explorer	35.00	01-445-4511	Vehicle Repair and Maint	Admn #148	10/25/2016	10/25/2016
Total:	35.00	*Vendor Total				
Call One						
043480						
25 E State Street Phone Lines	196.92	01-430-4651	Telephone	10152016-001	10/25/2016	10/25/2016
25 E State Street Phone Lines	196.92	01-441-4651	Telephone	10152016-002	10/25/2016	10/25/2016
25 E State Street Phone Lines	196.92	01-445-4651	Telephone	10152016-003	10/25/2016	10/25/2016
25 E State Street Phone Lines	196.91	60-445-4651	Telephone	10152016-004	10/25/2016	10/25/2016
314 Butterfield Phone Lines	77.00	01-445-4651	Telephone	10152016-005	10/25/2016	10/25/2016
316 Butterfield Phone Lines	41.91	60-445-4651	Telephone	10152016-006	10/25/2016	10/25/2016
PRI Village Hall/NAPD	234.33	01-440-4652	Communications	10152016-007	10/25/2016	10/25/2016
PRI Village Hall/NAPD	234.32	01-430-4652	Communications	10152016-008	10/25/2016	10/25/2016
200 S Lincolnway Phone Lines	967.61	01-440-4651	Telephone	10152016-009	10/25/2016	10/25/2016

Description	Amount	Account	Acct Name	Invoice #	Inv Date	Pmt Date
Total:	2,342.84	*Vendor Total				
Cintas Fire Protection						
043810						
Fire Extinguisher Service/East Trmnt Plnt	65.00	60-445-4567	Treatment Plant Repair/Maint	F9400151109	10/25/2016	10/25/2016
Total:	65.00	*Vendor Total				
Comcast Cable						
040740						
Internet Svcs/NAPD	222.80	01-440-4652	Communications	thru 11/26	10/25/2016	10/25/2016
Internet Svcs/Eastt Trmnt Plnt	149.85	60-445-4652	Communications	thru Nov 06 2	10/25/2016	10/25/2016
Internet Svcs/West Trmnt Plnt	149.85	60-445-4652	Communications	thru Nov 15 2	10/25/2016	10/25/2016
TV Serrvice/NAPD	10.56	01-440-4652	Communications	thru Nov 16 2	10/25/2016	10/25/2016
Total:	533.06	*Vendor Total				
Commonwealth Edison						
000330						
Streetlights/Various	967.82	10-445-4660	Street Lighting and Poles	3771153008	10/25/2016	10/25/2016
Streetlights/Butterfield & Laurel	5.33	10-445-4660	Street Lighting and Poles	0445305000	10/25/2016	10/25/2016
Streetlights/1802 Orchard Gateway	298.58	10-445-4660	Street Lighting and Poles	0562144049	10/25/2016	10/25/2016
Streetlights/353 Moorfield	8.71	10-445-4660	Street Lighting and Poles	0795092063	10/25/2016	10/25/2016
Streetlights/1901 Orchard Gateway	66.04	10-445-4660	Street Lighting and Poles	0835082016	10/25/2016	10/25/2016
Streetlights/1197 Comiskey	8.71	10-445-4660	Street Lighting and Poles	0903075187	10/25/2016	10/25/2016
Streetlights/1051 Kettle Ave	60.82	10-445-4660	Street Lighting and Poles	1083133047	10/25/2016	10/25/2016
Electricity/East Water Tower	38.98	60-445-4662	Utility	1313136025	10/25/2016	10/25/2016
Streetlights/1200 Orchard Gateway	417.33	10-445-4660	Street Lighting and Poles	1344158042	10/25/2016	10/25/2016
Streetlights/Rt 25 & Rt 56	133.84	10-445-4660	Street Lighting and Poles	1425064018	10/25/2016	10/25/2016
Streetlights/Randall & Ice Cream	10.13	10-445-4660	Street Lighting and Poles	1543019148	10/25/2016	10/25/2016
Streetlights/1193 Comiskey Ave	8.71	10-445-4660	Street Lighting and Poles	1743032047	10/25/2016	10/25/2016
Streetlights/Orchard & Deerpath	24.37	10-445-4660	Street Lighting and Poles	1776122038	10/25/2016	10/25/2016
Streetlights/Orchard & Oak	49.88	10-445-4660	Street Lighting and Poles	1875021089	10/25/2016	10/25/2016
Streetlights/Comiskey & Orchard	94.18	10-445-4660	Street Lighting and Poles	2313121105	10/25/2016	10/25/2016
Streetlights/1600 Orchard Gateway	110.34	10-445-4660	Street Lighting and Poles	2579039064	10/25/2016	10/25/2016
Streetlights/Orchard & White Oak	43.31	10-445-4660	Street Lighting and Poles	2963079050	10/25/2016	10/25/2016
Streetlights19 N. Lincolnway	50.14	10-445-4660	Street Lighting and Poles	2985029045	10/25/2016	10/25/2016
Streetlights/Orchard & Orchard Gateway	66.13	10-445-4660	Street Lighting and Poles	3147017028	10/25/2016	10/25/2016
Streetlights/211 River Road	3,449.65	10-445-4660	Street Lighting and Poles	4007024020	10/25/2016	10/25/2016
Streetlights/24 S Lincolnway	13.15	10-445-4660	Street Lighting and Poles	7919606051	10/25/2016	10/25/2016
Total:	5,926.15	*Vendor Total				
Dun Rite Enterprises						
000430						
Window Cleaning/VH/Sept 2016	150.00	01-445-4520	Public Buildings Rpr & Mtce	4421	10/25/2016	10/25/2016
Total:	150.00	*Vendor Total				
Dynegy Energy Services						
048750						
Well #7 9/10 - 10/11	7,744.16	60-445-4662	Utility	0915059095	10/25/2016	10/25/2016
Well #4 9/7 - 10/5	5,317.41	60-445-4662	Utility	1383089059	10/25/2016	10/25/2016
Well #5 9/8 - 10/10	5,664.23	60-445-4662	Utility	3915126049	10/25/2016	10/25/2016
Well #3 9/7 - 10/5	1,221.62	60-445-4662	Utility	5587066023	10/25/2016	10/25/2016

Description	Amount	Account	Acct Name	Invoice #	Inv Date	Pmt Date
Well #6 9/2 - 10/4	5,205.49	60-445-4662	Utility	6707024008	10/25/2016	10/25/2016
Total:	25,152.91	*Vendor Total				
Euclid Managers						
049670						
Llife Ins/Nov 2016	106.74	01-440-4135	Life Insurance	11/16 lf 001	10/25/2016	10/25/2016
Llife Ins/Nov 2016	36.00	01-445-4135	Life Insurance	11/16 lf 002	10/25/2016	10/25/2016
Llife Ins/Nov 2016	18.00	01-430-4135	Life Insurance	11/16 lf 003	10/25/2016	10/25/2016
Llife Ins/Nov 2016	13.14	01-441-4135	Life Insurance	11/16 lf 004	10/25/2016	10/25/2016
Llife Ins/Nov 2016	7.20	60-445-4135	Life Insurance	11/16 lf 005	10/25/2016	10/25/2016
Employee Pd Life Ins/Nov 2016	277.49	01-000-2052	Voluntary Life Insurance	112016 emp l	10/25/2016	10/25/2016
Employee Short Term Disability Ins/Nov 2016	286.89	01-000-2056	VSP - Employee Contributions	112016 std	10/25/2016	10/25/2016
Empl Paid Life Ins/Nov 2016	62.53	01-000-2052	Voluntary Life Insurance	empl pd lf 111	10/25/2016	10/25/2016
Total:	807.99	*Vendor Total				
Fox Metro						
029650						
New Water Service Inspections/Sept 2016	20.00	60-445-4480	New Meters,rprs. & Rplcmts.	092016	10/25/2016	10/25/2016
Total:	20.00	*Vendor Total				
Frega Painting & Decorating Inc.						
041770						
Drywall Repair/Paint/Mens Room/NAPD	2,342.00	01-445-4520	Public Buildings Rpr & Mtce	1254	10/25/2016	10/25/2016
Total:	2,342.00	*Vendor Total				
Harmonic Heating & Air Conditioning						
047680						
Boiler Repair/NAPD	250.00	01-445-4520	Public Buildings Rpr & Mtce	12023	10/25/2016	10/25/2016
Reset System/Village Hall	125.00	01-445-4520	Public Buildings Rpr & Mtce	12173	10/25/2016	10/25/2016
Total:	375.00	*Vendor Total				
Health Care Service Corporation						
016120						
Village Health Ins/Nov 2016	37,820.57	01-440-4130	Health Insurance	112016-001	10/25/2016	10/25/2016
Village Health Ins/Nov 2016	7,550.99	01-430-4130	Health Insurance	112016-002	10/25/2016	10/25/2016
Village Health Ins/Nov 2016	3,435.58	01-441-4130	Health Insurance	112016-003	10/25/2016	10/25/2016
Village Health Ins/Nov 2016	10,391.50	01-445-4130	Health Insurance	112016-004	10/25/2016	10/25/2016
Village Health Ins/Nov 2016	1,744.87	60-445-4130	Health Insurance	112016-005	10/25/2016	10/25/2016
Village Health Ins/Nov 2016/Rtrees Chk	283.69	01-000-2055	Payroll Deductions	112016-006	10/25/2016	10/25/2016
Village Health Ins/Nov 2016/Pol Pens	2,541.22	01-000-2055	Payroll Deductions	112016-007	10/25/2016	10/25/2016
Village Health Ins/Nov 2016/Retirees	364.34	01-000-2055	Payroll Deductions	112016-008	10/25/2016	10/25/2016
Total:	64,132.76	*Vendor Total				
Heartland Recycling						
046780						
Spoil Disposal	378.75	21-456-4875	Capital Improvements	16942 pwks	10/25/2016	10/25/2016
Spoil Disposal	378.75	60-445-4568	Watermain Rprs. & Rplcmts.	16942 wtr	10/25/2016	10/25/2016

Description	Amount	Account	Acct Name	Invoice #	Inv Date	Pmt Date
Total:	757.50	*Vendor Total				
Illinois Power Marketing						
047570						
Streetlights/Orchad Gateway & Deerpath	45.30	10-445-4660	Street Lighting and Poles	10392021610	10/25/2016	10/25/2016
Streetlights/Orchard & Oak	107.50	10-445-4660	Street Lighting and Poles	10392031610	10/25/2016	10/25/2016
Streetlights/1600 Orchard Gateway	262.03	10-445-4660	Street Lighting and Poles	10392041610	10/25/2016	10/25/2016
Streetlights/Orchard & Oak	90.77	10-445-4660	Street Lighting and Poles	10392051610	10/25/2016	10/25/2016
Streetlights/Orchad Gateway & Orchard	149.06	10-445-4660	Street Lighting and Poles	10392061610	10/25/2016	10/25/2016
Total:	654.66	*Vendor Total				
International Code Council						
030270						
Annual Membership Dues/Toth	100.00	01-441-4390	Dues & Meetings	2017	10/25/2016	10/25/2016
Total:	100.00	*Vendor Total				
Judges LLC						
039730						
Squad Washes August and September 2016	417.00	01-440-4511	Vehicle Repair and Maint	aug/sep 2016	10/25/2016	10/25/2016
Total:	417.00	*Vendor Total				
Kane County Animal Control						
031620						
Animal Pick-ups/September 2016	100.00	01-440-4523	Animal Control	092016	10/25/2016	10/25/2016
Total:	100.00	*Vendor Total				
Mary Licar						
042420						
Meeting Fees (1)	50.00	01-410-4015	Pension Board-Mtgs Per Diem	10182016	10/25/2016	10/25/2016
Total:	50.00	*Vendor Total				
Menards						
016070						
Dry Vac and Bungee	148.24	01-445-4870	Equipment	39439	10/25/2016	10/25/2016
Total:	148.24	*Vendor Total				
Ottosen Britz Kelly Cooper						
031590						
Legal Svcs/NAPD	29.41	01-440-4260	Legal	91169	10/25/2016	10/25/2016
Total:	29.41	*Vendor Total				
Paddock Publications, Inc.						
026910						
Legal Ad/Bids for Tree Replacements	78.20	01-445-4506	Publishing	T445409	10/25/2016	10/25/2016
Legal Ad/Bids for Security Camera System	93.15	01-430-4506	Publishing/Advertising	T4454482	10/25/2016	10/25/2016

Description	Amount	Account	Acct Name	Invoice #	Inv Date	Pmt Date
<hr/>						
Total:	171.35	<b>*Vendor Total</b>				
<b>Paul Dilley</b>						
019760						
Meeting Fees (1)	50.00	01-410-4015	Pension Board-Mtgs Per Diem	10182016	10/25/2016	10/25/2016
Total:	50.00	<b>*Vendor Total</b>				
<b>Secretary of State</b>						
002690						
Title/Plates/Ford Explorer	103.00	01-445-4511	Vehicle Repair and Maint	Adm #148	10/25/2016	10/25/2016
Total:	103.00	<b>*Vendor Total</b>				
<b>Stecklein, Robyn</b>						
022080						
Meeting Fees (1)	50.00	01-410-4015	Pension Board-Mtgs Per Diem	10182016	10/25/2016	10/25/2016
Total:	50.00	<b>*Vendor Total</b>				
<b>Van Loan, Steven</b>						
009900						
Meeting Fees (1)	50.00	01-410-4015	Pension Board-Mtgs Per Diem	10182016	10/25/2016	10/25/2016
Total:	50.00	<b>*Vendor Total</b>				
<b>Verizon Wireless</b>						
025430						
Cell Phones	163.43	01-430-4652	Communications	9773627357-C	10/25/2016	10/25/2016
Cell Phones	342.77	01-440-4652	Communications	9773627357-C	10/25/2016	10/25/2016
Cell Phones	145.82	01-441-4652	Communications	9773627357-C	10/25/2016	10/25/2016
Cell Phones	140.16	01-445-4652	Communications	9773627357-C	10/25/2016	10/25/2016
Cell Phones	116.69	60-445-4652	Communications	9773627357-C	10/25/2016	10/25/2016
Cell Phones/Admn	30.02	01-430-4652	Communications	9773627358-C	10/25/2016	10/25/2016
Cell Phones	109.57	01-440-4652	Communications	9773627358-C	10/25/2016	10/25/2016
Cell Phones	101.77	01-445-4652	Communications	9773627358-C	10/25/2016	10/25/2016
Cell Phones	67.75	60-445-4652	Communications	9773627358-C	10/25/2016	10/25/2016
Total:	1,217.98	<b>*Vendor Total</b>				
<b>Vision Service Plan (IL)</b>						
042720						
Employee Vision Insurance/Nov 2016	323.05	01-000-2056	VSP - Employee Contributions	nov 2016	10/25/2016	10/25/2016
Total:	323.05	<b>*Vendor Total</b>				
<b>Water Resources</b>						
010380						
(60) V4 MIU's	6,600.00	60-445-4480	New Meters,rprs. & Rplcmts.	30891	10/25/2016	10/25/2016
(30) 5/8" Meters	2,850.00	60-445-4480	New Meters,rprs. & Rplcmts.	30907	10/25/2016	10/25/2016
Total:	9,450.00	<b>*Vendor Total</b>				

Description	Amount	Account	Acct Name	Invoice #	Inv Date	Pmt Date
<b>Weblinx Incorporated</b>						
031420						
Website Mtce Ptg. October 2016	200.00	01-430-4512	Website Maintenance	23557	10/25/2016	10/25/2016
Total:	200.00	<b>*Vendor Total</b>				
Report Total:	119,417.44					

---

**VILLAGE OF NORTH AURORA**  
**AMENDED BOARD REPORT**

---

**TO:** VILLAGE PRESIDENT & BOARD OF TRUSTEES  
CC: STEVE BOSCO, VILLAGE ADMINISTRATOR  
**FROM:** MIKE TOTH, ECONOMIC & COMMUNITY DEVELOPMENT DIRECTOR  
**SUBJECT:** 24 S. LINCOLNWAY DEMOLITION PAY REQUEST #1  
**AGENDA:** 11/7/2016 REGULAR VILLAGE BOARD MEETING

---

Demolition of all site improvements and removal of underground storage tanks at 24 S. Lincolnway has been completed by Fox Excavating, Inc. Metro Tank and Pump Company was subcontracted for the removal of the underground storage tanks.

The awarded bid amount by Fox Excavating, Inc. was \$49,900. The work was completed at the awarded amount, with the exception of a \$940 overage for the removal and transport of fuel found in the underground storage tanks. Staff also recommends holding a 5% retainage (\$2,495) to be paid once turf has been established on the property. In consideration of the \$940 overage and 5% retainage, pay request #1 is \$48,345.

**Attachments:**

1. Invoice #4657, submitted by Fox Excavating, Inc., dated October 31, 2016
2. Fuel removal invoice, prepared Metro Tank and Pump Company
3. Certified payrolls

Fox Excavating, Inc.  
 1305 S. River Street  
 Batavia, IL 60510  
 Phone: (630) 879-2660  
 Fax: (630) 879-2025

Invoice No.	4657
Page	1
Application	1

<b>B I L L  T O</b>	VILLAGE OF NORTH AURORA 25 S. State Street North Aurora IL 60542  Phone: (630) 897-8228	<b>J O B  N O</b>	1653 24 S. LINCOLNWAY DEMO/RESTORE 24 S. Lincolnway North Aurora, IL 60542
---	---	---------------------------------------	---

Invoice Date	Invoice No.	Customer No.	Payment Terms	Contract No.
10/31/16	4657	VIL004	UNKNOWN	

Phase	Percent Complete	Description	Contract Amount	Current Amount
1	95.00	Demolition & Restoration	49,900.00	47,405.00
C01-1	100.00	Disposal of Fuel in Tanks	940.00	940.00
			Invoice Total	48,345.00

Excellence Since 1971  
 Thank You for Your Business



# Invoice

Metro Tank and Pump Company  
 Metro Environmental Contractors, Inc.  
 1111 West Dundee Road Ste #6  
 Wheeling, IL 60090  
 (P) 847-465-4000 (F) 847-465-1864

DATE	INVOICE #
10/7/2016	13744

## BILL TO:

Fox Excavating, Inc.  
 1305 S. River Street  
 Batavia, IL 60510-9648

## SHIP TO:

North Aurora Gas Station  
 24 South Linconlway  
 North Aurora, IL 60542

P.O. NUMBER	TERMS	PROJECT
1653-0001	Net 30 ✓	

QUANTITY	DESCRIPTION	RATE	AMOUNT
	Removal of (1) 12,000 gallon and (1) 8,000 gallon fiberglass single wall underground storage tanks. Removal vent piping as required. Open tanks on site and perform cleaning of tank interiors. Dispose of tanks at landfill. Return all excavated materials and surface spoils to excavation.	11,150.00	11,150.00 ✓
1	Liquid Transport Load on 10/05/2016	450.00	450.00
100	Gallons of Liquid Disposal	0.30	30.00
4	Hours Demurrage	115.00	460.00
	Sales Tax	9.75%	0.00

**Extra Fuel CHARGE**

SCANNED  
C.M.

**\$940.00**



Vendor	MET000	Inv #	13744
Rcv'd	10/13/16	Inv	10/7/16
Date	506	Date	
G/L			
Acct			
Job #	1653	Phase/	35
		Eqpt #	

Invoice is subject to a service charge of 1 1/2 % (1.5%) per month if not paid within 30 days of invoice date

**TOTAL \$12,090.00**



**Village of North Aurora  
Memorandum**



---

**To:** President and Board of Trustees

**From:** Bill Hannah, Finance Director

**Date:** October 29, 2016

**CC:** Steven Bosco, Village Administrator

**RE:** Comprehensive Annual Financial Report as of May 31, 2016

---

Sikich has completed their audit of the Village's financial report as of May 31, 2016. As such we are now sending to the Board the completed:

- Comprehensive Annual Financial Report as of May 31, 2016
- Rt. 31 TIF Compliance Report
- Management Letter from Sikich to the Board
- Report on Allocation of Pension Amounts for IMRF

Also sent to the Board is the Auditor's Communication Report regarding matters related to the audit and internal control.

Jim Savio, who oversaw the audit engagement, will be in attendance at the meeting to present the audit report. Hard copies of the documents will be available in the Board in-boxes and email versions will be sent as well.

If you have any questions prior to the meeting regarding any information in any of the reports please let me know. Thanks!



# VILLAGE OF NORTH AURORA, ILLINOIS



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED MAY 31, 2016



**VILLAGE OF NORTH AURORA, ILLINOIS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

For the Year Ended  
May 31, 2016

Prepared by:

William D. Hannah  
Finance Director

Mandy Flatt  
Accounting and Finance Coordinator



**VILLAGE OF NORTH AURORA, ILLINOIS**  
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## **INTRODUCTORY SECTION**

# **VILLAGE OF NORTH AURORA, ILLINOIS**

## **LIST OF PRINCIPAL OFFICIALS**

---



### **VILLAGE PRESIDENT**

Dale Berman

### **BOARD OF TRUSTEES**

Mark Carroll

Laura Curtis

Chris Faber

Mark Gaffino

Mark Guethle

Michael Lowery

### **VILLAGE CLERK**

Lori Murray

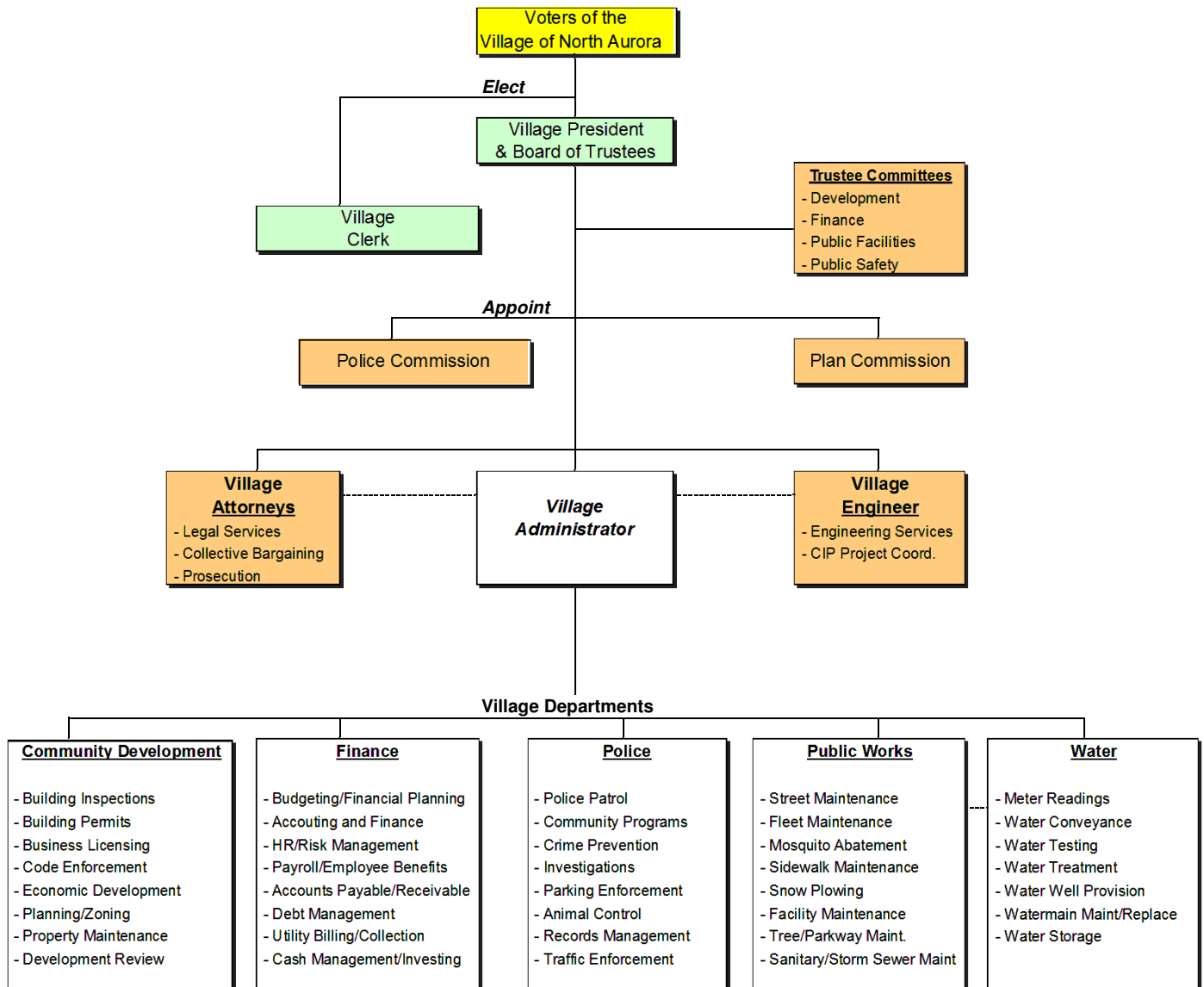
### **VILLAGE ADMINISTRATOR**

Steven Bosco

### **DEPARTMENT HEADS**

Michael Glock	Superintendent of Public Works
William Hannah	Finance Director/Treasurer
David Summer	Police Chief
Michael Toth	Community Development Director
Paul Young	Superintendent of Water

# Village of North Aurora Organization Chart





Government Finance Officers Association

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

Presented to

**Village of North Aurora  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**May 31, 2015**

Executive Director/CEO



October 10, 2016

President Dale Berman  
Board of Trustees  
Citizens of the Village of North Aurora

The Comprehensive Annual Financial Report (CAFR) of the Village of North Aurora for the fiscal year ended May 31, 2016 is hereby submitted. This report provides a comprehensive view of the Village's financial activities for the year and financial position at May 31, 2016. Illinois statutes require that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principals (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. In producing a CAFR, the Village has chosen to provide financial information that is significantly greater than that which is required under state law or by GAAP.

Responsibility for both the accuracy of the information presented in the CAFR as well as the completeness and fairness of the presentation, including all disclosures, rests with the Village. To provide a reasonable basis for making these representations, management of the Village of North Aurora 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 North Aurora's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Village's financial statements have been audited by Sikich LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village for the fiscal year ended May 31, 2016 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and, evaluating the overall financial statement presentation.

**25 EAST STATE STREET, NORTH AURORA, IL 60542**  
**PHONE 630-897-8228 - FAX 630-897-8258 - [WWW.NORTHAURORA.ORG](http://WWW.NORTHAURORA.ORG)**

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified (“clean”) opinion that the Village’s financial statements for the fiscal year ended May 31, 2016 are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

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

### **Profile of the Village of North Aurora and Reporting Entity**

The Village was incorporated in 1905 and operates under the trustee/administrator form of government. Policymaking and legislative authority are vested in the Village Board, which consists of a Village President and a six-member Board of Trustees. The President and Trustees are elected on an at-large basis to overlapping four-year terms. Various committees consisting of three Village Board members are also created from time-to-time to focus on specific projects or functional areas. The Village Administrator is appointed by the Village Board and is responsible for carrying out the policies of the Village Board and for overseeing the day-to-day administration of the Village. The Village is a non-home rule community as defined by the Illinois Constitution.

Located approximately 36 miles west of the City of Chicago in southeast Kane County, the Village occupies a land area of 7.4 square miles. The Village has experienced rapid growth in the last twenty years from a population of 5,490 in 1990 to a 2010 census count of 16,760. The Village conducted a partial, special census in 2016. While the results of that census count are not yet available, the Village estimates the revised population count of the Village to be close to 17,250. The Village is projected to reach a population of 22,000 by 2025 at which time it is estimated that most of the significant residential growth in the Village will be completed given the current incorporated boundaries and boundary agreements.

The Village provides a full range of services including police protection and investigation, maintenance of streets and infrastructure, water provision, treatment and service, water lines and maintenance of sanitary and storm sewer lines, building inspection and code enforcement, and general administrative/finance services. The Village has a total authorized employment level of 57.64 full-time equivalents. Solid waste collection and recycling services are administered by the Village through a contract with a private firm. Fire protection services are provided by the North Aurora Fire Protection District and Batavia Fire District, both separate governmental entities. Sanitary sewer treatment service is provided by the Fox Metropolitan Water Reclamation District, an independent unit of government. Recreational services are provided primarily by the Fox Valley Park District.

The financial reporting of the Village of North Aurora is comprised of all funds of the primary government (i.e., the Village of North Aurora as legally defined) and its pension trust fund, the North Aurora Police Pension Fund. The Police Pension Fund was determined to be a pension

trust fund due to its fiduciary and fiscal relationship with the Village as their sole purpose is to provide retirement benefits to the Village's sworn police officers.

Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and changes in financial position from those of the primary government. Beginning with the fiscal year ending May 31, 2014 the Village no longer reports the Messenger Public Library as a discretely presented component unit and there are no other units that meet the definition for inclusion as a component unit of the Village.

## **Budgeting System and Control**

The annual budget serves as the foundation for the Village of North Aurora's financial planning and control. The budget process typically begins in January with the issuance of budget information and instructions to Department Heads from the Finance Director who is appointed as the Budget Officer. Appointment of a Budget Officer is required per State statute for municipalities who have adopted the Budget Act in lieu of the Appropriations Act. Department Heads are required to submit a proposed budget to the Finance Director and Village Administrator in February of each year. The proposed budgets from each department are discussed and revisions made based on the projected financial outlook and Village priorities. Summaries of the proposed budgets are made and discussed at the Committee level. The draft budget is then prepared and issued in March and then discussed with the Village Board. Any additions, deletions and changes are made at subsequent Committee of the Whole and Village Board meetings. Finally, a required public hearing is held on the draft budget prior to budget adoption in May. The final budget must be adopted prior to the beginning of the fiscal year.

The annual budget is prepared by fund and department and includes information on past fiscal years, current year budget and projected and draft budget for next fiscal year. The Budget Officer may transfer budget amounts between objects; however, transfers between departments in the General Fund, transfers between funds or increases/decreases in the total budget of a fund must be approved by the Village Board. Expenditures may not legally exceed budget at the department level for the General Fund and at the fund level for other funds. Budget-to-actual comparisons are provided in this report for each fund for which a budget is adopted. For the General Fund and Route 31 TIF Fund, this comparison is presented on pages 56 and 57 as part of the required supplementary information. For other funds with appropriated budgets, this comparison is presented in the combining and individual fund financial statements and schedules.

## **Factors Affecting Financial Conditions**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Village of North Aurora operates.

**Local Economy and Revenues.** The Village of North Aurora has a diversified commercial and retail base balanced with various industrial uses. This is due to the strategic location of the Village along Interstate I-88 with access from both State Rt. 31 and Orchard Road. Other major



roads providing access to the Village include Rt.25 running parallel along the Fox River, Rt. 56 to the East and Randall Road. The development of sites in the Village continues to be very strong. During the year, a second industrial warehouse building began construction along Orchard Gateway. In addition, construction began on the Springs at Orchard, a 300-unit Class A gated apartment community, this and other residential construction will provide increased support for new and existing businesses in the Village. These and other projects throughout the community will increase the Village's tax base and improve the local economy. In addition, the North Aurora Auto Mall has undergone renovation and expansion of lots selling new vehicles, and overall sales tax growth in the Village continued as businesses opened. The Village has also continued planning processes for unincorporated areas through the development of annexations and annexation agreements in order to continue a balanced approach of planning for continued increases in residential, commercial and industrial growth into the future in the overall context of the Village's Comprehensive Plan.

As anticipated, the taxable equalized assessed valuation (EAV) within the Village stabilized and increased for the 2014 and 2015 levy years and is anticipated to increase again for the 2016 levy year. The Village's 2015 taxable EAV increased 6.8% to \$460,226,774. The increase was due to the addition of \$9,992,479 in new construction EAV and an increase in current EAV 4.5% or \$19,361,458 due to the stabilization and increase in property value over the last three years. Tentative information for the 2016 tax year shows that the EAV for current property may increase as much as 6% over 2015 and new construction due to industrial development and residential development may add almost another 1% to the overall increase in the EAV of the Village. The Village maintains and continues to maintain a developed land area with a balanced mix of residential (78%), commercial (15%) and industrial (7%) uses.

Economic activity within the Village continued to increase and remain strong as General Fund sales tax revenue for the year increased 2.5% from the prior year, the sixth consecutive year-over-year increase. General Fund sales tax revenue increased to \$4,394,997 for the year. Sales tax revenue in the General Fund has increased by an average of 6.3% every year for the last six years and sales tax revenue has increased among most categories of revenue during that time, but sales of cars and titled vehicles, other retail and food have been especially strong over that time.

State-shared income tax revenue increased 1.5% during the year to \$1,714,327. The economic expansion and increase in both personal income and corporate income taxes collected by the State and distributed to municipalities continued for a 6<sup>th</sup> straight year. One-time collections by the State in 2015 have contributed to a year-over-year decrease in April of 2016 that has seemed to stabilize as of September, 2016. It is anticipated that the management's estimated 2.9% increase in the Village's official population to 17,250 as a result of the partial, special census completed in 2016 will result in an increase in income tax revenue as well as motor fuel tax revenue and use tax revenue distributed on a per-capita basis sometime in early 2017, increasing the Village's share of those revenues over the next four years.

The Village continues to monitor the overall financial condition and budget struggles of the State of Illinois. The State passed a temporary six-month budget in June, 2016 through the end of December, 2016 and significant structural budget issues remain for the State to address in 2017.

The State continues to also have significantly under-funded pension systems and management continues to monitor the effect these issues might have on the Village going forward.

The long-term, future outlook for the Village remains very positive, given the Village's location along Interstate 88 and developable area for both commercial, residential and industrial uses. The Village's underlying bond rating from Standard and Poor's was increased in April, 2014 to AA+. S&P cited the Village's strong budgetary performance, very strong budgetary flexibility along with its very strong liquidity position as some of the reasons for the upgrade. Also mentioned were the strong North Aurora economy, strong financial management practices and policies and reasonable debt and contingent liability profile. The Village continues to move forward advancing goals and objectives, planning for needs into the future while maintaining financial strength.

**Accomplishments.** In addition to maintaining and strengthening the Village's overall financial condition, the Village continued to advance numerous goals and objectives during the year including, but not limited to:

- Updated the Village Board strategic goals and objectives. The planning resulted in thirty-two goals and objectives that can be broadly summarized into six main policy categories:
  - Community Vitality
  - Economic Development
  - Maintenance and Capital Resource Planning for Village Infrastructure
  - Maintenance and Strengthening of Village's Strong Financial Position
  - Efficient and Effective Delivery of Core Services
  - Redevelopment and Enhancement of the Rt. 31 Corridor
- Implemented new Village logo throughout the Village
- Replaced all Village street signs with new blue ones meeting federal reflectivity standards
- Acquired property at 24 S. Lincolnway in the Village's Rt. 31 TIF Fund in order to clear and remediate the site of a former gas station.
- Completed the reconstruction of the 2<sup>nd</sup> phase of Smoketree Lane in the Rt. 31 TIF District
- Continued removal of parkway trees infected with the Emerald Ash Borer and planting of new trees
- Continued planning for a new deep water well and water tower
- Completed collective bargaining agreements with all three (3) unions and expanded police patrol coverage with change to 12-hour shifts
- Approved annexation agreements amendments to allow for a 28-acre mixed use apartment complex at Oak and Orchard Road and a brewpub at Orchard Commons
- Worked toward acquiring Fox Valley Park District land contiguous to the Village Hall site
- Continuation of the Village's aggressive capital infrastructure replacement program including 1.7 miles of road reconstruction and rehabilitation including portions of Hawthorne, John, Roberts, State, Grace, Banbury, Dee and the Butterfield Frontage Road
- Oversaw the work related to the State's resurfacing of South Randall Road
- Continued the planning and engineering for the Airport Road, Alder and Ice Cream Drive reconstruction in 2017 primarily funded through STP funds

- Completed rehabilitation to Well #7 and continued proactive replacement of water-related infrastructure
- Completed agreement with the City of Aurora for emergency water interconnection
- Implemented information technology system improvements across all departments
- Began process for evaluation of options for the implementation of geographic information system (GIS) system in the Village

**Long-Term Financial Planning.** The Village maintains long-term financial projections that assist in planning for the financing of major capital improvements, purchase and replacement of capital equipment, and analyzing the impact of changes in operating needs and services. As part of this on-going process, the Village analyzes and projects all revenues, expenditures, fund balances and other resources on a multi-year basis. This allows the Village to forecast the effects of potential changes in the economy impacting the ability of the Village to fund operations and capital projects while maintaining a strong financial position identified as a high-priority goal of the Village.

Other plans in place include the long-term road, watermain and other infrastructure improvement programs and the multi-year vehicle and equipment replacement program funded with an annual charge to all operating departments. Other long-term capital projects are included in the capital improvement plan as part of the annual budget.

**Relevant Financial Policies.** The Village has also established various revenue, expenditure, debt, cash management and fund balance policies which provide guidance in managing the financial and budgetary affairs of the Village. These policies include a requirement for the maintenance of a minimum fund balance in the General Fund of 40% to 50% of annual expenditures and transfers of resources out of the General Fund for the purpose of debt repayment. This requirement was not only met but exceeded at the end of the year. The Village also maintains a policy to not use one-time revenues for continuing expenditures. During the year, the Village utilized one-time permit revenues received for significant new construction projects within the Village towards making an additional contribution to the Police Pension Trust Fund for the third year in a row, and an additional transfer to the Capital Projects Fund for future capital projects.

**Awards and Acknowledgements.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of North Aurora for its comprehensive annual financial report for the fiscal year ended May 31, 2015. This was the 15<sup>th</sup> consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the Village of North Aurora received for the 10<sup>th</sup> year in a row the GFOA's Distinguished Budget Presentation Award for the fiscal year 2015-2016 Budget. In order to qualify for this award, a governmental unit must publish and present a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The preparation of this report on a timely basis would not have been possible without the efficient and dedicated services of Finance Department and other Village staff throughout the year, especially Accounting and Finance Coordinator Mandy Flatt. I would like to extend my appreciation to the President and Trustees of the Village Board for their interest and support in supporting the establishment of prudent financial policies and processes and support in conducting the financial operations of the Village in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, reading "William D. Hannah". The signature is written in a cursive style with a large, stylized initial "W".

William D. Hannah  
Finance Director

## **FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**



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

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor  
Members of the Board of Trustees  
Village of North Aurora, 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 North Aurora, Illinois (the Village) as of and for the year ended May 31, 2016, and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 North Aurora, Illinois, as of May 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Change in Accounting Principle**

As discussed in Note 14, the Village adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which established standards for measuring and recognizing liabilities; deferred inflows and outflows of resources and expenses, modified certain disclosures in the notes to the financial statements and the required supplementary information. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and 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 are presented for 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. Such 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.

*Sikich LLP*

Naperville, Illinois  
September 20, 2016

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

**VILLAGE OF NORTH AURORA, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**MAY 31, 2016**

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As the management of the Village of North Aurora (the "Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended May 31, 2016. Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Letter of Transmittal beginning on page iv and the Village's financial statements beginning on page 4.

**Financial Highlights**

- The Village's total net position increased by \$1.3 million or 1.1% during the fiscal year ending May 31, 2016. The governmental net position increased by \$659,866 and the business-type activities net position increased by \$617,566
- The Village's combined Governmental Funds ending fund balance decreased \$673,978 as of May 31, 2016 to \$13.8 million
- As of May 31, 2016 the unrestricted fund balance for the General Fund was \$6.6 million or 68.5% of General Fund expenditures.

**Overview of the Financial Statements**

The focus of the financial statements is on the Village as a whole (government-wide) and on the major individual funds (major fund). Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden the basis for comparison (year to year or government to government) and enhance the Village's accountability.

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to 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 a private-sector business.

The *Statement of Net Position* presents information on all of the Village's assets and liabilities, along with deferred outflows and inflows of resources, with the difference between them 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's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities reflect the Village's basic services, including general government, public safety, public works and sanitation. The business-type activities include the Village's water provision operations.

The government-wide financial statements can be found on pages 4 through 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 Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. 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 balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating 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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains thirteen (13) individual governmental funds. Information is presented separately in the governmental fund balance sheet (beginning page 8) and in the governmental fund statement of revenues, expenditures, and changes in fund balances (page 10) for the General Fund, Capital Projects Fund and Route 31 TIF Fund which are considered to be major funds. Data from the other ten (10) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

**Proprietary Funds.** The Village maintains two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses separate enterprise funds to account for its water system. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Village's various functions. The

Village uses internal service funds to account for the cost of accumulating funds to replace Village vehicles and equipment and to account for compensated absences related to governmental funds. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statement provides information for the Waterworks Fund. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 12 through 16 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 reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Village maintains three fiduciary funds.

The basic fiduciary fund financial statements can be found on pages 17 and 18 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 19 through 55 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budget to actual comparisons and information regarding the Village's obligation to provide pension and other postemployment benefits to its employees. Required supplementary information can be found on pages 56 to 65.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 61 through 98 of this report.

**Government-Wide Statements** Beyond presenting current-year financial information in the government-wide and major individual fund formats, the Village also presents comparative information from the prior year in the Management's Discussion and Analysis. By doing so, the Village believes that it is providing the best means of analyzing its financial condition and position as of May 31, 2016.

**Net Position.** The following table reflects the condensed Statement of Net Position compared to the prior year.

**Table 1**  
**Statement of Net Position**  
**As of May 31, 2016**

	<b>Governmental-Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Current and Other Assets	\$ 21,651,234	\$ 20,969,772	\$ 3,406,458	\$ 2,735,354	\$ 25,057,692	\$ 23,705,126
Capital Assets	97,024,300	96,285,396	23,161,900	23,564,340	120,186,200	119,849,736
<b>Total Assets</b>	<b>118,675,534</b>	<b>117,255,168</b>	<b>26,568,358</b>	<b>26,299,694</b>	<b>145,243,892</b>	<b>143,554,862</b>
Pension Items	1,954,243	-	87,345	-	2,041,588	-
Unamortized Loss on Refunding	313,095	342,440	-	-	313,095	342,440
<b>Deferred Outflows</b>	<b>2,267,338</b>	<b>342,440</b>	<b>87,345</b>	<b>-</b>	<b>2,354,683</b>	<b>342,440</b>
Long-Term Liabilities	21,233,664	11,764,078	1,292,060	1,500,938	22,525,724	13,265,016
Current & Other Liabilities	2,565,797	1,510,161	427,065	292,812	2,992,862	1,802,973
<b>Total Liabilities</b>	<b>23,799,461</b>	<b>13,274,239</b>	<b>1,719,125</b>	<b>1,793,750</b>	<b>25,518,586</b>	<b>15,067,989</b>
Pension Items	492,291	-	-	-	492,291	-
Deferred Revenue	3,411,512	3,370,876	-	-	3,411,512	3,370,876
<b>Deferred Inflows</b>	<b>3,903,803</b>	<b>3,370,876</b>	<b>-</b>	<b>-</b>	<b>3,903,803</b>	<b>3,370,876</b>
Net Position:						
Net Investment in Capital Assets	87,966,627	86,384,283	22,191,726	22,099,689	110,158,353	108,483,972
Restricted	3,293,677	4,049,089	-	-	3,293,677	4,049,089
Unrestricted	1,979,304	10,519,121	2,744,852	2,406,255	4,724,156	12,925,376
<b>Total Net Position</b>	<b>\$ 93,239,608</b>	<b>\$ 100,952,493</b>	<b>\$ 24,936,578</b>	<b>\$ 24,505,944</b>	<b>\$ 118,176,186</b>	<b>\$ 125,458,437</b>

**Current Year Impacts on Net Position.** The Village's total net position decrease of \$7,282,251 to \$118,176,186 was the result of the governmental activities net position decreasing by \$7,712,885 and business-type activities increasing by \$430,634. The governmental activities total assets increased \$1,420,366 while governmental activities total liabilities increased \$10,525,222. The increase in governmental activities liabilities is due to the implementation of Statement No. 68, *Accounting and Financial Reporting for Pensions*, of the Governmental Accounting Standards Board. This Statement required the Village to recognize its net pension liabilities related to the North Aurora Police Pension Fund in the amount of \$10,001,810, and the Illinois Municipal Retirement Fund in the amount of \$1,227,778 (governmental activities portion) in its basic financial statements whereas previously the Village was required to report its pension obligations as required supplementary information.

Total assets of business-type activities increased \$268,664. Current assets of business-type activities increased \$671,104 due to an increase in cash and cash equivalents in the Waterworks Fund due to less funds being spent on capital projects and major operating expenses than normal during the year. This was partially offset by a \$402,440 decrease in capital assets due to normal depreciation of water-related infrastructure.

Of the Village's total net position at May 31, 2016 or \$118,176,186, 93.2% are investments in capital assets (buildings, land, infrastructure, equipment). The Village's total unrestricted net position as of May 31, 2016 decreased \$8,201,220 due primarily to the addition of the net pension liabilities to the Village's basic financial statements, offset by a \$1,674,381 increase in investments

in capital assets. The Village retains a positive net position in all three categories for governmental activities as well as business-type activities. For more detailed information, see the Statement of Net Position on page 4.

**Activities.** The following table summarizes revenue and expenses of the Village's activities.

**Table 2**  
**Changes in Net Position**  
**For the Fiscal Year Ended May 31, 2016**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 1,743,929	\$ 1,732,199	\$ 2,841,797	\$ 2,544,588	\$ 4,585,726	\$ 4,276,787
Operating Grants	477,516	547,447	-	-	477,516	547,447
Capital Grants/Contributions	1,410,172	3,117,646	10,597	418,913	1,420,769	3,536,559
General Revenues:						
Property & Repl Taxes	3,390,542	3,346,397	-	-	3,390,542	3,346,397
Sales Taxes	5,354,915	5,255,029	-	-	5,354,915	5,255,029
Other Taxes	1,390,150	1,396,202	-	-	1,390,150	1,396,202
Shared Income Taxes	1,714,327	1,688,499	-	-	1,714,327	1,688,499
Other	121,056	(92,237)	30,645	15,021	151,701	(77,216)
<b>Total Revenues</b>	<b>15,602,607</b>	<b>16,991,182</b>	<b>2,883,039</b>	<b>2,978,522</b>	<b>18,485,646</b>	<b>19,969,704</b>
<b>EXPENSES</b>						
General Government	2,751,762	2,739,039	-	-	2,751,762	2,739,039
Public Safety	6,035,035	5,413,092	-	-	6,035,035	5,413,092
Public Works	5,380,250	6,086,057	-	-	5,380,250	6,086,057
Sanitation	487,802	577,795	-	-	487,802	577,795
Interest	287,892	459,862	-	-	287,892	459,862
Waterworks	-	-	2,265,473	2,332,989	2,265,473	2,332,989
<b>Total Expenses</b>	<b>14,942,741</b>	<b>15,275,845</b>	<b>2,265,473</b>	<b>2,332,989</b>	<b>17,208,214</b>	<b>17,608,834</b>
<b>Change in Net Position</b>	<b>\$ 659,866</b>	<b>\$ 1,715,337</b>	<b>\$ 617,566</b>	<b>\$ 645,533</b>	<b>\$ 1,277,432</b>	<b>\$ 2,360,870</b>
<b>Net Position, June 1</b>	<b>\$ 100,952,493</b>	<b>\$ 99,237,156</b>	<b>\$ 24,505,944</b>	<b>\$ 23,860,411</b>	<b>\$ 125,458,437</b>	<b>\$ 123,097,567</b>
Prior Period Adjustment	\$ (8,372,751)	\$ -	\$ (186,932)	\$ -	\$ (8,559,683)	\$ -
<b>Net Position, June 1 Restate</b>	<b>\$ 92,579,742</b>	<b>\$ 99,237,156</b>	<b>\$ 24,319,012</b>	<b>\$ 23,860,411</b>	<b>\$ 116,898,754</b>	<b>\$ 123,097,567</b>
<b>Net Position, May 31</b>	<b>\$ 93,239,608</b>	<b>\$ 100,952,493</b>	<b>\$ 24,936,578</b>	<b>\$ 24,505,944</b>	<b>\$ 118,176,186</b>	<b>\$ 125,458,437</b>

### **Change in Net Position**

Total revenues for governmental activities decreased 8.2% or \$1,388,575 to \$15,602,607 due primarily to a \$1,707,474 decrease in capital assets and contributions as fewer capital assets were accepted by the Village from developers than the prior year. Sales taxes which represent 34% of all governmental activities revenue increased 1.9% or \$99,886 as taxable economic activity within the Village continued to moderately increase over the prior year. Property and replacement taxes increased 1.3% or \$44,145 to \$3,390,542 as property taxes received in the General Fund increased \$32,137 from the prior year. Charges for services remained about the same increasing \$11,730.

Shared income taxes increased 1.5% or \$25,828 during the year as the overall State economy and collection of income tax receipts continued to moderately increase. Other taxes which include utility taxes, telecommunication taxes and other taxes remained about the same decreasing \$6,052 to \$1,390,150.

Expenses for governmental activities decreased 2.2% to \$14,942,741. General Government expenses increased \$12,723 or 0.5%. Admin/Finance expenses increased \$151,261 due to one-time costs associated with the initiation of the Village's partial, special census and branding initiatives associated with the new Village logo. Part of this increase was offset by decreases in expenses due to one-time expenses in the prior year related to the establishment of an allowance for uncollectible loan accounts.

Expenses for Public Safety increased \$621,943 or 11.5%. During the year, the Village made an additional contribution to the Police Pension Fund Trust Fund of \$150,000 over and above the required amount. This additional contribution was less than the \$250,000 additional contribution made in the prior year. This reduction offset normal increases in personnel costs in police due to the hiring of an additional police officer, and normal turnover changes. The addition this year of the recording of the change in the net pension liability for police pension resulted in most of the increase in public safety expenses for the year.

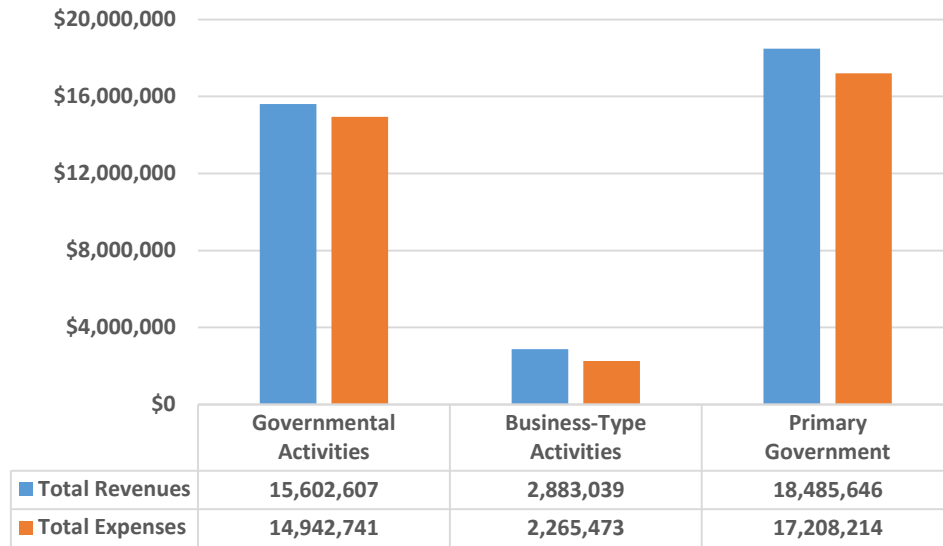
Public Works expenses decreased \$705,807 or 11.6%. Public works expenses in the General Fund decreased \$35,838. Costs associated with hiring of an additional employee were offset with reductions in expenses for tree removal and replacement and contracted snow plowing as the Village neared completion of parkway tree removal and replacement related to the emerald ash borer and a mild winter reduced contracted plowing costs. Public works expenses also increased in the Motor Fuel Tax Fund by \$232,200 due to the recording of the Village's liability for its share of the Randall Road resurfacing project. The overall decrease in public works expenses is due to an increase in capitalized assets attributable to Public Works from the prior year as significant expenses related to Public Works street resurfacing and maintenance were not capitalized in the prior year.

Revenues for business-type activities decreased 3.2% or \$95,483. This is due to a decrease in capital grants and contributions from \$418,913 to \$10,597 as no water-related infrastructure was accepted by developers during the year and grant revenue related to the rear-yard watermain project was mostly earned in the prior year. Charges for services increased \$297,209 or 11.7% due primarily to a \$214,414 increase in water connection fees received related to the Springs at Orchard apartment complex and \$58,989 increase in the sale of water meters for the same project.

Expenses for business-type activities decreased \$95,483 or 3.2%. Operating expenses remained about the same as the prior year increasing \$1,361 to \$2,281,086. Depreciation charges increased \$27,606 and operations decreased \$26,245 due to a reduction in the replacement of water meter reading devices.

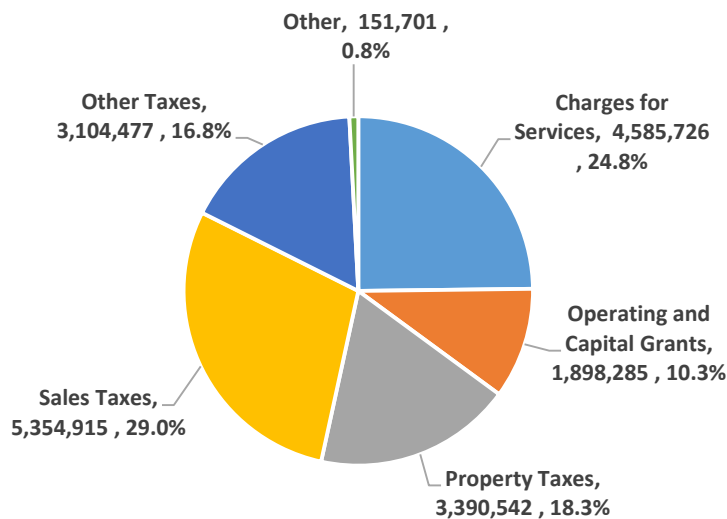


## Statement of Activities Fiscal Year Ended May 31, 2016

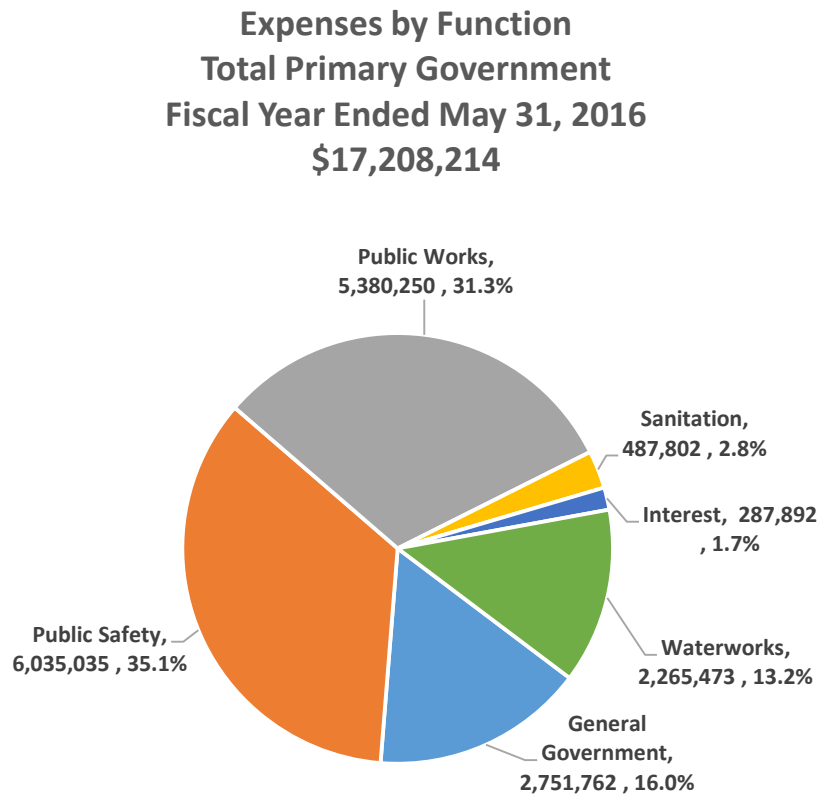


**Revenues.** Total primary government revenues for the fiscal year ended May 31, 2016, were \$18,485,646. As the chart below shows, 29% was from sales tax, 24.8% was from charges for services, 10.3% was from operating and capital grants and contributions, and 18.3% was from property taxes. Sales taxes were the largest source of revenues received at \$5,354,915 and property taxes, levied to support various purposes, special service areas or received as TIF revenues, were \$3,390,542. Charges for services consist primarily of building permits at \$570,546, cable franchise fees at \$278,676, and water usage sales at \$2,276,431.

### Revenues by Source Total Primary Government Fiscal Year Ended May 31, 2016 \$18,485,646



**Expenses.** Total primary government expenses for the year were \$17,208,214, a decrease of 2.3% from the prior year. Public Works expenses related to the Village's street maintenance and capital projects accounted for 31.3% of the total expenses. Public Safety expenses related to the Village's Police Department operations accounted for 35.1% of total expenses and the Village's waterworks operations accounted for 13.2%. Together, these three operational areas account for 79.6% of total expenses.



## Financial Analysis of the Village's Funds

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

### Governmental Funds

For the fiscal year ended May 31, 2016, the governmental funds reported total combined ending fund balances of \$13,842,714, a decrease of \$673,978 from the total beginning governmental fund balances of \$14,516,692. Of the total ending fund balances of \$13,842,714, \$19,129 is nonspendable in form, \$3,293,677 is restricted for various purposes, \$3,924,404 is assigned for various purposes and the remaining \$6,605,504 is unassigned. Total assigned and unassigned fund balances as of May 31, 2016 were \$10,529,908.

**General Fund.** The General Fund is the major operating fund of the Village providing for most operating services to the community including police protection, public works, and Village Hall services including finance, community development and administration. The primary sources of

funding for these services are sales taxes, state-shared income taxes and property taxes. At the end of the year, unassigned fund balance of the General Fund was \$6,605,504, while total fund balance was \$6,648,126. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year and as a measure of the General Fund's liquidity. At the end of the year, unassigned fund balance represents 68.5% of total General Fund expenditures plus transfers out for debt service. This ratio is in line with the Village's policy of maintaining a 40% to 50% fund balance (exclusive of nonspendable portions).

During the year, General Fund revenues increased from \$10,123,171 to \$10,342,512. This was due to an increase in sales tax revenues of \$105,192 or 2.5% from the prior year to \$4,394,997 and an increase in investment income by \$264,634. These increases were partially offset by a decrease in building permits of \$197,030 due to unusually high building permit received in the prior year. General Fund expenditures increased \$112,918 or 1.3% to \$9,045,216. Public safety expenditures for police department operations increased by 0.7% or \$16,976 to \$5,026,576. Normal increases in salaries were offset by a \$83,000 reduction in total Village contributions to the Police Pension Fund. General government expenditures increased \$116,620 or 5.7%. One-time costs associated with the special census and other projects primarily contributed to the increase. Public Works expenditures decreased \$35,838 or 1.9% for the year. This is due to a decrease in contracted snow plowing which was unusually low, and a decrease in contracted parkway tree removal and replacement. Transfers out during the year of \$1,070,625 were for required debt service payments for \$595,625, a transfer out of \$75,000 to the Insurance Fund and a transfer out of \$400,000 to support capital projects in the Capital Projects Fund. The net increase in fund balance for the year was \$248,063. Revenues were over final budget by \$425,862 primarily due to unanticipated building permits being significantly over budget. Expenditures were under final budget by \$598,656.

**Capital Projects Fund.** The Capital Projects Fund received revenues totaling \$1,999,687. Of this amount, \$959,918 was from the Village's 0.50% non-home rule sales tax and \$696,555 was from the 3.0% utility tax on gas, electricity (kilowatt-hour equivalency) and telecommunications which is committed by the Village Board for roads, infrastructure and capital projects. Total expenditures during the year were \$2,837,349 which included \$2,584,031 in expenditures for the annual road reconstruction and resurfacing program. The total fund balance decreased from \$2,411,709 to \$1,974,047 as the Village completed the 2015 road program and also completed a substantial portion of the 2016 road program during the year due to necessary scheduling of the various improvements.

**Route 31 TIF Fund.** The Route 31 TIF Fund realized \$456,380 in revenues during the year of which \$450,515 were TIF property tax revenues. Expenditures for the year were \$1,010,900. During the year the Village completed the 2<sup>nd</sup> phase of the reconstruction of Smoketree Lane for \$599,029. Over the last several years the Village has targeted the use of TIF reserves to fund the reconstruction of this road in the TIF District. The Village also purchased a dilapidated gas station site in order to begin the process of cleaning up the property in the future. This purchase was for \$198,752. These projects resulted in the planned reduction in fund balance from \$1,717,568 to \$1,163,048. The Village anticipates using another portion of this reserve in the following year for the final Phase III reconstruction of Smoketree Lane.

**Business-Type Activities.** Total Waterworks operating revenues were \$2,672,827 an increase of \$283,046 or 11.8% from the prior year. The increase was due to water connection fees and meter sales being \$273,403 in total higher than the prior year. Total operating expenses were \$2,281,086, an increase of \$1,361 from the previous year, resulting in an operating income of \$391,741. The

change in net position for the year was \$617,566. Total net position at the end of the year was \$24,936,578 which includes the Waterworks Fund net investment in capital assets of \$22,191,726 leaving an unrestricted net position of \$2,744,852.

**General Fund Budget.** For the year, three budget amendments were approved by the Village Board. Two of these amendments affected the General Fund. These amendments increased total General Fund expenditures and transfers to other funds by \$835,900. Highlights and dollar amounts of the significant budget amendments are as follows:

- Increase of \$145,000 for additional parkway tree replacement
- Reduction in charges to Public Works for purchase of vehicles and equipment by \$75,000
- Transfer of \$198,900 to the Police Station Debt Service Fund for required debt payments
- Additional contribution to the Police Pension fund in the amount of \$150,000
- Transfer of \$400,000 to the Capital Projects Fund for future capital projects

## Capital Assets

The Village's investment in capital assets for both its governmental and business-type activities as of May 31, 2016 is \$120,186,200 (net of accumulated depreciation). This investment in capital assets includes land, buildings, vehicles and equipment, infrastructure, sewer lines, water lines, water towers, water wells and water treatment facilities as well as intangible assets. The total increase in the Village's investment in capital assets net of accumulated depreciation for the current fiscal year was 0.3%. (a 0.8% increase for governmental activities and a 1.7% decrease for business-type activities). The above schedule reflects the Village's capital asset balances as of May 31, 2016.

**Table 3**  
**Capital Assets**  
**As of May 31, 2016**

	Governmental-Activities		Business-Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Land and Land Right of Way	\$ 27,279,737	\$ 27,279,737	\$ 476,703	\$ 476,703	\$ 27,756,440	\$ 27,756,440
Buildings	18,042,153	18,042,153	-	-	18,042,153	18,042,153
Construction in Progress	949,501	-	-	-	949,501	-
Vehicles and Equipment	3,700,627	3,383,637	72,200	72,200	3,772,827	3,455,837
Infrastructure	59,216,426	56,927,889	-	-	59,216,426	56,927,889
Sewer Lines	24,688,394	24,359,250	-	-	24,688,394	24,359,250
Water Towers and Wells	-	-	4,875,441	4,788,956	4,875,441	4,788,956
Water Treatment Facilities	-	-	6,852,559	6,852,559	6,852,559	6,852,559
Water Lines	-	-	23,588,202	23,299,938	23,588,202	23,299,938
Less:						
Accumulated Depreciation	(36,852,538)	(33,707,270)	(12,703,205)	(11,926,016)	(49,555,743)	(45,633,286)
<b>Total Assets</b>	<b>\$ 97,024,300</b>	<b>\$ 96,285,396</b>	<b>\$ 23,161,900</b>	<b>\$ 23,564,340</b>	<b>\$ 120,186,200</b>	<b>\$ 119,849,736</b>

Major capital asset additions during fiscal year 2016 included:

- Completion of the 2015 road rehabilitation program of 1.7 miles on portions or all of Hawthorne Drive, John Street, Roberts Street, State Street, Grace Street, Banbury Road, Dee Road and Butterfield Frontage Road Oak Street for \$1,083,924
- Beginning of the 2016 road rehabilitation program during the year recorded as construction in progress for \$949,501
- Acceptance of developer curb, street, sidewalk, storm sewer other related infrastructure at a value of \$1,078,590 for improvements to Mitchell Road and Orchard Gateway
- Purchase of three (3) police vehicles and two (2) public works trucks for \$288,476

Additional information on the Village's capital assets can be found in Note 5.

## Debt Outstanding

As of May 31, 2016, the Village had total debt outstanding of \$10,090,174 (excluding amounts deferred for issuance premiums, compensated absences, the net other post-employment benefits obligation, the net pension liabilities and unamortized accounting loss on refunding). This amount is comprised of one general obligation bond issuance, two general obligation bond alternate revenue source issuances and one general obligation alternate revenue source loan payable. Of the total amount outstanding:

- \$2,290,000 is to be retired with a library debt service property tax levy
- \$970,174 is to be retired with water service charges revenue
- \$6,830,000 is to be retired with sales tax revenue

The following schedule summarizes the Village's bonded and similar indebtedness.

**Table 4**  
**Bonded and Similar Indebtedness**  
**As of May 31, 2016**

	Governmental-Activities		Business-Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds	2,290,000	2,710,000	-	-	2,290,000	2,710,000
General Obligation Bonds/Loans (Alternative Revenue Source)	6,830,000	7,260,000	970,174	1,464,651	7,800,174	8,724,651
<b>Total</b>	<b>\$ 9,120,000</b>	<b>\$ 9,970,000</b>	<b>\$ 970,174</b>	<b>\$ 1,464,651</b>	<b>\$ 10,090,174</b>	<b>\$ 11,434,651</b>

The Village is a non-home rule community and as such is subject to a legal debt limit of 8.625% of the equalized assessed value (EAV) of the Village. At May 31, 2016, the taxable EAV of the Village was \$460,226,774 which resulted in a total legal debt limit of \$39,694,559. At the end of the fiscal year, the Village has \$2,290,000 in debt applicable to the debt limit, resulting in a debt to EAV ratio of 0.50%.

The Village implemented during the year Statement No. 68, *Accounting and Financial Reporting for Pensions*, of the Governmental Accounting Standards Board. The most significant effect of the Village's implementation of the standard was the reporting of net pension liabilities in the government-wide statement of net position. Previously, the Village reported a net pension obligation per generally accepted accounting principles. Although not shown on the above table,

the implementation of this Statement resulted in the placement of net pension liabilities of \$11,229,588 on the statement of net position for the governmental activities and \$275,063 for the statement of net position for the business-type activities.

Additional information on the long-term debt of the Village can be found in Note 6 of the Notes to the Financial Statements.

### **Economic Factors and Next Year's Budget**

The Village has adhered to prudent financial management practices which has enabled it to maintain and strengthen the Village's overall financial position while staying committed to funding the Village's long-term liabilities and achieving the goals and objectives of the Village Board. The Village has continued to see increases in major revenue sources and strength in the local economy as new businesses have opened and development of vacant land continues. It is anticipated for FY '17 that the Village will continue to realize positive operations in the General Fund while using dedicated resources for capital projects. It is anticipated that the Village will receive additional revenues distributed by the State on a per capita basis in 2017 once the results of the partial, special census are finalized.

The Village is subject to the property tax extension limitation law which limits the increase in the Village property tax extension to the increase in the consumer price index. For the 2015 levy collected in calendar 2016, this increase was 0.8%. For the 2016 levy collected in 2017, the applicable CPI factor is 0.7%. For both the 2015 levy and the 2016 levy the Village has also seen an increase in new construction within the Village that has been higher than previous years.

The Village continues to invest in the replacement of its roads and related infrastructure using committed and restricted funds as well as applying for grants where possible. The Village continues its annual road rehabilitation program in FY 2016-17 in the Capital Projects Fund. The Village also replaces when necessary aging watermain in conjunction with the road program. The overall financial health of the Waterworks Fund continues to be strong and the Village will be looking to invest additional resources in providing additional water storage and pumping capacity over the next two years.

### **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 of the money it receives. Questions concerning this report or requests for additional financial information should be directed to William D. Hannah, Finance Director, Village of North Aurora, 25 East State Street, North Aurora, IL 60542.

**VILLAGE OF NORTH AURORA, ILLINOIS**

**STATEMENT OF NET POSITION**

May 31, 2016

	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-Type</b>	<b>Total</b>
	<b>Activities</b>	<b>Activities</b>	
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 9,359,604	\$ 3,032,544	\$ 12,392,148
Cash with Paying Agent	-	7,678	7,678
Investments	6,933,913	-	6,933,913
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	3,198,531	-	3,198,531
Other Taxes	1,593,716	-	1,593,716
Accounts	26,976	358,626	385,602
Intergovernmental	418,581	-	418,581
Accrued Interest	24,183	-	24,183
Other	62,465	-	62,465
Prepaid Items	19,129	7,610	26,739
Inventory	14,136	-	14,136
Capital Assets			
Nondepreciable	28,229,238	476,703	28,705,941
Depreciable (Net of Accumulated Depreciation)	68,795,062	22,685,197	91,480,259
<b>Total Assets</b>	<b>118,675,534</b>	<b>26,568,358</b>	<b>145,243,892</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized Loss on Refunding	313,095	-	313,095
Pension Items - IMRF	389,875	87,345	477,220
Pension Items - Police Pension	1,564,368	-	1,564,368
<b>Total Deferred Outflows of Resources</b>	<b>2,267,338</b>	<b>87,345</b>	<b>2,354,683</b>
<b>LIABILITIES</b>			
Accounts Payable	1,950,574	343,912	2,294,486
Retainage Payable	104,950	43,426	148,376
Accrued Payroll	133,810	11,241	145,051
Accrued Interest Payable	109,323	14,654	123,977
Unearned Revenue	267,140	7,048	274,188
Due to Others	-	6,784	6,784
Noncurrent Liabilities			
Due Within One Year	978,688	524,214	1,502,902
Due in More than One Year	20,254,976	767,846	21,022,822
<b>Total Liabilities</b>	<b>23,799,461</b>	<b>1,719,125</b>	<b>25,518,586</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Items - Police Pension	492,291	-	492,291
Deferred Revenue - Property Taxes	3,411,512	-	3,411,512
<b>Total Deferred Inflows of Resources</b>	<b>3,903,803</b>	<b>-</b>	<b>3,903,803</b>

(This statement is continued on the following page.)

VILLAGE OF NORTH AURORA, ILLINOIS

STATEMENT OF NET POSITION (Continued)

May 31, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 87,966,627	\$ 22,191,726	\$ 110,158,353
Restricted for			
Debt Service	362,820	-	362,820
DUI Enforcement	23,493	-	23,493
Highways and Streets	1,270,143	-	1,270,143
Economic Development	1,519,077	-	1,519,077
Subdivision Improvements	118,144	-	118,144
Unrestricted	1,979,304	2,744,852	4,724,156
<b>TOTAL NET POSITION</b>	<b>\$ 93,239,608</b>	<b>\$ 24,936,578</b>	<b>\$ 118,176,186</b>

See accompanying notes to financial statements.



**VILLAGE OF NORTH AURORA, ILLINOIS****STATEMENT OF ACTIVITIES**

For the Year Ended May 31, 2016

		<b>Program Revenues</b>		
		<b>Charges</b>	<b>Operating</b>	<b>Capital</b>
	<b>Expenses</b>	<b>for Services</b>	<b>Grants and</b>	<b>Grants and</b>
			<b>Contributions</b>	<b>Contributions</b>
<b>FUNCTIONS/PROGRAMS</b>				
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General Government	\$ 2,751,762	\$ 1,210,730	\$ -	\$ -
Public Safety	6,035,035	213,492	19,264	-
Public Works	5,380,250	-	458,252	1,410,172
Sanitation	487,802	319,707	-	-
Interest	287,892	-	-	-
Total Governmental Activities	14,942,741	1,743,929	477,516	1,410,172
Business-Type Activities				
Waterworks	2,265,473	2,841,797	-	10,597
Total Business-Type Activities	2,265,473	2,841,797	-	10,597
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 17,208,214</b>	<b>\$ 4,585,726</b>	<b>\$ 477,516</b>	<b>\$ 1,420,769</b>

<b>Net (Expense) Revenue and Change in Net Position</b>			
<b>Primary Government</b>			
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
	\$ (1,541,032)	\$ -	\$ (1,541,032)
	(5,802,279)	-	(5,802,279)
	(3,511,826)	-	(3,511,826)
	(168,095)	-	(168,095)
	(287,892)	-	(287,892)
	(11,311,124)	-	(11,311,124)
	-	586,921	586,921
	-	586,921	586,921
	(11,311,124)	586,921	(10,724,203)
General Revenues			
Taxes			
Property and Replacement	3,390,542	-	3,390,542
Sales	5,354,915	-	5,354,915
Telecommunications	278,444	-	278,444
Utility	487,721	-	487,721
Amusement	88,845	-	88,845
Other	535,140	-	535,140
Intergovernmental - Unrestricted			
Shared Income Taxes	1,714,327	-	1,714,327
Investment Income	92,804	6,626	99,430
Miscellaneous	28,252	24,019	52,271
Total	11,970,990	30,645	12,001,635
CHANGE IN NET POSITION	659,866	617,566	1,277,432
NET POSITION, JUNE 1	100,952,493	24,505,944	125,458,437
Change in Accounting Principle	(8,372,751)	(186,932)	(8,559,683)
NET POSITION, JUNE 1, RESTATED	92,579,742	24,319,012	116,898,754
NET POSITION, MAY 31	\$ 93,239,608	\$ 24,936,578	\$ 118,176,186

See accompanying notes to financial statements.

**VILLAGE OF NORTH AURORA, ILLINOIS**

**GOVERNMENTAL FUNDS  
BALANCE SHEET**

May 31, 2016

	<b>General</b>	<b>Capital Projects</b>	<b>Route 31 TIF</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 1,408,344	\$ 2,611,628	\$ 1,212,076	\$ 3,151,849	\$ 8,383,897
Investments	4,555,923	426,881	-	999,193	5,981,997
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)					
Property Taxes	2,045,536	-	373,502	779,493	3,198,531
Other Taxes	1,240,770	308,714	-	44,232	1,593,716
Accounts	-	-	-	26,976	26,976
Intergovernmental	418,581	-	-	-	418,581
Accrued Interest	16,655	1,498	-	2,726	20,879
Other	62,465	-	-	-	62,465
Prepaid Items	19,129	-	-	-	19,129
<b>TOTAL ASSETS</b>	<b>\$ 9,767,403</b>	<b>\$ 3,348,721</b>	<b>\$ 1,585,578</b>	<b>\$ 5,004,469</b>	<b>\$ 19,706,171</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 787,507	\$ 1,014,420	\$ 32,575	\$ 111,543	\$ 1,946,045
Retainage Payable	-	104,950	-	-	104,950
Accrued Payroll	133,810	-	-	-	133,810
Unearned Revenue	-	255,304	11,836	-	267,140
Total Liabilities	921,317	1,374,674	44,411	111,543	2,451,945
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Property Taxes	2,197,960	-	378,119	835,433	3,411,512
Total Deferred Inflows of Resources	2,197,960	-	378,119	835,433	3,411,512
<b>FUND BALANCES</b>					
Nonspendable in Form - Prepaid Items	19,129	-	-	-	19,129
Restricted for DUI Enforcement	23,493	-	-	-	23,493
Restricted for Debt Service	-	-	-	362,820	362,820
Restricted for Highways and Streets	-	-	-	1,270,143	1,270,143
Restricted for Economic Development	-	-	1,163,048	356,029	1,519,077
Restricted for Subdivision Improvements	-	-	-	118,144	118,144
Unrestricted					
Assigned for Tort Purposes	-	-	-	314,665	314,665
Assigned for Roads, Infrastructure and Capital Projects	-	1,974,047	-	-	1,974,047
Assigned for Buffer Repair/Replacement	-	-	-	40,040	40,040
Assigned for Sanitary Sewers	-	-	-	1,527,907	1,527,907
Assigned for Tourism	-	-	-	67,745	67,745
Unassigned	6,605,504	-	-	-	6,605,504
Total Fund Balances	6,648,126	1,974,047	1,163,048	4,057,493	13,842,714
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 9,767,403</b>	<b>\$ 3,348,721</b>	<b>\$ 1,585,578</b>	<b>\$ 5,004,469</b>	<b>\$ 19,706,171</b>

See accompanying notes to financial statements.

**VILLAGE OF NORTH AURORA, ILLINOIS**

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

May 31, 2016

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<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>\$ 13,842,714</b>
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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	97,024,300
Less Internal Service Funds	(1,252,282)

Accrued interest payable is not recorded in governmental funds but is recorded on the statement of net position	(109,323)
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Differences between actual and expected experiences, assumption changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows of resources on the statement of net position	389,875
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Differences between actual and expected experiences, assumption changes, and net differences between projected and actual earnings for the Police Pension Fund are recognized as deferred outflows and inflows of resources on the statement of net position	1,072,077
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds Payable	(9,120,000)
Net Pension Liability - IMRF	(1,227,778)
Net Pension Liability - Police Pension	(10,001,810)
Net Other Postemployment Benefits Obligation	(278,555)

Loss on refunding of bonds is recorded on the statement of net position	313,095
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Premium on bonds is recorded on the statement of net position	(250,768)
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The net position of the internal service funds are included in the governmental activities in the statement of net position	<u>2,838,063</u>
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<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 93,239,608</u></u></b>
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See accompanying notes to financial statements.

**VILLAGE OF NORTH AURORA, ILLINOIS**

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

For the Year Ended May 31, 2016

	<b>General</b>	<b>Capital Projects</b>	<b>Route 31 TIF</b>	<b>Nonmajor Governmental</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>					
Taxes	\$ 7,193,708	\$ 1,656,473	\$ 450,515	\$ 834,913	\$ 10,135,609
Licenses and Permits	830,157	-	-	149,894	980,051
Intergovernmental	1,733,591	24,452	-	458,252	2,216,295
Charges for Services	401,447	-	-	169,813	571,260
Fines and Forfeits	125,525	-	-	-	125,525
Impact Fees	-	307,130	-	-	307,130
Investment Income	57,797	11,632	5,865	17,510	92,804
Miscellaneous	287	-	-	95,056	95,343
<b>Total Revenues</b>	<b>10,342,512</b>	<b>1,999,687</b>	<b>456,380</b>	<b>1,725,438</b>	<b>14,524,017</b>
<b>EXPENDITURES</b>					
Current					
General Government	2,173,623	-	197,813	165,363	2,536,799
Public Safety	5,043,757	-	-	159,080	5,202,837
Public Works	1,827,836	-	-	677,191	2,505,027
Sanitation	-	-	-	145,104	145,104
Capital Outlay	-	2,837,349	813,087	16,875	3,667,311
Debt Service					
Principal Retirement	-	-	-	850,000	850,000
Interest	-	-	-	293,175	293,175
Fiscal Charges	-	-	-	990	990
<b>Total Expenditures</b>	<b>9,045,216</b>	<b>2,837,349</b>	<b>1,010,900</b>	<b>2,307,778</b>	<b>15,201,243</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,297,296</b>	<b>(837,662)</b>	<b>(554,520)</b>	<b>(582,340)</b>	<b>(677,226)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	18,144	400,000	-	670,625	1,088,769
Transfers (Out)	(1,070,625)	-	-	(18,144)	(1,088,769)
Insurance Claim Reimbursement	3,248	-	-	-	3,248
<b>Total Other Financing Sources (Uses)</b>	<b>(1,049,233)</b>	<b>400,000</b>	<b>-</b>	<b>652,481</b>	<b>3,248</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>248,063</b>	<b>(437,662)</b>	<b>(554,520)</b>	<b>70,141</b>	<b>(673,978)</b>
<b>FUND BALANCES, JUNE 1</b>	<b>6,400,063</b>	<b>2,411,709</b>	<b>1,717,568</b>	<b>3,987,352</b>	<b>14,516,692</b>
<b>FUND BALANCES, MAY 31</b>	<b>\$ 6,648,126</b>	<b>\$ 1,974,047</b>	<b>\$ 1,163,048</b>	<b>\$ 4,057,493</b>	<b>\$ 13,842,714</b>

See accompanying notes to financial statements.

**VILLAGE OF NORTH AURORA, 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 May 31, 2016

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<b>NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ (673,978)</b>
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Amounts reported for governmental activities in the statement of  
activities are different because:

Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	2,716,233
Depreciation expense does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds	(3,372,908)
Less amounts included in internal service funds below	205,035
The contribution of a capital asset is not an inflow of a current financial resource and, therefore, is not reported in governmental funds but is shown as a capital contribution on the statement of activities	1,078,590
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	850,000
The amortization of premium on long-term debt is reported as an expense on the statement of activities	22,785
The amortization of loss on refunding on long-term debt is reported as an expense on the statement of activities	(29,345)
The decrease in accrued interest payable is shown as an increase of expense on the statement of activities	12,833
The change in the Illinois Municipal Retirement Fund net pension liability is not a source or use of a financial resource	(325,848)
The change in the Police Pension Fund net pension liability is not a source or use of a financial resource	(1,522,422)
The change in deferred outflows for the Illinois Municipal Retirement Fund is reported only on the statement of activities	322,342
The change in deferred outflows and inflows for the Police Pension Fund is reported only on the statement of activities	1,072,077
The change in net other postemployment benefits obligations are reported only in the statement of activities	(37,954)
The change in net position in internal service funds is shown as a governmental activity on the statement of activities	<u>342,426</u>

<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 659,866</u></b>
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See accompanying notes to financial statements.

**VILLAGE OF NORTH AURORA, ILLINOIS**

PROPRIETARY FUNDS  
STATEMENT OF NET POSITION

May 31, 2016

	<b>Business-Type Activities Waterworks</b>	<b>Governmental Activities Internal Service Funds</b>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 3,032,544	\$ 975,707
Investments	-	951,916
Cash with Paying Agent	7,678	-
Receivables		
Accounts	358,626	-
Accrued Interest	-	3,304
Intergovernmental	-	-
Prepaid Items	7,610	-
Inventory	-	14,136
	<hr/>	<hr/>
Total Current Assets	3,406,458	1,945,063
	<hr/>	<hr/>
<b>CAPITAL ASSETS</b>		
Nondepreciable	476,703	15,800
Depreciable (Net of Accumulated Depreciation)	22,685,197	1,236,482
	<hr/>	<hr/>
Total Capital Assets	23,161,900	1,252,282
	<hr/>	<hr/>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension Items - IMRF	87,345	-
	<hr/>	<hr/>
Total Deferred Outflows of Resources	87,345	-
	<hr/>	<hr/>
Total Assets and Deferred Outflows of Resources	26,655,703	3,197,345
	<hr/>	<hr/>
<b>CURRENT LIABILITIES</b>		
Accounts Payable	343,912	4,529
Retainage Payable	43,426	-
Accrued Payroll	11,241	-
Other Unearned Revenue	7,048	-
Interest Payable	14,654	-
Due to Others	6,784	-
Compensated Absences Payable	6,654	88,688
Kane County Loan Payable	102,560	-
General Obligation Alternate Revenue		
Source Bonds Payable	415,000	-
	<hr/>	<hr/>
Total Current Liabilities	951,279	93,217
	<hr/>	<hr/>
<b>LONG-TERM LIABILITIES</b>		
Compensated Absences Payable	19,960	266,065
Net Pension Liability	275,063	-
Other Postemployment Benefits Payable	20,209	-
Kane County Loan Payable	452,614	-
General Obligation Alternate Revenue		
Source Bonds Payable	-	-
	<hr/>	<hr/>
Total Long-Term Liabilities	767,846	266,065
	<hr/>	<hr/>
Total Liabilities	1,719,125	359,282
	<hr/>	<hr/>

(This statement is continued on the following page.)

VILLAGE OF NORTH AURORA, ILLINOIS

PROPRIETARY FUNDS  
STATEMENT OF NET POSITION (Continued)

May 31, 2016

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	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Waterworks</b>	<b>Internal Service Funds</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$ 22,191,726	\$ 1,252,282
Unrestricted	2,744,852	1,585,781
<b>TOTAL NET POSITION</b>	<b>\$ 24,936,578</b>	<b>\$ 2,838,063</b>

See accompanying notes to financial statements.



**VILLAGE OF NORTH AURORA, ILLINOIS**

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

For the Year Ended May 31, 2016

	<b>Business-Type Activities Waterworks</b>	<b>Governmental Activities Internal Service Funds</b>
<b>OPERATING REVENUES</b>		
Water Sales	\$ 2,276,431	\$ -
Water Meters	75,710	-
Water Permits	288,779	-
Meter Reads	18,007	-
Impact Fees	-	-
Building Permits	3,350	-
Charges for Services	-	404,466
Hydrant Meter Rental	775	-
Reimburse Turn On/Turn Off Fees	9,775	-
	<hr/>	<hr/>
Total Operating Revenues	2,672,827	404,466
<b>OPERATING EXPENSES</b>		
Operations	1,444,706	82,636
Depreciation	836,380	205,035
	<hr/>	<hr/>
Total Operating Expenses	2,281,086	287,671
<b>OPERATING INCOME</b>	<hr/>	<hr/>
	391,741	116,795
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Investment Income	6,626	14,156
Tower Rent	168,970	-
Miscellaneous	24,019	-
Gain (Loss) on Disposal of Capital Assets	54,882	-
Interest Expense	(39,269)	-
	<hr/>	<hr/>
Total Non-Operating Revenues (Expenses)	215,228	14,156
<b>CHANGE IN NET POSITION BEFORE CONTRIBUTIONS</b>	<hr/>	<hr/>
	606,969	130,951
Contributions	10,597	211,475
	<hr/>	<hr/>
<b>CHANGE IN NET POSITION</b>	617,566	342,426
<b>NET POSITION, JUNE 1</b>	<hr/>	<hr/>
	24,505,944	2,495,637
Change in Accounting Principle	(186,932)	-
	<hr/>	<hr/>
<b>NET POSITION, JUNE 1, RESTATED</b>	24,319,012	2,495,637
<b>NET POSITION, MAY 31</b>	<hr/>	<hr/>
	\$ 24,936,578	\$ 2,838,063

See accompanying notes to financial statements.

**VILLAGE OF NORTH AURORA, ILLINOIS**

**PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS**

For the Year Ended May 31, 2016

	<b>Business-Type Activities Waterworks</b>	<b>Governmental Activities Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers and Users	\$ 2,752,044	\$ -
Receipts from Tower Rental	168,970	-
Receipts from Internal Service Transactions	-	404,466
Payments to Suppliers	(848,502)	(66,982)
Payments to Employees	(444,666)	-
	<hr/>	<hr/>
Net Cash from Operating Activities	1,627,846	337,484
	<hr/>	<hr/>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
None	-	-
	<hr/>	<hr/>
Net Cash from Noncapital Financing Activities	-	-
	<hr/>	<hr/>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Insurance Claim Reimbursement	147,741	-
Proceeds from Public Works Escrow	-	211,475
Purchase of Capital Assets	(516,202)	(321,553)
Interest on Long-Term Debt	(47,164)	-
Principal on Long-Term Debt	(494,477)	-
	<hr/>	<hr/>
Net Cash from Capital and Related Financing Activities	(910,102)	(110,078)
	<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	-	(15,000)
Interest Received	6,312	6,824
	<hr/>	<hr/>
Net Cash from Investing Activities	6,312	(8,176)
	<hr/>	<hr/>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	724,056	219,230
<b>CASH AND CASH EQUIVALENTS, JUNE 1</b>	<hr/> 2,316,166	<hr/> 756,477
<b>CASH AND CASH EQUIVALENTS, MAY 31</b>	<hr/> \$ 3,040,222	<hr/> \$ 975,707

(This schedule is continued on the following page.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

**PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS (Continued)**

For the Year Ended May 31, 2016

	<b>Business-Type Activities Waterworks</b>	<b>Governmental Activities Internal Service Funds</b>
<b>SCHEDULE OF CASH AND CASH EQUIVALENTS</b>		
Cash and Cash Equivalents	\$ 3,032,544	\$ 975,707
Cash with Paying Agent	7,678	-
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>\$ 3,040,222</b>	<b>\$ 975,707</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating Income	\$ 391,741	\$ 116,795
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities		
Depreciation	836,380	205,035
Tower Rent	168,970	-
Miscellaneous	24,019	-
(Increase) Decrease in		
Accounts Receivable	51,965	-
Inventory	-	(210)
Prepaid Items	987	-
Deferred Outflows	(87,345)	-
Increase (Decrease) in		
Accounts Payable	157,853	-
Retainage Payable	(23,311)	-
Accrued Payroll	4,689	-
Other Unearned Revenue	7,048	-
Due to Others	(3,815)	-
Compensated Absences	7,539	15,864
Net Pension Liability - IMRF	73,001	-
Other Postemployment Benefits	18,125	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 1,627,846</b>	<b>\$ 337,484</b>
<b>NONCASH TRANSACTIONS</b>		
Contributions of Capital Assets	\$ 10,597	\$ -
Change in Fair Value of Investments	-	4,940
<b>TOTAL NONCASH TRANSACTIONS</b>	<b>\$ 10,597</b>	<b>\$ 4,940</b>

See accompanying notes to financial statements.

**VILLAGE OF NORTH AURORA, ILLINOIS**

**FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION**

May 31, 2016

	<b>Pension Trust</b>	<b>Agency Funds</b>
	<b>Police Pension</b>	
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 9,444	\$ 1,383,018
Investments		
U.S. Agency Obligations	2,639,547	-
U.S. Treasury Obligations	35,510	-
Equity Mutual Funds	6,109,465	-
Municipal Bonds	688,679	-
Corporate Bonds	2,542,165	-
Money Market Mutual Funds	365,193	-
Equities	1,615,657	-
Receivables		
Accrued Interest	79,100	-
Total Assets	14,084,760	\$ 1,383,018
<b>LIABILITIES</b>		
Due to Others	60	\$ 1,383,018
Total Liabilities	60	\$ 1,383,018
<b>NET POSITION</b>		
Net Position Restricted for Pension Benefits	14,084,700	
<b>TOTAL NET POSITION</b>	<b>\$ 14,084,700</b>	

See accompanying notes to financial statements.

**VILLAGE OF NORTH AURORA, ILLINOIS**

**FIDUCIARY FUND  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

For the Year Ended May 31, 2016

	<b><u>Police Pension</u></b>
<b>ADDITIONS</b>	
Contributions	
Employer	\$ 747,000
Employee	<u>242,060</u>
Total Contributions	<u>989,060</u>
Investment Income	
Net Depreciation in	
Fair Value of Investments	(587,593)
Interest	<u>601,906</u>
Total Investment Income	14,313
Less Investment Expense	<u>(22,236)</u>
Net Investment Income	<u>(7,923)</u>
Total Additions	<u>981,137</u>
<b>DEDUCTIONS</b>	
Benefits and Refunds	642,831
Administrative	<u>7,925</u>
Total Deductions	<u>650,756</u>
NET INCREASE	330,381
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>	
June 1	<u>13,754,319</u>
May 31	<u><u>\$ 14,084,700</u></u>

See accompanying notes to financial statements.

# VILLAGE OF NORTH AURORA, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

May 31, 2016

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of North Aurora, Illinois (the Village) was incorporated in 1905. The Village operates under a Trustee - Administrator form of government. The Village Board is composed of the Village Mayor and six trustees. The Village provides services to the community that includes: police, water, community development, planning and zoning, street maintenance 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

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board, 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 component unit will provide a financial benefit to or impose a financial burden on the primary government.

#### Discretely Presented Component Unit

Based on the criteria of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, there are no component units for which the Village is considered to be financially accountable.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Fund Accounting**

The Village uses funds to report its financial position and the changes in 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.

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

Governmental funds are used to account for all or most of a government'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) and the funds committed, restricted or assigned for the servicing of long-term debt (debt service 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 for 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 government (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 government. The Village utilizes pension trust funds which are generally used to account for assets that the Village holds in a fiduciary capacity and agency funds which are used to account for funds held by the Village in an agent 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, except interfund service transactions, has been eliminated from 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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Government-Wide and Fund Financial Statements (Continued)**

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 standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

The Village reports the following major governmental funds:

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

The Capital Projects Fund accounts for the major capital projects undertaken by the Village each year funded by restricted, committed and assigned sources.

The Route 31 TIF Fund accounts for the operations of the Village's Tax Increment Financing District #1 funded by restricted incremental revenues. The Village has elected to present this fund as a major fund.

The Village reports the following major enterprise funds:

The Waterworks Fund accounts for the provision of water services to the residents and businesses of the Village financed by user fees.

Additionally, the Village reports the following internal service funds:

The Vehicle and Equipment Fund is used to account for the accumulation of department service charges to replace or purchase new village vehicles and equipment and the related expenditures. The Employee Compensated Absences Fund is used to account for the governmental funds portion of compensated absences owed to employees.



**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Government-Wide and Fund Financial Statements (Continued)**

Finally, the Village reports the following fiduciary funds

The Village reports a pension trust fund as a fiduciary fund to account for the Police Pension Plan. Agency funds are used to account for: special assessments to accumulate resources for payment of special assessment bonds which, are not an obligation of the Village; developer's and building escrow to account for building bond deposits; developer's deposits and corresponding development costs and land cash escrows to account for the accumulation and distribution of other taxing districts' land/cash impact fees.

**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 funds' fund financial statements (except the agency funds, which do not have a measurement focus). 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/expenses include all revenues/expenses directly related to providing enterprise fund services. Incidental revenues/expenses are reported as non-operating.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales and telecommunication taxes which use a 90-day period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes, sales and telecommunication taxes owed to the state at year end, motor fuel taxes, franchise taxes, licenses, charges for services and interest 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 permit revenue are considered to be measurable and available only when cash is received by the Village.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these 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/expenses recorded. In the other, monies are virtually unrestricted as to purpose of expenditure/expense and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

The Village reports deferred/unavailable and unearned revenue on its financial statements. Deferred/unavailable revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. 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/expenses. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability or deferred inflow of resources for unearned revenue and deferred/unavailable revenue is removed from the financial statements and revenue is recognized.

**E. Cash and Investments**

For purposes of the statement of cash flows, the Village considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. In accordance with Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, non-negotiable certificates of deposit and investments with maturity of less than one year at date of purchase are stated at amortized cost. All other investments are stated at fair value. All investments of the pension trust fund are stated at fair value. Fair value has been based on quoted market prices at May 31, 2016 for debt and equity securities.

**F. Interfund Receivables/Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet. Short-term interfund loans, if any, are classified as “interfund receivables/payables.” Long-term portions are classified as “advances from other funds” or “advances to other funds.”

**VILLAGE OF NORTH AURORA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. Unbilled Receivables**

Estimated sales for water usage prior to May 31, 2016, which are unbilled at year end, are recognized as current year revenue and are included in accounts receivable.

**H. Inventory/Prepaid Items/Expenses**

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund inventories are recorded as expenditures when purchased. Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses.

**I. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, storm sewers and similar items), 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 of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs, including street overlays that do not add to the value or service capacity 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:

	<u>Years</u>
Vehicles	3-10
Equipment	3-10
Water System	10-40
Buildings	25-50
Infrastructure	20-40

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Compensated Absences**

The Village accrues a liability for vacation and compensatory benefits as these benefits are earned by employees in proprietary funds and governmental activities at the entity-wide level and in the employee compensated absences Internal Service Fund.

**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, and losses on refundings are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the period incurred.

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

**L. Fund Balance/Net Position**

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not spendable in 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 use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the Village. 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 are contained in 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 Finance Director by the Board of Trustees in the fund balance policy. Any residual fund balance in the General Fund and any deficit fund balances of other governmental funds are reported as unassigned.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**L. Fund Balance/Net Position (Continued)**

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

The Village has established fund balance reserve policies for the General Fund at 40% to 50% of annually adopted expenditures and transfers of resources out for the purpose of debt repayment. The Village has established minimum fund balance reserve policies in the Motor Fuel Tax Fund of 25% of annual expenditures.

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. Net investment in capital assets is the book value of the capital assets, net of any debt outstanding that was issued to construct or acquire the capital assets and unspent debt proceeds.

**M. 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) 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.

**N. Interfund Transactions**

Interfund services are accounted for as revenues, expenditures or expenses in the effected funds. 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.

**VILLAGE OF NORTH AURORA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**O. 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 and liabilities 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. PROPERTY TAXES**

Property taxes are levied each calendar year on all taxable real property located in the Village. For governmental funds, property taxes which are collected within 60 days subsequent to year end of the year intended to finance are recorded as revenue.

The County Assessor is responsible for assessment of all taxable real property within Kane County (the County) except for certain railroad property which is assessed directly by the State. Some portion of the County is reassessed each year on a repeating schedule established by the County Assessor. The County Clerk computes the annual tax for each parcel of real property and prepares tax books used by the County Collector as the basis for issuing tax bills to all taxpayers in the County.

Property taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to the units their respective share of the collections. Taxes levied in one year become due and payable in two installments on June 1 and September 1 during the following year. The levy becomes an enforceable lien against the property as of January 1 of the levy year. The 2015 levy was adopted on December 7, 2015 and is recorded as a receivable and offset by deferred/unavailable revenue since it is intended to finance the subsequent fiscal year. No allowance for uncollectible taxes has been established since historically the Village has collected approximately 100% of the levy.

The 2016 tax levy, which attached as an enforceable lien on property as of January 1, 2016, has not been recorded as a receivable as of May 31, 2016 as the tax has not yet been levied by the Village and will not be levied until December 2016 and, therefore, the levy is not measurable at May 31, 2016.

**3. CASH AND INVESTMENTS**

State statutes and the Village's investment policy authorize the Village 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, bonds issued by any county, township, city, village, incorporated town, municipal corporation, school district, state or political

**VILLAGE OF NORTH AURORA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**3. CASH AND INVESTMENTS (Continued)**

subdivision rated within the four highest general classifications, short-term commercial paper rated within the highest classifications by at least two standard rating services, Illinois Funds and the Illinois Metropolitan Investment Fund. 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 objective of the policy is safety (preservation of capital and protection of investment principal), liquidity and yield.

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

Illinois Metropolitan Investment Fund (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, which is the price for which the investment could be sold.

**Village 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 Village’s deposits may not be returned to it. The Village’s investment policy requires pledging of collateral with a fair value of 105% of all bank balances in excess of federal depository insurance with the collateral held by an agent of the Village in the Village’s name.

**Village Investments**

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

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
FFCB	\$ 1,046,920	\$ 349,762	\$ 697,158	\$ -	\$ -
FHLB	650,152	-	650,152	-	-
Municipal Bonds	243,542	-	243,542	-	-
Negotiable CDs	4,993,299	1,794,711	3,198,588	-	-
<b>TOTAL</b>	<b>\$ 6,933,913</b>	<b>\$ 2,144,473</b>	<b>\$ 4,789,440</b>	<b>\$ -</b>	<b>\$ -</b>

**3. CASH AND INVESTMENTS (Continued)**

Village Investments (Continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a three-year period. The investment policy limits the maximum maturity length of investments for unreserved funds to three years from date of purchase. Purchases greater than three but less than five years require written justification. Investments of reserved funds longer than five years may be purchased with maturities to match future projects or liability requirements funded by the reserves, if separately approved by the Village Administrator.

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 obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government. Investments in commercial paper are allowed if rated within the highest classifications by at least two standard rating services. Investments in municipal bonds are allowed pursuant to the requirements in the Public Funds Investment Act. Bonds must be rated at the time of purchase within the four highest general classifications established by a rating service nationally recognized in rating bonds of States and political subdivisions. FFCB and FHLB are rated AA+ and Illinois Funds and IMET are rated AAA. The municipal bonds are rated A2.

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 (DVP) basis with the underlying investments held by a third party acting as the Village's agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the Village's name. Illinois Funds and IMET are not subject to custodial credit risk.

Concentration of credit risk - the Village's investment policy limits investments the amount of the portfolio that can be invested in any one investment vehicle as follows: no more than 75% of the portfolio can be with one financial institution, no more than 50% in United States Government agencies (and no more than 25% in one agency), no more than 65% in Illinois Funds, no more than 30% in IMET (1 to 3 year portion), no more than 35% in brokered certificates of deposit, no more than 25% in bonds of counties, states and villages and no more than 10% in commercial paper.

The Village's investment policy allows the Village to invest in derivatives, upon written approval of the Village Administrator (other than U.S. Treasury Strips).



**VILLAGE OF NORTH AURORA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**4. RECEIVABLES**

A. Loans Receivable - Economic Development

The Village has a Community Development Loan Fund from the proceeds of a Community Development Block Grant received through the Department of Commerce and Economic Opportunities of the State of Illinois. This fund is used to account for these grant funds which are to be loaned to new or expanding local business ventures which enhance economic development of the Village. Proceeds (principal and interest) received from such economic development loans made by the Village are to be used to capitalize a revolving economic development loan fund.

B. Loans Receivable

During the fiscal year 2009, the Village entered into a loan in the amount of \$200,000. The loan shall be repaid in five monthly installments of interest of \$417 and 120 monthly installments of principal and interest of \$1,885, with all payments applied first to interest and then to principal. As of May 31, 2016, the balance outstanding is \$97,880. An allowance for uncollectible accounts has been established for the entirety of this balance. The loan receivable outstanding is as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 60,984	\$ 5,005	\$ 65,989
2018	21,953	672	22,625
2019	14,943	140	15,083
<b>TOTAL</b>	<b>\$ 97,880</b>	<b>\$ 5,817</b>	<b>\$ 103,697</b>

C. Other Taxes Receivable

The following receivables are included in other taxes receivable on the statement of net position:

**GOVERNMENTAL ACTIVITIES**

Sales Tax	\$ 1,325,318
Simplified Telecommunications Tax	68,735
Local Use Tax	98,900
Motor Fuel Tax	37,881
Utility Taxes	33,544
Amusement Tax	7,781
Hotel Tax	6,351
Auto Rental Tax	868
Video Gaming Tax	14,338

<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 1,593,716</b>
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**VILLAGE OF NORTH AURORA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**5. CAPITAL ASSETS**

The following is a summary of changes in capital assets during the fiscal year:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital Assets not Being Depreciated				
Land	\$ 5,078,947	\$ -	\$ -	\$ 5,078,947
Land Right of Way	22,200,790	-	-	22,200,790
Construction in Progress	-	949,501	-	949,501
Total Capital Assets not Being Depreciated	27,279,737	949,501	-	28,229,238
Capital Assets Being Depreciated				
Buildings	18,042,153	-	-	18,042,153
Vehicles and Equipment	3,383,637	316,990	-	3,700,627
Infrastructure	56,927,889	2,516,177	227,640	59,216,426
Sewer Lines	24,359,250	329,144	-	24,688,394
Total Capital Assets Being Depreciated	102,712,929	3,162,311	227,640	105,647,600
Less Accumulated Depreciation for				
Buildings and Improvements	3,629,879	457,503	-	4,087,382
Vehicles and Equipment	1,787,202	290,609	-	2,077,811
Infrastructure	20,383,978	2,066,935	227,640	22,223,273
Sewer Lines	7,906,211	557,861	-	8,464,072
Total Accumulated Depreciation	33,707,270	3,372,908	227,640	36,852,538
Total Capital Assets Being Depreciated, Net	69,005,659	(210,597)	-	68,795,062
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 96,285,396</b>	<b>\$ 738,904</b>	<b>\$ -</b>	<b>\$ 97,024,300</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital Assets not Being Depreciated				
Land	\$ 476,703	\$ -	\$ -	\$ 476,703
Construction in Progress	-	-	-	-
Total Capital Assets not Being Depreciated	476,703	-	-	476,703
Capital Assets Being Depreciated				
Equipment	53,100	-	-	53,100
Vehicles	19,100	-	-	19,100
Water Treatment Facilities	6,852,559	-	-	6,852,559
Water Towers and Wells	4,788,956	220,297	133,812	4,875,441
Water Lines	23,299,938	306,502	18,238	23,588,202
Total Capital Assets Being Depreciated	35,013,653	526,799	152,050	35,388,402
Less Accumulated Depreciation for				
Equipment	45,480	4,811	-	50,291
Vehicles	19,100	-	-	19,100
Water Treatment Facilities	1,274,242	171,314	-	1,445,556
Water Tower and Wells	2,136,502	123,036	40,953	2,218,585
Water Lines	8,450,692	537,219	18,238	8,969,673
Total Accumulated Depreciation	11,926,016	836,380	59,191	12,703,205
Total Capital Assets Being Depreciated, Net	23,087,637	(309,581)	92,859	22,685,197
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 23,564,340</b>	<b>\$ (309,581)</b>	<b>\$ 92,859</b>	<b>\$ 23,161,900</b>

**VILLAGE OF NORTH AURORA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**5. CAPITAL ASSETS (Continued)**

Depreciation expense was charged to the governmental activities functions/programs as follows:

**GOVERNMENTAL ACTIVITIES**

General Government	\$ 243,703
Public Safety	579,683
Public Works	2,194,552
Sanitation	<u>354,970</u>

**TOTAL DEPRECIATION EXPENSE -  
GOVERNMENTAL ACTIVITIES**

\$ 3,372,908

**6. LONG-TERM DEBT**

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

**A. Governmental Activities Long-Term Debt**

Issue	Fund Debt Retired by	Balances May 31, 2015, Restated	Issuances	Retirements	Balances May 31, 2016	Current Portion
General Obligation Bonds						
\$9,000,000 General Obligation (Alternate Revenue Source) Bonds dated December 15, 2008, due in annual installments of \$255,000 to \$675,000 through January 1, 2029, interest payable each July 1 and January 1 at 3.25% to 5.00%	Police Station Debt Service	\$ 375,000	\$ -	\$ 375,000	\$ -	\$ -
\$4,525,000 General Obligation Refunding Bonds dated November 17, 2009, due in annual installments of \$325,000 to \$395,000 through January 1, 2021, interest payable each July 1 and January 1 at 2.00% to 3.75%	Library Debt Service	2,710,000	-	420,000	2,290,000	440,000

**VILLAGE OF NORTH AURORA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**6. LONG-TERM DEBT (Continued)**

**A. Governmental Activities Long-Term Debt (Continued)**

Issue	Fund Debt Retired by	Balances May 31, 2015, Restated	Issuances	Retirements	Balances May 31, 2016	Current Portion
General Obligation Bonds (Continued)						
\$6,885,000 General Obligation Refunding (Alternate Revenue Source) Bonds dated October 20, 2014, due in annual installments of \$55,000 to \$625,000 through January 1, 2029, interest payable each July 1 and January 1 at 2% to 3%	Police Station Debt Service	\$ 6,885,000	\$ -	\$ 55,000	\$ 6,830,000	\$ 450,000
Total Bonds		9,970,000	-	850,000	9,120,000	890,000
Issuance Premiums		273,553	-	22,785	250,768	-
Net Bonds		10,243,553	-	872,785	9,370,768	890,000
Compensated Absences	General	338,889	100,586	84,722	354,753	88,688
Net Other Postemployment Benefits Obligation	General	240,601	37,954	-	278,555	-
Net Pension Liability - IMRF	General	901,930	325,848	-	1,227,778	-
Net Pension Liability - Police	General	8,479,388	1,522,422	-	10,001,810	-
TOTAL GOVERNMENTAL LONG-TERM DEBT		\$ 20,204,361	\$ 1,986,810	\$ 957,507	\$ 21,233,664	\$ 978,688

**B. Business-Type Activities**

Issue	Fund Debt Retired by	Balances May 31, 2015, Restated	Issuances	Retirements	Balances May 31, 2016	Current Portion
\$3,500,000 General Obligation Alternate Revenue Source Bonds dated April 15, 2006, due in annual installments of \$285,000 to \$415,000 plus interest at 3.70% through December 1, 2016	Water	\$ 810,000	\$ -	\$ 395,000	\$ 415,000	\$ 415,000

**VILLAGE OF NORTH AURORA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**6. LONG-TERM DEBT (Continued)**

**B. Business-Type Activities (Continued)**

Issue	Fund Debt Retired by	Balances May 31, 2015, Restated	Issuances	Retirements	Balances May 31, 2016	Current Portion
\$1,033,785 Kane County Loan Payable dated December 14, 2010, due in annual installments of \$93,512 to \$120,551 plus interest at 2.02% to 3.07% through December 15, 2020						
	Water	\$ 654,651	\$ -	\$ 99,477	\$ 555,174	\$ 102,560
Total Bonds and Loan		1,464,651	-	494,477	970,174	517,560
Compensated Absences		19,074	12,309	4,769	26,614	6,654
Net Other Postemployment Benefits Obligation		17,213	2,996	-	20,209	-
Net Pension Liability - IMRF	General	202,062	73,001	-	275,063	-
TOTAL BUSINESS-TYPE LONG-TERM DEBT		\$ 1,703,000	\$ 88,306	\$ 499,246	\$ 1,292,060	\$ 524,214

Beginning balances of the governmental activities and business-type activities were restated in accordance with GASB Statement No. 68.

**C. Debt Service to Maturity**

The annual requirements to amortize all debt outstanding of the Village, except the net pension liabilities, net OPEB obligation and compensated absences as of May 31, 2016 are as follows:

Fiscal Year	Governmental Activities			Business-Type Activities		
	General Obligation Bonds			General Obligation Bonds/Kane County Loan Payable		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 890,000	\$ 262,375	\$ 1,152,375	\$ 517,560	\$ 30,575	\$ 548,135
2018	920,000	236,875	1,156,875	106,252	12,858	119,110
2019	950,000	210,338	1,160,338	110,502	10,138	120,640
2020	980,000	182,850	1,162,850	115,309	7,062	122,371
2021	885,000	154,413	1,039,413	120,551	3,702	124,253
2022	505,000	129,800	634,800	-	-	-
2023	515,000	119,700	634,700	-	-	-
2024	535,000	104,250	639,250	-	-	-
2025	550,000	88,200	638,200	-	-	-

**VILLAGE OF NORTH AURORA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**6. LONG-TERM DEBT (Continued)**

**C. Debt Service to Maturity (Continued)**

Fiscal Year	Governmental Activities			Business-Type Activities		
	General Obligation Bonds			General Obligation Bonds/Kane County Loan Payable		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 570,000	\$ 71,700	\$ 641,700	\$ -	\$ -	\$ -
2027	585,000	54,600	639,600	-	-	-
2028	610,000	37,050	647,050	-	-	-
2029	625,000	18,750	643,750	-	-	-
<b>TOTAL</b>	<b>\$ 9,120,000</b>	<b>\$ 1,670,901</b>	<b>\$ 10,790,901</b>	<b>\$ 970,174</b>	<b>\$ 64,335</b>	<b>\$ 1,034,509</b>

**D. Pledged Revenues**

The Village has issued Alternate Revenue Source Bonds for which they have pledged future revenue streams. The Series 2006 General Obligation Alternate Revenue Source Bonds, issued for various water system improvements, are payable from a pledge of the Village's water operations revenue. The 2006 bonds have a remaining total pledge of \$430,355, with the bonds maturing December 1, 2016. During the current fiscal year, the pledge of water revenues for the 2006 bonds of \$424,970 was approximately 15.90% of total water revenues. The 2008 General Obligation Alternate Revenue Source Bonds and the 2014 General Obligation Refunding Alternate Revenue Source Bonds, issued for the construction of the police department, are payable from a pledge of sales tax and use tax, with a remaining total pledge of \$8,245,150 and the bonds maturing January 1, 2029.

During the current fiscal year, the pledge of sales tax and use tax of \$622,600 was approximately 13.01% of total sales and use tax.

**7. 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; and net income losses. To insure against the losses, the Village participates in the Illinois Municipal League Risk Management Association (IMLRMA), a public entity risk pool with transfers of risk. The Village pays an annual premium to IMLRMA for its coverage. The Village is not aware of any additional premiums owed to IMLRMA as of May 31, 2016, for the current or prior claim years. In addition, the Village provides health insurance to its employees through a third party indemnity policy. The Village pays monthly premiums to the insurance company for its coverage. Settled claims have not exceeded coverage in the current or prior two fiscal years.

**VILLAGE OF NORTH AURORA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**8. INDIVIDUAL FUND DISCLOSURES**

Individual fund transfers are as follows:

	Transfers In	Transfers Out
General	\$ 18,144	\$ 1,070,625
Capital Projects	400,000	-
Nonmajor Governmental	670,625	18,144
<b>TOTAL</b>	<b>\$ 1,088,769</b>	<b>\$ 1,088,769</b>

The purposes of significant transfers are as follows:

Transfer of \$670,625 from the General Fund to the Nonmajor Governmental Funds to fund future debt service payments (\$595,625) and additional funding for the Insurance Fund (\$75,000). These amounts will not be repaid.

Transfer of \$400,000 from the General Fund to the Capital Projects Fund to fund capital outlay. These amounts will not be repaid.

**9. COMMITMENTS AND CONTINGENCIES**

**A. Litigation**

There are several pending lawsuits in which the Village is involved. Management believes that the potential claims against the Village resulting from such litigation will not materially affect the financial position of the Village.

**B. Construction Contracts**

The Village has entered into contracts for the construction or renovation of various facilities as follows:

Purpose	Expended to Date	Total Commitment
2016 Road Program	\$ 949,501	\$ 2,136,878

**10. SALES TAX REBATES**

The Village has entered into economic incentives with three developers as an inducement to locate shopping centers within the Village. The first agreement, with a rebate period beginning January 2007, requires that the Village receives the first \$250,000 of the sales tax revenues generated annually, reimburses 100% of the next \$250,000 of sales tax revenues and reimburses 50% of the sales tax rebates remaining. These thresholds are increased to \$300,000 after five years and \$350,000 for the final five years of the agreement. The maximum amount to be paid to the developer is \$5,196,000 over 15 years. \$3,688,655 has been paid or accrued as accounts payable as of May 31, 2016. The second agreement, with a rebate period beginning November 2006, requires the Village to rebate 50% of the sales tax revenue generated by the development in quarterly payments. The maximum amount to be paid to the developer is \$15,000,000 over 15 years. \$2,630,264 has been paid or accrued as accounts payable as of May 31, 2016. The third agreement, with a rebate period beginning April 2007, requires the Village to rebate 50% of the sales tax revenue generated by the developer in semiannual payments for the first five years of the agreement and all sales tax revenue generated over \$500,000 annually for the second five years of the agreement. \$437,818 has been paid or accrued as accounts payable as of May 31, 2016. A liability for current rebates collected but not yet remitted to the developers has been recorded related to all three incentive agreements as of May 31, 2016.

**11. TAX INCREMENT FINANCING INCENTIVES**

The Village has created three tax increment financing districts (TIFs) to encourage redevelopment within the TIFs. A component of the redevelopment plans approved by the Village allows for the reimbursement to property owners of qualifying redevelopment costs from a percentage of future incremental property revenues generated by the TIFs, if any. During fiscal year 2005, the Village entered into a redevelopment agreement that provides for reimbursement of up to \$2,000,000 in eligible redevelopment costs over the life of the Route 31 TIF for redevelopment of a specific property in the TIF. The reimbursement is limited to 98% of the incremental property taxes generated by the development. During the current fiscal year, the Village paid \$80,233 towards the redevelopment. Total payments to date are \$668,800.

During fiscal year 2008, the Village entered into a redevelopment agreement that provides for reimbursement of up to \$610,000 in eligible redevelopment costs over the life of the TIF. The reimbursement is limited to 90% of the incremental property taxes generated by the development. No payments were made during the current fiscal year. Total payments to date are \$8,412.



## 12. DEFINED BENEFIT PENSION PLANS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system and the Police Pension Plan, which is a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for both plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at <https://www.imrf.org/>. As noted above, IMRF is an agent multiple-employer defined benefit pension plan. The Village and the Messenger Public Library (the Library) both participate in the plan and, therefore, the plan is treated as a cost-sharing plan. The Police Pension Plan does not issue a separate report.

### A. Plan Descriptions

#### Illinois Municipal Retirement Fund

##### *Plan Administration*

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

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the 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, 2015, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	27
Inactive employees entitled to but not yet receiving benefits	33
Active employees	42
TOTAL	102

The IMRF data included in the table above includes membership of both the Village and the Library.

**12. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Benefits Provided*

All employees (other than those covered by the Police Pension Plan) 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 and all are established by state statute.

*Contributions*

Participating members are required to contribute 4.5% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the calendar year ended December 31, 2015 was 11.1% of covered payroll for IMRF.

*Actuarial Assumptions*

The total net pension liability was measured as of December 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

**12. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Actuarial Assumptions (Continued)*

Actuarial valuation date	December 31, 2015
Actuarial cost method	Entry-Age Normal
Assumptions	
Inflation	2.75%
Salary increases	3.75% to 14.50%
Interest rate	7.50%
Cost of living adjustments	3.00%
Asset valuation method	Market Value

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

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

*Discount Rate*

The discount rate used to measure the IMRF total pension liability was 7.48%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

**VILLAGE OF NORTH AURORA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**12. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Discount Rate (Continued)*

Based on those assumptions, the fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members and therefore was blended with the index rate of 3.57% for tax exempt general obligation municipal bonds rated AA or better at December 31, 2015 to arrive at a discount rate of 7.48% used to determine the total pension liability.

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2015	\$ 8,843,641	\$ 7,402,398	\$ 1,441,243
Changes for the Period			
Service Cost	244,754	-	244,754
Interest	659,565	-	659,565
Difference Between Expected and Actual Experience	97,213	-	97,213
Changes in Assumptions	-	-	-
Employer Contributions	-	258,699	(258,699)
Employee Contributions	-	104,878	(104,878)
Net Investment Income	-	37,179	(37,179)
Benefit Payments and Refunds	(296,612)	(296,612)	-
Other (Net Transfer)	-	80,085	(80,085)
Net Changes	704,920	184,229	520,691
BALANCES AT DECEMBER 31, 2015	\$ 9,548,561	\$ 7,586,627	\$ 1,961,934

**VILLAGE OF NORTH AURORA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**12. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Changes in the Net Pension Liability (Continued)*

The table presented on the previous page includes amounts for both the Village and Library. The Village's proportionate share of the net pension liability at January 1, 2015, the employer contributions and the net pension liability at December 31, 2015 was \$1,103,992, \$198,163 and \$1,502,841, respectively. The Library's proportionate share of the net pension liability at January 1, 2015, the employer contributions and the net pension liability at December 31, 2015 was \$337,251, \$60,536 and \$459,093, respectively.

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

For the year ended May 31, 2016, the Village recognized pension expense of \$221,196.

At May 31, 2016, the Village and Library reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 75,286	\$ -
Changes in Assumptions	-	-
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	418,812	-
Contributions Subsequent to the Measurement Date	128,904	-
TOTAL	<u>\$ 623,002</u>	<u>\$ -</u>

The deferred outflows presented in the table above include amounts for both the Village and Library. The Village's proportionate share of the deferred outflows of resources at May 31, 2016 was \$477,220. The Library's proportionate share of the deferred outflows of resources at May 31, 2016 was \$145,782.

**VILLAGE OF NORTH AURORA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**12. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)*

Amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized as pension expense by the Village as follows:

<u>Year Ending May 31,</u>	
2017	\$ 195,739
2018	96,999
2019	96,999
2020	87,483
2021	-
Thereafter	-
	<hr/>
TOTAL	<u><u>\$ 477,220</u></u>

*Discount Rate Sensitivity*

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability calculated using the discount rate of 7.48% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.48%) or 1 percentage point higher (8.48%) than the current rate:

	1% Decrease (6.48%)	Current Discount Rate (7.48%)	1% Increase (8.48%)
Net Pension Liability (Village)	\$ 2,600,444	\$ 1,502,841	\$ 610,072
Net Pension Liability (Library)	794,391	459,093	186,367
	<hr/>	<hr/>	<hr/>
Net Pension Liability (total)	<u><u>\$ 3,394,835</u></u>	<u><u>\$ 1,961,934</u></u>	<u><u>\$ 796,439</u></u>

**12. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Police Pension Plan

*Plan Administration*

Police sworn personnel are covered by the Police Pension Plan (the 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 Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees.

*Plan Membership*

At May 31, 2016, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	12
Inactive Plan Members Entitled to but not yet Receiving Benefits	3
Active Plan Members	<u>29</u>
 TOTAL	 <u><u>44</u></u>

The Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive 2.5% of salary for each year of service. The monthly benefit shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

**12. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Plan Membership* (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of  $\frac{1}{2}$  of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e.,  $\frac{1}{2}\%$  for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later.

The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer 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  $\frac{1}{2}$  of the change in the Consumer Price Index for the proceeding calendar year.

*Contributions*

Employees are required by Illinois Compiled Statutes (ILCS) to contribute 9.91% of their base salary to the 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 the year 2040 to fund 90% of the past service costs for the Plan. However, the Village has chosen to fund 100% of the past service costs. For the year ended May 31, 2016, the Village's contribution was 29.34% of covered payroll.



**12. 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 investment policy was not modified during the year ended May 31, 2016.

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

Asset Class	Range	Target	Long-Term Expected Real Rate of Return
Large Cap Domestic Equity	0-41%	30.25%	7.60%
Small Cap Domestic Equity	0-14%	11.00%	9.80%
International Equity	0-17%	13.75%	4.10%
Fixed Income	0-45%	45.00%	3.00%

The overall target for the Fund is approximately 45% invested in fixed income securities and 55% invested in equity securities. The long-term expected real rates of return are net of a 2.5% 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.

**12. 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 Asset Management and Trust Division of the investment management consultant's proprietary research and analytical tools in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of May 31, 2016 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 based on quoted market prices at May 31 for debt securities, equity securities and mutual funds and contract values for insurance contracts. Illinois Funds, an investment pool created by the state legislature under the control of the State Treasurer, is a money market mutual fund that maintains a \$1 per share value.

*Investment Concentrations*

There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Fund's investments.

*Investment Rate of Return*

For the year ended May 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (0.05%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Deposits with Financial Institutions*

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

**VILLAGE OF NORTH AURORA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**12. DEFINED BENEFIT PENSION PLANS (Continued)**

**A. Plan Descriptions (Continued)**

Police Pension Plan (Continued)

*Interest Rate Risk*

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

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 35,510	\$ -	\$ 35,510	\$ -	\$ -
U.S. Agency Obligations	2,639,547	328,053	1,495,264	816,230	-
State and Local Obligations	688,679	51,077	637,602	-	-
Corporate Bonds	2,542,165	100,207	1,581,217	860,741	-
<b>TOTAL</b>	<b>\$ 5,905,901</b>	<b>\$ 479,337</b>	<b>\$ 3,749,593</b>	<b>\$ 1,676,971</b>	<b>\$ -</b>

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

*Credit Risk*

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government as well as investment grade corporate bonds. The FHLMC, FNMA, FFCB and FHLB investments are rated AA+. The municipal bond ratings range from AA- to AAA. The corporate bonds are rated BBB to AA+.

*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 requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Fund's agent separate from where the investment was purchased in the Fund's name. The money market mutual funds and equity mutual funds are not subject to custodial credit risk.

**VILLAGE OF NORTH AURORA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**12. DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Discount Rate*

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

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JUNE 1, 2015	\$ 22,233,707	\$ 13,754,319	\$ 8,479,388
Changes for the Period			
Service Cost	593,355	-	593,355
Interest	1,575,395	-	1,575,395
Difference Between Expected and Actual Experience	(562,619)	-	(562,619)
Changes in Assumptions	889,503	-	889,503
Employer Contributions	-	747,000	(747,000)
Employee Contributions	-	242,060	(242,060)
Net Investment Income	-	(7,923)	7,923
Benefit Payments and Refunds	(642,831)	(642,831)	-
Administrative Expense	-	(7,925)	7,925
Net Changes	1,852,803	330,381	1,522,422
BALANCES AT MAY 31, 2016	\$ 24,086,510	\$ 14,084,700	\$ 10,001,810

Amounts reported as changes in assumptions resulted from updating the mortality assumptions to include a project to the valuation date using Scale BB.

**VILLAGE OF NORTH AURORA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**12. 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	May 31, 2016
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.50%
Salary Increases	5.00%
Interest Rate	7.00%
Cost of Living Adjustments	3.00% (Tier 1) 1.25% (Tier 2)
Asset Valuation Method	Market

Mortality rates were based on the RP-2000 Combined Health Mortality table with a blue collar adjustment, projected to the valuation date with Scale BB. The demographic assumptions were based on the results of an actuarial experience study performed by the State of Illinois Department of Insurance in 2012.

*Discount Rate Sensitivity*

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 7% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6%) or 1 percentage point higher (8%) than the current rate:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net Pension Liability	\$ 14,013,986	\$ 10,001,810	\$ 6,758,467

**VILLAGE OF NORTH AURORA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**12. 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 May 31, 2016, the Village recognized police pension expense of \$1,197,345. At May 31, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 492,291
Changes in Assumptions	778,316	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	786,052	-
TOTAL	<u>\$ 1,564,368</u>	<u>\$ 492,291</u>

The difference between expected and actual experience and changes in assumptions are being amortized over the average remaining service lives of the plan participants. The net difference between projected and actual earnings on pension plan investments are being amortized over five years.

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 May 31,</u>	
2017	\$ 237,373
2018	237,373
2019	237,374
2020	237,374
2021	40,861
Thereafter	<u>81,722</u>
TOTAL	<u>\$ 1,072,077</u>

### **13. OTHER POSTEMPLOYMENT BENEFITS**

#### **A. Plan Description**

In addition to providing the pension benefits described in Note 12, the Village provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. 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 governmental and business-type activities and proprietary funds.

#### **B. Benefits Provided**

The Village provides continued health insurance coverage at the active employee rates to all eligible retirees in accordance with ILCS, which creates an implicit subsidy of retiree health insurance since the retiree does not pay an age adjusted premium. To be eligible for benefits, an employee must qualify for retirement under the Village's retirement plan.

#### **C. Membership**

At May 31, 2016, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	9
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Active Employees	<u>54</u>
TOTAL	<u><u>63</u></u>
Participating Employers	<u>1</u>

#### **D. Funding Policy**

The Village is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

**VILLAGE OF NORTH AURORA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**13. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**E. Annual OPEB Costs and Net OPEB Obligation**

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the past three years was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 66,034	\$ 16,284	24.66%	\$ 217,126
2015	57,040	16,352	28.67%	257,814
2016	68,957	28,008	40.62%	298,763

The net OPEB obligation as of May 31, 2016 was calculated as follows:

Annual Required Contribution	\$ 67,238
Interest on Net OPEB Obligation	10,313
Adjustment to Annual Required Contribution	(8,594)
Annual OPEB Cost	68,957
Contributions Made	28,008
Increase in Net OPEB Obligation	40,949
Net OPEB Obligation, Beginning of Year	257,814
<b>NET OPEB OBLIGATION, END OF YEAR</b>	<b>\$ 298,763</b>

Funded Status and Funding Progress. The funded status of the plan as of May 31, 2016 was as follows:

Actuarial Accrued Liability (AAL)	\$ 664,637
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	664,637
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	\$ 4,372,665
UAAL as a Percentage of Covered Payroll	15.20%

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.



**VILLAGE OF NORTH AURORA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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**13. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**E. Annual OPEB Costs and Net OPEB Obligation (Continued)**

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.

Actuarial Methods and Assumptions - 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 May 31, 2016 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included a discount rate of 4.0% and an initial healthcare cost trend rate of 8% with an ultimate healthcare inflation rate of 4.5%. Both rates include a 3% 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 over a 30 year open amortization period.

**14. CHANGE IN ACCOUNTING PRINCIPLE**

	<u>Increase (Decrease)</u>
<b>GOVERNMENTAL ACTIVITIES</b>	
To Write-Off Police Pension Plan Net Pension Obligation	\$ 941,035
To Record Police Pension Plan Net Pension Liability	(8,479,388)
To Record IMRF Net Pension Liability	(901,930)
To Record IMRF Deferred Outflows of Resources	<u>67,532</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ (8,372,751)</u></u>

**VILLAGE OF NORTH AURORA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**14. CHANGE IN ACCOUNTING PRINCIPLE (Continued)**

	<u>Increase (Decrease)</u>
BUSINESS-TYPE ACTIVITIES	
To Record IMRF Net Pension Liability	\$ (202,062)
To Record IMRF Deferred Outflows of Resources	<u>15,130</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ (186,932)</u>

With the implementation of GASB Statements No. 68 and 71, the Village is required to retroactively record the net pension liability and deferred outflows of resources and write-off the net pension obligation.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

For the Year Ended May 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Taxes	\$ 7,161,400	\$ 7,161,400	\$ 7,193,708	\$ 32,308
Licenses and Permits	370,800	370,800	830,157	459,357
Intergovernmental	1,755,600	1,755,600	1,733,591	(22,009)
Charges for Services	438,850	438,850	401,447	(37,403)
Fines and Forfeits	132,500	132,500	125,525	(6,975)
Investment Income	55,000	55,000	57,797	2,797
Miscellaneous	2,500	2,500	287	(2,213)
Total Revenues	9,916,650	9,916,650	10,342,512	425,862
<b>EXPENDITURES</b>				
Current				
General Government	2,381,254	2,381,254	2,173,623	(207,631)
Public Safety	5,093,196	5,260,196	5,043,757	(216,439)
Public Works	1,932,422	2,002,422	1,827,836	(174,586)
Total Expenditures	9,406,872	9,643,872	9,045,216	(598,656)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	509,778	272,778	1,297,296	1,024,518
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	18,144	18,144	-
Transfers (Out)	(471,725)	(1,070,625)	(1,070,625)	-
Insurance Claim Reimbursement	25,000	25,000	3,248	(21,752)
Total Other Financing Sources (Uses)	(446,725)	(1,027,481)	(1,049,233)	(21,752)
NET CHANGE IN FUND BALANCE	<u>\$ 63,053</u>	<u>\$ (754,703)</u>	248,063	<u>\$ 1,002,766</u>
FUND BALANCE, JUNE 1			<u>6,400,063</u>	
FUND BALANCE, MAY 31			<u>\$ 6,648,126</u>	

(See independent auditor's report.)

**VILLAGE OF NORTH AURORA, ILLINOIS****ROUTE 31 TIF FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Year Ended May 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Taxes				
Property Taxes	\$ 453,000	\$ 453,000	\$ 450,515	\$ (2,485)
Intergovernmental	18,741	18,741	-	(18,741)
Investment Income	4,500	4,500	5,865	1,365
Total Revenues	476,241	476,241	456,380	(19,861)
<b>EXPENDITURES</b>				
Current				
General Government				
Engineering	40,000	43,500	43,647	147
Legal Services	3,500	3,500	2,469	(1,031)
Accounting and Audit Services	2,090	2,090	2,090	-
Professional Consulting Fees	45,000	41,500	6,090	(35,410)
Reimbursements	200,000	200,000	143,517	(56,483)
Capital Outlay	1,375,000	1,375,000	813,087	(561,913)
Total Expenditures	1,665,590	1,665,590	1,010,900	(654,690)
NET CHANGE IN FUND BALANCE	<u>\$ (1,189,349)</u>	<u>\$ (1,189,349)</u>	(554,520)	<u>\$ 634,829</u>
FUND BALANCE, JUNE 1			<u>1,717,568</u>	
FUND BALANCE, MAY 31			<u>\$ 1,163,048</u>	

(See independent auditor's report.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

**OTHER POSTEMPLOYMENT BENEFIT PLAN  
SCHEDULE OF FUNDING PROGRESS**

May 31, 2016

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<b>Actuarial Valuation Date May 31,</b>	<b>(1) Actuarial Value of Assets</b>	<b>(2) Actuarial Accrued Liability (AAL) Entry-Age</b>	<b>(3) Funded Ratio (1) / (2)</b>	<b>(4) Unfunded AAL (UAAL) (2) - (1)</b>	<b>(5) Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll (4) / (5)</b>
2011	\$ -	\$ 698,905	0.00%	\$ 698,905	\$ 4,031,416	17.34%
2012	-	698,905	0.00%	698,905	4,185,447	16.70%
2013	-	698,905	0.00%	698,905	4,240,778	16.48%
2014	-	634,617	0.00%	634,617	4,295,601	14.77%
2015	N/A	N/A	N/A	N/A	N/A	N/A
2016	-	664,637	0.00%	664,637	4,372,665	15.20%

N/A - information is not available as no actuarial valuation was performed.

(See independent auditor's report.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

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

May 31, 2016

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	<u>2016</u>
Actuarially Determined Contribution	\$ 216,905
Contributions in Relation to the Actuarially Determined Contribution	<u>216,905</u>
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<u><u>\$ -</u></u>
Covered-Employee Payroll	\$ 1,785,256
Contributions as a Percentage of Covered-Employee Payroll	12.15%
Notes to Required Supplementary Information	

The information presented was determined as part of the actuarial valuations as of December 31, 2013 and 2014. Additional information as of the December 31, 2013 actuarial valuation 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 28 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.5% annually, projected salary increases assumption of 4.4% to 16.0% compounded annually and postretirement benefit increases of 3.0% compounded annually.

**VILLAGE OF NORTH AURORA, ILLINOIS**

POLICE PENSION FUND  
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Actuarially Determined Contribution	\$ 295,217	\$ 347,382	\$ 388,247	\$ 439,842	\$ 523,264	\$ 529,375	\$ 479,202	\$ 523,413	\$ 579,311	\$ 596,578
Contribution in Relation to the Actuarially Determined Contribution	296,000	348,000	389,000	440,000	524,000	530,000	480,000	574,000	830,000	747,000
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ (783)</b>	<b>\$ (618)</b>	<b>\$ (753)</b>	<b>\$ (158)</b>	<b>\$ (736)</b>	<b>\$ (625)</b>	<b>\$ (798)</b>	<b>\$ (50,587)</b>	<b>\$ (250,689)</b>	<b>\$ (150,422)</b>
Covered-Employee Payroll	\$ 1,790,902	\$ 1,918,494	\$ 1,987,958	\$ 2,040,182	\$ 2,017,606	\$ 2,160,390	\$ 2,230,788	\$ 2,270,143	\$ 2,353,959	\$ 2,545,665
Contributions as a Percentage of Covered-Employee Payroll	16.53%	18.14%	19.57%	21.57%	25.97%	24.53%	21.52%	25.28%	35.26%	29.34%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of June 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented (May 31, 2016) is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 25 years; the asset valuation method was at five-year average market value; and the significant actuarial assumptions were an investment rate of return of 7.00% annually, projected salary increase assumption of 5.00% compounded annually and postretirement benefit increases of 1.25% to 3.00% compounded annually.

(See independent auditor's report.)



**VILLAGE OF NORTH AURORA, ILLINOIS**

**OTHER POSTEMPLOYMENT BENEFIT PLAN  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

May 31, 2016

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<b>Fiscal Year</b>	<b>Employer Contributions</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage Contributed</b>
2011	\$ 7,707	\$ 30,018	25.67%
2012	16,284	64,918	25.08%
2013	16,284	64,918	25.08%
2014	16,284	64,918	25.08%
2015	16,352	55,592	29.41%
2016	28,008	67,238	41.66%

(See independent auditor's report.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

**SCHEDULE OF THE VILLAGE'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
ILLINOIS MUNICIPAL RETIREMENT FUND**

May 31, 2016

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	<b>2016*</b>
Employer's Proportion of net Pension Liability	76.60%
Employer's Proportionate Share of Net Pension Liability	\$ 1,502,841
Employer's Covered-Employee Payroll	1,785,256
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	84.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.45%

\*Information is presented as of December 31, 2015.

(See independent auditor's report.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

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

May 31, 2016

	<b>2015</b>	<b>2016</b>
<b>TOTAL PENSION LIABILITY</b>		
Service Cost	\$ 513,686	\$ 593,355
Interest	1,280,827	1,575,395
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(112,998)	(562,619)
Changes in Assumptions	2,538,709	889,503
Benefit Payments, Including Refunds of Member Contributions	(568,087)	(642,831)
Net Change in Total Pension Liability	3,652,137	1,852,803
Total Pension Liability - Beginning	18,581,570	22,233,707
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 22,233,707</b>	<b>\$ 24,086,510</b>
<b>PLAN FIDUCIARY NET POSITION</b>		
Contributions - Employer	\$ 830,000	\$ 747,000
Contributions - Member	232,046	242,060
Net Investment Income	773,810	(7,923)
Benefit Payments, Including Refunds of Member Contributions	(568,087)	(642,831)
Administrative Expense	(11,292)	(7,925)
Net Change in Plan Fiduciary Net Position	1,256,477	330,381
Plan Fiduciary Net Position - Beginning	12,497,842	13,754,319
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 13,754,319</b>	<b>\$ 14,084,700</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 8,479,388</b>	<b>\$ 10,001,810</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.86%	58.48%
Covered-Employee payroll	\$ 2,353,959	\$ 2,545,665
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	360.22%	392.90%

Notes to Required Supplementary Information

There was a change in assumptions in 2015 to reflect revised expectations with respect to future interest rates, salary increases, mortality rates, disability rates, turnover rates and retirement rates. There was a change in assumptions in 2016 to reflect revised mortality rates.

(See independent auditor's report.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

**POLICE PENSION FUND  
SCHEDULE OF INVESTMENT RETURNS**

May 31, 2016

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	<b>2015</b>	<b>2016</b>
Annual Money-Weighted Rate of Return, Net of Investment Expense	6.10%	(0.05%)

(See independent auditor's report.)

## **VILLAGE OF NORTH AURORA, ILLINOIS**

### **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

May 31, 2016

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#### **BUDGETS AND BUDGETARY ACCOUNTING**

Annual budgets were adopted for all governmental and proprietary funds (except for the Employee Compensated Absences Fund). Budgets are adopted on a basis consistent with generally accepted accounting principles except that the proprietary funds are budgeted using a current financial resources measurement focus. All annual budgets lapse at fiscal year end.

All departments of the Village submit requests for appropriations to the Village Administrator and Finance Director so that a budget may be prepared. The budget is prepared by fund, department, division and object level and includes information on the past year, current year estimates and requested budgets for the next fiscal year.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from or change the budgets, but may not change the form of the budget. The budget may be amended by the governing body pursuant to the Illinois Budget Act.

The Board of Trustees approves all budget amendments which increase or decrease the total budget of a fund or which increase or decrease the total budget of a department in the General Fund. The Finance Director, who serves as Budget Officer, may transfer budget within a department in the General Fund or within other funds as long as the total budget is not changed. During the year, two budget amendments were adopted and are reflected in the financial statements.

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

## **MAJOR GOVERNMENTAL FUNDS**

## **GENERAL FUND**

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.



**VILLAGE OF NORTH AURORA, ILLINOIS**

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

For the Year Ended May 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>TAXES</b>				
Property Taxes	\$ 1,965,000	\$ 1,965,000	\$ 1,961,804	\$ (3,196)
Property Taxes - Road and Bridge	150,000	150,000	151,136	1,136
Replacement Taxes	36,000	36,000	32,975	(3,025)
Sales Tax	4,406,400	4,406,400	4,394,997	(11,403)
Use Tax	350,000	350,000	391,475	41,475
Telecommunications Tax	74,000	74,000	69,611	(4,389)
Amusement Tax	70,000	70,000	88,845	18,845
OTB Tax	45,000	45,000	28,102	(16,898)
Video Gaming Tax	55,000	55,000	68,420	13,420
Other Taxes	10,000	10,000	6,343	(3,657)
Total Taxes	7,161,400	7,161,400	7,193,708	32,308
<b>LICENSES AND PERMITS</b>				
Business Licenses	36,000	36,000	29,780	(6,220)
Liquor Licenses	54,000	54,000	57,860	3,860
Antenna/Tower License	4,000	4,000	4,000	-
Business Registration	13,000	13,000	14,233	1,233
Towing Licenses	300	300	500	200
Building Permits	200,000	200,000	570,546	370,546
Storm Drain Fees	4,000	4,000	23,813	19,813
Plumbing Permits	13,000	13,000	21,295	8,295
Contractor Licenses	35,000	35,000	34,775	(225)
Temporary Occupancy Fee	-	-	6,500	6,500
Zoning and Annexation Permits	3,500	3,500	36,230	32,730
Solicitor's Permit	1,000	1,000	1,200	200
Overweight Truck Permits	7,000	7,000	29,425	22,425
Total Licenses and Permits	370,800	370,800	830,157	459,357
<b>INTERGOVERNMENTAL</b>				
State Income Tax	1,705,600	1,705,600	1,714,327	8,727
Grants	50,000	50,000	19,264	(30,736)
Total Intergovernmental	1,755,600	1,755,600	1,733,591	(22,009)

(This schedule is continued on the following page.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

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

For the Year Ended May 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>CHARGES FOR SERVICES</b>				
Rents	\$ 25,000	\$ 25,000	\$ 25,000	\$ -
Accident Reports	1,000	1,000	1,690	690
School Reimbursement	7,800	7,800	7,842	42
Services Fees	70,000	70,000	39,795	(30,205)
Fingerprinting	1,500	1,500	1,835	335
BRC Review Fees	500	500	-	(500)
Cable Franchise Fees	272,000	272,000	278,676	6,676
Administration Fees	11,000	11,000	11,735	735
Printed Materials	50	50	32	(18)
Other	50,000	50,000	27,962	(22,038)
Police Comm Testing Fee	-	-	6,880	6,880
Total Charges for Services	438,850	438,850	401,447	(37,403)
<b>FINES AND FORFEITS</b>				
Circuit Court Fines	119,000	119,000	113,831	(5,169)
Alarm System Fines	3,000	3,000	3,500	500
Drug Fines and Forfeitures	500	500	3,061	2,561
Ordinance Violations	10,000	10,000	5,133	(4,867)
Total Fines and Forfeits	132,500	132,500	125,525	(6,975)
<b>INVESTMENT INCOME</b>	55,000	55,000	57,797	2,797
<b>MISCELLANEOUS</b>	2,500	2,500	287	(2,213)
<b>TOTAL REVENUES</b>	<u>\$ 9,916,650</u>	<u>\$ 9,916,650</u>	<u>\$ 10,342,512</u>	<u>\$ 425,862</u>

(See independent auditor's report.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

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

For the Year Ended May 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>GENERAL GOVERNMENT</b>				
Village Officers and Trustees	\$ 115,965	\$ 115,965	\$ 97,728	\$ (18,237)
Administration/Finance	969,901	969,901	954,846	(15,055)
Community Development	545,240	545,240	474,442	(70,798)
Other Departments	912,000	912,000	808,459	(103,541)
Reimbursements from Other Funds	(161,852)	(161,852)	(161,852)	-
Total General Government	2,381,254	2,381,254	2,173,623	(207,631)
<b>PUBLIC SAFETY</b>				
Police Commission	10,475	27,475	17,181	(10,294)
Police Department	5,082,721	5,232,721	5,026,576	(206,145)
Total Public Safety	5,093,196	5,260,196	5,043,757	(216,439)
<b>PUBLIC WORKS</b>				
Public Works	1,932,422	2,002,422	1,827,836	(174,586)
<b>TOTAL EXPENDITURES</b>	<b>\$ 9,406,872</b>	<b>\$ 9,643,872</b>	<b>\$ 9,045,216</b>	<b>\$ (598,656)</b>

(See independent auditor's report.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

GENERAL FUND  
SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended May 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>GENERAL GOVERNMENT</b>				
Village Officers and Trustees				
Personal Services				
Salaries and Wages	\$ 71,100	\$ 71,100	\$ 66,350	\$ (4,750)
Employer's Social Security	4,865	4,865	4,797	(68)
Total Personal Services	75,965	75,965	71,147	(4,818)
Contractual Services				
Legal	5,000	5,000	1,052	(3,948)
Professional Consulting	10,000	10,000	9,570	(430)
Dues and Meetings	10,100	10,100	9,608	(492)
Conventions and Travel	2,250	2,250	-	(2,250)
Total Contractual Services	27,350	27,350	20,230	(7,120)
Commodities				
Office Supplies	1,150	1,150	633	(517)
Miscellaneous	9,500	9,500	5,718	(3,782)
Total Commodities	10,650	10,650	6,351	(4,299)
Capital Outlay				
Equipment	2,000	2,000	-	(2,000)
Total Capital Outlay	2,000	2,000	-	(2,000)
Total Village Officers and Trustees	115,965	115,965	97,728	(18,237)
Administration/Finance				
Personal Services				
Salaries and Wages	515,876	519,376	519,057	(319)
Overtime	1,500	2,000	1,881	(119)
Employer's Social Security	39,580	37,480	36,824	(656)
Illinois Municipal Retirement Fund	57,262	60,262	60,105	(157)
Employee Health Insurance	82,110	82,110	79,563	(2,547)
Life Insurance	321	321	274	(47)
Dental Insurance	-	1,000	995	(5)
Total Personal Services	696,649	702,549	698,699	(3,850)
Contractual Services				
Communications	9,100	9,100	7,991	(1,109)
Telephone	4,800	5,000	4,990	(10)
Dues and Meetings	3,775	3,775	2,864	(911)
Convention and Travel	9,600	3,600	3,323	(277)
Training	8,400	1,400	570	(830)
Website Maintenance	8,300	8,300	7,817	(483)

(This schedule is continued on the following pages.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

GENERAL FUND  
SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended May 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>GENERAL GOVERNMENT (Continued)</b>				
Administration/Finance (Continued)				
Contractual Services (Continued)				
Banking Fees	\$ 12,700	\$ 6,700	\$ 6,479	\$ (221)
Equipment Repairs and Maintenance	17,600	23,000	22,612	(388)
Legal	45,000	41,500	41,149	(351)
Audit Services	26,030	26,030	25,030	(1,000)
Finance Services	14,600	15,600	15,306	(294)
Professional/Consulting Fees	65,000	80,000	79,859	(141)
Total Contractual Services	224,905	224,005	217,990	(6,015)
Commodities				
Office Supplies	7,790	3,590	3,317	(273)
IT Supplies	4,000	1,000	988	(12)
Postage	2,500	2,500	2,073	(427)
Publishing/Advertising	3,180	3,180	2,554	(626)
Printing	11,400	11,400	8,370	(3,030)
Miscellaneous	4,050	6,250	6,207	(43)
Total Commodities	32,920	27,920	23,509	(4,411)
Capital Outlay				
Other Equipment	3,000	3,000	2,221	(779)
Vehicle Equipment Fund Charges	12,427	12,427	12,427	-
Total Capital Outlay	15,427	15,427	14,648	(779)
Total Administration/Finance	969,901	969,901	954,846	(15,055)
Community Development				
Personal Services				
Salaries and Wages	284,933	289,933	270,850	(19,083)
Overtime Salaries	1,500	1,500	165	(1,335)
Employer's Social Security	21,912	21,912	20,143	(1,769)
Illinois Municipal Retirement Fund	30,463	30,663	30,615	(48)
Employee Health Insurance	31,071	31,071	30,588	(483)
Life Insurance	193	193	150	(43)
Dental Insurance	-	350	324	(26)
Total Personal Services	370,072	375,622	352,835	(22,787)
Contractual Services				
Planning	8,000	8,000	3,942	(4,058)
Inspection Services	20,000	20,000	11,026	(8,974)
Communications	1,150	1,750	1,692	(58)
Consulting Fees	20,000	9,650	2,210	(7,440)
Conventions and Travel	5,800	5,800	2,809	(2,991)
Telephone	2,500	3,200	3,104	(96)

(This schedule is continued on the following pages.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

GENERAL FUND  
SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended May 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>GENERAL GOVERNMENT (Continued)</b>				
Community Development (Continued)				
Contractual Services (Continued)				
Training	\$ 2,000	\$ 2,000	\$ 250	\$ (1,750)
Dues and Meetings	1,165	1,265	1,218	(47)
Vehicle Repair and Maintenance	1,000	1,000	330	(670)
Grass Cutting	10,000	12,500	12,388	(112)
Equipment Repair and Maintenance	11,200	11,200	10,128	(1,072)
Engineering	30,000	30,000	27,873	(2,127)
Legal	20,000	20,000	15,855	(4,145)
Total Contractual Services	132,815	126,365	92,825	(33,540)
Commodities				
Office Supplies	9,000	9,000	4,226	(4,774)
Gas and Oil	6,000	6,000	1,661	(4,339)
Uniform Allowance	800	800	-	(800)
Postage	1,600	2,100	2,026	(74)
Publishing	6,000	6,000	2,519	(3,481)
Printing	520	920	890	(30)
Miscellaneous	1,000	1,000	527	(473)
Total Commodities	24,920	25,820	11,849	(13,971)
Capital Outlay				
Other Equipment	500	500	-	(500)
Vehicle and Equipment Charges	16,933	16,933	16,933	-
Total Capital Outlay	17,433	17,433	16,933	(500)
Total Community Development	545,240	545,240	474,442	(70,798)
Other Departments				
Contractual Services				
Public Access Cable	90,000	90,000	86,896	(3,104)
Beautification Committee	6,000	6,000	4,123	(1,877)
Sales Tax Rebates	810,000	810,000	711,440	(98,560)
Total Contractual Services	906,000	906,000	802,459	(103,541)
Commodities				
Fireworks	6,000	6,000	6,000	-
Total Commodities	6,000	6,000	6,000	-
Total Other Departments	912,000	912,000	808,459	(103,541)
Less Reimbursements from Other Funds	(161,852)	(161,852)	(161,852)	-
<b>TOTAL GENERAL GOVERNMENT</b>	<b>\$ 2,381,254</b>	<b>\$ 2,381,254</b>	<b>\$ 2,173,623</b>	<b>\$ (207,631)</b>

(This schedule is continued on the following pages.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended May 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>PUBLIC SAFETY</b>				
Police Commission				
Personal Services				
Salaries and Wages	\$ 1,500	\$ 2,200	\$ 2,050	\$ (150)
Total Personal Services	1,500	2,200	2,050	(150)
Contractual Services				
Legal	800	800	-	(800)
Training	5,000	22,000	14,633	(7,367)
Conventions and Travel	2,800	1,900	-	(1,900)
Dues and Meetings	375	375	375	-
Total Contractual Services	8,975	25,075	15,008	(10,067)
Commodities				
Miscellaneous	-	200	123	(77)
Total Commodities	-	200	123	(77)
Total Police Commission	10,475	27,475	17,181	(10,294)
Police Department				
Personal Services				
Salaries and Wages	2,844,506	2,784,506	2,746,731	(37,775)
On-Call Pay	18,000	24,000	23,295	(705)
Overtime	150,000	182,000	180,186	(1,814)
Court Time	31,000	31,000	15,716	(15,284)
Employer's Social Security	232,742	232,742	218,215	(14,527)
Illinois Municipal Retirement Fund	12,093	12,893	12,798	(95)
Employee Health Insurance	440,872	417,822	415,397	(2,425)
Life Insurance	1,928	1,928	1,620	(308)
Dental Insurance	-	3,800	3,678	(122)
Employers Pension Contribution	597,000	747,000	747,000	-
Total Personal Services	4,328,141	4,437,691	4,364,636	(73,055)
Contractual Services				
Communications	185,590	185,590	175,143	(10,447)
Drug Seizure Program	16,000	16,000	-	(16,000)
D.A.R.E. Program Expenses	16,000	16,000	2,900	(13,100)
Legal	45,000	45,000	28,541	(16,459)
Telephone	11,000	11,000	9,528	(1,472)
Training	24,450	26,450	26,212	(238)
Tuition Reimbursement	2,000	2,000	-	(2,000)
Dues and Meetings	14,685	14,685	11,993	(2,692)
Postage	2,000	2,000	1,086	(914)
Community Services	11,700	11,700	8,020	(3,680)
Licensing	300	300	-	(300)

(This schedule is continued on the following pages.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

**GENERAL FUND**

**SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)**

For the Year Ended May 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>PUBLIC SAFETY (Continued)</b>				
Police Department (Continued)				
Contractual Services (Continued)				
Firearm Training	\$ 24,000	\$ 24,000	\$ 16,858	\$ (7,142)
Vehicle Repair and Maintenance	30,500	55,500	54,385	(1,115)
Animal Control	1,500	1,500	1,410	(90)
Evidence Processing	3,000	3,000	1,393	(1,607)
Equipment Repair and Maintenance	53,527	53,527	33,848	(19,679)
Emergency Management	18,615	18,615	12,709	(5,906)
Total Contractual Services	459,867	486,867	384,026	(102,841)
Commodities				
Office Supplies	11,250	11,500	11,436	(64)
Auto, Gas and Oil	85,000	85,000	56,491	(28,509)
Prisoner Care	1,500	1,500	1,232	(268)
Investigations	6,300	6,300	5,741	(559)
Uniform Allowance	30,750	34,450	34,230	(220)
Miscellaneous	1,000	9,000	8,720	(280)
Total Commodities	135,800	147,750	117,850	(29,900)
Capital Outlay				
Other Equipment	8,300	9,800	9,451	(349)
Vehicle and Equipment Charges	150,613	150,613	150,613	-
Total Capital Outlay	158,913	160,413	160,064	(349)
Total Police Department	5,082,721	5,232,721	5,026,576	(206,145)
<b>TOTAL PUBLIC SAFETY</b>	<b>\$ 5,093,196</b>	<b>\$ 5,260,196</b>	<b>\$ 5,043,757</b>	<b>\$ (216,439)</b>
<b>PUBLIC WORKS</b>				
Personal Services				
Salaries and Wages	\$ 638,698	\$ 644,198	\$ 604,625	\$ (39,573)
On-Call Pay	12,000	13,000	12,658	(342)
Overtime	35,000	35,000	32,947	(2,053)
Employer's Social Security	52,456	52,456	48,301	(4,155)
Illinois Municipal Retirement Fund	71,771	74,771	74,771	-
Employee Health Insurance	100,953	100,953	96,457	(4,496)
Life Insurance	643	643	511	(132)
Dental Insurance	-	700	655	(45)
Total Personal Services	911,521	921,721	870,925	(50,796)
Contractual Services				
Communications	4,500	4,500	4,269	(231)
Legal	5,000	5,000	4,511	(489)
Professional/Consulting Fees	40,000	40,000	15,000	(25,000)
Telephone	6,000	6,400	6,375	(25)

(This schedule is continued on the following page.)



**VILLAGE OF NORTH AURORA, ILLINOIS**

GENERAL FUND

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended May 31, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>PUBLIC WORKS (Continued)</b>				
Contractual Services (Continued)				
Utility	\$ 17,000	\$ 17,000	\$ 9,600	\$ (7,400)
Traffic Signals	30,000	30,000	23,732	(6,268)
Conventions and Travel	500	500	7	(493)
Training	1,000	1,000	270	(730)
Dues and Meetings	575	1,075	942	(133)
Vehicle Repair and Maintenance	48,000	48,000	45,203	(2,797)
Equipment Repair and Maintenance	12,000	12,000	6,930	(5,070)
Public Building Repair and Maintenance	85,600	92,600	92,079	(521)
Mosquito Control	60,000	60,000	52,299	(7,701)
Public Grounds Repair and Maintenance	7,000	22,000	21,855	(145)
Storm Drain Maintenance	20,000	20,200	20,195	(5)
Streets and Alleys Repair	30,000	31,200	31,067	(133)
Grass Cutting	42,000	42,000	29,242	(12,758)
Tree Service	83,000	228,000	208,538	(19,462)
Snow Removal	160,000	77,500	77,450	(50)
Sidewalk Repair	37,500	37,500	32,654	(4,846)
Engineering	10,000	55,000	54,266	(734)
Total Contractual Services	699,675	831,475	736,484	(94,991)
Commodities				
Office Supplies	5,100	5,100	3,169	(1,931)
Custodial Supplies	9,700	10,200	10,042	(158)
Salt	5,000	5,000	-	(5,000)
Auto, Gas and Oil	35,000	35,000	15,865	(19,135)
Uniform Allowance	3,900	3,900	3,277	(623)
Postage	900	2,200	2,029	(171)
Publishing	1,500	1,500	1,224	(276)
Printing	450	1,450	1,402	(48)
Miscellaneous	3,000	3,000	1,573	(1,427)
Total Commodities	64,550	67,350	38,581	(28,769)
Capital Outlay				
Other Equipment	3,000	3,200	3,170	(30)
Vehicle and Equipment Charges	253,676	178,676	178,676	-
Total Capital Outlay	256,676	181,876	181,846	(30)
<b>TOTAL PUBLIC WORKS</b>	<b>\$ 1,932,422</b>	<b>\$ 2,002,422</b>	<b>\$ 1,827,836</b>	<b>\$ (174,586)</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 9,406,872</b>	<b>\$ 9,643,872</b>	<b>\$ 9,045,216</b>	<b>\$ (598,656)</b>

(See independent auditor's report.)

## **MAJOR CAPITAL PROJECTS FUND**

Capital Projects Fund is used to account for the funds committed, restricted or assigned for the acquisition or construction of capital assets (other than those financed by proprietary funds).

Capital Projects - to account for various capital projects that the Village funds with various restricted, committed and assigned revenues.

**VILLAGE OF NORTH AURORA, ILLINOIS**

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

For the Year Ended May 31, 2016

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes			
Non-Home Rule Sales	\$ 1,000,000	\$ 959,918	\$ (40,082)
Electric Utility	390,000	378,051	(11,949)
Gas Utility	135,000	109,671	(25,329)
Simplified Telecommunications	230,000	208,833	(21,167)
Total Taxes	1,755,000	1,656,473	(98,527)
Grants	500,000	24,452	(475,548)
Contributions/Donations	60,000	32,401	(27,599)
Impact Fees	20,000	274,729	254,729
Investment Income	5,500	11,632	6,132
Total Revenues	2,340,500	1,999,687	(340,813)
<b>EXPENDITURES</b>			
Capital Outlay			
Annual Road Program	2,615,000	2,584,031	(30,969)
Sidewalk/ROW Improvements	182,000	93,731	(88,269)
Subdivision Improvements	423,000	29,786	(393,214)
Capital Improvements	5,000	4,057	(943)
Site Demolition	87,000	86,857	(143)
Equipment	50,000	38,887	(11,113)
Total Expenditures	3,362,000	2,837,349	(524,651)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,021,500)	(837,662)	183,838
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	400,000	400,000	-
Total Other Financing Sources (Uses)	400,000	400,000	-
NET CHANGE IN FUND BALANCE	<u>\$ (621,500)</u>	(437,662)	<u>\$ 183,838</u>
FUND BALANCE, JUNE 1		<u>2,411,709</u>	
FUND BALANCE, MAY 31		<u>\$ 1,974,047</u>	

(See independent auditor's report.)

## **NONMAJOR GOVERNMENTAL FUNDS**

Motor Fuel Tax - to account for the Village's share of gasoline taxes restricted by the Illinois Department of Transportation for the operation of street maintenance programs and capital projects as authorized by the Illinois Department of Transportation.

Sperry TIF - to account for the operations of the Village's Tax Increment Financing District #2 funded by restricted incremental taxes.

North Lincolnway TIF - to account for the operations of the Village's North Lincolnway Tax Increment Financing District funded by restricted incremental taxes.

Community Development Loan - to account for the operations of the Illinois Department of Commerce and Community Affairs revolving loan program restricted to assist small businesses in the Village.

Special Service Areas - to account for the operations of several special property tax levies for new housing subdivisions restricted to fund any necessary maintenance that is not being done by the subdivisions' homeowner's association.

Insurance - to account for that portion of the property tax levy restricted for insurance costs and those expenditures on insurance they fund.

Sanitary Sewer - to account for the collection of user charges per 1,000 gallons of water usage committed or assigned to fund the maintenance and improvement of the sanitary sewer pipes. The commitment was effective May 1, 2011.

Tourism - to account for the collection of all hotel taxes and revenues from local festivals restricted by the state for tourism. Ninety percent of hotel taxes are paid to the Aurora Area Convention and Tourism Council, and remaining funds are used for local festival expenses and other tourism related projects.

Library Debt Service - to account for the debt service activity related to the 2009 General Obligation Refunding Bonds used to construct the Messenger Public Library building.

Police Station Debt Service - to account for the debt service activity related to the 2008 Alternate Revenue Source Bonds used to construct the new police station and the 2014 Alternate Revenue Source Bonds used to advance refund \$6,705,000 of the 2008 Alternate Revenue Source Bonds.

**VILLAGE OF NORTH AURORA, ILLINOIS**

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET

May 31, 2016

	Special Revenue Funds			
	Motor Fuel Tax	Sperry TIF	North Lincolnway TIF	Community Development Loan
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,336,180	\$ 417	\$ 18,444	\$ 337,333
Investments	-	-	-	-
Receivables				
Property Taxes	-	3,167	10,602	-
Other Taxes	37,881	-	-	-
Accounts	-	-	-	-
Accrued Interest	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,374,061</b>	<b>\$ 3,584</b>	<b>\$ 29,046</b>	<b>\$ 337,333</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 103,918	\$ -	\$ -	\$ 165
<b>Total Liabilities</b>	<b>103,918</b>	<b>-</b>	<b>-</b>	<b>165</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	-	3,167	10,602	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>3,167</b>	<b>10,602</b>	<b>-</b>
<b>FUND BALANCES</b>				
Restricted for Debt Service	-	-	-	-
Restricted for Highways and Streets	1,270,143	-	-	-
Restricted for Economic Development	-	417	18,444	337,168
Restricted for Subdivision Improvements	-	-	-	-
Unrestricted				
Assigned for Tort Purposes	-	-	-	-
Assigned for Buffer Repair/Replacement	-	-	-	-
Assigned for Sanitary Sewers	-	-	-	-
Assigned for Tourism	-	-	-	-
<b>Total Fund Balances</b>	<b>1,270,143</b>	<b>417</b>	<b>18,444</b>	<b>337,168</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 1,374,061</b>	<b>\$ 3,584</b>	<b>\$ 29,046</b>	<b>\$ 337,333</b>

Special Revenue Funds				Debt Service			
Special Service Areas	Insurance	Sanitary Sewer	Tourism	Library	Police Station	Total	
\$ 160,704	\$ 332,005	\$ 499,763	\$ 67,110	\$ 138,437	\$ 261,456	\$ 3,151,849	
-	-	999,193	-	-	-	999,193	
40,573	231,090	-	-	494,061	-	779,493	
-	-	-	6,351	-	-	44,232	
-	-	26,976	-	-	-	26,976	
-	-	2,726	-	-	-	2,726	
<u>\$ 201,277</u>	<u>\$ 563,095</u>	<u>\$ 1,528,658</u>	<u>\$ 73,461</u>	<u>\$ 632,498</u>	<u>\$ 261,456</u>	<u>\$ 5,004,469</u>	
\$ 993	\$ -	\$ 751	\$ 5,716	\$ -	\$ -	\$ 111,543	
993	-	751	5,716	-	-	111,543	
42,100	248,430	-	-	531,134	-	835,433	
42,100	248,430	-	-	531,134	-	835,433	
-	-	-	-	101,364	261,456	362,820	
-	-	-	-	-	-	1,270,143	
-	-	-	-	-	-	356,029	
118,144	-	-	-	-	-	118,144	
-	314,665	-	-	-	-	314,665	
40,040	-	-	-	-	-	40,040	
-	-	1,527,907	-	-	-	1,527,907	
-	-	-	67,745	-	-	67,745	
158,184	314,665	1,527,907	67,745	101,364	261,456	4,057,493	
<u>\$ 201,277</u>	<u>\$ 563,095</u>	<u>\$ 1,528,658</u>	<u>\$ 73,461</u>	<u>\$ 632,498</u>	<u>\$ 261,456</u>	<u>\$ 5,004,469</u>	

(See independent auditor's report.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

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

For the Year Ended May 31, 2016

	<b>Special Revenue Funds</b>			
	<b>Motor Fuel Tax</b>	<b>Sperry TIF</b>	<b>North Lincolnway TIF</b>	<b>Community Development Loan</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ 2,682	\$ 8,771	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	458,252	-	-	-
Charges for Services	-	-	-	-
Investment Income	1,825	-	-	1,161
Miscellaneous	-	-	-	-
Total Revenues	460,077	2,682	8,771	1,161
<b>EXPENDITURES</b>				
Current				
General Government	-	7,743	-	3,872
Public Safety	-	-	-	-
Public Works	627,479	-	-	-
Sanitation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Fiscal Charges	-	-	-	-
Total Expenditures	627,479	7,743	-	3,872
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(167,402)	(5,061)	8,771	(2,711)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers (Out)	-	-	(18,144)	-
Total Other Financing Sources (Uses)	-	-	(18,144)	-
NET CHANGE IN FUND BALANCES	(167,402)	(5,061)	(9,373)	(2,711)
FUND BALANCES, JUNE 1	1,437,545	5,478	27,817	339,879
<b>FUND BALANCES, MAY 31</b>	<b>\$ 1,270,143</b>	<b>\$ 417</b>	<b>\$ 18,444</b>	<b>\$ 337,168</b>

Special Revenue Funds				Debt Service			
Special Service Areas	Insurance	Sanitary Sewer	Tourism	Library	Police Station	Total	
\$ 6,958	\$ 251,872	\$ -	\$ 40,800	\$ 523,830	\$ -	\$ 834,913	
-	-	149,894	-	-	-	149,894	
-	-	-	-	-	-	458,252	
-	-	169,813	-	-	-	169,813	
321	774	12,380	87	339	623	17,510	
-	-	-	95,056	-	-	95,056	
7,279	252,646	332,087	135,943	524,169	623	1,725,438	
7,686	27,342	-	118,600	30	90	165,363	
-	159,080	-	-	-	-	159,080	
-	49,712	-	-	-	-	677,191	
-	12,428	132,676	-	-	-	145,104	
-	-	16,875	-	-	-	16,875	
-	-	-	-	420,000	430,000	850,000	
-	-	-	-	100,575	192,600	293,175	
-	-	-	-	475	515	990	
7,686	248,562	149,551	118,600	521,080	623,205	2,307,778	
(407)	4,084	182,536	17,343	3,089	(622,582)	(582,340)	
-	75,000	-	-	-	595,625	670,625	
-	-	-	-	-	-	(18,144)	
-	75,000	-	-	-	595,625	652,481	
(407)	79,084	182,536	17,343	3,089	(26,957)	70,141	
158,591	235,581	1,345,371	50,402	98,275	288,413	3,987,352	
\$ 158,184	\$ 314,665	\$ 1,527,907	\$ 67,745	\$ 101,364	\$ 261,456	\$ 4,057,493	

(See independent auditor's report.)



**VILLAGE OF NORTH AURORA, ILLINOIS**

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

For the Year Ended May 31, 2016

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 420,000	\$ 458,252	\$ 38,252
Investment Income	300	1,825	1,525
Total Revenues	420,300	460,077	39,777
<b>EXPENDITURES</b>			
Current			
Public Works			
Engineering	62,000	61,522	(478)
Salt	153,000	151,503	(1,497)
Street and Alley Repairs and Maintenance	107,200	-	(107,200)
Street Lighting and Poles	110,800	110,680	(120)
Street Light Repair and Maintenance	95,000	77,566	(17,434)
Bank Services/Fees	500	371	(129)
Capital Improvements	400,000	225,837	(174,163)
Total Expenditures	928,500	627,479	(301,021)
NET CHANGE IN FUND BALANCE	<u>\$ (508,200)</u>	(167,402)	<u>\$ 340,798</u>
FUND BALANCE, JUNE 1		<u>1,437,545</u>	
FUND BALANCE, MAY 31		<u>\$ 1,270,143</u>	

(See independent auditor's report.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

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

For the Year Ended May 31, 2016

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes			
Property Taxes	\$ 2,600	\$ 2,682	\$ 82
Total Revenues	2,600	2,682	82
<b>EXPENDITURES</b>			
Current			
General Government			
Contractual Services	10,500	7,743	(2,757)
Total Expenditures	10,500	7,743	(2,757)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (7,900)</u>	(5,061)	<u>\$ 2,839</u>
<b>FUND BALANCE, JUNE 1</b>		<u>5,478</u>	
<b>FUND BALANCE, MAY 31</b>		<u>\$ 417</u>	

(See independent auditor's report.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

**NORTH LINCOLNWAY TIF FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Year Ended May 31, 2016

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes			
Property Taxes	\$ 8,700	\$ 8,771	\$ 71
Total Revenues	8,700	8,771	71
<b>EXPENDITURES</b>			
Current			
General Government			
Legal	500	-	(500)
Planning	7,000	-	(7,000)
Total Expenditures	7,500	-	(7,500)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	1,200	8,771	7,571
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (Out)	(18,144)	(18,144)	-
Total Other Financing Sources (Uses)	(18,144)	(18,144)	-
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (16,944)</u>	<u>(9,373)</u>	<u>\$ 7,571</u>
<b>FUND BALANCE, JUNE 1</b>		<u>27,817</u>	
<b>FUND BALANCE, MAY 31</b>		<u>\$ 18,444</u>	

(See independent auditor's report.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

**COMMUNITY DEVELOPMENT LOAN FUND**

**SCHEDULE OF REVENUES, EXPENDITURES**

**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Year Ended May 31, 2016

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Investment Income	\$ 23,625	\$ 1,161	\$ (22,464)
Total Revenues	23,625	1,161	(22,464)
<b>EXPENDITURES</b>			
Current			
General Government			
Legal	10,000	3,872	(6,128)
Project Expenditures	-	-	-
Total Expenditures	10,000	3,872	(6,128)
NET CHANGE IN FUND BALANCE	<u>\$ 13,625</u>	(2,711)	<u>\$ (16,336)</u>
FUND BALANCE, JUNE 1		<u>339,879</u>	
FUND BALANCE, MAY 31		<u>\$ 337,168</u>	

(See independent auditor's report.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

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

For the Year Ended May 31, 2016

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes			
Property Taxes	\$ 6,974	\$ 6,958	\$ (16)
Investment Income	200	321	121
Total Revenues	7,174	7,279	105
<b>EXPENDITURES</b>			
Current			
General Government			
Administration/Finance	852	852	-
Maintenance	7,650	6,834	(816)
Total Expenditures	8,502	7,686	(816)
NET CHANGE IN FUND BALANCE	<u>\$ (1,328)</u>	(407)	<u>\$ 921</u>
FUND BALANCE, JUNE 1		<u>158,591</u>	
FUND BALANCE, MAY 31		<u>\$ 158,184</u>	

(See independent auditor's report.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

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

For the Year Ended May 31, 2016

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes			
Property Taxes	\$ 250,000	\$ 251,872	\$ 1,872
Investment Income	700	774	74
Total Revenues	250,700	252,646	1,946
<b>EXPENDITURES</b>			
Current			
General Government	37,620	27,342	(10,278)
Public Safety	218,880	159,080	(59,800)
Public Works	68,400	49,712	(18,688)
Sanitation	17,100	12,428	(4,672)
Total Expenditures	342,000	248,562	(93,438)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(91,300)	4,084	95,384
<b>OTHER FINANCING SOURCES (USES)</b>			
Insurance Claim Reimbursement	40,000	-	(40,000)
Transfers In	75,000	75,000	-
Total Other Financing Sources (Uses)	115,000	75,000	(40,000)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 23,700</u>	79,084	<u>\$ 55,384</u>
<b>FUND BALANCE, JUNE 1</b>		<u>235,581</u>	
<b>FUND BALANCE, MAY 31</b>		<u>\$ 314,665</u>	

(See independent auditor's report.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

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

For the Year Ended May 31, 2016

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Licenses and Permits			
Sanitary Sewer Permits	\$ 20,000	\$ 149,894	\$ 129,894
Charges for Services			
Sewer Sales	183,000	169,813	(13,187)
Investment Income	6,000	12,380	6,380
Total Revenues	209,000	332,087	123,087
<b>EXPENDITURES</b>			
Current			
Sanitation			
Engineering	14,200	12,333	(1,867)
Administrative Fee	25,000	25,000	-
Equipment Repair and Maintenance	2,500	1,080	(1,420)
Repair and Maintenance	380,000	88,534	(291,466)
Liability Insurance	5,000	5,000	-
Miscellaneous	800	729	(71)
Capital Outlay			
Vehicle and Equipment Charges	16,875	16,875	-
Total Expenditures	444,375	149,551	(294,824)
NET CHANGE IN FUND BALANCE	<u>\$ (235,375)</u>	182,536	<u>\$ 417,911</u>
FUND BALANCE, JUNE 1		<u>1,345,371</u>	
FUND BALANCE, MAY 31		<u>\$ 1,527,907</u>	

(See independent auditor's report.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

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

For the Year Ended May 31, 2016

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes			
Hotel Tax	\$ 20,000	\$ 40,800	\$ 20,800
Miscellaneous			
North Aurora Days	85,000	95,056	10,056
Investment Income	50	87	37
Total Revenues	105,050	135,943	30,893
<b>EXPENDITURES</b>			
Current			
General Government			
Tourism	38,000	36,721	(1,279)
North Aurora Days	76,700	72,579	(4,121)
Fireworks	9,300	9,300	-
Total Expenditures	124,000	118,600	(5,400)
NET CHANGE IN FUND BALANCE	<u>\$ (18,950)</u>	17,343	<u>\$ 36,293</u>
FUND BALANCE, JUNE 1		<u>50,402</u>	
FUND BALANCE, MAY 31		<u>\$ 67,745</u>	

(See independent auditor's report.)



**VILLAGE OF NORTH AURORA, ILLINOIS**

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

For the Year Ended May 31, 2016

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Property Taxes	\$ 520,575	\$ 523,830	\$ 3,255
Investment Income	700	339	(361)
Total Revenues	521,275	524,169	2,894
<b>EXPENDITURES</b>			
Current			
General Government			
Miscellaneous	100	30	(70)
Debt Service			
Principal Retirement	420,000	420,000	-
Interest	100,576	100,575	(1)
Fiscal Charges	550	475	(75)
Total Expenditures	521,226	521,080	(146)
NET CHANGE IN FUND BALANCE	<u>\$ 49</u>	3,089	<u>\$ 3,040</u>
FUND BALANCE, JUNE 1		<u>98,275</u>	
FUND BALANCE, MAY 31		<u>\$ 101,364</u>	

(See independent auditor's report.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

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

For the Year Ended May 31, 2016

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Investment Income	\$ 300	\$ 623	\$ 323
Total Revenues	300	623	323
<b>EXPENDITURES</b>			
Current			
General Government			
Contractual Services	100	90	(10)
Debt Service			
Principal Retirement	430,000	430,000	-
Interest	192,600	192,600	-
Fiscal Charges	1,200	515	(685)
Total Expenditures	623,900	623,205	(695)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(623,600)	(622,582)	1,018
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer In	595,625	595,625	-
Total Other Financing Sources (Uses)	595,625	595,625	-
NET CHANGE IN FUND BALANCE	<u>\$ (27,975)</u>	(26,957)	<u>\$ 1,018</u>
FUND BALANCE, JUNE 1		<u>288,413</u>	
FUND BALANCE, MAY 31		<u>\$ 261,456</u>	

(See independent auditor's report.)

## **PROPRIETARY FUNDS**

## **ENTERPRISE FUND**

The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises.

Waterworks - to account for all the operating and non-operating revenue and expenses related to the provision of water service to the residents of the Village.

**VILLAGE OF NORTH AURORA, ILLINOIS**  
**WATERWORKS FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION - BUDGET AND ACTUAL**

For the Year Ended May 31, 2016

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>OPERATING REVENUES</b>			
Water Sales	\$ 2,400,000	\$ 2,276,431	\$ (123,569)
Water Meters	20,000	75,710	55,710
Water Permits	75,000	288,779	213,779
Meter Reads	18,000	18,007	7
Impact Fees	500	-	(500)
Building Permits	1,500	3,350	1,850
Hydrant Meter Rental	1,500	775	(725)
Reimburse Turn On/Turn Off Fees	5,000	9,775	4,775
Total Operating Revenues	2,521,500	2,672,827	151,327
<b>OPERATING EXPENSES</b>			
Operations	2,203,476	1,444,706	(758,770)
Depreciation	-	836,380	836,380
Total Operating Expenses	2,203,476	2,281,086	77,610
OPERATING INCOME (LOSS)	318,024	391,741	73,717
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment Income	8,000	6,626	(1,374)
Tower Rent	156,000	168,970	12,970
Water Recapture Fee	-	14,300	14,300
Capacity Curtailment Payments	15,000	7,444	(7,556)
Miscellaneous	5,000	2,275	(2,725)
Gain (Loss) on Disposal of Capital Assets	-	54,882	54,882
Interest Expense	(47,699)	(39,269)	8,430
Total Non-Operating Revenues (Expenses)	136,301	215,228	78,927
NET INCOME (LOSS) BEFORE CONTRIBUTIONS	454,325	606,969	152,644
Contributions	-	10,597	10,597
CHANGE IN NET POSITION	<u>\$ 454,325</u>	<u>617,566</u>	<u>\$ 163,241</u>
NET POSITION, JUNE 1		24,505,944	
Change in Accounting Principle		<u>(186,932)</u>	
NET POSITION, JUNE 1, RESTATED		<u>24,319,012</u>	
NET POSITION, MAY 31		<u><u>\$ 24,936,578</u></u>	

(See independent auditor's report.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

**WATERWORKS FUND  
SCHEDULE OF OPERATIONS EXPENSES - BUDGET AND ACTUAL**

For the Year Ended May 31, 2016

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>OPERATIONS EXPENSES</b>			
Personal Services			
Salaries and Wages	\$ 334,333	\$ 322,646	\$ (11,687)
Overtime Salaries	21,000	13,180	(7,820)
On-Call Pay	7,000	5,650	(1,350)
Employer's Social Security	27,719	24,899	(2,820)
Illinois Municipal Retirement Fund	40,331	38,615	(1,716)
Employee Health Insurance	56,193	54,430	(1,763)
Life Insurance	321	245	(76)
Dental Insurance	400	361	(39)
Unemployment Tax	650	650	-
Total Personal Services	487,947	460,676	(27,271)
Contractual Services			
Engineering	150,000	62,508	(87,492)
Legal	5,000	443	(4,557)
Conventions and Travel	3,250	550	(2,700)
Training	2,500	441	(2,059)
Dues and Meetings	1,850	1,325	(525)
Chlorine	51,000	27,281	(23,719)
Salt Treatment	12,150	12,132	(18)
Meters, Repairs and Replacements	77,500	61,352	(16,148)
Postage	20,800	20,536	(264)
Publishing	1,500	758	(742)
Printing	18,950	18,773	(177)
Vehicle Repair and Maintenance	5,000	4,387	(613)
Equipment Repair and Maintenance	14,550	13,272	(1,278)
Water Studies	27,000	8,774	(18,226)
Testing	10,050	5,005	(5,045)
Fire Hydrant Repair and Maintenance	12,400	2,254	(10,146)
Treatment Plant Repair and Maintenance	49,400	34,428	(14,972)
Water Well Maintenance	25,000	4,535	(20,465)
Watermain Repair and Maintenance	57,500	22,826	(34,674)
Water Tower Maintenance	289,800	6,320	(283,480)
Banking Services	29,500	19,750	(9,750)
Collection Fee	100	-	(100)
Telephone	4,000	3,893	(107)
Communications	9,550	9,516	(34)
Utility	330,000	315,396	(14,604)
Office Rental	25,000	25,000	-
Administrative Fee	136,000	136,000	-
Miscellaneous	12,200	11,647	(553)
Liability Insurance	25,000	25,000	-
Water Pension	-	786	786
Total Contractual Services	1,406,550	854,888	(551,662)

(This schedule is continued on the following page.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

**WATERWORKS FUND**

**SCHEDULE OF OPERATIONS EXPENSES - BUDGET AND ACTUAL (Continued)**

For the Year Ended May 31, 2016

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>OPERATIONS EXPENSES (Continued)</b>			
Commodities			
Uniform Allowance	\$ 2,000	\$ 1,919	\$ (81)
Office Supplies	3,000	2,961	(39)
Gas and Oil	12,000	7,980	(4,020)
Equipment	37,700	21,422	(16,278)
Vehicle and Equipment Charges	13,078	13,078	-
Total Commodities	<u>67,778</u>	<u>47,360</u>	<u>(20,418)</u>
Capital Improvements			
Annual Watermain Replacement	460,000	306,656	(153,344)
Well #3 Improvements	148,000	147,741	(259)
Well #7 Improvements	160,000	154,184	(5,816)
Total Capital Improvements	<u>768,000</u>	<u>608,581</u>	<u>(159,419)</u>
<b>ADJUSTMENTS TO GAAP BASIS</b>			
Less: Capital Assets Capitalized	<u>526,799</u>	<u>526,799</u>	<u>-</u>
Total Adjustments to GAAP Basis	<u>526,799</u>	<u>526,799</u>	<u>-</u>
<b>TOTAL OPERATIONS EXPENSES</b>			
<b>EXCLUDING DEPRECIATION - GAAP BASIS</b>	<u>\$ 2,203,476</u>	<u>\$ 1,444,706</u>	<u>\$ (758,770)</u>

(See independent auditor's report.)

## **INTERNAL SERVICE FUNDS**

Internal Service Funds are used to account for operations provided to other departments or agencies primarily within the Village.

Vehicle and Equipment - to account for the accumulation of department service charges to replace or purchase new village vehicles and equipment and the related expenditures.

Employee Compensated Absences - to account for the portion of compensated absences related to governmental funds owed to employees.



VILLAGE OF NORTH AURORA, ILLINOIS

INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION

May 31, 2016

	<b>Vehicle and Equipment</b>	<b>Employee Compensated Absences</b>	<b>Total</b>
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	\$ 620,954	\$ 354,753	\$ 975,707
Investments	951,916	-	951,916
Inventory	14,136	-	14,136
Interest Receivable	3,304	-	3,304
Total Current Assets	1,590,310	354,753	1,945,063
<b>CAPITAL ASSETS</b>			
Nondepreciable	15,800	-	15,800
Depreciable (Net of Accumulated) Depreciation	1,236,482	-	1,236,482
Total Capital Assets	1,252,282	-	1,252,282
Total Assets	2,842,592	354,753	3,197,345
<b>CURRENT LIABILITIES</b>			
Accounts Payable	4,529	-	4,529
Compensated Absences Payable	-	88,688	88,688
Total Current Liabilities	4,529	88,688	93,217
<b>LONG-TERM LIABILITIES</b>			
Compensated Absences Payable	-	266,065	266,065
Total Long-Term Liabilities	-	266,065	266,065
Total Liabilities	4,529	354,753	359,282
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,252,282	-	1,252,282
Unrestricted	1,585,781	-	1,585,781
<b>TOTAL NET POSITION</b>	<b>\$ 2,838,063</b>	<b>\$ -</b>	<b>\$ 2,838,063</b>

(See independent auditor's report.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION**

For the Year Ended May 31, 2016

	<b>Vehicle and Equipment</b>	<b>Employee Compensated Absences</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 388,602	\$ 15,864	\$ 404,466
Total Operating Revenues	388,602	15,864	404,466
<b>OPERATING EXPENSES</b>			
Operations and Capital	66,772	15,864	82,636
Depreciation	205,035	-	205,035
Total Operating Expenses	271,807	15,864	287,671
OPERATING INCOME	116,795	-	116,795
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment Income	14,156	-	14,156
Total Non-Operating Revenues (Expenses)	14,156	-	14,156
CHANGE IN NET POSITION BEFORE CONTRIBUTIONS	130,951	-	130,951
Contributions	211,475	-	211,475
CHANGE IN NET POSITION	342,426	-	342,426
NET POSITION, JUNE 1	2,495,637	-	2,495,637
<b>NET POSITION, MAY 31</b>	<b>\$ 2,838,063</b>	<b>\$ -</b>	<b>\$ 2,838,063</b>

(See independent auditor's report.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS

For the Year Ended May 31, 2016

	<b>Vehicle and Equipment</b>	<b>Employee Compensated Absences</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Internal Service Transactions	\$ 388,602	\$ 15,864	\$ 404,466
Payments to Suppliers	(66,982)	-	(66,982)
Payments to Employees	-	-	-
Net Cash from Operating Activities	<u>321,620</u>	<u>15,864</u>	<u>337,484</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
None	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from Public Works Escrow	211,475	-	211,475
Purchase of Capital Assets	(321,553)	-	(321,553)
Net Cash from Capital and Related Financing Activities	<u>(110,078)</u>	<u>-</u>	<u>(110,078)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Investments	(15,000)	-	(15,000)
Interest Received	6,824	-	6,824
Net Cash from Investing Activities	<u>(8,176)</u>	<u>-</u>	<u>(8,176)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	203,366	15,864	219,230
CASH AND CASH EQUIVALENTS, JUNE 1	<u>417,588</u>	<u>338,889</u>	<u>756,477</u>
CASH AND CASH EQUIVALENTS, MAY 31	<u><u>\$ 620,954</u></u>	<u><u>\$ 354,753</u></u>	<u><u>\$ 975,707</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating Income	\$ 116,795	\$ -	\$ 116,795
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities			
Depreciation	205,035	-	205,035
(Increase) Decrease in Inventory	(210)	-	(210)
Increase (Decrease) in Compensated Absences Payable	-	15,864	15,864
NET CASH FROM OPERATING ACTIVITIES	<u><u>\$ 321,620</u></u>	<u><u>\$ 15,864</u></u>	<u><u>\$ 337,484</u></u>
<b>RECEIPTS FROM NONCASH TRANSACTIONS</b>			
Change in fair value of investments	<u>\$ 4,940</u>	<u>\$ -</u>	<u>\$ 4,940</u>
TOTAL NONCASH TRANSACTIONS	<u><u>\$ 4,940</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,940</u></u>

(See independent auditor's report.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

VEHICLE AND EQUIPMENT FUND  
SCHEDULE OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL

For the Year Ended May 31, 2016

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 388,602	\$ 388,602	\$ -
Total Operating Revenues	388,602	388,602	-
<b>OPERATING EXPENSES</b>			
Operations and Capital	490,160	383,762	(106,398)
Total Operating Expenses	490,160	383,762	(106,398)
OPERATING INCOME (LOSS)	(101,558)	4,840	106,398
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment Income	8,000	14,156	6,156
Gain on Disposal of Capital Assets	10,000	-	(10,000)
Total Non-Operating Revenues (Expenses)	18,000	14,156	(3,844)
CHANGE IN NET POSITION BEFORE CONTRIBUTIONS	(83,558)	18,996	102,554
Contributions	-	211,475	211,475
<b>CHANGE IN NET POSITION - NON-GAAP BASIS</b>	<u>\$ (83,558)</u>	<u>230,471</u>	<u>\$ 314,029</u>
<b>ADJUSTMENTS TO GAAP BASIS</b>			
Capital Assets Capitalized		316,990	
Depreciation		(205,035)	
Total Adjustments to GAAP Basis		<u>111,955</u>	
CHANGE IN NET POSITION		342,426	
NET POSITION, JUNE 1		<u>2,495,637</u>	
<b>NET POSITION, MAY 31</b>		<u><u>\$ 2,838,063</u></u>	

(See independent auditor's report.)

## **FIDUCIARY FUNDS**

Police Pension Trust Fund - to account for the accumulation of resources to pay for current and future police pension costs.

Agency Funds are used to account for assets held by the Village in an agent capacity for individuals, private organizations and other governments.

Developer's and Building Escrow - to account for building bond deposits, developer's deposits and corresponding development costs.

Land Cash Escrows - to account for the accumulation and distribution of other taxing districts land/cash impact fees.

**VILLAGE OF NORTH AURORA, ILLINOIS**

**POLICE PENSION TRUST FUND  
SCHEDULE OF CHANGES IN NET POSITION - BUDGET AND ACTUAL**

For the Year Ended May 31, 2016

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 747,000	\$ 747,000	\$ -
Employee	242,000	242,060	60
Total Contributions	989,000	989,060	60
Investment Income			
Net Appreciation (Depreciation) in Fair Value of Investments	500,000	(587,593)	(1,087,593)
Interest	575,600	601,906	26,306
Total Investment Income	1,075,600	14,313	(1,061,287)
Less Investment Expense	(25,900)	(22,236)	3,664
Net Investment Income	1,049,700	(7,923)	(1,057,623)
Total Additions	2,038,700	981,137	(1,057,563)
<b>DEDUCTIONS</b>			
Benefits and Refunds	731,849	642,831	(89,018)
Administrative	14,450	7,925	(6,525)
Total Deductions	746,299	650,756	(95,543)
NET INCREASE	<u>\$ 1,292,401</u>	330,381	<u>\$ (962,020)</u>
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>			
June 1		<u>13,754,319</u>	
May 31		<u>\$ 14,084,700</u>	

(See independent auditor's report.)

# VILLAGE OF NORTH AURORA, ILLINOIS

## AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Year Ended May 31, 2016

	Balances June 1	Additions	Deductions	Balances May 31
<b>All Funds</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 384,378	\$ 1,755,551	\$ 756,911	\$ 1,383,018
<b>TOTAL ASSETS</b>	<u>\$ 384,378</u>	<u>\$ 1,755,551</u>	<u>\$ 756,911</u>	<u>\$ 1,383,018</u>
<b>LIABILITIES</b>				
Due to Others	\$ 384,378	\$ 1,755,551	\$ 756,911	\$ 1,383,018
<b>TOTAL LIABILITIES</b>	<u>\$ 384,378</u>	<u>\$ 1,755,551</u>	<u>\$ 756,911</u>	<u>\$ 1,383,018</u>
<b>Developer's and Building Escrow</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 304,452	\$ 375,566	\$ 309,243	\$ 370,775
<b>TOTAL ASSETS</b>	<u>\$ 304,452</u>	<u>\$ 375,566</u>	<u>\$ 309,243</u>	<u>\$ 370,775</u>
<b>LIABILITIES</b>				
Due to Others	\$ 304,452	\$ 375,566	\$ 309,243	\$ 370,775
<b>TOTAL LIABILITIES</b>	<u>\$ 304,452</u>	<u>\$ 375,566</u>	<u>\$ 309,243</u>	<u>\$ 370,775</u>
<b>Land Cash Escrows</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 79,926	\$ 1,379,985	\$ 447,668	\$ 1,012,243
<b>TOTAL ASSETS</b>	<u>\$ 79,926</u>	<u>\$ 1,379,985</u>	<u>\$ 447,668</u>	<u>\$ 1,012,243</u>
<b>LIABILITIES</b>				
Due to Others	\$ 79,926	\$ 1,379,985	\$ 447,668	\$ 1,012,243
<b>TOTAL LIABILITIES</b>	<u>\$ 79,926</u>	<u>\$ 1,379,985</u>	<u>\$ 447,668</u>	<u>\$ 1,012,243</u>

(See independent auditor's report.)

**LONG-TERM DEBT PAYABLE  
FROM GOVERNMENTAL ACTIVITIES**



**VILLAGE OF NORTH AURORA, ILLINOIS**

**LONG-TERM DEBT PAYABLE FROM GOVERNMENTAL ACTIVITIES  
SCHEDULE OF GENERAL LONG-TERM DEBT**

May 31, 2016

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<b>AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT</b>	
Amount Available for Debt Service	\$ 362,820
Amount to be Provided for Retirement of General Long-Term Debt	<u>20,620,076</u>
<b>TOTAL AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT</b>	<u><u>\$ 20,982,896</u></u>
<b>GENERAL LONG-TERM DEBT PAYABLE</b>	
General Obligation Bonds Payable	\$ 9,120,000
Compensated Absences	354,753
Net Other Postemployment Benefit Obligation	278,555
Net Pension Liability	<u>11,229,588</u>
<b>TOTAL GENERAL LONG-TERM DEBT PAYABLE</b>	<u><u>\$ 20,982,896</u></u>

(See independent auditor's report.)

## **LONG-TERM DEBT REQUIREMENTS**

**VILLAGE OF NORTH AURORA, ILLINOIS**

**LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION ALTERNATE REVENUE SOURCE  
BOND SERIES 2006**

May 31, 2016

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Date of Issue	April 15, 2006
Date of Maturity	December 1, 2016
Authorized Issue	\$3,500,000
Actual Issue	\$3,500,000
Denomination of Bonds	\$5,000
Denomination of Bonds	1 to 700 - \$5,000
Interest Rates	Bonds
	1-57 3.7%
	58-116 3.7%
	117-177 3.7%
	178-242 3.7%
	243-314 3.7%
	315-389 3.7%
	390-462 3.7%
	463-538 3.7%
	539-617 3.7%
	618-700 3.7%
Principal Maturity Date	December 1
Interest Dates	June 1 and December 1
Payable at	Amalgamated Bank of Chicago, Chicago, Illinois
Debt Retired by	Waterworks Fund

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Bond Numbers	Tax Levy			June 1	Interest Due on		
		Principal	Interest	Total		Amount	December 1	Amount
2015	618-700	\$ 415,000	\$ 15,354	\$ 430,354	2016	\$ 7,677	2016	\$ 7,677
		<u>\$ 415,000</u>	<u>\$ 15,354</u>	<u>\$ 430,354</u>		<u>\$ 7,677</u>		<u>\$ 7,677</u>

(See independent auditor's report.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

**LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING LIBRARY  
BOND SERIES 2009**

May 31, 2016

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Date of Issue	November 17, 2009
Date of Maturity	January 1, 2021
Authorized Issue	\$4,525,000
Actual Issue	\$4,525,000
Denomination of Bonds	\$5,000
Denomination of Bonds	1 to 905 - \$5,000
Interest Rates	Bonds
	1-65 2.00%
	66-134 2.00%
	135-207 2.50%
	208-283 2.75%
	284-363 3.25%
	364-447 3.50%
	448-535 3.75%
	536-628 3.75%
	629-725 3.75%
	726-826 3.75%
	827-905 3.75%
Principal Maturity Date	January 1
Interest Dates	January 1 and July 1
Payable at	Amalgamated Bank of Chicago, Chicago, Illinois
Debt Retired by	Library Debt Service

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Bond Numbers	Tax Levy			Interest Due on			
		Principal	Interest	Total	July 1	Amount	January 1	Amount
2015	448-535	\$ 440,000	\$ 85,876	\$ 525,876	2016	\$ 42,938	2017	\$ 42,938
2016	536-628	465,000	69,376	534,376	2017	34,688	2018	34,688
2017	629-725	485,000	51,938	536,938	2018	25,969	2019	25,969
2018	726-826	505,000	33,750	538,750	2019	16,875	2020	16,875
2019	827-905	395,000	14,814	409,814	2020	7,407	2021	7,407
		<u>\$ 2,290,000</u>	<u>\$ 255,754</u>	<u>\$ 2,545,754</u>			<u>\$ 127,877</u>	<u>\$ 127,877</u>

(See independent auditor's report.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

**LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION ALTERNATE REVENUE SOURCE REFUNDING  
BOND SERIES 2014**

May 31, 2016

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Date of Issue	October 20, 2014
Date of Maturity	January 1, 2029
Authorized Issue	\$6,885,000
Actual Issue	\$6,885,000
Denomination of Bonds	\$5,000
Denomination of Bonds	1 to 1,377 - \$5,000
Interest Rates	Bonds
	1-11 2.00%
	12-101 2.00%
	102-192 2.00%
	193-285 2.00%
	286-380 2.00%
	381-478 2.00%
	479-579 2.00%
	580-682 3.00%
	683-789 3.00%
	790-899 3.00%
	900-1013 3.00%
	1013-1130 3.00%
	1130-1252 3.00%
	1253-1377 3.00%
Principal Maturity Date	January 1
Interest Dates	January 1 and July 1
Payable at	Amalgamated Bank of Chicago, Chicago, Illinois
Debt Retired by	Police Station Debt Service

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Bond Numbers	Tax Levy			Interest Due on			
		Principal	Interest	Total	July 1	Amount	January 1	Amount
2015	12-101	\$ 450,000	\$ 176,500	\$ 626,500	2016	\$ 88,250	2017	\$ 88,250
2016	102-192	455,000	167,500	622,500	2017	83,750	2018	83,750
2017	193-285	465,000	158,400	623,400	2018	79,200	2019	79,200
2018	286-380	475,000	149,100	624,100	2019	74,550	2020	74,550
2019	381-478	490,000	139,600	629,600	2020	69,800	2021	69,800
2020	479-579	505,000	129,800	634,800	2021	64,900	2022	64,900
2021	580-682	515,000	119,700	634,700	2022	59,850	2023	59,850
2022	683-789	535,000	104,250	639,250	2023	52,125	2024	52,125
2023	790-899	550,000	88,200	638,200	2024	44,100	2025	44,100
2024	900-1013	570,000	71,700	641,700	2025	35,850	2026	35,850
2025	1013-1130	585,000	54,600	639,600	2026	27,300	2027	27,300
2026	1130-1252	610,000	37,050	647,050	2027	18,525	2028	18,525
2027	1253-1377	625,000	18,750	643,750	2028	9,375	2029	9,375
		<u>\$ 6,830,000</u>	<u>\$ 1,415,150</u>	<u>\$ 8,245,150</u>			<u>\$ 707,575</u>	<u>\$ 707,575</u>

(See independent auditor's report.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

**LONG-TERM DEBT REQUIREMENTS  
KANE COUNTY LOAN PAYABLE**

May 31, 2016

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Date of Issue	December 14, 2010
Date of Maturity	December 15, 2020
Authorized Issue	\$1,033,785
Actual Issue	\$1,033,785
Interest Rates	2.018% to 3.071%
Principal Maturity Date	December 15
Interest Dates	December 15 and June 15
Debt Retired by	Waterworks Fund

**FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Total	June 15	Amount	December 15	Amount
2015	\$ 102,560	\$ 15,220	\$ 117,780	2016	\$ 7,610	2016	\$ 7,610
2016	106,252	12,858	119,110	2017	6,429	2017	6,429
2017	110,502	10,138	120,640	2018	5,069	2018	5,069
2018	115,309	7,062	122,371	2019	3,531	2019	3,531
2019	120,551	3,702	124,253	2020	1,851	2020	1,851
	<u>\$ 555,174</u>	<u>\$ 48,980</u>	<u>\$ 604,154</u>		<u>\$ 24,490</u>		<u>\$ 24,490</u>

(See independent auditor's report.)

## STATISTICAL SECTION (Unaudited)

This part of the Village of North Aurora, Illinois' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the Village's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have been changed over time.	104-113
Revenue Capacity	
These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	114-119
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.	120-124
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.	125-126
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.	127-129

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

# VILLAGE OF NORTH AURORA, ILLINOIS

## NET POSITION BY COMPONENT

Last Ten Fiscal Years

<b>Fiscal Year Ended May 31</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>GOVERNMENTAL ACTIVITIES</b>				
Net Investment in Capital Assets	\$ 32,653,441	\$ 36,451,871	\$ 47,004,982	\$ 52,220,638
Restricted	2,954,373	2,886,652	3,469,442	3,557,460
Unrestricted	6,242,053	6,311,477	5,375,448	6,800,528
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 41,849,867</b>	<b>\$ 45,650,000</b>	<b>\$ 55,849,872</b>	<b>\$ 62,578,626</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net Investment in Capital Assets	\$ 11,636,021	\$ 16,277,652	\$ 17,646,735	\$ 18,198,621
Restricted	774,389	-	-	-
Unrestricted	4,094,263	1,262,692	917,151	761,323
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 16,504,673</b>	<b>\$ 17,540,344</b>	<b>\$ 18,563,886</b>	<b>\$ 18,959,944</b>
<b>PRIMARY GOVERNMENT</b>				
Net Investment in Capital Assets	\$ 44,289,462	\$ 52,729,523	\$ 64,651,717	\$ 70,419,259
Restricted	3,728,762	2,886,652	3,469,442	3,557,460
Unrestricted	10,336,316	7,574,169	6,292,599	7,561,851
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 58,354,540</b>	<b>\$ 63,190,344</b>	<b>\$ 74,413,758</b>	<b>\$ 81,538,570</b>

\* The Village implemented GASB Statement No. 68 in fiscal year 2016.

### Data Source

Audited Financial Statements



2011	2012	2013	2014	2015	2016*
\$ 73,654,427	\$ 81,798,254	\$ 83,248,697	\$ 85,083,399	\$ 86,384,283	\$ 87,966,627
4,108,032	3,572,015	3,906,679	3,748,762	4,049,089	3,293,677
7,919,304	7,482,489	8,883,752	10,404,995	10,519,121	1,979,304
\$ 85,681,763	\$ 92,852,758	\$ 96,039,128	\$ 99,237,156	\$ 100,952,493	\$ 93,239,608
\$ 20,103,711	\$ 20,760,990	\$ 20,995,758	\$ 20,966,641	\$ 22,099,689	\$ 22,191,726
-	-	-	-	-	-
1,043,388	1,493,850	2,306,779	2,893,770	2,406,255	2,744,852
\$ 21,147,099	\$ 22,254,840	\$ 23,302,537	\$ 23,860,411	\$ 24,505,944	\$ 24,936,578
\$ 93,758,138	\$ 102,559,244	\$ 104,244,455	\$ 106,050,040	\$ 108,483,972	\$ 110,158,353
4,108,032	3,572,015	3,906,679	3,748,762	4,049,089	3,293,677
8,962,692	8,976,339	11,190,531	13,298,765	12,925,376	4,724,156
\$ 106,828,862	\$ 115,107,598	\$ 119,341,665	\$ 123,097,567	\$ 125,458,437	\$ 118,176,186

# VILLAGE OF NORTH AURORA, ILLINOIS

## CHANGES IN NET POSITION

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>EXPENSES</b>				
Governmental Activities				
General Government	\$ 2,025,634	\$ 2,258,047	\$ 2,741,380	\$ 2,613,359
Public Safety	3,398,055	3,725,577	4,548,047	4,259,824
Public Works	2,679,384	3,240,032	3,198,892	3,289,053
Sanitation	575,269	519,526	578,730	421,496
Health and Welfare	69,907	290,372	88,768	66,978
Interest	325,448	266,082	426,940	510,332
Total Governmental Activities Expenses	9,073,697	10,299,636	11,582,757	11,161,042
Business-Type Activities				
Waterworks	1,815,852	2,025,595	2,245,452	2,140,741
Total Business-Type Activities Expenses	1,815,852	2,025,595	2,245,452	2,140,741
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>\$ 10,889,549</b>	<b>\$ 12,325,231</b>	<b>\$ 13,828,209</b>	<b>\$ 13,301,783</b>
<b>PROGRAM REVENUES</b>				
Governmental Activities				
Charges for Services				
General Government	\$ 1,224,831	\$ 931,765	\$ 672,395	\$ 546,116
Public Works	1,024,597	36,679	31,268	44,884
Other	970,029	740,633	707,396	601,625
Operating Grants and Contributions	472,193	536,322	494,958	494,575
Capital Grants and Contributions	317,200	1,529,638	10,036,690	6,853,809
Total Governmental Activities Program Revenues	4,008,850	3,775,037	11,942,707	8,541,009
Business-Type Activities				
Charges for Services				
Waterworks	2,978,263	2,583,628	2,329,638	2,264,997
Capital Grants and Contributions	-	337,915	920,752	230,238
Total Business-Type Activities Program Revenues	2,978,263	2,921,543	3,250,390	2,495,235
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 6,987,113</b>	<b>\$ 6,696,580</b>	<b>\$ 15,193,097</b>	<b>\$ 11,036,244</b>
<b>NET REVENUE (EXPENSE)</b>				
Governmental Activities	\$ (5,064,847)	\$ (6,524,599)	\$ 359,950	\$ (2,620,033)
Business-Type Activities	1,162,411	895,948	1,004,938	354,494
<b>TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)</b>	<b>\$ (3,902,436)</b>	<b>\$ (5,628,651)</b>	<b>\$ 1,364,888</b>	<b>\$ (2,265,539)</b>

2011	2012	2013	2014	2015	2016
\$ 2,367,118	\$ 2,781,256	\$ 2,438,161	\$ 2,509,574	\$ 2,739,039	\$ 2,751,762
3,589,938	4,864,872	5,046,200	5,193,500	5,413,092	6,035,035
3,644,191	3,736,393	3,949,037	4,765,606	6,086,057	5,380,250
359,733	510,422	370,834	558,586	577,795	487,802
72,277	65,094	-	-	-	-
537,322	512,987	487,719	465,671	459,862	287,892
10,570,579	12,471,024	12,291,951	13,492,937	15,275,845	14,942,741
2,155,414	2,207,371	2,252,015	2,399,782	2,332,989	2,265,473
2,155,414	2,207,371	2,252,015	2,399,782	2,332,989	2,265,473
\$ 12,725,993	\$ 14,678,395	\$ 14,543,966	\$ 15,892,719	\$ 17,608,834	\$ 17,208,214
\$ 647,884	\$ 631,909	\$ 797,812	\$ 1,104,559	\$ 1,295,616	\$ 1,210,730
40,208	50,790	29,758	-	-	-
617,152	614,929	610,725	630,640	436,583	533,199
598,055	526,517	513,589	609,785	547,447	477,516
21,555,794	7,053,967	2,582,819	2,810,769	3,117,646	1,410,172
23,459,093	8,878,112	4,534,703	5,155,753	5,397,292	3,631,617
2,442,003	2,547,310	3,119,005	2,772,684	2,544,588	2,841,797
1,882,337	754,260	207,500	174,062	418,913	10,597
4,324,340	3,301,570	3,326,505	2,946,746	2,963,501	2,852,394
\$ 27,783,433	\$ 12,179,682	\$ 7,861,208	\$ 8,102,499	\$ 8,360,793	\$ 6,484,011
\$ 12,888,514	\$ (3,592,912)	\$ (7,757,248)	\$ (8,337,184)	\$ (9,878,553)	\$ (11,311,124)
2,168,926	1,094,199	1,074,490	546,964	630,512	586,921
\$ 15,057,440	\$ (2,498,713)	\$ (6,682,758)	\$ (7,790,220)	\$ (9,248,041)	\$ (10,724,203)

# VILLAGE OF NORTH AURORA, ILLINOIS

## CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>GENERAL REVENUES AND OTHER</b>				
<b>CHANGES IN NET POSITION</b>				
Governmental Activities				
Taxes				
Property and Replacement	\$ 2,225,352	\$ 2,479,136	\$ 2,798,676	\$ 3,085,273
Sales	4,014,090	4,596,159	4,160,089	4,013,156
Telecommunications	238,991	252,686	254,250	383,446
Utility	243,691	300,320	321,939	513,988
Amusement	82,478	78,403	73,592	66,300
Other	215,788	297,307	325,188	280,784
Shared Income Taxes	1,187,151	1,422,163	1,399,626	1,225,777
Investment Income	708,088	621,671	351,622	155,009
Miscellaneous	2,440	74,537	154,940	90,885
Gain on Disposal of Capital Assets	-	-	-	-
Total Governmental Activities	8,918,069	10,122,382	9,839,922	9,814,618
Business-Type Activities				
Investment Income	314,749	139,723	18,604	4,734
Miscellaneous	-	-	-	36,830
Total Business-Type Activities	314,749	139,723	18,604	41,564
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 9,232,818</b>	<b>\$ 10,262,105</b>	<b>\$ 9,858,526</b>	<b>\$ 9,856,182</b>
<b>CHANGE IN NET POSITION</b>				
Governmental Activities	\$ 3,853,222	\$ 3,597,783	\$ 10,199,872	\$ 7,194,585
Business-Type Activities	1,477,160	1,035,671	1,023,542	396,058
<b>TOTAL PRIMARY GOVERNMENT</b>				
<b>CHANGE IN NET POSITION</b>	<b>\$ 5,330,382</b>	<b>\$ 4,633,454</b>	<b>\$ 11,223,414</b>	<b>\$ 7,590,643</b>

Data Source

Audited Financial Statements

2011	2012	2013	2014	2015	2016
\$ 3,192,341	\$ 3,212,355	\$ 3,117,516	\$ 3,328,978	\$ 3,346,397	\$ 3,390,542
4,392,497	4,747,193	4,902,035	5,063,094	5,255,029	5,354,915
374,926	363,748	346,743	329,355	304,778	278,444
537,432	497,232	532,587	568,148	527,221	487,721
67,359	76,438	75,669	84,050	80,155	88,845
320,504	328,803	355,255	401,734	484,048	535,140
1,229,912	1,420,009	1,585,789	1,600,554	1,688,499	1,714,327
56,265	54,747	48,281	95,274	(180,909)	92,804
43,387	63,382	24,979	64,025	88,672	28,252
-	-	34,654	-	-	-
10,214,623	10,763,907	11,023,508	11,535,212	11,593,890	11,970,990
1,981	1,189	3,770	6,777	7,087	6,626
16,248	12,353	9,356	4,133	7,934	24,019
18,229	13,542	13,126	10,910	15,021	30,645
\$ 10,232,852	\$ 10,777,449	\$ 11,036,634	\$ 11,546,122	\$ 11,608,911	\$ 12,001,635
\$ 23,103,137	\$ 7,170,995	\$ 3,266,260	\$ 3,198,028	\$ 1,715,337	\$ 659,866
2,187,155	1,107,741	1,087,616	557,874	645,533	617,566
\$ 25,290,292	\$ 8,278,736	\$ 4,353,876	\$ 3,755,902	\$ 2,360,870	\$ 1,277,432

**VILLAGE OF NORTH AURORA, ILLINOIS**

**FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>GENERAL FUND</b>				
Reserved	\$ 61,061	\$ 74,520	\$ 39,542	\$ 34,047
Unreserved	4,966,959	4,903,124	4,593,025	4,671,774
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Unrestricted				
Unassigned	-	-	-	-
<b>TOTAL GENERAL FUND</b>	<b>\$ 5,028,020</b>	<b>\$ 4,977,644</b>	<b>\$ 4,632,567</b>	<b>\$ 4,705,821</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Reserved	\$ 2,935,545	\$ 2,865,078	\$ 11,673,398	\$ 5,044,911
Unreserved				
Capital Projects	1,885,323	1,892,227	1,268,483	2,049,659
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Unrestricted				
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (Deficit)	-	-	-	-
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 4,820,868</b>	<b>\$ 4,757,305</b>	<b>\$ 12,941,881</b>	<b>\$ 7,094,570</b>
<b>TOTAL ALL GOVERNMENTAL FUNDS</b>	<b>\$ 9,848,888</b>	<b>\$ 9,734,949</b>	<b>\$ 17,574,448</b>	<b>\$ 11,800,391</b>

\* The Village implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2012.

Data Source

Audited Financial Statements

2011	2012*	2013	2014	2015	2016
\$ 28,325	\$ -	\$ -	\$ -	\$ -	\$ -
5,124,435	-	-	-	-	-
-	45,382	28,122	5,866	18,743	19,129
-	20,047	19,559	19,070	16,535	23,493
-	5,358,408	5,801,289	6,152,602	6,364,785	6,605,504
\$ 5,152,760	\$ 5,423,837	\$ 5,848,970	\$ 6,177,538	\$ 6,400,063	\$ 6,648,126
\$ 4,249,421	\$ -	\$ -	\$ -	\$ -	\$ -
1,961,817	-	-	-	-	-
-	2,400	-	-	972	-
-	3,551,968	4,833,771	3,729,692	4,032,554	3,270,184
-	-	-	641,896	294,517	-
-	2,314,949	2,468,350	3,849,499	3,788,586	3,924,404
-	(2,496)	-	-	-	-
\$ 6,211,238	\$ 5,866,821	\$ 7,302,121	\$ 8,221,087	\$ 8,116,629	\$ 7,194,588
\$ 11,363,998	\$ 11,290,658	\$ 13,151,091	\$ 14,398,625	\$ 14,516,692	\$ 13,842,714

**VILLAGE OF NORTH AURORA, ILLINOIS**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>REVENUES</b>				
Taxes	\$ 7,020,390	\$ 8,004,010	\$ 7,933,736	\$ 8,342,948
Licenses and Permits	1,181,232	668,631	419,591	274,749
Intergovernmental	1,710,368	1,972,850	2,004,584	1,770,352
Charges for Services	1,677,960	804,638	779,315	683,158
Fines and Forfeits	334,303	319,105	326,941	277,722
Developer Contributions	250,000	717,134	1,741,648	577,373
Investment Income	708,088	621,671	351,622	155,009
Miscellaneous	44,578	36,795	40,150	47,880
Total Revenues	12,926,919	13,144,834	13,597,587	12,129,191
<b>EXPENDITURES</b>				
Current				
General Government	1,950,044	2,214,660	2,366,401	2,391,451
Public Safety	3,396,136	3,726,617	3,864,954	3,984,649
Public Works	1,805,840	2,024,422	2,011,129	1,617,841
Sanitation	69,521	72,078	67,018	76,971
Health and Welfare	69,907	290,372	88,768	66,978
Capital Outlay	6,192,083	3,697,677	5,547,491	8,499,948
Debt Service				
Principal	340,000	947,428	405,000	635,000
Interest and Fiscal Charges	322,484	285,519	317,327	722,609
Total Expenditures	14,146,015	13,258,773	14,668,088	17,995,447
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,219,096)	(113,939)	(1,070,501)	(5,866,256)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,545,000	1,654,908	1,097,290	681,642
Transfers (Out)	(1,545,000)	(1,654,908)	(1,097,290)	(681,642)
Bonds Issued	-	-	9,000,000	4,525,000
Payment to Refunded Bonds Escrow	-	-	-	(4,500,954)
Discount on Bonds Issued	-	-	(90,000)	-
Premium on Bonds Issued	-	-	-	68,153
Proceeds from Conveyance	575,428	-	-	-
Insurance Claim Reimbursement	-	-	-	-
Total Other Financing Sources (Uses)	575,428	-	8,910,000	92,199
<b>OTHER CHANGES TO FUND BALANCES</b>				
Prior Period Adjustment	(547,169)	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (1,190,837)</b>	<b>\$ (113,939)</b>	<b>\$ 7,839,499</b>	<b>\$ (5,774,057)</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>				
	5.37%	16.85%	6.26%	9.87%

Data Source

Audited Financial Statements



2011	2012	2013	2014	2015	2016
\$ 8,885,058	\$ 9,225,769	\$ 9,317,485	\$ 9,775,359	\$ 9,997,628	\$ 10,135,609
355,582	426,556	555,008	828,380	987,674	980,051
2,169,201	2,062,401	2,175,060	2,303,622	2,296,559	2,216,295
668,021	689,479	652,786	650,364	637,452	571,260
301,113	291,247	217,966	177,756	142,274	125,525
65,614	198,563	73,753	904,416	228,474	307,130
56,265	54,747	48,281	95,274	(180,909)	92,804
23,916	35,060	34,856	27,626	53,471	95,343
12,524,770	12,983,822	13,075,195	14,762,797	14,162,623	14,524,017
2,163,355	2,250,381	2,258,771	2,309,967	2,567,418	2,536,799
4,154,945	4,611,054	4,605,621	4,804,652	5,190,232	5,202,837
1,523,924	1,586,926	1,876,107	2,563,622	2,314,769	2,505,027
57,858	63,329	57,004	243,504	230,131	145,104
72,277	65,094	-	-	-	-
3,727,818	3,330,335	1,267,564	2,559,030	2,718,904	3,667,311
750,000	665,000	695,000	725,000	760,000	850,000
548,852	506,989	489,349	468,261	516,082	294,165
12,999,029	13,079,108	11,249,416	13,674,036	14,297,536	15,201,243
(474,259)	(95,286)	1,825,779	1,088,761	(134,913)	(677,226)
706,012	805,635	781,434	1,016,068	995,706	1,088,769
(706,012)	(805,635)	(781,434)	(1,016,068)	(995,706)	(1,088,769)
-	-	-	-	6,885,000	-
-	-	-	-	(6,952,658)	-
-	-	-	-	-	-
-	-	-	-	256,582	-
-	-	-	-	-	-
37,866	21,946	34,654	146,453	64,056	3,248
37,866	21,946	34,654	146,453	252,980	3,248
-	-	-	-	-	-
\$ (436,393)	\$ (73,340)	\$ 1,860,433	\$ 1,235,214	\$ 118,067	\$ (673,978)
14.16%	11.43%	11.45%	10.36%	9.60%	9.16%

**VILLAGE OF NORTH AURORA, ILLINOIS**

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**

Last Ten Levy Years

<b>Levy Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Railroad Property</b>	<b>Farm Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Estimated Actual Taxable Value</b>
2006	\$ 375,662,406	\$ 55,675,142	\$ 32,164,507	\$ 132,288	\$ 242,413	\$ 463,876,756	0.448888	\$ 1,391,630,268	33.333%
2007	433,340,748	66,370,277	34,532,131	147,147	278,939	534,669,242	0.423425	1,604,007,726	33.333%
2008	455,105,924	73,362,075	40,855,140	169,537	268,650	569,761,326	0.461899	1,709,283,978	33.333%
2009	455,869,473	77,510,259	40,660,653	205,003	337,496	574,582,884	0.380791	1,723,748,652	33.333%
2010	430,166,785	74,268,198	37,777,327	224,708	378,796	542,815,814	0.457352	1,628,447,442	33.333%
2011	396,460,429	64,212,904	34,967,983	268,280	385,110	496,294,706	0.510648	1,488,884,118	33.333%
2012	358,899,978	66,774,379	35,772,199	286,904	338,753	462,072,213	0.564660	1,386,216,639	33.333%
2013	337,016,726	58,444,313	31,023,446	312,020	336,302	427,132,807	0.626450	1,281,398,421	33.333%
2014	339,111,156	59,859,375	31,341,315	316,153	244,838	430,872,837	0.637707	1,292,618,511	33.333%
2015	359,301,370	67,329,121	33,018,080	330,034	248,169	460,226,774	0.612857	1,380,680,322	33.333%

Note: Property in the Village is reassessed each year. Property is assessed at 33% of actual value. Tax rates are per \$100 of assessed value and are the "Rate Setting

Data Source

Office of the County Clerk

# VILLAGE OF NORTH AURORA, ILLINOIS

## PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Tax Levy Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>VILLAGE DIRECT RATES</b>										
Village of North Aurora	0.346120	0.331880	0.373998	0.294611	0.367100	0.409270	0.454490	0.505010	0.515680	0.497450
General Obligation Library Debt Service	0.102768	0.091545	0.087901	0.086180	0.090252	0.101378	0.110170	0.121440	0.122027	0.115407
Total Direct Rate	0.448888	0.423425	0.461899	0.380791	0.457352	0.510648	0.564660	0.626450	0.637707	0.612857
<b>OVERLAPPING RATES (REPRESENTATIVE)</b>										
Messenger Public Library	0.251060	0.240730	0.242000	0.242730	0.266280	0.296870	0.329670	0.366550	0.374060	0.360840
North Aurora Fire District	0.737631	0.694262	0.698169	0.696580	0.764120	0.834119	0.916086	1.024067	1.046502	1.016720
Kane County	0.345185	0.332164	0.333610	0.339794	0.372975	0.398980	0.433559	0.462292	0.468360	0.447884
Kane County Forest Preserve	0.174710	0.197429	0.193217	0.199732	0.220104	0.260923	0.271015	0.303868	0.312630	0.294354
Aurora Township (1)	0.221596	0.213940	0.214057	0.218958	0.242825	0.274235	0.314060	0.362063	0.374280	0.247795
College District 516	0.398359	0.395048	0.399526	0.404276	0.406952	0.470953	0.531163	0.580694	0.595432	0.587468
Fox Valley Park District	0.374563	0.403707	0.401363	0.412193	0.480263	0.528582	0.586301	0.627967	0.630680	0.599925
West Aurora Schools 129	3.563522	4.125158	4.122511	4.183454	4.273974	5.160256	5.889589	6.666744	6.857788	6.589755
Total Overlapping Rates	6.066626	6.602438	6.604453	6.697717	7.027493	8.224918	9.271443	10.394245	10.659732	10.144741
<b>TOTAL ALL RATES (REPRESENTATIVE)</b>	<b>6.515514</b>	<b>7.025863</b>	<b>7.066352</b>	<b>7.078508</b>	<b>7.484845</b>	<b>8.735566</b>	<b>9.836103</b>	<b>11.020695</b>	<b>11.297439</b>	<b>10.757598</b>

### Notes

(1) Aurora Township includes Aurora Township and Aurora Township Road and Bridge

The Village is a non-home rule community and as such is subject to the tax cap which limits the increase in the Village's annual property tax levy to 5% or the rate of inflation in the CPI, whichever is lessor. This limitation on the increase is based on last year's actual extension. The tax extension limitation formula allows the Village to "capture" the value of new construction.

Approved debt service levies are not subject to the tax cap; however, general obligation debt backed solely by property taxes cannot be issued unless approved by the voters via referendum.

The Village has also established a number of Special Service Areas within the Village. These areas are for the maintenance of lawns and detention ponds and are not a significant portion of the overall tax bill.

A very small portion of the Village's population belongs in the Kaneland School District or the Batavia School District.

### Data Source

Office of the Kane County Clerk

# VILLAGE OF NORTH AURORA, ILLINOIS

## PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

	Levy Year			Levy Year		
	2014			2006		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
SVF Orchard North Aurora LLC	\$ 8,460,448	1	1.84%			
Dart Container Corporation	6,837,657	2	1.49%	\$ 3,867,559	1	0.83%
Star Randall Highlands LLC	6,303,700	3	1.37%			
Woodman's Food Market	5,431,813	4	1.18%	2,702,698	5	0.58%
Summitt Enterprises of Illinois, Ltd.	3,468,978	5	0.75%	3,225,835	2	0.70%
Preferred Real Estate LLC	3,265,196	6	0.71%			
Courtyards Village West Apartments LLC	2,858,711	7	0.62%	3,090,231	3	0.67%
Target Corporation	2,428,772	8	0.53%			
JCPenney Properties Inc.	2,211,967	9	0.48%			
Gerald Realty Holdings LLC	1,958,900	10	0.43%			
First Industrial Investment, LLC				2,881,837	4	0.62%
Little Miranda, LLC				2,590,708	6	0.56%
Avg-No Aurora LLC				2,418,045	7	0.52%
Individual				1,838,029	8	0.40%
NARE/Inland North Aurora Venture LLC				1,784,731	9	0.38%
Airport Road LLC				1,476,800	10	0.32%
	<u>\$ 43,226,142</u>		<u>9.40%</u>	<u>\$ 25,876,473</u>		<u>5.58%</u>

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

### Data Source

Office of the County Clerk

# VILLAGE OF NORTH AURORA, ILLINOIS

## PROPERTY TAX LEVIES AND COLLECTIONS (1)

Last Ten Levy Years

Levy Year	Tax Levied	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections	Percentage of Levy
		Amount	Percentage of Levy			
2006	\$ 2,202,084	\$ 195,603	8.88%	\$ 1,992,723	\$ 2,188,326	99.38%
2007	2,400,312	80,321	3.35%	2,307,113	2,387,434	99.46%
2008	2,772,836	92,708	3.34%	2,674,961	2,767,669	99.81%
2009	2,324,453	153,746	6.61%	2,169,231	2,322,977	99.94%
2010	2,621,370	294,925	11.25%	2,318,996	2,613,921	99.72%
2011	2,672,466	164,801	6.17%	2,498,760	2,663,561	99.67%
2012	2,756,055	202,084	7.33%	2,545,541	2,747,625	99.69%
2013	2,821,826	377,214	13.37%	2,436,618	2,813,832	99.72%
2014	2,899,425	229,838	7.93%	2,658,804	2,888,642	99.63%
2015	2,977,524	206,837	6.95%	1,370,116	1,576,953	52.96%

N/A - Information not available

(1) Levies and collections include property taxes for the Village, Library Debt Service and the distributions for road and bridge that are allocated to the Village. Does not include property taxes for the Village's special service areas or TIF distributions.

### Data Source

Office of the County Clerk

**VILLAGE OF NORTH AURORA, ILLINOIS**

**TOTAL SALES TAXES BY CATEGORY**

Last Ten Calendar Years

<b>Fiscal Year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
General Merchandise	\$ 106,057	\$ 418,447	\$ 486,771	\$ 467,325	\$ 493,607	\$ 505,924	\$ 527,890	\$ 494,442	\$ 457,535	\$ 463,033
Food	379,347	811,291	902,814	909,306	977,589	1,106,414	1,163,388	1,190,519	1,178,048	1,157,147
Drinking and Eating Places	163,968	231,941	260,481	241,546	262,390	289,233	322,069	340,590	367,727	413,909
Apparel	69	20,951	47,052	55,847	60,937	73,069	73,461	30,135	57,975	58,354
Furniture & H.H. & Radio	121,941	80,428	146,079	255,162	263,781	254,383	253,578	246,541	246,357	249,324
Lumber, Building Hardware	616,757	504,750	121,685	63,057	60,859	71,572	-	65,982	99,887	59,456
Automobile and Filling Stations	1,663,281	1,739,143	1,660,857	1,323,237	1,474,027	1,776,042	1,868,562	1,863,590	2,040,342	1,975,673
Drugs and Miscellaneous Retail	193,157	248,197	263,922	267,408	288,566	286,046	285,473	434,255	505,026	582,353
Agriculture and All Others	209,025	213,366	302,435	239,617	152,316	149,743	118,245	135,272	130,118	130,883
Manufacturers	251,716	212,924	161,536	135,394	138,919	166,620	196,487	192,288	188,201	198,126
Unclassified	-	-	-	-	-	-	7,293	-	-	-
<b>TOTAL</b>	<b>\$ 3,705,318</b>	<b>\$ 4,481,437</b>	<b>\$ 4,353,632</b>	<b>\$ 3,957,899</b>	<b>\$ 4,172,992</b>	<b>\$ 4,679,044</b>	<b>\$ 4,816,446</b>	<b>\$ 4,993,614</b>	<b>\$ 5,271,216</b>	<b>\$ 5,288,258</b>
<b>VILLAGE DIRECT SALES TAX RATE</b>	<b>1.50%</b>	<b>1.50%</b>	<b>1.50%</b>	<b>1.50%</b>	<b>1.50%</b>	<b>1.50%</b>	<b>1.50%</b>	<b>1.50%</b>	<b>1.50%</b>	<b>1.50%</b>

Effective January 1, 2004, the Village implemented a 0.50% non-home rule sales tax applicable to all sales except food, drugs and titled vehicles (summarized exemptions).

Approximately 47% of all retail sales are applicable to the 0.50% non-home rule sales tax.

The above numbers are the total sales tax dollars received by the Village before applicable sales tax rebates.

Data Sources

Village Records

Illinois Department of Revenue SIC Reporting

## VILLAGE OF NORTH AURORA, ILLINOIS

### DIRECT AND OVERLAPPING SALES TAX RATES (1)

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>General Merchandise Village Direct Rate</b>	<b>General Merchandise State and Other Rates</b>	<b>General Merchandise Total Rate Within Village</b>
2007	1.50%	5.50%	7.00%
2008 (2)	1.50%	6.00%	7.50%
2009	1.50%	6.00%	7.50%
2010	1.50%	6.00%	7.50%
2011	1.50%	6.00%	7.50%
2012	1.50%	6.00%	7.50%
2013	1.50%	6.00%	7.50%
2014	1.50%	6.00%	7.50%
2015	1.50%	6.00%	7.50%
2016	1.50%	6.00%	7.50%

(1) The rates listed in this table apply to sales of general merchandise. Sales of food not prepared for immediate consumption, drugs and titled vehicles are subject to a different tax rate. This rate is 1.75% for sales of food and 7.00% for sales of titled vehicles.

(2) Effective April 1, 2008, the State increased the Regional Transportation Authority's sales tax rate in Kane County from 0.25% to 0.75% for not only general merchandise but qualifying food and drugs.

#### Data Source

Village and State Records

# VILLAGE OF NORTH AURORA, ILLINOIS

## RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Installment Notes/COPs Payable	General Obligation Bonds	Kane County Loan Payable			
2007	\$ 5,715,000	\$ 682,428	\$ 4,580,000	\$ -	\$ 10,977,428	2.76%	\$ 798
2008	5,395,000	55,000	4,115,000	-	9,565,000	2.08%	602
2009	14,045,000	-	3,635,000	-	17,680,000	3.85%	1,112
2010	13,385,000	-	3,140,000	-	16,525,000	3.59%	1,040
2011	12,614,653	-	2,630,000	1,033,785	16,278,438	3.35%	971
2012	11,948,258	-	2,100,000	940,032	14,988,290	3.03%	894
2013	11,251,865	-	1,555,000	846,520	13,653,385	2.76%	815
2014	10,525,471	-	1,190,000	751,605	12,467,076	2.52%	744
2015	10,243,553	-	810,000	654,650	11,708,203	2.37%	699
2016	9,370,768	-	415,000	555,174	10,340,942	1.88%	617

\* See the schedule of Demographic and Economic Information on page 125 for personal income and population data.

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

### Data Source

Village Records



# VILLAGE OF NORTH AURORA, ILLINOIS

## RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

---

<b>Fiscal Year</b>	<b>Governmental Activities General Obligation Bonds</b>	<b>Business-Type Activities General Obligation Bonds</b>	<b>Less: Amounts Restricted for Principal Repayment</b>	<b>Net Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property*</b>	<b>Per Capita</b>
2007	\$ 5,715,000	\$ 4,580,000	\$ 57,058	\$ 10,237,942	2.21%	\$ 744
2008	5,395,000	4,115,000	64,343	9,445,657	1.77%	594
2009	14,045,000	3,635,000	351,559	17,328,441	3.04%	1,090
2010	13,385,000	3,140,000	367,103	16,157,897	2.81%	1,017
2011	12,614,653	2,630,000	369,512	14,875,141	2.74%	888
2012	11,948,258	2,100,000	284,726	13,763,532	2.77%	821
2013	11,251,865	1,555,000	285,942	12,520,923	2.52%	747
2014	10,525,471	1,190,000	381,115	11,334,356	2.65%	676
2015	10,243,553	810,000	386,688	10,666,865	2.48%	636
2016	9,370,768	415,000	362,820	9,422,948	2.05%	562

\* See the schedule of Assessed Value and Actual Value of Taxable Property on page 114 for property value data.

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

### Data Source

Village Records

# VILLAGE OF NORTH AURORA, ILLINOIS

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

May 31, 2016

Governmental Unit	Gross Debt	Percentage Debt Applicable to the Village (1)	The Village's Share of Debt
Village of North Aurora	\$ 9,370,768	100.00%	\$ 9,370,768
Kane County	44,335,000	3.82%	1,693,597
Kane County Forest Preserve	148,904,648	3.82%	5,688,158
Fox Valley Park District	42,805,000	9.29%	3,976,585
Batavia Park District	1,340,270	4.14%	55,487
Batavia Library 1998 Bond District	2,070,000	7.42%	153,594
Schools			
School District No. 101	73,725,000	0.59%	434,978
School District No. 129	127,273,000	30.56%	38,894,629
School District No. 302	94,372,027	0.35%	330,302
Community College District No. 516	67,145,000	5.63%	3,780,264
Total Other Governments	601,969,945		55,007,594
<b>TOTAL OVERLAPPING BONDED DEBT</b>	<b>\$ 611,340,713</b>		<b>\$ 64,378,362</b>

(1) Determined by ratio of assessed valuation of property subject to taxation in the Village to valuation of property subject to taxation in overlapping unit.

### Data Source

Kane County

**VILLAGE OF NORTH AURORA, ILLINOIS**

**LEGAL DEBT MARGIN INFORMATION**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Legal Debt Limit	\$ 40,009,370	\$ 46,115,222	\$ 49,141,914	\$ 49,557,774	\$ 46,817,864	\$ 42,805,418	\$ 39,853,728	\$ 36,840,205	\$ 37,162,782	\$ 39,694,559
Total Net Debt Applicable to Limit	5,982,428	5,130,000	4,825,000	4,525,000	4,200,000	3,855,000	3,490,000	3,110,000	2,710,000	2,290,000
<b>LEGAL DEBT MARGIN</b>	<b>\$ 34,026,942</b>	<b>\$ 40,985,222</b>	<b>\$ 44,316,914</b>	<b>\$ 45,032,774</b>	<b>\$ 42,617,864</b>	<b>\$ 38,950,418</b>	<b>\$ 36,363,728</b>	<b>\$ 33,730,205</b>	<b>\$ 34,452,782</b>	<b>\$ 37,404,559</b>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	15%	11%	10%	9%	9%	9%	9%	8%	7%	6%

Legal Debt Margin Calculation for Fiscal 2016

Assessed Value	\$ 460,226,774
Legal Debt Margin	<u>8.625%</u>
Debt Limit	<u>39,694,559</u>
Debt Applicable to Limit General Obligation Bonds	2,290,000
Total Debt Applicable to Limit	<u>2,290,000</u>
<b>LEGAL DEBT MARGIN</b>	<b><u><u>\$ 37,404,559</u></u></b>

Data Source

Village Records

**VILLAGE OF NORTH AURORA, ILLINOIS**

**PLEDGED-REVENUE COVERAGE**

Last Ten Fiscal Years

Fiscal Year	General Obligation Alternate Revenue Source Waterworks Bonds						General Obligation Alternate Revenue Source Police Station Capital Bonds								
	Water	Less	Net	Debt Service		Coverage	Sales Tax,		Total	Less	Net	Debt Service		Coverage	
	Charges	Operating	Available	Principal	Interest		Beginning	Use Tax	Available	Non-Debt	Available	Principal	Interest		
	and Other (1)	Expenses (2)	Revenue			Fund Balance	and Other	Funds	Expenditures	Funds					
2007	\$ 2,663,526	\$ 1,227,426	\$ 1,436,100	\$ 180,000	\$ 115,140	4.87									
2008	2,444,586	1,366,309	1,078,277	465,000	159,292	1.73									
2009	2,294,418	1,435,195	859,223	480,000	147,436	1.37	\$ -	\$ 280,785	\$ 280,785	\$ -	\$ 280,785	\$ -	\$ -	N/A	
2010	2,269,443	1,286,390	983,053	495,000	130,636	1.57	280,785	661,884	942,669	-	942,669	255,000	401,413	1.44	
2011	2,443,696	1,416,878	1,026,818	495,000	125,390	1.66	285,717	686,272	971,989	-	971,989	310,000	376,044	1.42	
2012	2,546,187	1,332,923	1,213,264	530,000	119,454	1.87	285,430	685,740	971,170	-	971,170	320,000	365,969	1.42	
2013	3,122,509	2,168,411	954,098	375,000	71,410	2.14	284,726	686,925	971,651	-	971,651	330,000	355,169	1.42	
2014	2,643,669	1,522,880	1,120,789	365,000	57,535	2.65	285,942	689,299	975,241	-	975,241	345,000	343,206	1.42	
2015	2,396,868	1,470,951	925,917	380,000	44,030	2.18	286,470	691,188	977,658	-	977,658	360,000	203,289	1.74	
2016	2,679,453	1,444,706	1,234,747	395,000	29,970	2.91	288,413	596,247	884,660	-	884,660	430,000	192,600	1.42	

(1) Water Charges and Other includes investment earnings but not tap on fees.

(2) Operating expenses do not include interest or depreciation.

Data Source

Village Records

# VILLAGE OF NORTH AURORA, ILLINOIS

## DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

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<b>Fiscal Year</b>	<b>(1) Population</b>	<b>Personal Income</b>	<b>(2) Per Capita Personal Income</b>	<b>(3) Unemployment Rate</b>
2007	13,764	\$ 398,164,992	\$ 28,928	4.3%
2008	15,893	459,752,704	28,928	4.8%
2009	15,893	459,752,704	28,928	6.3%
2010	15,893	459,752,704	28,928	10.1%
2011	16,760	485,704,800	28,980	10.3%
2012	16,760	494,817,760	29,524	9.9%
2013	16,760	494,817,760	29,524	8.8%
2014	16,760	494,817,760	29,524	8.9%
2015	16,760	494,817,760	29,524	6.8%
2016	16,760	548,625,042	32,734	5.8%

(1) Population of 16,760 based on 2010 Census.

Population of 15,893 based on 2007 partial, special Census. Population of 13,764 based on special Census conducted in 2004.

(2) Per Capita Personal Income Based on 2010 Census

Per Capita Income of \$28,928 based on 2004 Census and EASI Analytics.

2011 Year based on Kane County 2010 Census

(3) Unemployment rate based on average unemployment rate for Kane County for preceeding calendar year.

# VILLAGE OF NORTH AURORA, ILLINOIS

## PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2016			2007		
	Employees	Rank	Percentage of Total Village Population	Employees	Rank	Percentage of Total Village Population
Aurora Packing Company, Inc.	285	1	1.70%	180	5	1.31%
Dart Container Corporation	250	2	1.49%	275	1	2.00%
West Aurora School District	243	3	1.45%	195	4	1.42%
Pentair Aurora Pump	210	4	1.25%	200	3	1.45%
Woodman's Food Market	167	5	1.00%	155	6	1.13%
One Source Industries	159	6	0.95%			
Euclid Beverage Ltd.	140	7	0.84%	140	8	1.02%
Dovenmuehle Mortgage	125	8	0.75%			
Target	105	9	0.63%	85	10	0.62%
Oberweis Dairy, Inc.	100	10	0.60%	225	2	1.63%
Daco, Inc.				135	9	0.98%
Air Rite Heating and Cooling				150	7	1.09%
<b>TOTAL</b>	<b>1,784</b>		<b>10.66%</b>	<b>1,740</b>		<b>12.65%</b>

Note: Illinois Manufacturers Directory, Illinois Services Directory, Kane County Economic Commission Listing, phone survey and Village business registration records.

**VILLAGE OF NORTH AURORA, ILLINOIS**

**FULL-TIME EQUIVALENT EMPLOYEES**

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>GENERAL GOVERNMENT</b>										
Admin/Finance	5.75	5.75	5.75	4.75	4.60	4.60	4.67	5.67	5.67	5.67
Community Development	4.20	4.35	4.35	3.80	3.80	4.11	4.17	4.17	4.17	4.17
<b>PUBLIC SAFETY</b>										
Police										
Sworn Officers	30.00	30.00	29.00	29.00	28.00	28.00	28.00	28.00	28.00	29.00
Civilians/Other	4.10	4.10	4.10	4.10	4.10	4.10	4.10	3.35	3.35	3.35
<b>PUBLIC WORKS</b>										
Administration	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Street Maintenance	7.50	8.30	8.30	8.30	7.25	7.45	7.45	7.45	7.45	8.45
Water Operations/Billing	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00
<b>TOTAL</b>	<b>56.55</b>	<b>57.50</b>	<b>57.50</b>	<b>55.95</b>	<b>53.75</b>	<b>54.26</b>	<b>54.39</b>	<b>54.64</b>	<b>54.64</b>	<b>57.64</b>

Data Source

Village Finance Office

# VILLAGE OF NORTH AURORA, ILLINOIS

## OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>COMMUNITY DEVELOPMENT</b>										
New Home Permits	208	73	25	19	18	22	147	27	21	332
New Commercial Permits	29	41	26	18	10	16	14	24	13	21
Misc Permits	948	605	555	524	603	542	500	1,464	2,260	535
<b>POLICE</b>										
Physical Arrests	487	666	640	421	381	456	289	246	235	248
Ordinance Violations	182	159	200	163	143	182	97	107	124	105
Traffic Violations	6,885	7,408	7,234	6,205	8,555	7,758	4,510	5,565	4,597	2,258
<b>PUBLIC WORKS</b>										
Street Resurfacing (Miles)	2.73	0.43	0.35	-	0.15	0.58	-	0.36	2.19	0.00
Street Reconstruction (Miles)	1.61	-	1.50	0.80	0.40	0.54	0.979	1.62	0.97	1.70
<b>WATER</b>										
New Connections	208	110	25	34	20	23	52	185	30	140
Water Main Breaks	10	10	13	10	10	9	22	16	12	8
Average Daily Consumption	1,950,000	1,802,320	1,596,992	1,831,441	1,783,000	1,819,873	1,918,847	1,852,400	1,739,000	1,770,000
Peak Daily Consumption	3,370,000	3,940,000	3,200,000	3,027,000	2,800,000	3,240,000	3,552,000	3,266,000	3,224,000	2,882,000

### Data Sources

Various Village departments

Some information for prior years was not readily available



# VILLAGE OF NORTH AURORA, ILLINOIS

## CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>PUBLIC SAFETY</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area Patrols	3	3	3	3	3	3	3	3	3	3
Patrol Units	17	17	17	17	17	17	17	17	17	18
<b>PUBLIC WORKS</b>										
Residential Streets (Miles)	70	70	72	74	74	76	76	76	77	77
Streetlights	500	500	575	849	849	849	849	849	849	849
Traffic Signals	8	8	8	8	8	8	8	8	8	8
<b>WATER</b>										
Water Mains (Miles)	67	68	72	73	73	76	92	92	94	94
Fire Hydrants	920	920	950	960	960	980	1,150	1150	1150	1200
Storage Capacity (Gallons)	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000

### Data Source

Various Village departments

Some information for prior years was not readily available

**VILLAGE OF NORTH AURORA, ILLINOIS**

**ROUTE 31 TIF FUND**

**REPORT ON COMPLIANCE  
WITH PUBLIC ACT 85-1142**

**For the Year Ended  
May 31, 2016**



**VILLAGE OF NORTH AURORA, ILLINOIS**  
**ROUTE 31 TIF FUND**  
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## **INDEPENDENT ACCOUNTANT'S REPORT**



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Certified Public Accountants & Advisors  
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## INDEPENDENT ACCOUNTANT'S REPORT

The Honorable Mayor  
Members of the Board of Trustees  
Village of North Aurora, Illinois

We have examined management's assertion, included in its representation letter dated September 20, 2016 that the Village of North Aurora, Illinois (the Village) complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended May 31, 2016. Management is responsible for the Village's assertion and for compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Village's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Village's compliance with statutory requirements.

In our opinion, management's assertion that the Village of North Aurora, Illinois complied with the aforementioned requirements for the year ended May 31, 2016 is fairly stated, in all material respects.

This report is intended solely for the information and use of the Mayor, the Board of Trustees, Management of the Village, Illinois State Comptroller's Office and the joint review boards and is not intended to be and should not be used by anyone other than these specified parties.

*Sikich LLP*

Naperville, Illinois  
September 20, 2016

**INDEPENDENT AUDITOR'S REPORT  
ON SUPPLEMENTARY INFORMATION**



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## **INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION**

The Honorable Mayor  
Members of the Board of Trustees  
Village of North Aurora, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of North Aurora, Illinois (the Village) as of and for the year ended May 31, 2016, and the notes to the financial statements which collectively comprise the basic financial statements of the Village and have issued our report thereon dated September 20, 2016, which expressed an unmodified opinion on those statements.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information (balance sheet and schedule of revenues, expenditures, and changes in fund balance for the Route 31 TIF Fund) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Sikich LLP*

Naperville, Illinois  
September 20, 2016

## **SUPPLEMENTARY INFORMATION**



**VILLAGE OF NORTH AURORA, ILLINOIS**

**ROUTE 31 TIF FUND**

**BALANCE SHEET**

May 31, 2016

---

<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 1,212,076
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)	
Property Taxes	<u>373,502</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,585,578</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	
<b>LIABILITIES</b>	
Accounts Payable	\$ 32,575
Unearned Revenue	<u>11,836</u>
Total Liabilities	<u>44,411</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable Revenue - Property Taxes	<u>378,119</u>
Total Deferred Inflows of Resources	<u>378,119</u>
<b>FUND BALANCES</b>	
Restricted for Economic Development	<u>1,163,048</u>
Total Fund Balances	<u>1,163,048</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b><u>\$ 1,585,578</u></b>

(See independent auditor's report.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

**ROUTE 31 TIF FUND**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE**

**For the Year Ended May 31, 2016**

---

**REVENUES**

Property Taxes	\$ 450,515
Investment Income	<u>5,865</u>
Total Revenues	<u>456,380</u>

**EXPENDITURES**

General Government	
Engineering	43,647
Legal	2,469
Accounting and Audit Services	2,090
Professional and Consulting Fees	6,090
Reimbursements	143,517
Capital Outlay	<u>813,087</u>
Total Expenditures	<u>1,010,900</u>

NET CHANGE IN FUND BALANCE	(554,520)
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FUND BALANCE, JUNE 1	<u>1,717,568</u>
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FUND BALANCE, MAY 31	<u>\$ 1,163,048</u>
----------------------	---------------------

(See independent auditor's report.)



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The Honorable Village Mayor  
Members of the Board of Trustees and Management  
Village of North Aurora, Illinois

Ladies and Gentlemen:

In planning and performing our audit of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of North Aurora, Illinois (the Village) as of and for the year ended May 31, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the Mayor, the Board of Trustees and the management of the Village and is not intended to be and should not be used by anyone other than these specified parties.

*Sikich LLP*

Naperville, Illinois  
September 20, 2016

**VILLAGE OF NORTH AURORA, ILLINOIS**  
**REPORT ON ALLOCATION OF PENSION AMOUNTS**  
**FOR THE ILLINOIS MUNICIPAL RETIREMENT FUND**

For the Year Ended  
May 31, 2016



**VILLAGE OF NORTH AURORA, ILLINOIS**  
**REPORT ON ALLOCATION OF PENSION AMOUNTS**  
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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor  
Members of the Village Board  
Village of North Aurora

### **Report on the Schedules**

We have audited the accompanying Schedule of Employer Allocations of the Village of North Aurora, Illinois (the Village) as of and for the year ended May 31, 2016 and the related notes. We have also audited the total for all entities of the columns net pension liability as of December 31, 2015, total deferred outflows of resources, total deferred inflows of resources, and total pension expense subject to allocation (specified column totals) included in the accompanying Schedule of Pension Amounts by Employer (Schedules) of the Village for the year ended December 31, 2015.

### **Management's Responsibility for the Schedules**

Management is responsible for the preparation and fair presentation of these Schedules 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 the Schedules that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on the Schedule of Employer Allocations and the specified column totals included in the Schedule of Pension Amounts by Employer based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule of Employer Allocations and specified column totals included in the Schedule of Pension Amounts by Employer are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule of Employer Allocations and the specified column totals included in the Schedule of Pension Amounts by Employer. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule of Employer Allocations and the specified column totals included in the Schedule of Pension Amounts by Employer, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Schedule of Employer Allocations and the specified column totals included in the Schedule of Pension Amounts by Employer 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 Schedule of Employer Allocations and the specified column totals included in the Schedule of Pension Amounts by Employer.

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 Schedules referred to above present fairly, in all material respects, the employer allocations as of and for the year ended May 31, 2016 and the total of all participating entities of the Village of North Aurora, Illinois for net pension liability as of December 31, 2015, and total deferred outflows of resources, total deferred inflows of resources, and total pension expense subjected to allocation for the total of all participating entities for the Village's participation in the Illinois Municipal Retirement Fund (IMRF) as of and for the year ended December 31, 2015.

### **Other Matter**

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Village as of and for the year ended May 31, 2016, and our report thereon, dated September 20, 2016, expressed an unmodified opinion on those financial statements.

### **Restriction on Use**

Our report is intended solely for the information and use of the Village of North Aurora and Messenger Public Library and is not intended to be, and should not be, used by anyone other than these specified parties.

*Sikich LLP*

Naperville, Illinois  
September 20, 2016

**VILLAGE OF NORTH AURORA, ILLINOIS**

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

For the Year Ended May 31, 2016

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	<u>Contributions</u>	<u>Average</u>
<b>EMPLOYER</b>		
Village of North Aurora	\$ 214,229	76.60%
Messenger Public Library	65,449	23.40%
<b>TOTAL</b>	<u>\$ 279,678</u>	<u>100.00%</u>



**VILLAGE OF NORTH AURORA, ILLINOIS**

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER  
ILLINOIS MUNICIPAL RETIREMENT FUND**

For the Year Ended December 31, 2015

Entity	Net Pension Liability	Deferred Outflows of Resources				Deferred Inflows of Resources				Proportionate Share of Plan Pension Expense
		Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes of Assumptions	Chage in Employer Contributions Made After the Measurement Date of the IMRF Total Pension Liability	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Changes of Assumptions	Total Deferred Inflows of Resources	
Village of North Aurora	\$ 1,502,841	\$ 57,669	\$ 320,811	\$ -	\$ 98,740	\$ 477,220	\$ -	\$ -	\$ -	\$ 218,534
Messenger Public Library	459,093	17,617	98,001	-	30,164	145,782	-	-	-	66,758
<b>TOTAL</b>	<b>\$ 1,961,934</b>	<b>\$ 75,286</b>	<b>\$ 418,812</b>	<b>\$ -</b>	<b>\$ 128,904</b>	<b>\$ 623,002</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 285,292</b>

## **VILLAGE OF NORTH AURORA, ILLINOIS**

### **NOTES TO THE SCHEDULE OF EMPLOYER ALLOCATIONS AND PENSION AMOUNTS BY EMPLOYER**

May 31, 2016

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#### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Village of North Aurora, Illinois (the Village) contributes to the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system. The benefits, benefit levels, employee contributions and employer contributions for the plan is governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at <https://www.imrf.org/>. As noted above, IMRF is an agent multiple-employer defined benefit pension plan. The Village and Messenger Public Library (Messenger Public Library), a nonemployer contributing entity, both participate in the plan and therefore, the plan is treated as a cost-sharing plan.

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

##### **a. Nature of Schedules**

Employers participating in a cost-sharing pension plan are required to recognize their proportionate share of the collective pension amounts for pension benefits provided to members through the IMRF plan.

GASB Statement No. 68, paragraph 92, states that in determining the employer's portion of the collective net pension liability (NPL), the basis should be consistent with the manner in which contributions to the pension plan, excluding those to separately finance specific liabilities of the individual employer to the Plan, are determine, which is consistent with paragraphs 48-51. GASB Statement No. 68, paragraph 92 further states that in determining the nonemployer's proportion of the collective NPL and corresponding pension amounts, the Village should follow the terms to determine the specific relationship of the contribution requirements of the nonemployer contributing entity (Messenger Public Library) to those of the employer (the Village).

The Schedule of Employer Allocations presents the fiscal year 2016 contributions used within the proportionate share calculation for the Village and Messenger Public Library and respective allocation percentage. This percentage was also used to allocate the opening net position.

**VILLAGE OF NORTH AURORA, ILLINOIS**  
**NOTES TO THE SCHEDULE OF EMPLOYER ALLOCATIONS**  
**AND PENSION AMOUNTS BY EMPLOYER (Continued)**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**a. Nature of Schedules (Continued)**

The Schedule of Pension Amounts by Employer presents the proportionate share of total net pension liability, total deferred outflows of resources, total deferred inflows of resources and total pension expense. The pension expense includes the amortization of the differences between expected and actual economic and demographic experience, differences between actual and projected investment earnings (net) on investments, employer contributions made after the measurement date of the total pension liability, and the impact of changes of assumptions and future economic or demographic factors or other inputs.

**b. Measurement Focus and Basis of Accounting**

The financial transactions are recorded using the economic resources measurement focus and the accrual basis of accounting.

**c. Use of Estimates in the Preparation of the Schedules**

The preparation of the IMRF schedules in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts, and the changes therein, and disclosures. Actual results could differ from those estimates and differences could be material. IMRF uses an actuary to determine the total pension liability for the defined benefit plan and to calculate the actuarially determined contributions of the Village and Messenger Public Library.

**d. Basis of Allocation**

In determining the proportionate share of the net pension liability and corresponding employer pension amounts for a cost-sharing plan, the basis should be consistent with the manner in which contributions to IMRF are determined. The Village has determined that the contributions made to IMRF during fiscal year 2016 are appropriate as the basis because they are representative of future contributions.

The NPL is the Village's total pension liability less the fiduciary net position. The NPL was determined by an actuarial valuation measured as of December 31, 2015. The Village allocates a portion of the NPL to Messenger Public Library based on the allocation percentage calculated within the Schedule of Employer Allocations.

**VILLAGE OF NORTH AURORA, ILLINOIS**  
**NOTES TO THE SCHEDULE OF EMPLOYER ALLOCATIONS**  
**AND PENSION AMOUNTS BY EMPLOYER (Continued)**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e. Pension Expense and Amortization of Expense**

Pension expense, as well as deferred outflows of resources and deferred inflows of resources related to pensions, should be recognized for the Village and Messenger Public Library's proportionate shares of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to pensions.

Deferred outflows of resources are the consumption of net assets that is applicable to future reporting periods. Deferred outflows of resources have a positive effect on net position. Deferred inflows of resources are the acquisition of net assets that is applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position. Other than differences between projected and actual investment earnings, deferred inflows and outflows of resources are recognized in pension expense beginning in the current period, using a straight line method over a closed period equal to the average expected remaining service lives of all employees that are provided with pensions through IMRF (active and inactive), determined as of the beginning of the measurement period.

Net deferred inflows (or outflows) of resources pertaining to differences between projected and actual investment earnings are similarly recognized over a closed five-year period.

The components of pension expense are:

Service cost	\$ 244,754
Interest	659,565
Difference between expected and actual experience	97,213
Employee contributions	(104,878)
Net investment income	(37,179)
Other (net transfer)	(80,085)
Recognition of deferred outflows	<u>(494,098)</u>
<b>TOTAL</b>	<b><u>\$ 285,292</u></b>

The average of the expected remaining service lives of all members for calendar year 2015 is 4.4334 years.

**VILLAGE OF NORTH AURORA, ILLINOIS**  
**NOTES TO THE SCHEDULE OF EMPLOYER ALLOCATIONS**  
**AND PENSION AMOUNTS BY EMPLOYER (Continued)**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

f. Net Pension Liability

The net pension liability for fiscal year 2016 (December 31, 2015 measurement date) is set forth in the following table:

NET PENSION LIABILITY (BEGINNING)	\$ 1,441,243
Total pension expense	285,292
Deferred outflows of resources	494,098
Deferred inflows of resources	-
Employer contributions	<u>(258,699)</u>
NET PENSION LIABILITY (ENDING)	<u>\$ 1,961,934</u>

# Village of North Aurora Memorandum



**To:** Village President and Board of Trustees

**From:** Bill Hannah, Finance Director

**CC:** Steven Bosco, Village Administrator

**Date:** October 31, 2016

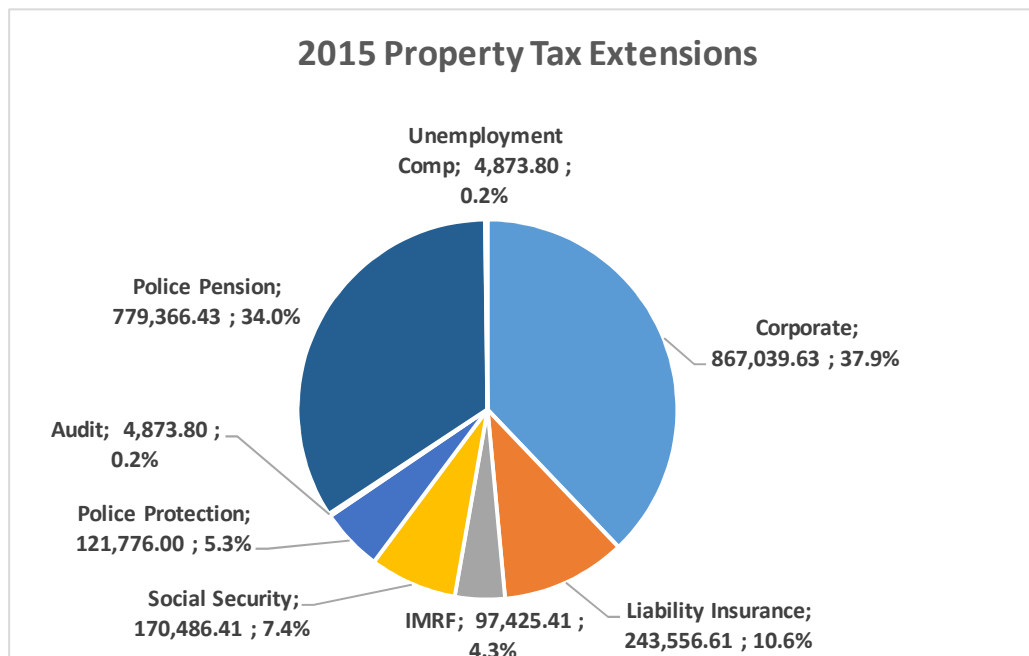
**RE:** Estimate of Tax Levy for Purposes of Truth in Taxation

Attached is a summary of information for discussion on the proposed property tax levy for 2016. Village Board approval of an estimate is required for the **November 7<sup>th</sup>** Village Board meeting. Actual Village Board approval of all regular and special service area tax levies is scheduled for **December 5<sup>th</sup>**.

## Summary

Property taxes represent about 19% of all General Fund revenues and are a key revenue source to fund Village services and pension obligations, especially given the fluctuations the Village has experienced in sales tax and income tax revenue on an annual basis. Current State law restricts any increases in total property taxes extended to the rate of inflation as described below. This inflation allowance can not be deferred to a future year.

To recap, the total 2015 property tax extensions received during calendar 2016 were \$2,289,398 (excluding debt). This was broken out by specific levies as follows:



The Village is a non-home rule municipality that is also subject to the Property Tax Extension Limitation Law (PTELL) as dictated by the State. The statutes limit the increase in the total amount of property taxes that can be extended (for capped funds) to the **annual change in the applicable Consumer Price Index which for this levy year is 0.7%**, or 5%, whichever is less.

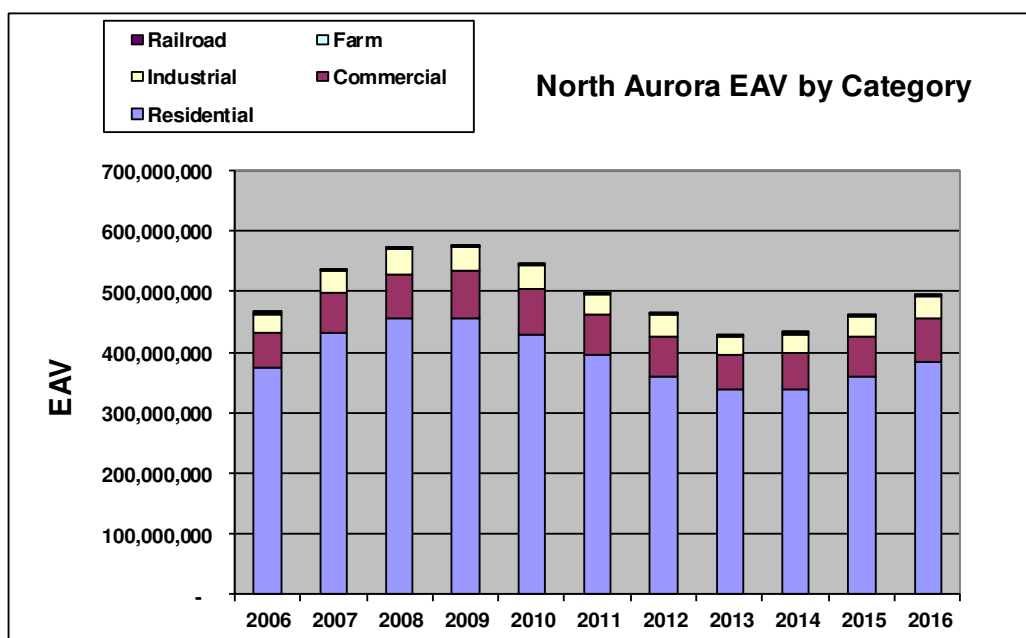
In addition, the Village is allowed to “capture” the increase in the equalized assessed valuation (EAV) of the Village that is attributable to new construction. In order to “capture” this new growth within its tax base, the Village has typically passed a levy higher than what is expected to be extended by the County (**through the CPI and new construction increases**) in order to ensure that the allowable increase due to new construction of residential, commercial and industrial growth are fully realized.

The following summarizes the estimated calculations for this year’s potential extensions for consideration by the Village:

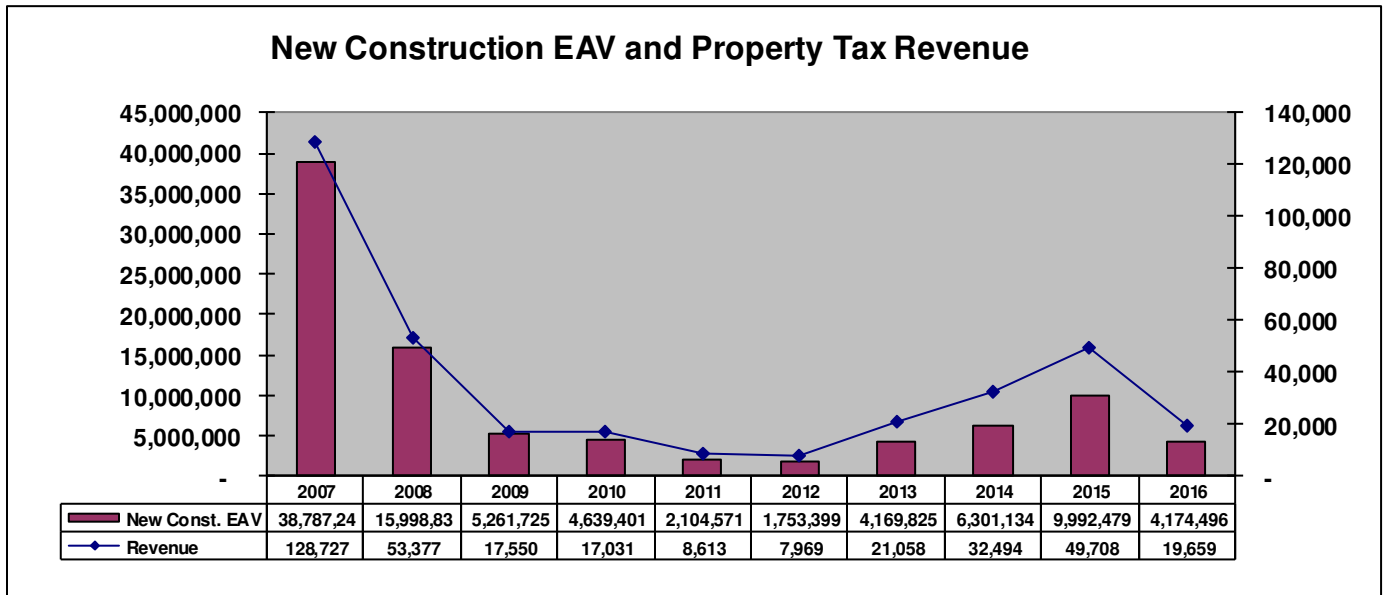
Last Year’s Total Property Tax Extensions:	\$2,289,398
Est. Increase Due to Inflation (0.7%)	\$ 16,026
Est. Increase Due to New Construction:	<u>\$ 19,659</u>
<b>Total Est. Available Extensions:</b>	<b>\$2,325,083</b>

#### **EAV Change and New Construction**

The 2016 taxable EAV is currently estimated to increase 7.28% to \$493,722,284. The 2016 estimate is based on preliminary data from the County Clerk’s office with an allowance for reductions based on future appeals. This number will change as final appeals and adjustments are made. The 2016 EAV numbers appear to show a strong increase in current property of about 6.4%. The 2016 estimated EAV is based on property sales that occurred during 2013, 2014 and 2015.

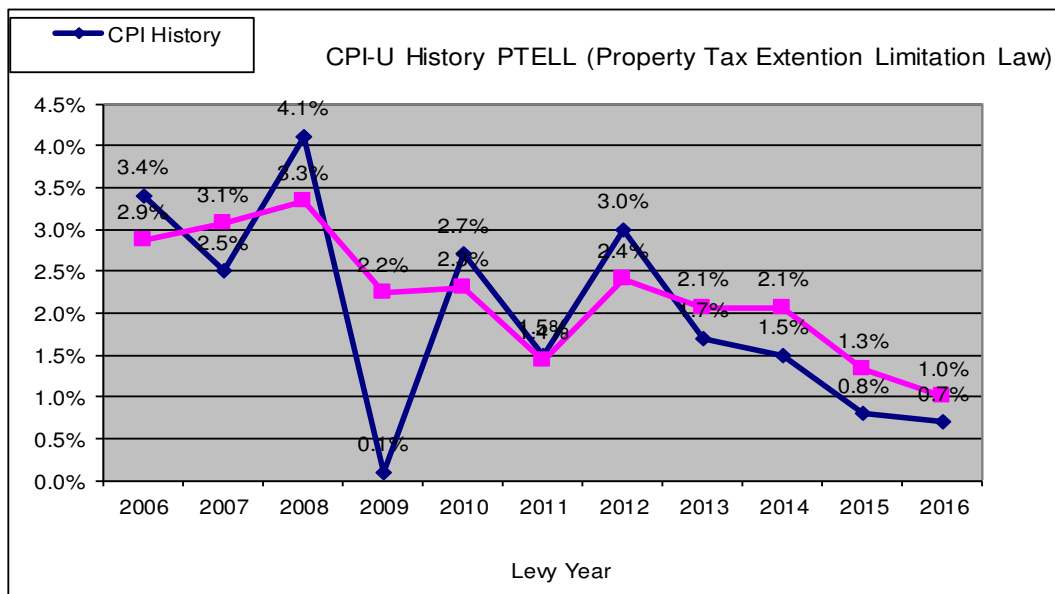


The 2016 estimated EAV includes an estimated \$4,174,496 in new construction EAV. The following chart shows the amount of new construction EAV over the last 10 years and the resulting additional property tax revenue available.



### Application of Consumer Price Index

The index used to determine the increase is the CPI-U or the Consumer Price Index for All Urban Consumers. For the December 2016 levy payable in 2017 this increase is 0.7%. Section 18-185 of the Property Tax Code defines “extension limitation” as “...the lesser of 5% or the percentage increase in the Consumer Price Index during the 12-month calendar year preceding the levy year...” This change was measured from December 2014 to December 2015.





### **SSA's**

Last year the Village levied the following amounts for the various SSA's for the 2015 tax levy year.

- |                              |                                |
|------------------------------|--------------------------------|
| 1. Waterford Oaks            | \$ 3,450 (Mowing)              |
| 2. Timber Oaks               | \$ 2,500 (Mowing)              |
| 3. Pinecreek III             | \$ 700 (Mowing)                |
| 4. Willow Lakes              | \$ 450 (Mowing)                |
| 5. North Aurora Towne Center | \$25,000 (Wetland/Basin Maint) |
| 6. Randall Highlands (SF)    | \$ 2,846 (Common Area Maint)   |
| 7. Randall Highlands (MF)    | \$ 3,875 (Common Area Maint)   |
| 8. Randall Highlands (CM)    | \$ 3,279 (Common Area Maint)   |

Staff will be evaluating the SSA amounts necessary to levy over the next several weeks and bring more information to the Board for discussion. State law now requires that the Village hold a separate public hearing if an SSA levy is anticipated to increase more than 5% from last year, or if an inactive SSA is planned on being activated.

### **Police Pension Valuation**

We have also included for discussion a copy of the recently completed May 31, 2016 Police Pension Fund valuation. The valuation was completed by Foster and Foster. The valuation incorporates the new information required to be included and disclosed per the new GASB Statement 67 and 68 reporting standards including statement of changes in the net pension liability, changes in the discount rate affecting the total net pension liability, and other information.

Last year the Village's valuation incorporated several changes to assumptions after review and discussion with the actuary. These included changes to mortality rates, disability rates, turnover rates, etc. as issued by the IDOI as well as a review of investment assumptions with the Pension Fund's investment manager the investment which lowered the investment assumption from 7.5% to 7.0% and a salary increase assumption that was lowered from 5.5% to 5.0%. These changes are primarily what led to an increase in last year's 2015 tax levy requirement from \$596,578 to \$799,095.

This year for the May 31, 2016 valuation there were fewer changes recommended by the actuary, with the most significant one being that the mortality assumptions were now updated to account for annual incremental improvements. The investment return for the police pension fund last year was -0.05% as most pension plans experienced a challenging investment environment over the past year. This was obviously lower than the 7.0% assumption. Salary growth was 7.61% versus the assumption of 5.0%. This was primarily due to the increased base compensation for the conversion to 12-hour shifts and other normal annual adjustments/increases. This increase will be partially offset by agreed upon small wage increases over the next two years. Due to the smoothing of gains and losses over a five-year period one-fifth of the investment gain is recognized in the current year. *These annual changes and actual experience over the past year resulted in an increase in the 2016 tax levy requirement from \$799,095 to \$955,822.*

The valuation continues the Board Pension Funding Policy (adopted in 2011) of a 100% funding goal with a remaining 25 year closed amortization period. This is higher than the

State minimums which incorporate a 90% funding goal. The comparative State minimum for funding would have been \$866,610. The Net Position as a Percentage of the Total Pension Liability went from 61.86% to 58.48%. The total pension liability was \$24,086,510 and the Fiduciary net Position was \$14,084,700 creating a Net Pension Liability of \$10,001,810. The Village has made additional contributions to the Police Pension Fund over the last three fiscal years and that will be evaluated later in the fiscal year.

### **Library**

The Messenger Library approved its levy amount earlier in the month. The amount of \$1,745,981 allows the Library to also realize all of the amounts provided by CPI and new construction for the upcoming year.

### **Conclusion**

If the Village adopts a levy which when extended by the County after complying with PTELL law realizes all of the allowances provided by CPI and new construction the following table would illustrate what the estimated property tax extensions ultimately received by each Fund would be:

	<b><u>2014 Extensions</u></b>	<b><u>2015 Extensions</u></b>	<b><u>2016 Est Extensions</u></b>	<b><u>Percent Change</u></b>
General Fund	1,379,568.65	1,261,601.25	1,148,069.92	-9.0%
Police Pension Fund	589,546.07	779,366.43	922,315.00	18.34%
Insurance Fund	252,810.33	248,430.41	254,697.87	2.52%
Total	<b><u>2,221,925.05</u></b>	<b><u>2,289,398.09</u></b>	<b><u>2,325,082.79</u></b>	1.56%

As the above chart shows, the estimated total increase in property tax extensions that the Village can potentially realize next year is \$35,685. With the increased allocation necessary for police pensions, the net amount remaining in the General Fund to fund Village operations would decrease by \$113,531 in this scenario. This decrease will be one of many factors considered when the Village begins its budget development for FY 2017-18 in a few months taking into account increases and decreases in other revenue sources and changes in the cost of Village operations. Attached for this discussion are illustrative tables showing the impact of adopting a total levy of \$2,410,000 in order to ensure that all allowable increases are captured and along with any unanticipated new construction numbers that may come in.

Under the proposed levy above the average home would see their Village portion of their tax bill increase by \$3 for the year, not accounting for variations in a home's assessed value.

As a reminder, proposals have been made at the State level that would attempt to "freeze" property tax extensions for a certain number of years. Some proposals have included exempting certain levies from this freeze as part of the larger budget discussions. It is

unknown at this time if any of those proposals might be enacted into law in the future but the most commonly cited method would be to set the CPI factor at 0% for a certain number of years.

The Finance Committee discussed this estimate at the October 10<sup>th</sup> meeting and recommended that it be presented for further discussion and approval to the Village Board.

# Village of North Aurora Taxable Equalized Assessed Valuation

<u>Category</u>	Levy Year <b>2006</b>	Levy Year <b>2007</b>	Levy Year <b>2008</b>	Levy Year <b>2009</b>	Levy Year <b>2010</b>	Levy Year <b>2011</b>	Levy Year <b>2012</b>	Levy Year <b>2013</b>	Levy Year <b>2014</b>	Levy Year <b>2015</b>	Est. Levy Year <b>2016</b>
Residential	375,662,406	433,340,748	455,105,924	455,869,473	430,166,785	396,460,429	358,899,978	337,016,726	339,111,156	359,301,370	384,871,744
Commercial	55,675,142	66,370,277	73,362,075	77,510,259	74,268,198	64,212,904	66,774,379	58,444,313	59,859,375	67,329,121	71,539,316
Industrial	32,164,507	34,532,131	40,855,140	40,660,653	37,777,327	34,967,983	35,772,199	31,023,446	31,341,315	33,018,080	36,704,861
Farm	242,413	278,939	268,650	337,496	378,796	385,110	338,753	336,302	244,838	248,169	276,329
Railroad	132,288	147,147	169,537	205,003	224,708	268,280	286,904	312,020	316,153	330,034	330,034
<b>TOTAL EAV</b>	<b>463,876,756</b>	<b>534,669,242</b>	<b>569,761,326</b>	<b>574,582,884</b>	<b>542,815,814</b>	<b>496,294,706</b>	<b>462,072,213</b>	<b>427,132,807</b>	<b>430,872,837</b>	<b>460,226,774</b>	<b>493,722,284</b>

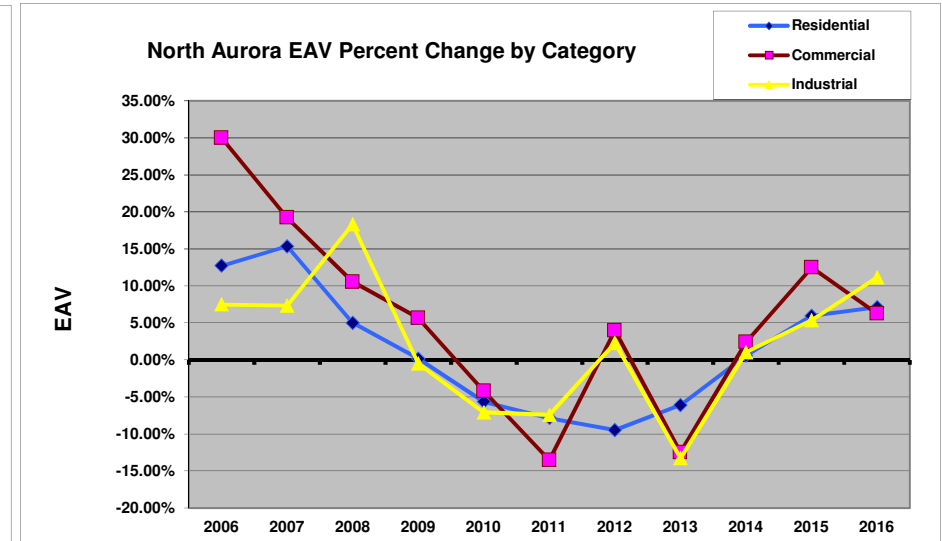
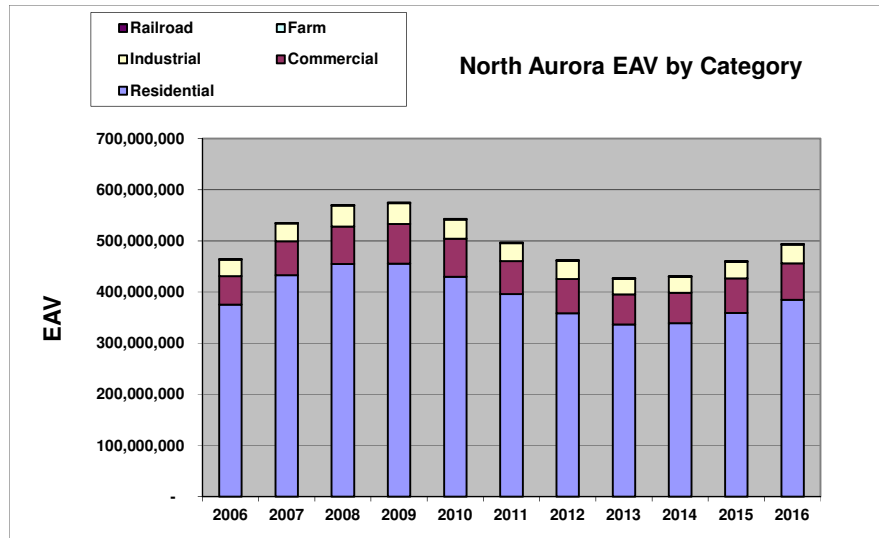
<b>Estimated Actual Value</b>	<b>1,391,630,268</b>	<b>1,604,007,726</b>	<b>1,709,283,978</b>	<b>1,723,748,652</b>	<b>1,628,447,442</b>	<b>1,488,884,118</b>	<b>1,386,216,639</b>	<b>1,281,398,421</b>	<b>1,292,618,511</b>	<b>1,380,680,322</b>	<b>1,481,166,852</b>
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## Percent of Total

Residential	80.98%	81.05%	79.88%	79.34%	79.25%	79.88%	77.67%	78.90%	78.70%	78.07%	77.95%
Commercial	12.00%	12.41%	12.88%	13.49%	13.68%	12.94%	14.45%	13.68%	13.89%	14.63%	14.49%
Industrial	6.93%	6.46%	7.17%	7.08%	6.96%	7.05%	7.74%	7.26%	7.27%	7.17%	7.43%
Farm	0.05%	0.05%	0.05%	0.06%	0.07%	0.08%	0.07%	0.08%	0.06%	0.05%	0.06%
Railroad	0.03%	0.03%	0.03%	0.04%	0.04%	0.05%	0.06%	0.07%	0.07%	0.07%	0.07%
<b>TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

## Percent Increase

Residential	12.73%	15.35%	5.02%	0.17%	-5.64%	-7.84%	-9.47%	-6.10%	0.62%	5.95%	7.12%
Commercial	29.97%	19.21%	10.53%	5.65%	-4.18%	-13.54%	3.99%	-12.47%	2.42%	12.48%	6.25%
Industrial	7.50%	7.36%	18.31%	-0.48%	-7.09%	-7.44%	2.30%	-13.27%	1.02%	5.35%	11.17%
Farm	-46.60%	15.07%	-3.69%	25.63%	12.24%	1.67%	-12.04%	-0.72%	-27.20%	1.36%	11.35%
Railroad	4.69%	11.23%	15.22%	20.92%	9.61%	19.39%	6.94%	8.75%	1.32%	4.39%	0.00%
<b>TOTAL</b>	<b>14.09%</b>	<b>15.26%</b>	<b>6.56%</b>	<b>0.85%</b>	<b>-5.53%</b>	<b>-8.57%</b>	<b>-6.90%</b>	<b>-7.56%</b>	<b>0.88%</b>	<b>6.81%</b>	<b>7.28%</b>



**Village of North Aurora**  
**Preliminary Calculations for 2016 Property Tax Levy**

<b><u>Taxable Rate Setting EAV Estimations</u></b>		<b><u>Percent Increase</u></b>
Total 2015 EAV	460,226,774.00	
Estimated 2016 New Construction	4,174,496.00	0.91%
Change in 2016 Current EAV/Other	<u>29,321,014.00</u>	6.37%
<b>Total 2016 Estimated Taxable EAV</b>	<b><u>493,722,284.00</u></b>	7.28%

	<b><u>Total Property Taxes Subject to Cap</u></b>	<b><u>Village Debt Service Not Subject to Cap</u></b>	<b><u>TOTAL VILLAGE</u></b>	<b><u>Messenger Public Library</u></b>	<b><u>TOTAL VILLAGE AND LIBRARY</u></b>
2015 Property Tax Extensions	2,289,398.09	531,133.91	<b>2,820,532.00</b>	1,660,682.29	<b>4,481,214.29</b>
Est. Increase Due to CPI of 0.70%	16,025.79	-	<b>16,025.79</b>	11,624.78	<b>27,650.56</b>
2016 Property Tax Extension After Applicable CPI Increase of 0.70%	2,305,423.88	531,134.76	<b>2,836,558.64</b>	1,672,307.07	<b>4,508,865.71</b>
Additional Est. Extensions Due to New Construction (Estimated)	19,658.91	-	<b>19,658.91</b>	14,260.16	<b>33,919.07</b>
<b>TOTAL 2016 Tax Extensions (Preliminary Estimate)</b>	<b>2,325,082.79</b>	<b>531,134.76</b>	<b>2,856,217.55</b>	<b>1,686,567.23</b>	<b>4,542,784.78</b>
2015 Property Tax Rate	0.497450	0.115407	<b>0.612857</b>	0.360840	<b>0.973697</b>
2016 Property Tax Rate (Estimated)	0.470929	0.107578	<b>0.578507</b>	0.341602	<b>0.920109</b>
Percent Change in Property Tax Rate	-5.33%	-6.78%	<b>-5.60%</b>	-5.33%	<b>-5.50%</b>
Proposed 2016 Property Tax Levy	2,410,000.00	534,375.00	<b>2,944,375.00</b>	1,745,981.00	<b>4,690,356.00</b>
Additional Levy "Buffer" to Ensure Capture of New Construction	3.65%			3.52%	
Percent Increase 2016 Proposed Levy Versus Last Year's 2015 Extensions	5.27%	0.61%	<b>4.39%</b>	5.14%	<b>4.67%</b>

**Village of North Aurora**  
**Summary of Levy Amounts for 2016**

<b><u>Village and Library Levies</u></b>	<b><u>2015 Levy</u></b>	<b><u>2016 Levy</u></b>
Corporate	890,000.00	660,000.00
Liability Insurance	250,000.00	261,000.00
IMRF	100,000.00	100,000.00
Social Security	175,000.00	175,000.00
Police Protection	125,000.00	250,000.00
Audit	5,000.00	5,000.00
Police Pension	800,000.00	956,000.00
Unemployment Comp	5,000.00	3,000.00
<b>Total Village (Capped)</b>	<b><u>2,350,000.00</u></b>	<b><u>2,410,000.00</u></b>

Library Debt Service	525,875.00	534,375.00
<b>Total Village (Noncapped)</b>	<b><u>525,875.00</u></b>	<b><u>534,375.00</u></b>

Messenger Library	1,686,672.00	1,745,981.00
<b>Total Library (Capped)</b>	<b><u>1,686,672.00</u></b>	<b><u>1,745,981.00</u></b>

<b><u>Special Service Area Levies</u></b>	<b><u>2015 Levy</u></b>	<b><u>To Be Determined 2016 Levy</u></b>
3 Silver Trails II	-	
4 Waterford Oaks	3,450.00	
5 Woodland Lakes	-	
10 Hartfield	-	
7 Oak Hill	-	
8 Timber Oaks	2,500.00	
9 Pinecreek (III)	700.00	
12 Silver Trails III	-	
11 Willow Lakes	450.00	
13 Banbury Ridge Townhomes	-	
14 Orchard Crossing	-	
15 Chesterfield Townhomes	-	
16 Chesterfield	-	
17 Banbury Ridge	-	
18 Orchard Estates	-	
19 Banbury Grove	-	
20 Miradoor	-	
21 Tanner Trails	-	
22 Remington Landings	-	
23 Mooselake Estates	-	
24 Mirador North	-	
25 Randall Commons 1	-	
26 Randall Commons 2	-	
27 Orchard Commerce	-	
28 Williard's Corner	-	
29 Windstone Subdivision	-	
30 Lake Run Estates	-	
31 Oak Creek	-	
32 North Aurora Towne (Retention)	25,000.00	
33 Randall Highlands (S-F)	2,846.00	
34 Randall Highlands (M-F)	3,875.00	
35 Randall Highlands (CM)	3,279.00	
36 North Aurora Towne (Parkway)	-	
37 Riverwoods - Common Areas	-	
38 Riverwoods - Railroad	-	
39 Randall Square	-	
40 Orchard Commons	-	
41 Randall Road Commercial	-	
	<b><u>32,100.00</u></b>	<b><u>-</u></b>

**RESOLUTION – 09 – 2016**

**RESOLUTION OF THE BOARD OF LIBRARY TRUSTEES  
OF THE VILLAGE OF NORTH AURORA, KANE COUNTY,  
ILLINOIS, PROVIDING FOR LEVY FOR THE LIBRARY'S FISCAL YEAR  
BEGINNING JUNE 1, 2016 AND ENDING MAY 31, 2017**

**BE IT RESOLVED** by the Messenger Public Library Board of Trustees of the Village of North Aurora, Kane County, Illinois as follows:

Section 1: Whereas the Library Board of Trustees approved on May 12, 2016 the Budget and Appropriation for FY 2016-2017 (Resolution # 05-2016 ).

Section 2: The following sums of money be and the same are hereby levied for the following purposes of the Library:

<u>ACCOUNT:</u>	<u>AMOUNT BUDGETED AND APPROPRIATED</u>	<u>AMOUNT FROM OTHER SOURCES</u>	<u>AMOUNT TO BE LEVIED</u>
Salaries/Benefits	\$ 1,043,000	\$ 20,000	\$1,023,000
Library Equipment/Services	\$ 317,481		\$ 317,481
Library Materials	\$ 245,500		\$ 245,500
Capital Building Project	\$ 1,350,000	\$ 1,300,000	\$50,000
<b>Total Corporate</b>	<b>\$ 2,955,981</b>	<b>\$ 1,320,000</b>	<b>\$ 1,635,981</b>

<b>Total Building Maintenance:</b>	\$110,000		\$ 110,000
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**RECAP**

	<u>AMOUNT APPROPRIATED</u>	<u>OTHER SOURCES</u>	<u>AMOUNT LEVIED</u>
Total Corporate	\$ 2,955,981	\$ 1,320,000	\$ 1,635,981
Total Building Maintenance	\$ 110,000		\$ 110,000
<b>AGGREGATE TOTALS:</b>	<b>\$ 3,065,981</b>	<b>\$ 1,320,000</b>	<b>\$ 1,745,981</b>

Section 3: The amount to be levied as stated above ( \$ 1,745,981 ) should be incorporated in the financial ordinances of the Village, including the Village's next levy to be filed in 2016.

Section 4. The Secretary shall file promptly with the Village of North Aurora a certified copy of this Resolution.

**ADOPTED** this 13th day of October 2016, pursuant to a roll call vote as follows:

AYES: 6


NAYS: 0

ABSENT: 1

APPROVED by me this 13th day of October, 2016

  
President Marguerite Treest

**ATTEST:**

  
Secretary William Middleton



VILLAGE OF NORTH AURORA  
POLICE PENSION FUND

ACTUARIAL VALUATION  
AS OF JUNE 1, 2016

CONTRIBUTIONS APPLICABLE TO THE  
PLAN/FISCAL YEAR ENDED MAY 31, 2018

August 19, 2016

Village of North Aurora  
c/o Bill Hannah, Finance Director  
25 E. State St.  
North Aurora, IL 60542

Re: Village of North Aurora Police Pension Fund

Dear Mr. Hannah:

We are pleased to present to the Village this report of the annual actuarial valuation of the Village of North Aurora Police Pension Fund. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. Please note that this valuation may not be applicable for any other purposes.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Article 3, Illinois Pension Code, as well as applicable federal laws and regulations. Due to an actuarial transition, we were not able to perform a full review of the actuarial assumptions prior to the completion of this report and have relied on many of the assumptions used by the prior actuary. A full review of every assumption will be completed prior to next year's valuation. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations.

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by the Village, financial reports prepared by the custodian bank and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

The undersigned is familiar with the immediate and long-term aspects of pension valuations and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

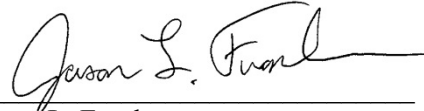
To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the Village of North Aurora, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Village of North Aurora Police Pension Fund. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact me at 630-620-0200.

Respectfully submitted,

Foster & Foster, Inc.

By:

A handwritten signature in black ink, appearing to read "Jason L. Franken", written over a horizontal line.

Jason L. Franken

Enrolled Actuary #14-6888

JLF/lke

Enclosures

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## SUMMARY OF REPORT

The regular annual actuarial valuation of the Village of North Aurora Police Pension Fund, performed as of June 1, 2016, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ended May 31, 2018.

The contribution requirements, compared with those set forth in the June 1, 2015 actuarial report prepared by Timothy W. Sharpe, are as follows:

Valuation Date	6/1/2016	6/1/2015
Applicable to Fiscal Year Ending	<u>5/31/2018</u>	<u>5/31/2017</u>
Total Required Contribution	\$1,208,097	\$1,048,701
% of Projected Annual Payroll	47.4%	44.6%
Member Contributions (Est.)	252,275	249,606
% of Projected Annual Payroll	9.91%	10.6%
Village Required Contribution	955,822	799,095
% of Projected Annual Payroll	37.5%	34.0%

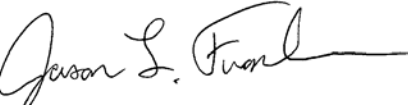
As you can see, the Total Required Contribution, when expressed as a percentage of annual payroll, shows an increase when compared to the results determined in the June 1, 2015 actuarial valuation report. This increase is largely attributable to changes in actuarial assumptions and methods and unfavorable plan experience during the year.

Unfavorable sources of plan experience included a 5.77% investment return (Actuarial basis) which fell short of the 7.00% assumption, unfavorable retirement experience, no turnover or inactive mortality, and higher than expected salary increases. The unfavorable experience was offset by a reduction in the Total Required Contribution as a percentage of payroll attributable to a higher than assumed increase in annual payroll.

The balance of this Report presents additional details of the actuarial valuation and the general operation of the Fund. The undersigned would be pleased to meet with the Board of Trustees in order to discuss the Report and answer any pending questions concerning its contents.

Respectfully submitted,

FOSTER & FOSTER, INC.

By:   
Jason L. Franken, FSA, EA, MAAA

### Plan Changes Since Prior Valuation

No plan changes have occurred since the prior valuation.

### Actuarial Assumption/Method Changes Since Prior Valuation

The following assumption was changed since the prior valuation:

- The mortality assumptions were updated to include a projection to the valuation date using Scale BB.

Since the prior valuation the following methods have been updated:

- The administrative expenses have been included to determine the annual contribution to the fund.
- Interest has been excluded in the determination of the expected member contributions to determine the net contribution requirement for the Village.

## COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Assump <u>6/1/2016</u>	Old Assump <u>6/1/2016</u>	<u>6/1/2015</u>
A. Participant Data			
Number Included			
Actives	29	29	28
Service Retirees	11	11	9
Beneficiaries	1	1	1
Disability Retirees	0	0	0
Terminated Vested	<u>3</u>	<u>3</u>	<u>3</u>
Total	44	44	41
Total Annual Payroll	\$2,545,665	\$2,545,665	\$2,353,959
Payroll Under Assumed Ret. Age	2,545,665	2,545,665	2,353,959
Annual Rate of Payments to:			
Service Retirees	655,794	655,794	532,172
Beneficiaries	42,508	42,508	42,508
Disability Retirees	0	0	0
Terminated Vested	60,775	60,775	60,775
B. Assets			
Actuarial Value	14,761,153	14,761,153	13,627,099
Market Value	14,084,700	14,084,700	13,754,319
C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	15,988,167	15,491,212	N/A
Disability Benefits	1,586,127	1,543,810	N/A
Death Benefits	313,695	327,302	N/A
Vested Benefits	1,894,990	1,843,816	N/A
Service Retirees	9,702,968	9,260,455	N/A
Beneficiaries	378,965	359,048	N/A
Disability Retirees	0	0	N/A
Terminated Vested	<u>724,927</u>	<u>697,648</u>	<u>N/A</u>
Total	30,589,839	29,523,291	N/A



C. Liabilities - (Continued)	New Assump <u>6/1/2016</u>	Old Assump <u>6/1/2016</u>	<u>6/1/2015</u>
Present Value of Future Salaries	25,970,117	25,955,976	N/A
Present Value of Future Member Contributions	2,573,639	2,572,237	N/A
Normal Cost (Retirement)	453,199	439,270	N/A
Normal Cost (Disability)	85,733	83,972	N/A
Normal Cost (Death)	12,894	13,443	N/A
Normal Cost (Vesting)	<u>85,284</u>	<u>82,879</u>	<u>N/A</u>
Total Normal Cost <sup>1</sup>	637,110	619,564	565,189
Present Value of Future Normal Costs	6,090,267	5,920,554	N/A
Accrued Liability (Retirement)	11,470,127	11,113,124	N/A
Accrued Liability (Disability)	730,327	705,744	N/A
Accrued Liability (Death)	204,986	214,041	N/A
Accrued Liability (Vesting)	1,287,272	1,252,677	N/A
Accrued Liability (Inactives)	<u>10,806,860</u>	<u>10,317,151</u>	<u>N/A</u>
Total Actuarial Accrued Liability <sup>1</sup>	24,499,572	23,602,737	22,233,707
Unfunded Actuarial Accrued Liability (UAAL)	9,738,419	8,841,584	8,606,608
Funded Ratio (AVA / AL)	60.25%	62.54%	61.29%
D. Actuarial Present Value of Accrued Benefits			
Vested Accrued Benefits			
Inactives	10,806,860	10,317,151	N/A
Actives	2,901,820	2,742,113	N/A
Member Contributions	<u>2,396,635</u>	<u>2,396,635</u>	<u>N/A</u>
Total	16,105,315	15,455,899	N/A
Non-vested Accrued Benefits	<u>929,536</u>	<u>915,693</u>	<u>N/A</u>
Total Present Value Accrued Benefits	17,034,851	16,371,592	N/A
Funded Ratio (MVA / PVAB)	82.68%	86.03%	N/A
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	N/A	
Assumption Changes	663,259	N/A	
New Accrued Benefits	0	N/A	
Benefits Paid	0	N/A	
Interest	0	N/A	
Other	<u>0</u>	<u>N/A</u>	
Total	663,259	N/A	

<sup>1</sup> Values reported for 6/1/2015 are consistent with the report issued by Timothy W. Sharpe.

Valuation Date	New Assump 6/1/2016	Old Assump 6/1/2016	6/1/2015
Applicable to Fiscal Year Ending	<u>5/31/2018</u>	<u>5/31/2018</u>	<u>5/31/2017</u>

#### E. Pension Cost

Normal Cost (with interest)	\$681,708	\$662,933	\$604,752
% of Total Annual Payroll <sup>1</sup>	26.8	26.0	25.7
Administrative Expenses (with interest)	8,480	0	0 <sup>2</sup>
% of Total Annual Payroll <sup>1</sup>	0.3	0.0	0.0
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 25 years (as of 6/1/2016, with interest)	517,909	470,214	443,949
% of Total Annual Payroll <sup>1</sup>	20.3	18.5	18.9
Total Required Contribution	1,208,097	1,133,147	1,048,701 <sup>2</sup>
% of Total Annual Payroll <sup>1</sup>	47.4	44.5	44.6
Expected Member Contributions	252,275	269,934	249,606 <sup>2</sup>
% of Total Annual Payroll <sup>1</sup>	9.91	10.6	10.6
Expected Village Contribution	955,822	863,213	799,095 <sup>2</sup>
% of Total Annual Payroll <sup>1</sup>	37.5	33.9	34.0

#### F. Past Contributions

Plan Years Ending:	<u>5/31/2016</u>
Total Required Contribution	838,638
Village Requirement	596,578
Actual Contributions Made:	
Members (excluding buyback)	242,060
Village	<u>747,000</u>
Total	989,060

#### G. Net Actuarial (Gain)/Loss

50,513

<sup>1</sup> Contributions developed as of 6/1/2016 are expressed as a percentage of total annual payroll at 6/1/2016 of \$2,545,665.

<sup>2</sup> Values reported for 5/31/2017 are consistent with the report issued by Timothy W. Sharpe, which did not consider the administrative expenses as part of the minimum calculation. The report also reflected interest crediting on Member Contributions to the end of the year, while the estimated Member Contributions as of 6/1/2016 do not reflect interest.

H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

<u>Year</u>	<u>Projected Unfunded Accrued Liability</u>
2016	9,738,419
2017	9,902,199
2018	10,051,549
2024	10,498,593
2030	9,609,786
2035	7,004,214
2041	0

I. (i) 3 Year Comparison of Actual and Assumed Salary Increases

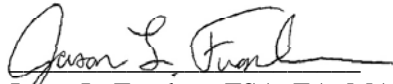
		<u>Actual</u>	<u>Assumed</u>
Year Ended	5/31/2016	7.61%	5.00%
Year Ended	5/31/2015	3.70%	5.50%
Year Ended	5/31/2014	N/A	N/A

(ii) 3 Year Comparison of Investment Return on Actuarial Value

		<u>Actual</u>	<u>Assumed</u>
Year Ended	5/31/2016	5.77%	7.00%
Year Ended	5/31/2015	N/A	N/A
Year Ended	5/31/2014	N/A	N/A

## STATEMENT BY ENROLLED ACTUARY

This actuarial valuation was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of the Illinois Pension Code and adhere to the Actuarial Standards of Practice. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.

A handwritten signature in dark ink, appearing to read "Jason L. Franken", with a horizontal line drawn underneath the signature.

Jason L. Franken, FSA, EA, MAAA  
Enrolled Actuary #14-6888

## DEVELOPMENT OF JUNE 1, 2016 AMORTIZATION PAYMENT

(1) Unfunded Actuarial Accrued Liability as of June 1, 2015	\$8,606,608
(2) Sponsor Normal Cost developed as of June 1, 2015	331,912
(3) Expected administrative expenses for the year ended May 31, 2016	0
(4) Expected interest on (1), (2) and (3)	625,696
(5) Sponsor contributions to the System during the year ended May 31, 2016	747,000
(6) Expected interest on (5)	26,145
(7) Expected Unfunded Actuarial Accrued Liability <sup>1</sup> as of May 31, 2016, (1)+(2)+(3)+(4)-(5)-(6)	8,791,071
(8) Change to UAAL due to Assumption Change	896,835
(9) Change to UAAL due to Actuarial (Gain)/Loss	50,513
(10) Unfunded Accrued Liability as of June 1, 2016	9,738,419

<u>Date</u> <u>Established</u>	<u>Years</u> <u>Remaining</u>	<u>6/1/2016</u> <u>Amount</u>	<u>Amortization</u> <u>Amount</u>
6/1/2016	25	9,738,419	484,027

<sup>1</sup> Components of the Expected Unfunded Actuarial Accrued Liability shown (Items 1 through 6) are consistent with the report issued by Timothy W. Sharpe.

## PROJECTION OF BENEFIT PAYMENTS

Year	Payments for Current Actives	Payments for Current Inactives	Total Payments
2016	31,665	692,413	724,078
2017	59,690	704,804	764,494
2018	90,456	723,804	814,260
2019	135,945	765,732	901,677
2020	197,242	778,451	975,693
2021	276,095	796,251	1,072,346
2022	395,972	808,067	1,204,039
2023	512,064	848,572	1,360,636
2024	644,269	858,156	1,502,425
2025	783,407	866,061	1,649,468
2026	907,836	872,170	1,780,006
2027	1,054,585	876,425	1,931,010
2028	1,220,519	878,760	2,099,279
2029	1,388,191	879,145	2,267,336
2030	1,573,426	877,583	2,451,009
2031	1,765,471	874,165	2,639,636
2032	1,960,233	868,984	2,829,217
2033	2,148,781	862,053	3,010,834
2034	2,321,303	853,418	3,174,721
2035	2,487,751	843,093	3,330,844
2036	2,647,581	830,981	3,478,562
2037	2,793,449	816,969	3,610,418
2038	2,920,022	801,041	3,721,063
2039	3,054,501	783,193	3,837,694
2040	3,181,916	763,332	3,945,248
2041	3,306,890	741,408	4,048,298
2042	3,420,769	717,482	4,138,251
2043	3,513,401	691,607	4,205,008
2044	3,611,847	663,878	4,275,725
2045	3,695,725	634,459	4,330,184
2046	3,776,940	603,522	4,380,462
2047	3,845,915	571,160	4,417,075
2048	3,895,736	537,506	4,433,242
2049	3,936,230	502,646	4,438,876
2050	3,967,085	466,717	4,433,802
2051	3,988,413	430,053	4,418,466
2052	3,999,521	392,874	4,392,395
2053	3,999,464	355,356	4,354,820
2054	3,987,029	317,899	4,304,928
2055	3,961,453	281,001	4,242,454

## ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate	RP-2000 Combined Healthy Mortality with a blue collar adjustment, projected to the valuation date with Scale BB.
Disabled Mortality Rate	RP-2000 Disabled Retiree Mortality, projected to the valuation date with Scale BB.  Based on studies of public safety pension plans, we believe this assumption sufficiently accommodates expected future mortality improvements.
Interest Rate	7.00% per year compounded annually, net of investment related expenses.
Retirement Age	See table on following page. This is based on an experience study performed in 2012.
Disability Rate	See table on following page. 70% of the disabilities are assumed to be in the line of duty. This is based on an experience study performed in 2012.
Termination Rate	See table on following page. This is based on an experience study performed in 2012.
Salary Increases	5.00% per year.
Payroll Growth	5.00% per year.
Cost-of-Living Adjustment	<u>Tier 1</u> : 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55.  <u>Tier 2</u> : 1.25% per year after the later of attainment of age 60 or first anniversary of retirement.
Administrative Expenses	Expenses paid out of the fund other than investment-related expenses are assumed to be equal to those paid in the previous year.
Marital Status	80% of Members are assumed to be married.
Spouse's Age	Males are assumed to be three years older than females.

% Terminating During the Year		% Becoming Disabled During the Year		% Retiring During the Year	
Age	Rate	Age	Rate	Age	Rate
15 - 24	10.00%	20	0.05%	<=49	0%
25	7.50%	25	0.05%	50 - 54	20%
26 - 27	6.25%	30	0.22%	55 - 59	25%
28 - 31	5.00%	35	0.26%	60 - 62	33%
32 - 34	4.00%	40	0.40%	63 - 69	50%
35 - 37	3.00%	45	0.65%	>=70	100%
38 - 49	2.00%	50	0.95%		
>=50	3.50%	55	1.30%		
		60	1.65%		
		65	2.00%		

#### Funding Method

Entry Age Normal Cost Method.

#### Actuarial Asset Method

Investment gains and losses are smoothed over a 5-year period.

#### Amortization Method

The UAAL is amortized according to a Level Percentage of Payroll method over a period ending in 2041.



## VALUATION NOTES

Total Annual Payroll is the projected annual rate of pay for the fiscal year following the valuation date of all covered members.

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current Members, Retirees, Beneficiaries, Disability Retirees and Vested Terminations.

Normal (Current Year's) Cost is the current year's cost for benefits yet to be funded.

Unfunded Accrued Liability is a liability which arises when a pension plan is initially established or improved and such establishment or improvement is applicable to all years of past service.

Total Required Contribution is equal to the Normal Cost plus an amount sufficient to amortize the Unfunded Accrued Liability by 2041. The required amount is adjusted for interest according to the timing of contributions during the year.

Entry Age Normal Cost Method - Under this method, the normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate, multiplied by the participant's current compensation.

(a) The normal cost accrual rate equals:

(i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by

(ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.

(b) In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.

(c) The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present value, at the beneficiary's attained age, of future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets.

(d) Under this method, the entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.

# ACTUARIAL ASSET VALUATION

May 31, 2016

Actuarial Assets for funding purposes are developed by recognizing the total actuarial investment gain or loss for each Plan Year over a five year period. In the first year, 20% of the gain or loss is recognized. In the second year 40%, in the third year 60%, in the fourth year 80%, and in the fifth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return. Actuarial Assets shall not be less than 80% nor greater than 120% of the Market Value of Assets.

Plan Year Ending	Gain/(Loss)	Gains/Losses Not Yet Recognized				
		Amounts Not Yet Recognized by Valuation Year				
		2016	2017	2018	2019	2020
5/31/2013	472,558	94,512	0	0	0	0
5/31/2014	310,162	124,065	62,032	0	0	0
5/31/2015	(181,629)	(108,977)	(72,652)	(36,326)	0	0
5/31/2016	(982,566)	(786,053)	(589,540)	(393,026)	(196,513)	0
Total		(676,453)	(600,160)	(429,352)	(196,513)	0

## Development of Investment Gain/Loss

Market Value of Assets, 5/31/2015	13,754,319
Contributions Less Benefit Payments & Administrative Expenses	338,304
Expected Investment Earnings <sup>1</sup>	974,643
Actual Net Investment Earnings	(7,923)
2015 Actuarial Investment Gain/(Loss)	(982,566)

<sup>1</sup> Expected Investment Earnings = 7.00% x (13,754,319 + 0.5 x 338,304)

## Development of Actuarial Value of Assets

Market Value of Assets, 5/31/2016	14,084,700
(Gains)/Losses Not Yet Recognized	676,453
Actuarial Value of Assets, 5/31/2016	14,761,153
(A) 5/31/2015 Actuarial Assets:	13,627,099
(I) Net Investment Income:	
1. Interest and Dividends	601,906
2. Realized Gains (Losses)	(2,990)
3. Change in Actuarial Value	219,069
4. Investment Expenses	(22,235)
Total	795,750
(B) 5/31/2016 Actuarial Assets:	14,761,153
Actuarial Asset Rate of Return = (2 x I) / (A + B - I):	5.77%
Market Value of Assets Rate of Return:	-0.06%
6/1/2016 Limited Actuarial Assets:	14,761,153
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	(169,988)

# CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

May 31, 2016  
Actuarial Asset Basis

INCOME		
Contributions:		
Member	242,060	
Village	747,000	
Total Contributions		989,060
Earnings from Investments		
Interest & Dividends	601,906	
Net Realized Gain (Loss)	(2,990)	
Miscellaneous Income	0	
Change in Actuarial Value	219,069	
Total Earnings and Investment Gains		817,985
EXPENSES		
Administrative Expenses:		
Investment Related <sup>1</sup>	22,235	
Other	7,925	
Total Administrative Expenses		30,160
Distributions to Members:		
Benefit Payments	642,831	
Refund of Contributions/Transfers	0	
Total Distributions		642,831
Change in Net Assets for the Year		1,134,054
Net Assets Beginning of the Year		13,627,099
Net Assets End of the Year <sup>2</sup>		14,761,153

<sup>1</sup> Investment Related expenses include investment advisory, custodial and performance monitoring fees.

<sup>2</sup> Net Assets may be limited for actuarial consideration

# STATISTICAL DATA <sup>1</sup>

	<u>6/1/2013</u>	<u>6/1/2014</u>	<u>6/1/2015</u>	<u>6/1/2016</u>
<u>Actives - Tier 1</u>				
Number	N/A	N/A	26	24
Average Current Age	N/A	N/A	N/A	41.4
Average Age at Employment	N/A	N/A	N/A	26.3
Average Past Service	N/A	N/A	N/A	15.1
Average Annual Salary	N/A	N/A	N/A	\$92,976
<u>Actives - Tier 2</u>				
Number	N/A	N/A	2	5
Average Current Age	N/A	N/A	N/A	29.1
Average Age at Employment	N/A	N/A	N/A	28.1
Average Past Service	N/A	N/A	N/A	1.0
Average Annual Salary	N/A	N/A	N/A	\$62,847
<u>Service Retirees</u>				
Number	N/A	N/A	9	11
Average Current Age	N/A	N/A	66.8	65.1
Average Annual Benefit	N/A	N/A	\$59,130	\$59,618
<u>Beneficiaries</u>				
Number	N/A	N/A	1	1
Average Current Age	N/A	N/A	71.5	72.5
Average Annual Benefit	N/A	N/A	\$42,508	\$42,508
<u>Disability Retirees</u>				
Number	N/A	N/A	0	0
Average Current Age	N/A	N/A	N/A	N/A
Average Annual Benefit	N/A	N/A	N/A	N/A
<u>Terminated Vested</u>				
Number	N/A	N/A	3	3
Average Current Age	N/A	N/A	53.4	54.4
Average Annual Benefit	N/A	N/A	\$20,258	\$20,258

<sup>1</sup> Foster & Foster does not have enough historical data to include complete data prior to 6/1/2016.  
We will add historical data going forward.

## AGE AND SERVICE DISTRIBUTION

### PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19	0	0	0	0	0	0	0	0	0	0	0	0
20 - 24	1	0	0	0	0	0	0	0	0	0	0	1
25 - 29	1	0	1	0	0	0	0	0	0	0	0	2
30 - 34	1	0	0	0	0	1	1	0	0	0	0	3
35 - 39	0	0	0	0	0	1	6	1	0	0	0	8
40 - 44	0	0	0	1	0	1	1	5	1	0	0	9
45 - 49	0	0	0	0	0	0	0	2	2	0	0	4
50 - 54	0	0	0	0	0	0	0	1	0	1	0	2
55 - 59	0	0	0	0	0	0	0	0	0	0	0	0
60 - 64	0	0	0	0	0	0	0	0	0	0	0	0
65+	0	0	0	0	0	0	0	0	0	0	0	0
Total	3	0	1	1	0	3	8	9	3	1	0	29

## VALUATION PARTICIPANT RECONCILIATION

### 1. Active lives

a. Number in prior valuation 6/1/2015	28
b. Terminations	
i. Vested (partial or full) with deferred benefits	0
ii. Non-vested or full lump sum distribution received	0
iii. Transferred service to other fund	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	<u>(2)</u>
f. Continuing participants	26
g. New entrants	<u>3</u>
h. Total active life participants in valuation	29

### 2. Non-Active lives (including beneficiaries receiving benefits)

	Service Retirees, Vested Receiving <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested <u>Deferred</u>	<u>Total</u>
a. Number prior valuation	9	1	0	3	13
Retired	2	0	0	0	2
Vested Deferred	0	0	0	0	0
Death, With Survivor	0	0	0	0	0
Death, No Survivor	0	0	0	0	0
Disabled	0	0	0	0	0
Refund of Contributions	0	0	0	0	0
Rehires	0	0	0	0	0
Expired Annuities	0	0	0	0	0
Data Corrections	0	0	0	0	0
Hired/Termed in Same Year	0	0	0	0	0
b. Number current valuation	11	1	0	3	15

## SUMMARY OF CURRENT PLAN

### Article 3 Pension Fund

The Plan is established and administered as prescribed by “Article 3. Police Pension Fund – Municipalities 500,000 and Under” of the Illinois Pension Code.

### Credited Service

Complete years of service as a sworn police officer employed by the Village.

### Normal Retirement

#### Date

**Tier 1:** Age 50 and 20 years of Credited Service.

**Tier 2:** Age 55 with 10 years of service.

#### Benefit

**Tier 1:** 50% of annual salary attached to rank on last day of service plus 2.50% of annual salary for each year of service over 20 years, up to a maximum of 75% of salary. The minimum monthly benefit is \$1,000 per month.

**Tier 2:** 2.50% per year of service times the average salary for the eight consecutive years prior to retirement times the number of years of service. The maximum benefit is 75% of average salary.

#### Form of Benefit

**Tier 1:** For married retirees, an annuity payable for the life of the Member; upon the death of the member, 100% of the Member's benefit payable to the spouse until death. For unmarried retirees, the normal form is a Single Life Annuity.

**Tier 2:** Same as above, but with 66 2/3% of benefit continued to spouse.

### Cost-of-Living Adjustment

**Tier 1:** An annual increase equal to 3.00% per year after age 55. Those that retire prior to age 55 receive an increase of 1/12 of 3.00% for each full month since benefit commencement upon reaching age 55.

**Tier 2:** An annual increase each January 1 equal to 3.00% per year or one-half of the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the September preceding each November 1, whichever is less, of the original pension after the attainment of age 60 or first anniversary of pension start date whichever is later.



### Disability Benefit

Eligibility Total and permanent as determined by the Board of Trustees.

Benefit Amount A maximum of:

- a.) 65% of salary attached to the rank held by Member on last day of service, and;
- b.) The monthly retirement pension that the Member is entitled to receive if he or she retired immediately.

For non-service connected disabilities, a benefit of 50% of salary attached to rank held by Member on last day of service.

### Pre-Retirement Death Benefit

Service Incurred 100% of salary attached to rank held by Member on last day of service.

Non-Service Incurred A maximum of:

- a.) 50% of salary attached to the rank held by Member on last day of service, and;
- b.) The monthly retirement pension earned by the deceased Member at the time of death, regardless of whether death occurs before or after age 50.

For non-service deaths with less than 10 years of service, a refund of member contributions is provided.

### Contributions

Employee 9.91% of Salary.

Village Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over a period ending in 2041.

### Vesting (Termination)

Less than 10 years Refund of Member Contributions.

10 or more years Either the termination benefit, payable upon reaching age 60, provided contributions are not withdrawn, or a refund of member contributions. The termination benefit is 2.50% of annual salary held in the year prior to termination times credited service.

### Board of Trustees

The Board consists of two members appointed by the Village, two active Members of the Police Department elected by the Membership and one retired Member of the Police Department elected by the Membership.

STATEMENT OF FIDUCIARY NET POSITION  
May 31, 2016

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Money Market	365,193
Cash	9,444
Total Cash and Equivalents	374,637
Receivables:	
Accrued Past Due Interest	79,100
Total Receivable	79,100
Investments:	
U.S. Gov't and Agency Obligations	2,672,333
Stocks	1,615,657
Corporate Bonds	2,542,165
Municipal Obligations	688,679
Mutual Funds	6,060,953
Closed End - Equity - ETF	48,511
Total Investments	13,628,298
Other Assets	2,725
Total Assets	14,084,760
<u>LIABILITIES</u>	
Liabilities:	
Payable:	
Accounts Payable	60
Total Liabilities	60
Net Assets:	
Active and Retired Members' Equity	14,084,700
NET POSITION RESTRICTED FOR PENSIONS	14,084,700
TOTAL LIABILITIES AND NET ASSETS	14,084,760

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED May 31, 2016  
Market Value Basis

ADDITIONS

## Contributions:

Member	242,060
Village	747,000

Total Contributions	989,060
---------------------	---------

## Investment Income:

Miscellaneous Income	0
Net Realized Gain (Loss)	(2,990)
Unrealized Gain (Loss)	(584,604)
Net Increase in Fair Value of Investments	(587,594)
Interest & Dividends	601,906
Less Investment Expense <sup>1</sup>	(22,235)

Net Investment Income	(7,923)
-----------------------	---------

Total Additions	981,137
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DEDUCTIONS

## Distributions to Members:

Benefit Payments	642,831
Refund of Contributions/Transfers	0

Total Distributions	642,831
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Administrative Expenses	7,925
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Total Deductions	650,756
------------------	---------

Net Increase in Net Position	330,381
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## NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year	13,754,319
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End of the Year	14,084,700
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<sup>1</sup> Investment Related expenses include investment advisory, custodial and performance monitoring fees.

## NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended May 31, 2016)

### Plan Description

#### *Plan Administration*

The Plan is administered by a Board of Trustees comprised of:

- a.) Two members appointed by the Village,
- b.) Two active Members of the Police Department elected by the Membership, and
- c.) One retired Member of the Police Department elected by the Membership.

#### *Plan Membership as of June 1, 2016:*

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	12
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	3
Active Plan Members	29
	44

#### *Benefits Provided*

The Plan provides retirement, termination, disability and death benefits.

##### Normal Retirement:

Age: Tier 1: Age 50 and 20 years of service.

Tier 2: Age 55 with 10 years of service.

Benefit: 2.50% of Average Final Compensation times Credited Service.

##### Early Retirement:

Age: Tier 1: Age 60 and 8 years of service.

Tier 2: Age 50 with 10 years of service.

Benefit: Determined as for Normal Retirement; Benefit for members hired after January 1, 2011 is reduced 6.00% for each year that Early Retirement precedes Normal Retirement.

##### Vesting (Termination):

Tier 1: Less than 8 years: Refund of accumulated contributions without interest.

8 or more: Refund of Contributions or accrued benefit payable at retirement age.

Tier 2: Less than 10 years: Refund of accumulated contributions without interest.

10 or more: Refund of Contributions or accrued benefit payable at retirement age.

##### Disability:

Eligibility: Total and permanent as determined by the Board of Trustees.

Benefit: Benefit accrued to date of disability. Minimum benefit for Service Incurred is 65% of AFC. For Non-Service Incurred benefit is 50% of Salary.

##### Pre-Retirement Death Benefits:

Service Incurred: 100% of Salary.

Non-Vested: Refund of Required Contribution Account.

##### Cost-of-Living Adjustments:

Tier 1: Retirees - 3.00% per year upon attaining age 55. For retirements prior to age 55, 1/12 of 3.00% per month benefit commences prior to reaching age 55. Disabled Retirees - annual increase of 3.00% of the original benefit amount upon attaining age 60. For disablements prior to age 60, 3.00% of original benefit per year benefit commenced prior to age 60.

Tier 2: An annual increase equal to the lesser of 3.00% per year or 1/2 the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the September preceding each November 1 of the original pension after attaining age 60.

*Contributions*

Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over a period ending in 2041.

*Investments**Investment Policy:*

The following was the Board's adopted asset allocation policy as of May 31, 2016:

Asset Class	Target Allocation
US Treasuries	2.86%
US Agencies	18.84%
Taxable IL Municipal Bonds	4.92%
US Corporate Bonds	18.17%
US High Yield Bonds	1.74%
US Large Cap	37.23%
US Mid Cap	3.19%
US Small Cap	1.43%
International Stocks	7.06%
Emerging Markets Stocks	1.55%
Real Estate	1.49%
Global Infrastructure	1.52%
Total	100.00%

*Concentrations:*

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's Fiduciary Net Position.

*Rate of Return:*

For the year ended May 31, 2016, the annual money-weighted rate of return on Pension Plan investments, net of pension plan investment expense, was -0.05 percent.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

## NET PENSION LIABILITY OF THE SPONSOR

The components of the net pension liability of the sponsor on May 31, 2016 were as follows:

Total Pension Liability	\$ 24,086,510
Plan Fiduciary Net Position	\$ (14,084,700)
Sponsor's Net Pension Liability	<u>\$ 10,001,810</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	58.48%

*Actuarial Assumptions:*

The total pension liability was determined by an actuarial valuation as of June 1, 2016 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	5.00%
Investment Rate of Return	7.00%

Mortality Rate: RP-2000 Combined Healthy Mortality with a blue collar adjustment, projected to the valuation date with Scale BB.

Disabled Mortality Rate: RP-2000 Disabled Retiree Mortality, projected to the valuation date with Scale BB.

Based on studies of public safety pension plans, we believe this assumption sufficiently accommodates expected future mortality improvements.

The demographic assumptions used in the June 1, 2016 valuation were based on the results of an actuarial experience study performed by the State of Illinois Department of Insurance in 2012.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of May 31, 2016 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return
US Treasuries	1.80%
US Agencies	2.00%
Taxable IL Municipal Bonds	2.00%
US Corporate Bonds	2.50%
US High Yield Bonds	3.50%
US Large Cap	5.00%
US Mid Cap	5.30%
US Small Cap	5.00%
International Stocks	5.30%
Emerging Markets Stocks	6.20%
Real Estate	4.30%
Global Infrastructure	4.80%

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.00 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

For purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 3.26 percent (based on the weekly rate closest to but not later than the measurement date of the Bond Buyer 20-Bond Index as published by the Federal Reserve); and the resulting single discount rate is 7.00 percent.

	<div>1% Decrease</div> <div>6.00%</div>	<div>Current Discount</div> <div>Rate</div> <div>7.00%</div>	<div>1% Increase</div> <div>8.00%</div>
Sponsor's Net Pension Liability	\$ 14,013,986	\$ 10,001,810	\$ 6,758,467

## SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

	05/31/2016	05/31/2015 <sup>1</sup>
Total Pension Liability		
Service Cost	593,355	513,686
Interest	1,575,395	1,280,827
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(562,619)	(112,998)
Changes of Assumptions	889,503	2,538,709
Benefit Payments, Including Refunds of Employee Contributions	(642,831)	(568,087)
Net Change in Total Pension Liability	1,852,803	3,652,137
Total Pension Liability - Beginning	22,233,707	18,581,570
Total Pension Liability - Ending (a)	<u>\$ 24,086,510</u>	<u>\$ 22,233,707</u>
Plan Fiduciary Net Position		
Contributions - Employer	747,000	830,000
Contributions - Employee	242,060	232,046
Net Investment Income	(7,923)	773,810
Benefit Payments, Including Refunds of Employee Contributions	(642,831)	(568,087)
Administrative Expense	(7,925)	(11,292)
Net Change in Plan Fiduciary Net Position	330,381	1,256,477
Plan Fiduciary Net Position - Beginning	13,754,319	12,497,842
Plan Fiduciary Net Position - Ending (b)	<u>\$ 14,084,700</u>	<u>\$ 13,754,319</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 10,001,810</u>	<u>\$ 8,479,388</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.48%	61.86%
Covered Employee Payroll	\$ 2,545,665	\$ 2,353,959
Net Pension Liability as a Percentage of covered Employee Payroll	392.90%	360.22%

**Notes to Schedule:**

<sup>1</sup> The 2015 results were provided by the prior actuary, Timothy W. Sharpe, Actuary, Geneva (IL).

*Changes of assumptions:*

For the 2016 Fiscal year, amounts reported as changes of assumptions were resulted from updating the mortality assumptions to include a projection to the valuation date using Scale BB.



## SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

	05/31/2016	05/31/2015 <sup>1</sup>
Tax Levy Requirement Contribution	596,578	579,311
Contributions in Relation to the Tax Levy Requirement Contribution	747,000	830,000
Contribution Deficiency (Excess)	<u>\$ (150,422)</u>	<u>\$ (250,689)</u>
Covered Employee Payroll	\$ 2,545,665	\$ 2,353,959
Contributions as a Percentage of Covered Employee Payroll	29.34%	35.26%

<sup>1</sup> The 2015 results were provided by the prior actuary, Timothy W. Sharpe, Actuary, Geneva (IL).

Notes to Schedule

Valuation Date: 06/01/2014

Tax Levy Requirement Contribution is calculated as of June 1, two years prior year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method:	Entry Age Normal Cost Method.
Amortization Method:	Level percentage of pay, closed.
Remaining Amortization Period:	27 years (as of valuation 05/01/2014).
Actuarial Asset Method:	5-year Average Market Value (PA 096-1495).
Investment Return:	7.50% net of investment expenses.
Salary Scale:	5.50%.
Mortality:	RP 2000 Mortality Table (BCA, +1M, -4F, 2x>105), adjusted for future mortality improvement using 1-year setback after 15 years.
Withdrawal:	Based on studies of the Fund and the Department of Insurance, Sample Rates below.
Disability:	Based on studies of the Fund and the Department of Insurance, Sample Rates below.
Retirement:	Uniform distribution from ages 50-62 (100% by age 62).
Marital Status:	80% Married, Female spouses 3 years younger.

Sample Annual Rates per 100

Participants:	Age	Mortality	Withdrawal	Disability	Retirement
	20	0.04	6.00	0.07	
	25	0.04	6.00	0.08	
	30	0.08	5.10	0.10	
	35	0.12	4.10	0.14	
	40	0.14	2.85	0.20	
	45	0.19	1.74	0.31	
	50	0.27		0.52	20.00
	55	0.50		0.99	41.67
	60	0.94		1.74	83.33
	62	1.23			100.00

SCHEDULE OF INVESTMENT RETURNS  
Last Fiscal 10 Years

	<u>05/31/2016</u>	<u>05/31/2015</u>
Annual Money-Weighted Rate of Return Net of Investment Expense	-0.05%	6.10%

## NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended May 31, 2016)

## General Information about the Pension Plan

*Plan Administration*

The Plan is administered by a Board of Trustees comprised of:

- a.) Two members appointed by the Village,
- b.) Two active Members of the Police Department elected by the Membership, and
- c.) One retired Member of the Police Department elected by the Membership.

*Plan Membership as of June 1, 2016:*

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	12
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	3
Active Plan Members	29
	<u>44</u>

*Benefits Provided*

The Plan provides retirement, termination, disability and death benefits.

Normal Retirement:

Age: Tier 1: Age 50 and 20 years of service.

Tier 2: Age 55 with 10 years of service.

Benefit: 2.50% of Average Final Compensation times Credited Service.

Early Retirement:

Age: Tier 1: Age 60 and 8 years of service.

Tier 2: Age 50 with 10 years of service.

Benefit: Determined as for Normal Retirement; Benefit for members hired after January 1, 2011 is reduced 6.00% for each year that Early Retirement precedes Normal Retirement.

Vesting (Termination):

Tier 1: Less than 8 years: Refund of accumulated contributions without interest.

8 or more: Refund of Contributions or accrued benefit payable at retirement age.

Tier 2: Less than 10 years: Refund of accumulated contributions without interest.

10 or more: Refund of Contributions or accrued benefit payable at retirement age.

Disability:

Eligibility: Total and permanent as determined by the Board of Trustees.

Benefit: Benefit accrued to date of disability. Minimum benefit for Service Incurred is 65% of AFC. For Non-Service Incurred benefit is 50% of Salary.

Pre-Retirement Death Benefits:

Service Incurred: 100% of Salary.

Non-Vested: Refund of Required Contribution Account.

Cost-of-Living Adjustments:

Tier 1: Retirees - 3.00% per year upon attaining age 55. For retirements prior to age 55, 1/12 of 3.00% per month benefit commences prior to reaching age 55. Disabled Retirees - annual increase of 3.00% of the original benefit amount upon attaining age 60. For disablements prior to age 60, 3.00% of original benefit per year benefit commenced prior to age 60.

Tier 2: An annual increase equal to the lesser of 3.00% per year or 1/2 the annual unadjusted percentage increase in the consumer price index-u for the 12 months ending with the September preceding each November 1 of the original pension after attaining age 60.

*Contributions*

Remaining amount necessary for payment of Normal (current year's) Cost and amortization of the accrued past service liability over a period ending in 2041.

*Net Pension Liability*

The measurement date is May 31, 2016.

The measurement period for the pension expense was June 1, 2015 to May 31, 2016.

The reporting period is June 1, 2015 through May 31, 2016.

The Sponsor's net pension liability was measured as of May 31, 2016.

The total pension liability used to calculate the net pension liability was determined as of that date.

*Actuarial Assumptions:*

The total pension liability was determined by an actuarial valuation as of June 1, 2016 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	5.00%
Investment Rate of Return	7.00%

Mortality Rate: RP-2000 Combined Healthy Mortality with a blue collar adjustment, projected to the valuation date with Scale BB.

Disabled Mortality Rate: RP-2000 Disabled Retiree Mortality, projected to the valuation date with Scale BB.

Based on studies of public safety pension plans, we believe this assumption sufficiently accommodates expected future mortality improvements.

The demographic assumptions used in the June 1, 2016 valuation were based on the results of an actuarial experience study performed by the State of Illinois Department of Insurance in 2012.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

## GASB 68

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of May 31, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
US Treasuries	2.86%	1.80%
US Agencies	18.84%	2.00%
Taxable IL Municipal Bonds	4.92%	2.00%
US Corporate Bonds	18.17%	2.50%
US High Yield Bonds	1.74%	3.50%
US Large Cap	37.23%	5.00%
US Mid Cap	3.19%	5.30%
US Small Cap	1.43%	5.00%
International Stocks	7.06%	5.30%
Emerging Markets Stocks	1.55%	6.20%
Real Estate	1.49%	4.30%
Global Infrastructure	1.52%	4.80%
Total	100.00%	

### Discount Rate:

The discount rate used to measure the total pension liability was 7.00 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

For purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 3.26 percent (based on the weekly rate closest to but not later than the measurement date of the Bond Buyer 20-Bond Index as published by the Federal Reserve); and the resulting single discount rate is 7.00 percent.

## CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at May 31, 2015	\$ 22,233,707	\$ 13,754,319	\$ 8,479,388
Changes for a Year:			
Service Cost	593,355	-	593,355
Interest	1,575,395	-	1,575,395
Differences Between Expected and Actual Experience	(562,619)	-	(562,619)
Changes of Assumptions	889,503	-	889,503
Changes of Benefit Terms	-	-	-
Contributions - Employer	-	747,000	(747,000)
Contributions - Employee	-	242,060	(242,060)
Net Investment Income	-	(7,923)	7,923
Benefit Payments, Including Refunds of Employee Contributions	(642,831)	(642,831)	-
Administrative Expense	-	(7,925)	7,925
Net Changes	1,852,803	330,381	1,522,422
Balances at May 31, 2016	\$ 24,086,510	\$ 14,084,700	\$ 10,001,810

*Sensitivity of the net pension liability to changes in the discount rate.*

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.00%	7.00%	8.00%
Sponsor's Net Pension Liability	\$ 14,013,986	\$ 10,001,810	\$ 6,758,467

*Pension plan fiduciary net position.*

Detailed information about the pension plan's fiduciary net position is available in a separately issued Plan financial report.

## PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended May 31, 2016, the Sponsor will recognize a Pension Expense of \$1,197,345.

On May 31, 2016, the Sponsor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	-	492,291
Changes of Assumptions	778,316	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	786,052	-
Total	<u>\$ 1,564,368</u>	<u>\$ 492,291</u>

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

Year ended May 31:	
2017	\$ 237,373
2018	\$ 237,373
2019	\$ 237,374
2020	\$ 237,374
2021	\$ 40,861
Thereafter	\$ 81,722

## SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years

	<u>05/31/2016</u>
Total Pension Liability	
Service Cost	593,355
Interest	1,575,395
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(562,619)
Changes of Assumptions	889,503
Benefit Payments, Including Refunds of Employee Contributions	(642,831)
Net Change in Total Pension Liability	<u>1,852,803</u>
Total Pension Liability - Beginning <sup>1</sup>	<u>22,233,707</u>
Total Pension Liability - Ending (a)	<u><u>\$ 24,086,510</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	747,000
Contributions - Employee	242,060
Net Investment Income	(7,923)
Benefit Payments, Including Refunds of Employee Contributions	(642,831)
Administrative Expense	(7,925)
Net Change in Plan Fiduciary Net Position	<u>330,381</u>
Plan Fiduciary Net Position - Beginning	<u>13,754,319</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 14,084,700</u></u>
 Net Pension Liability - Ending (a) - (b)	<u><u>\$ 10,001,810</u></u>
  Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	  58.48%
 Covered Employee Payroll	 \$ 2,545,665
Net Pension Liability as a Percentage of covered Employee Payroll	392.90%

**Notes to Schedule:**

<sup>1</sup> The 2015 results were provided by the prior actuary, Timothy W. Sharpe, Actuary, Geneva (IL).

*Changes of assumptions:*

For the 2016 Fiscal year, amounts reported as changes of assumptions were resulted from updating the mortality assumptions to include a projection to the valuation date using Scale BB.



## SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years

	<u>05/31/2016</u>
Tax Levy Requirement Contribution	596,578
Contributions in Relation to the Tax Levy Requirement Contribution	<u>747,000</u>
Contribution Deficiency (Excess)	<u>\$ (150,422)</u>
Covered Employee Payroll	\$ 2,545,665
Contributions as a Percentage of Covered Employee Payroll	29.34%

Notes to Schedule

Valuation Date: 06/01/2014

Tax Levy Requirement Contribution is calculated as of June 1, two years prior year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method:	Entry Age Normal Cost Method.
Amortization Method:	Level percentage of pay, closed.
Remaining Amortization Period:	27 years (as of valuation 05/01/2014).
Actuarial Asset Method:	5-year Average Market Value (PA 096-1495).
Investment Return:	7.50% net of investment expenses.
Salary Scale:	5.50%.
Mortality:	RP 2000 Mortality Table (BCA, +1M, -4F, 2x>105), adjusted for future mortality improvement using 1-year setback after 15 years.
Withdrawal:	Based on studies of the Fund and the Department of Insurance, Sample Rates below.
Disability:	Based on studies of the Fund and the Department of Insurance, Sample Rates below.
Retirement:	Uniform distribution from ages 50-62 (100% by age 62).
Marital Status:	80% Married, Female spouses 3 years younger.

Sample Annual Rates per 100

Participants:	Age	Mortality	Withdrawal	Disability	Retirement
	20	0.04	6	0.07	
	25	0.04	6	0.08	
	30	0.08	5.1	0.1	
	35	0.12	4.1	0.14	
	40	0.14	2.85	0.2	
	45	0.19	1.74	0.31	
	50	0.27		0.52	20.00
	55	0.5		0.99	41.67
	60	0.94		1.74	83.33
	62	1.23			100.00

**COMPONENTS OF PENSION EXPENSE**  
**FISCAL YEAR ENDING MAY 31, 2016**

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning Balance	\$ 8,479,388	\$ -	\$ -	\$ -
Total Pension Liability Factors:				
Service Cost	593,355	-	-	593,355
Interest	1,575,395	-	-	1,575,395
Changes in Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience				
With Regard to Economic or Demographic Assumptions	(562,619)	562,619	-	-
Current Year Amortization		(70,328)	-	(70,328)
Changes in Assumptions About Future Economic or				
Demographic Factors or Other Inputs	889,503	-	889,503	
Current Year Amortization	-	-	(111,187)	111,187
Benefit Payments	(642,831)		-	(642,831)
Net Change	<u>1,852,803</u>	<u>492,291</u>	<u>778,316</u>	<u>1,566,778</u>
Plan Fiduciary Net Position:				
Contributions - Employer	747,000	-	-	-
Contributions - Employee	242,060	-	-	(242,060)
Net Investment Income	974,643	-	-	(974,643)
Difference Between Projected and Actual Earnings on				
Pension Plan Investments	(982,566)	-	982,566	-
Current Year Amortization	-	-	(196,514)	196,514
Benefit Payments	(642,831)	-	-	642,831
Administrative Expenses	(7,925)	-	-	7,925
Net Change	<u>330,381</u>	<u>-</u>	<u>786,052</u>	<u>(369,433)</u>
Ending Balance	<u><u>\$10,001,810</u></u>	<u><u>\$ 492,291</u></u>	<u><u>\$1,564,368</u></u>	<u><u>\$1,197,345</u></u>

# Village of North Aurora Memorandum



---

**To:** Village President and Board of Trustees

**From:** Bill Hannah, Finance Director

**CC:** Steven Bosco, Village Administrator

**Date:** November 1, 2016

**RE:** IMLRMA Renewal for Liability, W/C and Other Coverage

---

The Village has received its annual renewal from IMLRMA for liability, property, workers' comp and other related coverages for calendar year 2017. The normal contribution for 2017 is \$284,958 which is a 2.8% increase from the prior year normal contribution. This includes an amount for boiler/equipment breakdown coverage. If the Village pays by November 23<sup>rd</sup> the Village will receive a 1.0% discount and only pay \$282,108.42.

The Village again received the option to participate in the Min-Max program for 2017. As the Board recalls, participation in this option provides a 15% reduction in the Village's contribution portion of the Loss Fund, however, if claim dollars exceed a certain amount the Village is responsible for additional contributions up to 130% of the Loss Fund amount (a two-to-one risk vs. reward program). The Village has elected to not participate in the Min-Max program for the last three years. Information on the Min-Max program is included as a reference if the Board does want to consider it.

Staff recommends that the Village continue to pay the normal contribution for the 2017 year less the discount for \$282,108.42. This amount has been included on the bill listing for the meeting. Staff routinely analyzes alternate options for the Village to procure the various coverages and believes that IMLRMA continues to provide the best value for the Village's.

Educate. Advocate. Empower.

October 24, 2016

Dale Berman, Village President  
Village of North Aurora  
25 E State St  
North Aurora, IL 60542-1668

Dear Village President Dale Berman:

The Illinois Municipal League Risk Management Association (IMLRMA) would like to thank you for your continued participation in the IMLRMA self-insured pool. We are very proud of our 36 year history of providing excellent municipal risk management and superior customer service to our members.

Enclosed you will find your municipality's contribution invoice for the 2017 coverage year starting on January 1, 2017.

Please note that your municipality can receive a 1% discount if the IMLRMA receives your payment by the November 23, 2016 early payment deadline.

Coverage changes planned for 2017 include:

- Clarification to zoning and land use coverages.
- Clarification that IMLRMA program does not cover the collection or non-collection of taxes.
- Clarification of coverage language to exclude liability associated with the use of unmanned aerial vehicles (UAV) or "drones". The IMLRMA will only cover the UAV as portable equipment up to \$2,500 each, if listed on the Association's schedule.

We thank you for making the IMLRMA your choice for professional risk management services and coverage. If you have questions about your contribution or coverages, please contact Julia Reynolds at (800) 252-5051 ext. 1199 or Becky Hayes at (800) 252-5051 ext. 1337. If you would like one of our staff members to visit your municipality and review the IMLRMA program with yourself or the council, please contact our main office, (217) 525-1220 at any time.

Yours very truly,

BRAD COLE  
Interim Managing Director

cc: Bill Hannah, RMC  
Enclosures





**ILLINOIS MUNICIPAL LEAGUE RISK MANAGEMENT ASSOCIATION**  
 PO BOX 5180, SPRINGFIELD, IL 62705-5180  
 Ph: 217-525-1220 Fax: 217-525-7438

**2017 ANNUAL CONTRIBUTION: \$284,958**

**Date: 10/24/2016**

\$139,715	Work Comp
\$88,325	Auto Liability & Comprehensive General Liability
\$1,885	Portable Equipment
\$8,505	Auto Physical Damage
\$46,528	Property
<b>\$284,958</b>	<b>TOTAL</b>

**MEMBER:**  
**VILLAGE OF NORTH AURORA**

Account #: 0414

**PAYMENT OPTIONS – Please Check One Box**

<input type="checkbox"/>	<b>OPTION #1 – BEST VALUE!</b> <b>Early Pay 1% Discount</b>  Invoice Amt: \$284,958.00 Minus 1% <u>\$2,849.58</u> Total due <u>\$282,108.42</u>  Total due by: 11/23/16	<input type="checkbox"/>	<b>OPTION #3</b>  <b>PAY FULL AMOUNT</b>  Invoice Amt: \$284,958.00  Total due by: 12/16/16
<input type="checkbox"/>	<b>OPTION #2 – Pay in Two Installments</b> <b>Early Pay 1% Discount</b> (Includes 1% Installment Fee)  Invoice Amt \$284,958.00 Minus 1% <u>\$2,849.58</u> <u>\$282,108.42</u> 1% installment fee <u>\$2,821.08</u> Total Invoice <u>\$284,929.50</u>  <u>\$142,464.75</u> due by : 11/23/16, and <u>\$142,464.75</u> due by : 5/12/17	<input type="checkbox"/>	<b>OPTION #4 – Pay in Two Installments</b> (Includes 1% Installment Fee)  Invoice Amt \$284,958.00 1% Installment Fee <u>\$2,849.58</u> <u>\$287,807.58</u>  <u>\$143,903.79</u> due by : 12/16/16, and <u>\$143,903.79</u> due by : 5/12/17

PAYMENT ENCLOSED: \$ \_\_\_\_\_

Please return this invoice with payment.

**\* If you select Option 2 or Option 4 for Pay in Two Installments, please read and sign Acknowledgement below before returning invoice.**

**Make Check Payable To:**

IML Risk Management Association  
 PO Box 5180  
 Springfield, IL 62705-5180

On behalf of the city/town/village named above ("Member"), I hereby warrant that I have the authority to sign this agreement on the Member's behalf. I acknowledge and understand that the installment option is afforded only as a benefit for budgeting purposes and is not meant to allow for mid-term withdrawal. I acknowledge and understand that Article 5 of the Intergovernmental Cooperation Contract ("Contract") prohibits termination of the Intergovernmental Cooperation Contract prior to the last day of December of any given year. Per Article 5, I warrant that the Member will adhere to the Contract and pay the second installment when due.

\_\_\_\_\_  
 Mayor/Village President or Other Municipal Officer (Please Sign)

\_\_\_\_\_  
 Title

\_\_\_\_\_  
 Date



# ILLINOIS MUNICIPAL LEAGUE RISK MANAGEMENT ASSOCIATION

PO BOX 5180, SPRINGFIELD, IL 62705-5180

Ph: 217-525-1220 Fax: 217-525-7438

**2017 MIN/MAX CONTRIBUTION: \$254,396**

**Date: 10/24/2016**

\$124,730	Work Comp
\$78,852	Auto Liability & Comprehensive General Liability
\$1,683	Portable Equipment
\$7,593	Auto Physical Damage
\$41,538	Property
<b>\$254,396</b>	<b>TOTAL MIN/MAX CONTRIBUTION</b>

**MEMBER:  
VILLAGE OF NORTH AURORA**

Account #: 0414

## PAYMENT OPTIONS – Please Check One Box

*The signed MIN/MAX agreement must be returned with your payment.*

<input type="checkbox"/>	<b>OPTION #1 – BEST VALUE!</b> <b>Early Pay 1% Discount</b>  <div style="display: flex; justify-content: flex-end;"> <div>Invoice Amt: \$254,396.00</div> <div>Minus 1% <u>\$2,543.96</u></div> <div>Total due \$251,852.04</div> </div> Total due by: 11/23/16	<input type="checkbox"/>	<b>OPTION #3</b>  <b>PAY FULL AMOUNT</b>  <div style="display: flex; justify-content: flex-end;"> <div>Invoice Amt: \$254,396.00</div> </div> Total due by: 12/16/16
<input type="checkbox"/>	<b>OPTION #2 – Pay in Two Installments</b> <b>Early Pay 1% Discount</b> (Includes 1% Installment Fee)  <div style="display: flex; justify-content: flex-end;"> <div>Invoice Amt \$254,396.00</div> <div>Minus 1% <u>\$2,543.96</u></div> <div>\$251,852.04</div> </div> <div style="display: flex; justify-content: flex-end;"> <div>1% installment fee <u>\$2,518.52</u></div> <div>Total Invoice \$254,370.56</div> </div> <div style="display: flex; justify-content: flex-end;"> <div><b><u>\$127,185.28</u></b></div> <div>due by : 11/23/16, and</div> </div> <div style="display: flex; justify-content: flex-end;"> <div><b><u>\$127,185.28</u></b></div> <div>due by : 5/12/17</div> </div>	<input type="checkbox"/>	<b>OPTION #4 – Pay in Two Installments</b> (Includes 1% Installment Fee)  <div style="display: flex; justify-content: flex-end;"> <div>Invoice Amt \$254,396.00</div> <div>1% Installment Fee <u>\$2,543.96</u></div> <div>\$256,939.96</div> </div> <div style="display: flex; justify-content: flex-end;"> <div><b><u>\$128,469.98</u></b></div> <div>due by : 12/16/16, and</div> </div> <div style="display: flex; justify-content: flex-end;"> <div><b><u>\$128,469.98</u></b></div> <div>due by : 5/12/17</div> </div>

PAYMENT ENCLOSED: \$ \_\_\_\_\_

Please return this invoice with payment.

**\* If you select Option 2 or Option 4 for Pay in Two Installments, please read and sign Acknowledgement below before returning invoice.**

### Make Check Payable To:

IML Risk Management Association  
PO Box 5180  
Springfield, IL 62705-5180

On behalf of the city/town/village named above ("Member"), I hereby warrant that I have the authority to sign this agreement on the Member's behalf. I acknowledge and understand that the installment option is afforded only as a benefit for budgeting purposes and is not meant to allow for mid-term withdrawal. I acknowledge and understand that Article 5 of the Intergovernmental Cooperation Contract ("Contract") prohibits termination of the Intergovernmental Cooperation Contract prior to the last day of December of any given year. Per Article 5, I warrant that the Member will adhere to the Contract and pay the second installment when due.

\_\_\_\_\_  
Mayor/Village President or Other Municipal Officer (Please Sign)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

## **EQUIPMENT BREAKDOWN COVERAGE**

***January 1, 2017 – January 1, 2018***

At your request, we are pleased to present you with the optional Equipment Breakdown endorsement.

The annual contribution amount of \$5,493 for this coverage is included in the contribution amount shown on your invoice.

We thank you for the opportunity to better serve the coverage needs of your municipality.

If you have any questions regarding this coverage, please call Julia Reynolds at 1-800-252-5051, extension 1199.

North Aurora



## **MINIMUM – MAXIMUM OPTION**

*January 1, 2017 – January 1, 2018*

Many of our members have found the Minimum - Maximum (Min-Max) program to be very successful and we are pleased to continue it in the year 2017. The Min-Max option provides an incentive for members to control and reduce losses through effective accident prevention and claims management efforts. If losses and claim costs are lower than anticipated, you may realize an overall savings. However, if losses and claim costs are greater than anticipated, you may be penalized and have to pay additional contributions. Please call us if you would like additional information about the program or to confirm if the Min-Max option meets your municipality's needs.

If your municipality wishes to participate in this optional program for this renewal period, the enclosed Minimum-Maximum Agreement **must** be signed and returned with your initial renewal payment. A final copy will be returned to your municipality. If the agreement has not been received by February 1, 2017 your municipality will be billed for the full 100% contribution and such contribution will be due upon receipt.

If you have any questions, please contact Julia Reynolds at 1-800-252-5051, ext. 1199.



## **IMLRMA MINIMUM/MAXIMUM CONTRIBUTION AGREEMENT**

This Agreement is between the Illinois Municipal League Risk Management Association (IMLRMA), an intergovernmental association formed pursuant to Article VII, Section 10 of the Illinois Constitution of 1970 and the **VILLAGE OF NORTH AURORA**, a member of the IMLRMA. This Agreement amends and supplements the Declarations Pages dated January 01, 2017 to January 01, 2018 and all endorsements thereto.

### **1. DEFINITIONS**

The following definitions shall apply for purposes of this Agreement:

"Loss Fund" -- Those dollars set aside for the payment of claims excluding reinsurance and excess premiums and administrative costs.

"Minimum Loss Fund" -- 85 percent of those dollars set aside for the payment of claims excluding reinsurance and excess premiums and administrative costs.

"Maximum Loss Fund" -- 130 percent of those dollars set aside for the payment of claims excluding reinsurance and excess premiums and administrative costs.

"Paid Claim Dollars" -- Those payments made by IMLRMA on claims including defense costs against the **VILLAGE OF NORTH AURORA** minus recovery from subrogation, deductible or salvage credited against those claim payments.

"Minimum Contribution" -- Minimum Loss Fund including reinsurance and excess premiums and administrative costs.

"Maximum Contribution" -- Maximum Loss Fund including reinsurance and excess premiums and administrative costs.

### **2. MINIMUM/MAXIMUM CONTRIBUTION BREAKDOWN**

The **VILLAGE OF NORTH AURORA** hereby agrees to the following schedule of contributions:

	<u>Minimum Contribution</u>		<u>Maximum Contribution</u>
Reinsurance and Excess Premiums and Administrative Costs	\$ 81,213		\$ 81,213
Loss Fund	@ 85% \$ 173,183	@ 130%	\$ 264,869
Contribution	\$ 254,396		\$ 346,082

3. Based upon a comparison of paid claim dollars against the Loss Fund, IMLRMA will determine whether additional contributions beyond the minimum contribution will be required up to the maximum contribution.

4. For purposes of determining paid claims, IMLRMA will complete a semi-annual review of paid claim dollars.



IMLRMA Minimum/Maximum Contribution Agreement  
VILLAGE OF NORTH AURORA

**5. NOTICE**

IMLRMA hereby agrees to send, through its agents, written notice when paid claim dollars are equal to or greater than 60 percent of the Minimum Loss Fund.

IMLRMA agrees, through its agents, to send a second written notice when paid claim dollars equal or exceed 85 percent of the Minimum Loss Fund.

**6. BILLING/PAYMENT** -- The parties to this Agreement hereby agree to the following terms:

When paid claim dollars reach or exceed 100 percent of the Minimum Loss Fund, billing will be instituted on a yearly basis for those paid claim dollars in excess of the Minimum Loss Fund and billing will continue on a yearly basis until the Maximum Loss Fund limit is attained or all claims initiated during the coverage period are closed. Billings will be completed in July of each year for paid claim dollars through June 30.

The **VILLAGE OF NORTH AURORA** hereby agrees to make payment within 30 days of its receipt of billing.

7. All other definitions, conditions and coverages of the IMLRMA remain the same under this Agreement, including the handling of all claims.

8. This Agreement is to be interpreted and construed in accordance with the laws of the State of Illinois.

9. If any one portion or portions of this Agreement is found to be invalid or unenforceable, the remainder shall remain valid and binding on the parties.

The undersigned hereby affirm that they are duly authorized as agents to bind the parties to this Agreement.

\_\_\_\_\_  
Mayor/Village President

\_\_\_\_\_  
Date

\_\_\_\_\_  
Treasurer/Comptroller/RMC

\_\_\_\_\_  
Date

\_\_\_\_\_  
IMLRMA, Managing Director

\_\_\_\_\_  
Date



# Memorandum

To: Village President, Dale Berman & Village Trustees  
From: Michael A. Glock  
Date: November 2, 2016  
Re: Parkway Tree Replacements

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A request for bids was advertised for the purchase and planting of 215 parkway trees with the bid opening held on November 2, 2016. As part of the bidding process, interested bidders also attended a mandatory pre-bid meeting to review the bid document and have any questions answered. There is a total of **\$65,000** in the budget for the annual parkway tree program.

## Bid Results:

Company	Bid Amount
Acres Group	\$59,985
The Field on Caton Farm	\$62,135
Brancato Landscape	\$64,500
Semper Fi Land	\$66,220
On the Green Solutions	\$78,280

After careful consideration of the bid proposals received, I recommend the qualified low bidder, Acres Group, be accepted and the contract awarded for **\$59,985**.

# Accounts Payable

## To Be Paid Proof List

User: bhannah  
 Printed: 11/03/2016 - 9:01AM  
 Batch: 00501.11.2016 - 11072016



Description	Amount	Account	Acct Name	Invoice #	Inv Date	Pmt Date
Aflac						
030540						
Aflac/November 2016	197.10	01-000-2053	AFLAC	657254	11/2/2016	11/07/2016
Total:	197.10	*Vendor Total				
AIM						
046510						
Employee Flex/October 2016	175.00	01-430-4267	Finance Services	26867	11/2/2016	11/07/2016
Total:	175.00	*Vendor Total				
April and Holly Robingson						
05085						
Refund Credit on Final Water Acct	5.25	18-320-3350	Sewer Collection	304 magnolia	11/2/2016	11/07/2016
Refund Credit on Final Water Acct	58.60	60-320-3340	Water Collections	304 magnolia	11/2/2016	11/07/2016
Total:	63.85	*Vendor Total				
Aurora Area Convention						
003770						
Hotel Tax/Sep 2016/Baymont	3,033.49	15-430-4752	90% Tourism Council	092016 bymn	11/1/2016	11/07/2016
Hotel Tax/Sep 2016/NA Hotel	1,317.07	15-430-4752	90% Tourism Council	092016 nahot	11/1/2016	11/07/2016
Total:	4,350.56	*Vendor Total				
Aurora Fastprint						
029610						
Inspection Notices	253.38	01-441-4507	Printing	17906	11/2/2016	11/07/2016
Total:	253.38	*Vendor Total				
B & B Networks, Inc.						
039930						
Phone Line for Credit Cards	102.50	01-440-4652	Communications	15407	11/2/2016	11/07/2016
Total:	102.50	*Vendor Total				
Beryl Regis						
050890						
Refund Credit on Final Water Acct	0.20	18-320-3350	Sewer Collection	28 S. Sycmr s	11/2/2016	11/07/2016
Refund Credit on Final Water Acct	4.04	60-320-3340	Water Collections	28 S. Sycmr w	11/2/2016	11/07/2016
Total:	4.24	*Vendor Total				

Description	Amount	Account	Acct Name	Invoice #	Inv Date	Pmt Date
<b>Bonnell Industries</b>						
035410						
Leaf Machine Repair	36.32	01-445-4510	Equipment/IT Maint	0170680	11/2/2016	11/07/2016
Total:	36.32	<b>*Vendor Total</b>				
<b>Brian Reid</b>						
041970						
Police Commission Meeting Fees (2)	100.00	01-439-4015	Police Ccss Mtgs-per Diem	9/8, 10/30 201	11/2/2016	11/07/2016
Total:	100.00	<b>*Vendor Total</b>				
<b>Builders License</b>						
026880						
Admin Car #148/Re-Class Fee	16.00	01-445-4511	Vehicle Repair and Maint	Admin #148	11/2/2016	11/07/2016
Total:	16.00	<b>*Vendor Total</b>				
<b>Butler Chemical Company, Inc.</b>						
046060						
Monthly Chem Trmn/Oct 2016/VH/PD	200.00	01-445-4520	Public Buildings Rpr & Mtce	21560	11/2/2016	11/07/2016
Total:	200.00	<b>*Vendor Total</b>				
<b>Casey Equipment Co, Inc</b>						
010570						
Engine Diagnostics/Pwks Truck	749.58	01-445-4511	Vehicle Repair and Maint	W56668	11/2/2016	11/07/2016
Total:	749.58	<b>*Vendor Total</b>				
<b>CCS Contractor Equipment</b>						
045420						
ADA Pads/Sidewalks	150.00	01-445-4543	Sidewalks Rpr & Mtce	11689530	11/2/2016	11/07/2016
Total:	150.00	<b>*Vendor Total</b>				
<b>Coffman Truck Sales, Inc.</b>						
000320						
Safety Test	21.50	01-445-4511	Vehicle Repair and Maint	1001077244	11/1/2016	11/07/2016
Safety Test/Truck #170	20.50	01-445-4511	Vehicle Repair and Maint	1001078809	11/1/2016	11/07/2016
Sticker #170	1.00	01-445-4511	Vehicle Repair and Maint	1001078949	11/1/2016	11/07/2016
Total:	43.00	<b>*Vendor Total</b>				
<b>Commercial Tire Services, Inc.</b>						
038680						
(4) New Tires Installed/Truck #182	785.94	60-445-4511	Vehicle Repair and Maint	3330012533	11/1/2016	11/07/2016
2) New Tires/Truck #185	533.40	01-445-4511	Vehicle Repair and Maint	3330012608	11/1/2016	11/07/2016
New Tires/Truck #170	1,007.46	01-445-4511	Vehicle Repair and Maint	3330012609	11/1/2016	11/07/2016
(2) New Tires/Truck #170	740.22	01-445-4511	Vehicle Repair and Maint	3330012667	11/1/2016	11/07/2016
Total:	3,067.02	<b>*Vendor Total</b>				

Description	Amount	Account	Acct Name	Invoice #	Inv Date	Pmt Date
<b>Communications Revolving</b>						
007390						
IWIN Sept. 2016	754.32	01-440-4652	Communications	T1710552	11/2/2016	11/07/2016
	<hr/>					
Total:	754.32	<b>*Vendor Total</b>				
<b>Crescent Electric Supply</b>						
032500						
Streetlight Bulbs	41.84	10-445-4661	Street Light Repair/Maint	S502692387.C	11/2/2016	11/07/2016
	<hr/>					
Total:	41.84	<b>*Vendor Total</b>				
<b>D.W.M. Lawn Care, Inc.</b>						
046990						
Grass Cutting/September 2016/NAAC	550.00	01-445-4531	Grass Cutting	53/naac	11/2/2016	11/07/2016
Grass Cutting/September 2016/SSA #11	115.00	17-011-4533	Maintenance	53/ssa11	11/2/2016	11/07/2016
Grass Cutting/September 2016/SSA #4	420.00	17-004-4533	Maintenance	53/ssa4	11/2/2016	11/07/2016
Grass Cutting/September 2016/SSA #8	305.57	17-008-4533	Maintenance	53/ssa8	11/2/2016	11/07/2016
Grass Cutting/September 2016/SSA #9	152.86	17-009-4533	Maintenance	53/ssa9	11/2/2016	11/07/2016
	<hr/>					
Total:	1,543.43	<b>*Vendor Total</b>				
<b>Don Mc Cue Chevrolet</b>						
032700						
A/C System/Labor	182.95	01-440-4511	Vehicle Repair and Maint	CVCS476968	11/2/2016	11/07/2016
	<hr/>					
Total:	182.95	<b>*Vendor Total</b>				
<b>Feece Oil</b>						
031060						
Mid Grade Fuel	2,513.94	71-000-1340	Gas/Diesel Escrow	3444865	11/1/2016	11/07/2016
Diesel Fuel	1,054.45	71-000-1340	Gas/Diesel Escrow	3444866	11/1/2016	11/07/2016
	<hr/>					
Total:	3,568.39	<b>*Vendor Total</b>				
<b>Fox Excavating, Inc.</b>						
050900						
24 S. Lincolnway Demolition	48,345.00	12-480-4875	Capital Improvements	4657	11/2/2016	11/07/2016
	<hr/>					
Total:	48,345.00	<b>*Vendor Total</b>				
<b>Fox Valley Tree Service, Inc.</b>						
024480						
Root Grinding/Acorn & Poplar	300.00	01-445-4543	Sidewalks Rpr & Mtce	NAU0108	11/1/2016	11/07/2016
Tree and Stump Removal/Harmony & Cherrytr	1,100.00	01-445-4532	Tree Service	NAU016	11/1/2016	11/07/2016
Tree and Stump Removal/Poplar	1,800.00	01-445-4532	Tree Service	NAU017	11/1/2016	11/07/2016
	<hr/>					
Total:	3,200.00	<b>*Vendor Total</b>				
<b>Frost Electric Company, Inc.</b>						
021540						
New Light for Painted Flag	557.00	01-445-4530	Public Grounds Rpr & Mtce	6825	11/7/2016	11/07/2016
Wire Repair/Butternut Drive	1,517.50	10-445-4661	Street Light Repair/Maint	6827	11/7/2016	11/07/2016
Streetlight Repairs/Various Locations	1,177.00	10-445-4661	Street Light Repair/Maint	6828	11/7/2016	11/07/2016

Description	Amount	Account	Acct Name	Invoice #	Inv Date	Pmt Date
Repair of Outside Lights/NAPD	574.00	01-445-4530	Public Grounds Rpr & Mtce	6833	11/7/2016	11/07/2016
Repair Underground Wire/Birchwood	900.00	10-445-4661	Street Light Repair/Maint	6835	11/7/2016	11/07/2016
Total:	4,725.50	<b>*Vendor Total</b>				
<b>Government Finance Offers Assn</b>						
026740						
GFOA Dues/2017/Hannah	190.00	01-430-4390	Dues & Meetings	0195303	11/2/2016	11/07/2016
Total:	190.00	<b>*Vendor Total</b>				
<b>Green Thumb-Brown Boots</b>						
043270						
Grass Cutting/Abatement/Various Locations	459.00	01-441-4531	Grass Cutting	610	11/2/2016	11/07/2016
Total:	459.00	<b>*Vendor Total</b>				
<b>Hach Company</b>						
014100						
Chlorine Testing	686.05	60-445-4562	Testing (water)	10153049	11/2/2016	11/07/2016
Total:	686.05	<b>*Vendor Total</b>				
<b>Harmonic Heating &amp; Air Conditioning</b>						
047680						
System Maintenance/Replace Filters/VH	1,885.00	01-445-4520	Public Buildings Rpr & Mtce	12020b	11/1/2016	11/07/2016
HVAC Reset/Power Outage	100.00	01-445-4520	Public Buildings Rpr & Mtce	12040b	11/1/2016	11/07/2016
Total:	1,985.00	<b>*Vendor Total</b>				
<b>Harners Bakery And Restaurant</b>						
025570						
Donuts/Coffee w/Mayor	12.60	01-410-4799	Misc. Expenditures	7092	11/2/2016	11/07/2016
Total:	12.60	<b>*Vendor Total</b>				
<b>Hey and Associates, Inc.</b>						
040900						
NATC Mgmt	3,875.00	17-032-4533	Maintenance	16-0039-6055	11/1/2016	11/07/2016
Total:	3,875.00	<b>*Vendor Total</b>				
<b>ILLCO Inc.</b>						
040110						
Pump Kit for Dehumidifiers	147.69	60-445-4567	Treatment Plant Repair/Maint	1307456	11/2/2016	11/07/2016
Total:	147.69	<b>*Vendor Total</b>				
<b>Illinois Municipal League</b>						
000650						
2017 IMLRMA Contribution	282,108.42	14-430-4944	Liability Coverage	2017	11/2/2016	11/07/2016
Total:	282,108.42	<b>*Vendor Total</b>				

Description	Amount	Account	Acct Name	Invoice #	Inv Date	Pmt Date
<b>Illinois Power Marketing</b>						
047570						
Streetlight/25 E State Street	2,462.59	10-445-4660	Street Lighting and Poles	10392071610	11/2/2016	11/07/2016
Total:	2,462.59	<b>*Vendor Total</b>				
<b>Intergraph Corporation</b>						
050910						
Records System/NAPD/30%	21,788.70	71-430-4870	Equipment	P160002077	11/2/2016	11/07/2016
Total:	21,788.70	<b>*Vendor Total</b>				
<b>Janco Chemical Supply, Inc</b>						
000660						
Custodial Supplies	115.75	01-445-4421	Custodial Supplies	270353	11/2/2016	11/07/2016
Total:	115.75	<b>*Vendor Total</b>				
<b>JSN Contractors Supply</b>						
041440						
Red and Green Marking Paint	70.80	01-445-4540	Streets & Alleys Rpr & Mtce	80426	11/2/2016	11/07/2016
Blue Marking Paint	35.40	60-445-4568	Watermain Rprs. & Rplcmts.	80432	11/2/2016	11/07/2016
Total:	106.20	<b>*Vendor Total</b>				
<b>K. Hovnanian Homes</b>						
043570						
Bond Return/526 Moorfield	4,400.00	90-000-2225	Due To Others - Damage Bond	P#201510011	11/2/2016	11/07/2016
Bond Return/1356 Ritter	4,400.00	90-000-2225	Due To Others - Damage Bond	P#201604026	11/2/2016	11/07/2016
Bond Return/1348 Ritter	4,400.00	90-000-2225	Due To Others - Damage Bond	P#201604029	11/2/2016	11/07/2016
Bond Return/1341 Ritter	4,100.00	90-000-2225	Due To Others - Damage Bond	P#201604032	11/2/2016	11/07/2016
Total:	17,300.00	<b>*Vendor Total</b>				
<b>Kendall County Concrete</b>						
047060						
Sidewalk Added/Village Hall	489.25	01-445-4530	Public Grounds Rpr & Mtce	40395	11/1/2016	11/07/2016
Sidewalk Replacement/Acorn	426.50	01-445-4543	Sidewalks Rpr & Mtce	40466	11/1/2016	11/07/2016
Sidewalk/Hartsburg	363.75	01-445-4543	Sidewalks Rpr & Mtce	40609	11/1/2016	11/07/2016
Total:	1,279.50	<b>*Vendor Total</b>				
<b>Kitner, Douglas</b>						
017070						
Training Reimb/NEMRT	6.00	01-440-4380	Training	08302016	11/2/2016	11/07/2016
Training Reimb/NEMRT	6.00	01-440-4380	Training	08312016	11/2/2016	11/07/2016
Training Reimb/NEMRT	6.00	01-440-4380	Training	09152016	11/2/2016	11/07/2016
Training Reimb/ITOA	110.94	01-440-4380	Training	10132016	11/2/2016	11/07/2016
Total:	128.94	<b>*Vendor Total</b>				
<b>Kurt Metallo</b>						
050030						



Description	Amount	Account	Acct Name	Invoice #	Inv Date	Pmt Date
(37) Stump Removals	3,330.00	01-445-4532	Tree Service	10212016	11/1/2016	11/07/2016
Total:	3,330.00	*Vendor Total				
L. W. Meyer & Son, Inc.						
022050						
New 1/2" Impact	425.00	60-445-4870	Equipment	716009	11/2/2016	11/07/2016
Total:	425.00	*Vendor Total				
Lafarge Conco Western, Inc.						
033690						
Sidewalk Repair/Stone Ave.	205.32	01-445-4545	Traffic Signs & Signals	706557898	11/2/2016	11/07/2016
Total:	205.32	*Vendor Total				
McCrometer, Inc.						
049930						
(2) New Meters for Wells 4 & 7	10,193.34	60-445-4480	New Meters,rprs. & Rplcmts.	483978	11/2/2016	11/07/2016
Total:	10,193.34	*Vendor Total				
Meade Electric Company, Inc.						
027140						
Randall & Dogwood Timing Adjustment	645.95	01-445-4545	Traffic Signs & Signals	675198	11/1/2016	11/07/2016
Flashing Repair/Oak & Randall	1,242.10	01-445-4545	Traffic Signs & Signals	675207	11/1/2016	11/07/2016
Randall & Oak EVP Installed	2,761.50	01-445-4545	Traffic Signs & Signals	675238	11/1/2016	11/07/2016
Total:	4,649.55	*Vendor Total				
Menards						
016070						
Respirator	119.97	01-445-4870	Equipment	40531	11/2/2016	11/07/2016
Total:	119.97	*Vendor Total				
Metro West COG						
032210						
Board Meetings/Bosco	85.00	01-410-4390	Dues & Meetings	2741 admn	11/2/2016	11/07/2016
Board Meetings/Berman/Faber	135.00	01-410-4390	Dues & Meetings	2741 legsl	11/2/2016	11/07/2016
Total:	220.00	*Vendor Total				
Michael Brommer						
050840						
Refund Credit on Final Water Acct	3.72	18-320-3350	Sewer Collection	397 Phsnt H s	11/2/2016	11/07/2016
Refund Credit on Final Water Acct	43.59	60-320-3340	Water Collections	397 Phsnt H v	11/2/2016	11/07/2016
Total:	47.31	*Vendor Total				
Michael R. Quinn						
033280						
Training Reim/Taser	6.00	01-440-4380	Training	09272016	11/2/2016	11/07/2016
Training Reim/Forensic Evidence	45.96	01-440-4380	Training	09282016	11/2/2016	11/07/2016

Description	Amount	Account	Acct Name	Invoice #	Inv Date	Pmt Date
Training Reim/NEMRT	21.50	01-440-4380	Training	10042016	11/2/2016	11/07/2016
Total:	73.46	<b>*Vendor Total</b>				
<b>Mid American Water</b>						
013680						
Storm Sewer Repair	114.00	01-445-4544	Storm Drain Maintenance	130558A	11/2/2016	11/07/2016
Manhole Repair	309.00	18-445-4570	Sewers Rpr & Mtce	130831A	11/2/2016	11/07/2016
Total:	423.00	<b>*Vendor Total</b>				
<b>Midwest Awards</b>						
001540						
Recognition Plaque	137.00	01-410-4411	Office Expenses	21373	11/2/2016	11/07/2016
Total:	137.00	<b>*Vendor Total</b>				
<b>Miner Electronics Corporation</b>						
3383						
Radar Repair/Car #66	588.00	01-440-4511	Vehicle Repair and Maint	260837	11/1/2016	11/07/2016
Radar Repair/Car #78	95.00	01-440-4511	Vehicle Repair and Maint	260838	11/1/2016	11/07/2016
Total:	683.00	<b>*Vendor Total</b>				
<b>National Fire Protection Assn.</b>						
050920						
NFPA Dues/Zabel	175.00	01-441-4390	Dues & Meetings	2017	11/2/2016	11/07/2016
Total:	175.00	<b>*Vendor Total</b>				
<b>North Aurora NAPA, Inc.</b>						
038730						
Core Deposit/#238589	-81.00	01-445-4511	Vehicle Repair and Maint	238592	11/1/2016	11/07/2016
Air Filter/Alternator Belt/Leaf Machine	196.80	01-445-4511	Vehicle Repair and Maint	241552	11/1/2016	11/07/2016
WD 40 and Oil	32.96	01-445-4511	Vehicle Repair and Maint	241692	11/1/2016	11/07/2016
Total:	148.76	<b>*Vendor Total</b>				
<b>Office Depot</b>						
039370						
Custom Stamp	26.99	01-441-4411	Office Expenses	87270992001	11/1/2016	11/07/2016
Misc Office Supplies	100.20	01-430-4411	Office Expenses	87271338800	11/1/2016	11/07/2016
Misc Office Supplies	100.20	01-441-4411	Office Expenses	87271338800	11/1/2016	11/07/2016
Misc Office Supplies	100.20	01-445-4411	Office Expenses	87271338800	11/1/2016	11/07/2016
Misc Office Supplies	100.20	60-445-4411	Office Expenses	87271338800	11/1/2016	11/07/2016
Kitchen Supplies	28.62	01-430-4411	Office Expenses	87271378000	11/1/2016	11/07/2016
Kitchen Supplies	28.63	01-441-4411	Office Expenses	87271378000	11/1/2016	11/07/2016
Kitchen Supplies	28.62	01-445-4411	Office Expenses	87271378000	11/1/2016	11/07/2016
Kitchen Supplies	28.62	60-445-4411	Office Expenses	87271378000	11/1/2016	11/07/2016
Post-its	4.27	01-430-4411	Office Expenses	87271378100	11/1/2016	11/07/2016
Post-its	4.28	01-441-4411	Office Expenses	87271378100	11/1/2016	11/07/2016
Post-its	4.28	01-445-4411	Office Expenses	87271378100	11/1/2016	11/07/2016
Post-its	4.28	60-445-4411	Office Expenses	87271378100	11/1/2016	11/07/2016
Copy Paper	20.00	01-430-4411	Office Expenses	87272105700	11/1/2016	11/07/2016
Copy Paper	20.00	01-441-4411	Office Expenses	87272105700	11/1/2016	11/07/2016

Description	Amount	Account	Acct Name	Invoice #	Inv Date	Pmt Date
Copy Paper	20.00	01-445-4411	Office Expenses	87272105700	11/1/2016	11/07/2016
Copy Paper	19.00	60-445-4411	Office Expenses	87272105700	11/1/2016	11/07/2016
Total:	638.39	*Vendor Total				
<b>Paddock Publications, Inc.</b>						
026910						
Leagl Ad/Bids for LED Streetlight Repl	108.10	01-445-4506	Publishing	T4455112	11/2/2016	11/07/2016
Total:	108.10	*Vendor Total				
<b>Pan Blanco Interlate</b>						
050880						
Refund Credit on Final Water Acct	1.56	18-320-3350	Sewer Collection	145 S Lcnwy	11/2/2016	11/07/2016
Refund Credit on Final Water Acct	20.61	60-320-3340	Water Collections	145 S Lcnwy	11/2/2016	11/07/2016
Total:	22.17	*Vendor Total				
<b>Paul L Buddy-Plumbing &amp; Heatng</b>						
021070						
TV Sewer/Fieldside	536.25	18-445-4570	Sewers Rpr & Mtce	26750	11/2/2016	11/07/2016
Total:	536.25	*Vendor Total				
<b>Petty Cash</b>						
000900						
Food/Beverages/Strategic Plnng	179.06	01-410-4280	Professional Consulting	001	11/2/2016	11/07/2016
Donuts/Coffee w/Mayor	15.20	01-410-4799	Misc. Expenditures	002	11/2/2016	11/07/2016
Mileage	42.12	01-430-4370	Conferences & Travel	003	11/2/2016	11/07/2016
Cash Drawer	2.00	01-430-4799	Misc.	004	11/2/2016	11/07/2016
Mileage	9.18	01-445-4370	Conferences & Travel	005	11/2/2016	11/07/2016
Mileage	6.48	60-445-4370	Conferences & Travel	006	11/2/2016	11/07/2016
KCWA Luncheon/Young	20.00	60-445-4390	Dues & Meetings	007	11/2/2016	11/07/2016
Dinner/Water Dept Workers/Sunday	55.80	60-445-4799	Misc. Expenditures	008	11/2/2016	11/07/2016
Total:	329.84	*Vendor Total				
<b>Phil Jungels</b>						
039230						
Police Commission Meeting Fees (2)	100.00	01-439-4015	Police Csn Mtgs-per Diem	9/8, 10/30 201	11/2/2016	11/07/2016
Total:	100.00	*Vendor Total				
<b>Rebecca Brusky</b>						
050870						
Refund Credit on Final Water Acct	1.60	18-320-3350	Sewer Collection	246 Abington	11/2/2016	11/07/2016
Refund Credit on Final Water Acct	21.50	60-320-3340	Water Collections	246 Abington	11/2/2016	11/07/2016
Total:	23.10	*Vendor Total				
<b>Rempe Sharpe &amp; Associates</b>						
000970						
Planning Meeting	549.68	01-441-4255	Engineering	25408 plng m	11/1/2016	11/07/2016
Remington Pond LOC	411.18	21-456-4255	Engineering	25408 rgt n loc	11/1/2016	11/07/2016

Description	Amount	Account	Acct Name	Invoice #	Inv Date	Pmt Date
Randall Highlands Road Damage	750.96	90-000-E207	K Hovnanian Homes - Mirador	25408 road dr	11/1/2016	11/07/2016
Sanitary Sewer Upgrades	261.64	18-445-4255	Engineering	25409 sswr up	11/1/2016	11/07/2016
Lot Grading/Insp/Sprngs/Tnnr	585.00	01-441-4255	Engineering	25410 lt grd	1/1/1850	11/07/2016
Inspections/Randall Highlands	2,288.00	90-000-E207	K Hovnanian Homes - Mirador	25410 rnd hgt	1/1/1850	11/07/2016
Automall Tower Antenna/Verizon	136.76	90-000-E221	Insite RE Inc - Verizon Cell	25412 veriz at	1/1/1850	11/07/2016
Well #8 Siting	253.00	60-445-4255	Engineering	25413 well #8	1/1/1850	11/07/2016
Liberty Business Center	3,665.06	90-000-E137	Liberty Properties	25414 liberty	1/1/1850	11/07/2016
AMC Dolan Re-Development	617.82	90-000-E223	310 S Lincolnway	25415 amc do	11/1/2016	11/07/2016
Springs/Oak/Orchard	7,454.74	90-000-E222	Springs at Orchard Rd	25416 springs	11/1/2016	11/07/2016
Opus East Warehouse	80.50	90-000-E093	OPUS - Industrial Park	25417 opus	11/1/2016	11/07/2016
Smoketree Phase 3	12,802.29	12-438-4255	Engineering	25418 smktr	11/1/2016	11/07/2016
IDOT Wall Repair	879.60	21-450-4255	Engineering	25419 idot wa	11/1/2016	11/07/2016
MIOX Upgrade @ East Treatment Plant	569.25	60-445-4255	Engineering	25420 miox	11/1/2016	11/07/2016
Oak Street Professional Bldg	187.00	01-441-4276	Inspection Services	25421 oak st	11/1/2016	11/07/2016
2016 Sanitary Sewer Televising	487.75	18-445-4255	Engineering	25422 sswr tv	11/1/2016	11/07/2016
2016 Manhole Lining	338.75	18-445-4255	Engineering	25423 mnhl lr	11/1/2016	11/07/2016
Well #9 Site Study/Engineering	3,600.96	60-471-4255	Engineering	25424	11/1/2016	11/07/2016
2016 Pavement Striping MFT	1,297.46	21-450-4255	Engineering	25425 pymnt	11/1/2016	11/07/2016
Hartfield Inundation Study	4,020.50	01-445-4255	Engineering	25426 hrtfld	11/1/2016	11/07/2016
2017 Watermain Project Engineering	4,840.94	60-460-4255	Engineering	25427 wtrmn	11/1/2016	11/07/2016
2017 Street Program	16,521.72	21-450-4255	Engineering	25428 strts	17 11/1/2016	11/07/2016
Oak & White Oak Intersection	189.38	21-450-4255	Engineering	25429 oak/wh	11/1/2016	11/07/2016
Total:	62,789.94	<b>*Vendor Total</b>				
<b>Rodd Winscott</b>						
032240						
Police Commission Meeting (1)	50.00	01-439-4015	Police Csn Mtgs-per Diem	9/8/2016	11/2/2016	11/07/2016
Total:	50.00	<b>*Vendor Total</b>				
<b>Russo Power Equipment Inc.</b>						
036290						
Seed/Fertilizer/Rake	268.21	01-445-4543	Sidewalks Rpr & Mtce	3519605	11/1/2016	11/07/2016
Total:	268.21	<b>*Vendor Total</b>				
<b>Scott Stephens</b>						
050860						
Refund Credit on Final Water Acct	3.15	18-320-3350	Sewer Collection	2752 Moutray	11/2/2016	11/07/2016
Refund Credit on Final Water Acct	37.30	60-320-3340	Water Collections	2752 Moutray	11/2/2016	11/07/2016
Total:	40.45	<b>*Vendor Total</b>				
<b>SECRETARY OF STATE</b>						
034200						
Admin Car #148 Re-Class Plates	29.00	01-445-4511	Vehicle Repair and Maint	Admin #148	11/2/2016	11/07/2016
Fee to Re-Class Plates	8.00	01-445-4511	Vehicle Repair and Maint	Admin #148 p	11/2/2016	11/07/2016
Total:	37.00	<b>*Vendor Total</b>				
<b>Southern Computer Warehouse</b>						
046840						
Cityview ERP Support Software	1,416.81	71-430-4870	Equipment	376239	11/2/2016	11/07/2016

Description	Amount	Account	Acct Name	Invoice #	Inv Date	Pmt Date
Total:	1,416.81	<b>*Vendor Total</b>				
<b>St. Charles Trading, Inc.</b>						
033210						
Salt for MIOX	3,916.70	60-445-4438	Salt - Treatment	1604199	11/2/2016	11/07/2016
Total:	3,916.70	<b>*Vendor Total</b>				
<b>Steiner Electric Company</b>						
006810						
Streetlight Bulbs	367.20	10-445-4661	Street Light Repair/Maint	S005523323.C	11/2/2016	11/07/2016
Streetlight Bulbs	288.24	10-445-4660	Street Lighting and Poles	S005523323.C	11/2/2016	11/07/2016
Total:	655.44	<b>*Vendor Total</b>				
<b>Suburban Laboratories, Inc.</b>						
045300						
Radium Samples	555.00	60-445-4562	Testing (water)	138697	11/2/2016	11/07/2016
Total:	555.00	<b>*Vendor Total</b>				
<b>Superior Asphalt Materials LLC</b>						
031440						
Pot Hole Repairs	194.88	01-445-4540	Streets & Alleys Rpr & Mtce	20161312	11/2/2016	11/07/2016
Pot Hole Repairs	186.76	01-445-4540	Streets & Alleys Rpr & Mtce	20161346	11/2/2016	11/07/2016
Total:	381.64	<b>*Vendor Total</b>				
<b>TAPCO</b>						
043400						
Crosswalk Push Buttons	60.00	01-445-4545	Traffic Signs & Signals	I543794	11/2/2016	11/07/2016
Total:	60.00	<b>*Vendor Total</b>				
<b>Thom Jungels</b>						
039460						
(62) Plumbing Inspections/Oct. 2016	2,170.00	01-441-4276	Inspection Services	10/216	11/1/2016	11/07/2016
Total:	2,170.00	<b>*Vendor Total</b>				
<b>Vessel, Inc.</b>						
041490						
Haul Away Spoils	460.00	01-445-4544	Storm Drain Maintenance	16-1863	11/2/2016	11/07/2016
Total:	460.00	<b>*Vendor Total</b>				
<b>Water Products Company</b>						
001170						
B-Box Repair Parts	462.00	60-445-4568	Watermain Rprs. & Rplcmts.	0269479	11/2/2016	11/07/2016
Dual Check Repair Parts	577.76	60-445-4480	New Meters,rprs. & Rplcmts.	0269618	11/2/2016	11/07/2016
Storm Sewer Repair	941.00	01-445-4544	Storm Drain Maintenance	0269748	11/2/2016	11/07/2016

Description	Amount	Account	Acct Name	Invoice #	Inv Date	Pmt Date
Total:	1,980.76	<b>*Vendor Total</b>				
<b>Wiermanski</b>						
042710						
Batteries/Gemset/East Treatment Plant	341.90	60-445-4567	Treatment Plant Repair/Maint	434-249482	11/2/2016	11/07/2016
Total:	341.90	<b>*Vendor Total</b>				
<b>Winzer Corporation</b>						
047560						
Custodial Supplies/NAPD	312.47	01-445-4421	Custodial Supplies	5711783	11/2/2016	11/07/2016
Total:	312.47	<b>*Vendor Total</b>				
<b>Xerox Corporation</b>						
040890						
Coipier Maintenance	85.00	01-440-4510	Equipment/IT Maint	086761841	11/2/2016	11/07/2016
Total:	85.00	<b>*Vendor Total</b>				
Report Total:	502,625.30					