



# VILLAGE OF NORTH AURORA, ILLINOIS



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED MAY 31, 2017



**VILLAGE OF NORTH AURORA, ILLINOIS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

For the Year Ended  
May 31, 2017

Prepared by:

William D. Hannah  
Finance Director

Mandy Flatt  
Accounting and Finance Coordinator

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## **INTRODUCTORY SECTION**



# **VILLAGE OF NORTH AURORA, ILLINOIS**

## **LIST OF PRINCIPAL OFFICIALS**

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### **VILLAGE PRESIDENT**

Dale Berman

### **BOARD OF TRUSTEES**

Mark Carroll

Laura Curtis

Mark Gaffino

Mark Guethle

Michael Lowery

Tao Martinez

### **VILLAGE CLERK**

Lori Murray

### **VILLAGE ADMINISTRATOR**

Steven Bosco

### **DEPARTMENT HEADS**

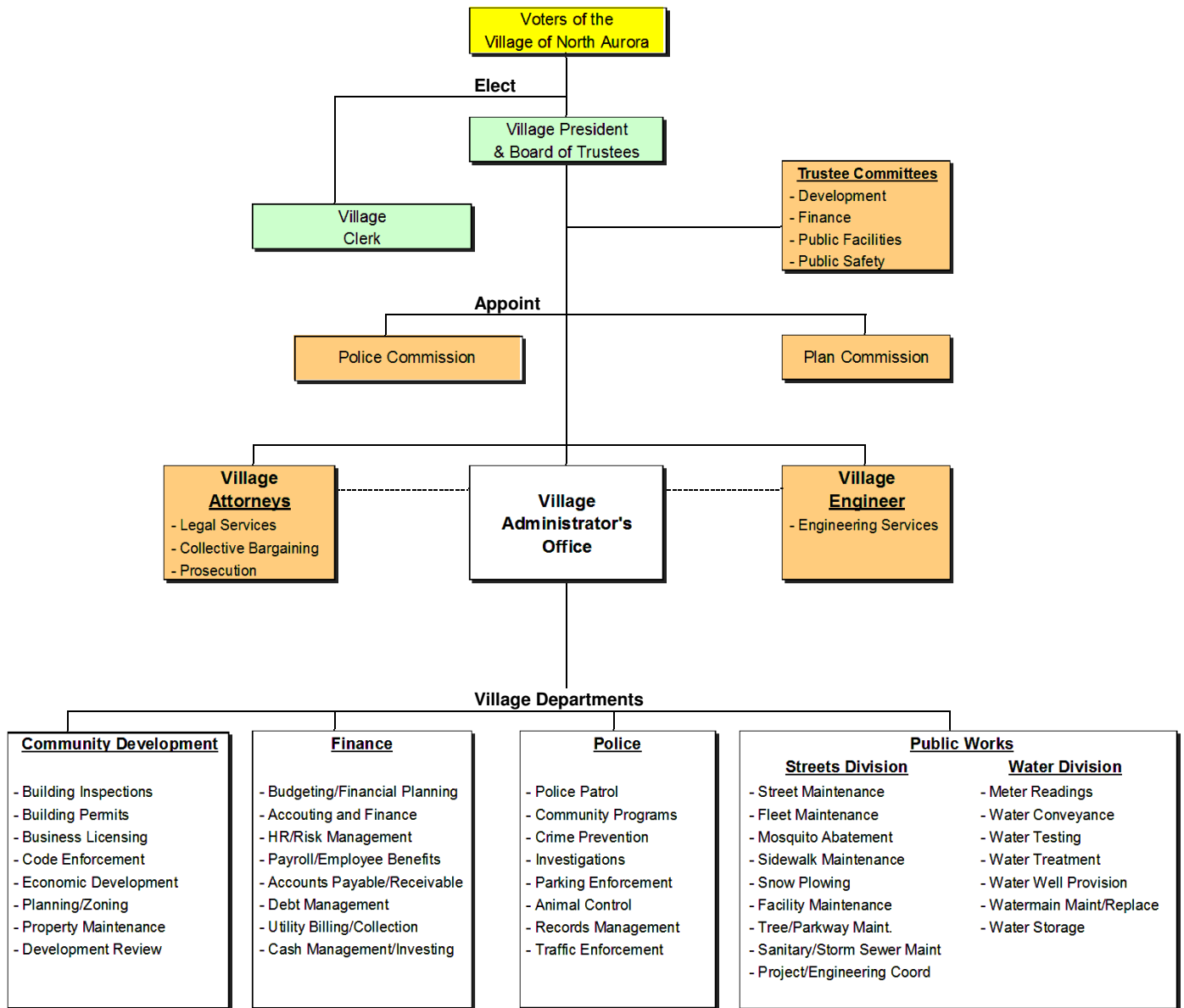
William Hannah     Finance Director/Treasurer

John Laskowski     Public Works Director

David Fisher     Police Chief

Michael Toth     Community Development Director

# 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, 2016**

Executive Director/CEO



October 18, 2017

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, 2017 is hereby submitted. This report provides a comprehensive view of the Village's financial activities for the year and financial position at May 31, 2017. 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, 2017 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and, evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion that the Village's financial statements for the fiscal year ended May 31, 2017 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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 which increased the official population of the Village to 17,441. 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 58.41 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 55 and 56 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 completed construction along Orchard Gateway. In addition, construction was completed on the Springs at Orchard, a 300-unit Class A gated apartment community. 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 new 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.

Other developments being discussed or which have begun close to the end of the year include a new hotel at Randall Highlands, including the building of additional townhomes for the development, and redevelopment of the former bowling alley on Rt. 31 to a modern self-storage facility. North Aurora continues to be a desirable place for residential, commercial and industrial development.

As anticipated, the taxable equalized assessed valuation (EAV) within the Village stabilized and increased for the 2014, 2015 and 2016 levy years and is anticipated to increase again for the 2017 levy year. The Village's 2016 taxable EAV increased 5.8% to \$486,825,058. The increase was due to the addition of \$4,866,878 in new construction EAV and an increase in current EAV 4.7% or \$21,731,406 due to the stabilization and increase in property value over the last three years. Tentative information for the 2017 tax year shows that the EAV for current property may increase by more than 4%. 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 4.2% from the prior year, the seventh consecutive year-over-year increase. General Fund sales tax revenue increased to \$4,579,287 for the year. Sales tax revenue in the General Fund has increased by an average of 6.2% every year for the last seven years and sales tax revenue has increased among most categories of revenue during that time, but sales of cars and titled vehicles, restaurant, other retail and food have been especially strong over that time.

State-shared income tax revenue decreased 5.9% during the year to \$1,612,400. During the year state income tax collections decreased due to the realization of less revenue by the State of Illinois as a result of a decrease in capital gains taxes collected by the State as a result of changes in the federal tax code allowing for increased or accelerated deductions. Some of this decrease was offset by the increase in the Village's official population to 17,441, an increase of 4.1%, which increased effective January, 2017 the per-capita distribution of income tax revenues to the Village. This per-capita increase also increased the Village's share of use tax revenue and motor fuel tax revenue by the same percentage.

**State of Illinois.** The State of Illinois in July 2017 passed its first budget in two years. In addition, the State increased the state income tax from 3.75% to 4.95% for individuals and 5.25% to 7.0% for corporations. State funding for some institutions and programs resumed as a result of the actions. However, significant financial pressures still exist with the State's overall finances, backlog of unpaid bills and unfunded pension systems. Part of the recent annual State budget that was passed included a 10% reduction in Local Government Distributive Funds (LGDF) payments of state-shared income tax revenue which is an example of direct and indirect effects

on the Village of continuing financial issues with the State that management will continue to monitor.

**Bond Rating.** 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 confirmed in March, 2017 at AA+. S&P cited the Village's strong economy, budgetary performance, very strong budgetary flexibility and liquidity as some of the reasons for the rating. 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
- Completed the partial, special census of the Village increasing the Village's official population count from 16,760 to 17,441
- Completed the installation of new entrance gateway signage throughout the Village's main corridors
- Completed the demolition of the old gas station at 24 S. Lincolnway
- Partially completed the painting and rehabilitation of the Village's west-side water tower with the new Village logo
- Issued \$5,800,000 in general obligation alternate revenue source bonds to begin construction of various projects including watermain replacement, construction of two (2) new deep wells, and a new water tower.
- Began the 3<sup>rd</sup> and final phase of the Smoketree Lane reconstruction using accumulated Rt. 31 tax increment financing (TIF) funds
- Continued removal of parkway trees infected with the Emerald Ash Borer and planting of new trees, eliminating most of the backlog of removal and replacement of those trees
- Completed the acquisition of land from the Fox Valley Park District for parcel contiguous to Village Hall site and began clean-up and other minor landscaping improvements to Riverfront Park in order to accommodate future events.
- Reorganized public works and water departments into one department and hired the Village's first Public Works Director.
- Completed the replacement of watermain on Cherrytree Lane
- Oversaw and coordinated the initial phases of the State's reconstruction of Airport Road, Alder Drive and Ice Cream Drive, partially funded with the Village's motor fuel tax (MFT) revenues
- Continued to evaluate the long-term options for the Village's various TIF funds



- Continuation of the Village's capital infrastructure replacement program including 1.6 miles of road reconstruction and rehabilitation including improvements to Hansen Drive, Overland Lane, Airport (west of Alder), John Street, Dee Road and Banbury Road as well as significant portions of sidewalk replacement in various areas throughout the Village
- Implemented information technology system improvements across all departments including the beginning of the implementation of new department-specific software systems
- Began process for evaluation of options for the implementation of geographic information system (GIS) in the Village
- Completed new franchise agreement with Metronet to begin installation of new high-speed, fiber optic cable within 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 funds realized from the closing of the revolving loan fund towards making an additional contribution to the Police Pension Trust Fund for the fourth 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, 2016. This was the 16<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 11<sup>th</sup> year in a row the GFOA's Distinguished Budget Presentation Award for the fiscal year 2016-17 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 cursive script, reading "William D. Hannah". The signature is written in dark ink and is positioned below the "Respectfully submitted," text.

William D. Hannah  
Finance Director

## **FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**



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

630.566.8400 // [www.sikich.com](http://www.sikich.com)

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, 2017, and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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, 2017, 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.

## **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

October 17, 2017

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**



**VILLAGE OF NORTH AURORA, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**MAY 31, 2017**

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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, 2017. 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 decreased by \$0.1 million or 0.1% during the fiscal year ending May 31, 2017. The governmental net position increased by \$92,262 and the business-type activities net position decreased by \$205,644
- The Village's combined Governmental Funds ending fund balance decreased \$109,499 as of May 31, 2017 to \$13.7 million
- As of May 31, 2017 the unrestricted fund balance for the General Fund was \$6.9 million or 68.9% of General Fund expenditures and transfers out for debt service

**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 54 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, information regarding the Village's obligation to provide other postemployment benefits to its employees and schedules of information concerning the village's participation in pension systems. Required supplementary information can be found on pages 55 to 64.

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 65 through 97 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, 2017.

**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, 2017**

	<b>Governmental-Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Current and Other Assets	\$ 21,934,934	\$ 21,651,234	\$ 8,942,532	\$ 3,406,458	\$ 30,877,466	\$ 25,057,692
Capital Assets	96,487,318	97,024,300	22,880,213	23,161,900	119,367,531	120,186,200
<b>Total Assets</b>	<b>118,422,252</b>	<b>118,675,534</b>	<b>31,822,745</b>	<b>26,568,358</b>	<b>150,244,997</b>	<b>145,243,892</b>
Pension Items	1,473,278	1,954,243	68,671	87,345	1,541,949	2,041,588
Unamortized Loss on Refunding	283,750	313,095	-	-	283,750	313,095
<b>Deferred Outflows</b>	<b>1,757,028</b>	<b>2,267,338</b>	<b>68,671</b>	<b>87,345</b>	<b>1,825,699</b>	<b>2,354,683</b>
Long-Term Liabilities	19,588,286	21,233,664	6,720,839	1,292,060	26,309,125	22,525,724
Current & Other Liabilities	2,644,259	2,565,797	411,473	427,065	3,055,732	2,992,862
<b>Total Liabilities</b>	<b>22,232,545</b>	<b>23,799,461</b>	<b>7,132,312</b>	<b>1,719,125</b>	<b>29,364,857</b>	<b>25,518,586</b>
Pension Items	1,163,636	492,291	28,170	-	1,191,806	492,291
Deferred Revenue	3,451,229	3,411,512	-	-	3,451,229	3,411,512
<b>Deferred Inflows</b>	<b>4,614,865</b>	<b>3,903,803</b>	<b>28,170</b>	<b>-</b>	<b>4,643,035</b>	<b>3,903,803</b>
Net Position:						
Net Investment in Capital Assets	88,313,085	87,966,627	21,830,789	22,191,726	110,143,874	110,158,353
Restricted	2,940,679	3,293,677	-	-	2,940,679	3,293,677
Unrestricted	2,078,106	1,979,304	2,900,145	2,744,852	4,978,251	4,724,156
<b>Total Net Position</b>	<b>\$ 93,331,870</b>	<b>\$ 93,239,608</b>	<b>\$ 24,730,934</b>	<b>\$ 24,936,578</b>	<b>\$ 118,062,804</b>	<b>\$ 118,176,186</b>

**Current Year Impacts on Net Position.** The Village's total net position remained about the same for the year, decreasing \$113,382 to \$118,062,804. Net position increased for governmental activities by \$92,262 and net position for business-type activities decreased by \$205,644.

The governmental activities total assets decreased \$253,282 due to a decline in capital assets of \$536,982 as a result of depreciation exceeding capital asset additions, while governmental activities current assets increased \$283,700 due to a slight increase in receivables from the prior year for property taxes. Governmental activities liabilities decreased \$1,566,916 or 6.6% to \$22,232,545 due to a decrease in net bonded debt outstanding of \$912,785 and a reduction in the net pension liability for police pension of \$680,175 to \$9,321,635.

Total assets of business-type activities increased \$5,254,387 due to the issuance of \$5,800,000 in general obligation alternate revenue source bonds during the year payable from the water charges of the Waterworks Fund. Proceeds from the bonds will be used to construct two new deep wells, a water tower and watermain replacement projects. Liabilities of business-type activities increased \$5,413,187 as a result of the new bond issuance.

Of the Village's total net position at May 31, 2017 or \$118,062,804, 93.3% are investments in capital assets (buildings, land, infrastructure, equipment). The Village's total unrestricted net position as of May 31, 2017 increased 5.4% or \$254,095 to \$4,978,251 for the year. Unrestricted net position for governmental activities increased \$98,802 to \$2,078,106. Restricted net position for governmental activities decreased \$352,998 to \$2,940,679 due to a decrease in restricted fund

balances for economic development that no longer were required to be restricted and transferred or assigned for other purposes. Unrestricted net position for business-type activities increased 5.7% or \$155,293 to \$2,900,145. 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, 2017**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 1,222,714	\$ 1,743,929	\$ 2,558,809	\$ 2,841,797	\$ 3,781,523	\$ 4,585,726
Operating Grants	466,331	477,516	-	-	466,331	477,516
Capital Grants/Contributions	839,023	1,410,172	-	10,597	839,023	1,420,769
General Revenues:						
Property & Repl Taxes	3,405,492	3,390,542	-	-	3,405,492	3,390,542
Sales Taxes	5,585,044	5,354,915	-	-	5,585,044	5,354,915
Other Taxes	1,422,567	1,390,150	-	-	1,422,567	1,390,150
Shared Income Taxes	1,612,400	1,714,327	-	-	1,612,400	1,714,327
Other	167,973	121,056	35,681	30,645	203,654	151,701
<b>Total Revenues</b>	<b>14,721,544</b>	<b>15,602,607</b>	<b>2,594,490</b>	<b>2,883,039</b>	<b>17,316,034</b>	<b>18,485,646</b>
<b>EXPENSES</b>						
General Government	2,658,299	2,751,762	-	-	2,658,299	2,751,762
Public Safety	6,211,779	6,035,035	-	-	6,211,779	6,035,035
Public Works	4,795,769	5,380,250	-	-	4,795,769	5,380,250
Sanitation	704,175	487,802	-	-	704,175	487,802
Interest	259,260	287,892	-	-	259,260	287,892
Waterworks	-	-	2,800,134	2,265,473	2,800,134	2,265,473
<b>Total Expenses</b>	<b>14,629,282</b>	<b>14,942,741</b>	<b>2,800,134</b>	<b>2,265,473</b>	<b>17,429,416</b>	<b>17,208,214</b>
<b>Change in Net Position</b>	<b>\$ 92,262</b>	<b>\$ 659,866</b>	<b>\$ (205,644)</b>	<b>\$ 617,566</b>	<b>\$ (113,382)</b>	<b>\$ 1,277,432</b>
<b>Net Position, June 1</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>
Prior Period Adjustment		\$ (8,372,751)		\$ (186,932)	\$ -	\$ (8,559,683)
<b>Net Position, June 1 Restate</b>	<b>\$ 93,239,608</b>	<b>\$ 92,579,742</b>	<b>\$ 24,936,578</b>	<b>\$ 24,319,012</b>	<b>\$ 118,176,186</b>	<b>\$ 116,898,754</b>
<b>Net Position, May 31</b>	<b>\$ 93,331,870</b>	<b>\$ 93,239,608</b>	<b>\$ 24,730,934</b>	<b>\$ 24,936,578</b>	<b>\$ 118,062,804</b>	<b>\$ 118,176,186</b>

### **Change in Net Position**

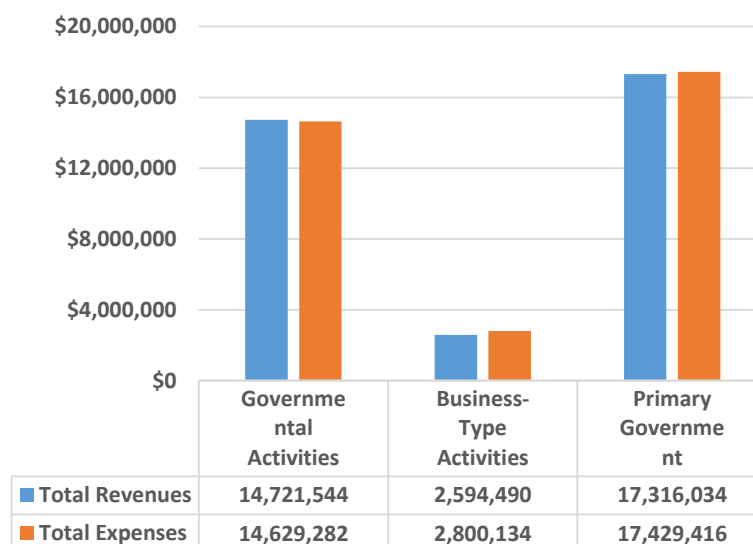
Total revenues for governmental activities decreased 5.6% or \$881,063 to \$14,721,544 due primarily to a decrease in capital grants/contributions of \$571,149 as fewer capital assets were accepted by the Village or recorded from the prior year. Charges for services also decreased from the prior year declining 29.9% or \$521,215 to \$1,222,714 due primarily to a decline in licenses and permits received in the General Fund as the prior year had an unusual number of projects that received a building permit from the Village. These declines were partially offset by an increase in all sales taxes received by the Village, increasing \$227,129 to \$5,585,044, and an increase in other taxes. Shared income taxes also declined for the year for the first time in six years decreasing

\$101,927 or 5.95% due to a decline in corporate income tax receipts as a result of changes in the federal tax code allowing for greater or accelerated deductions. Property and replacement taxes increased 0.4% or \$14,950 to \$3,405,492. Other taxes which include utility taxes, telecommunication taxes and other taxes increased slightly by \$32,417 to \$1,422,567.

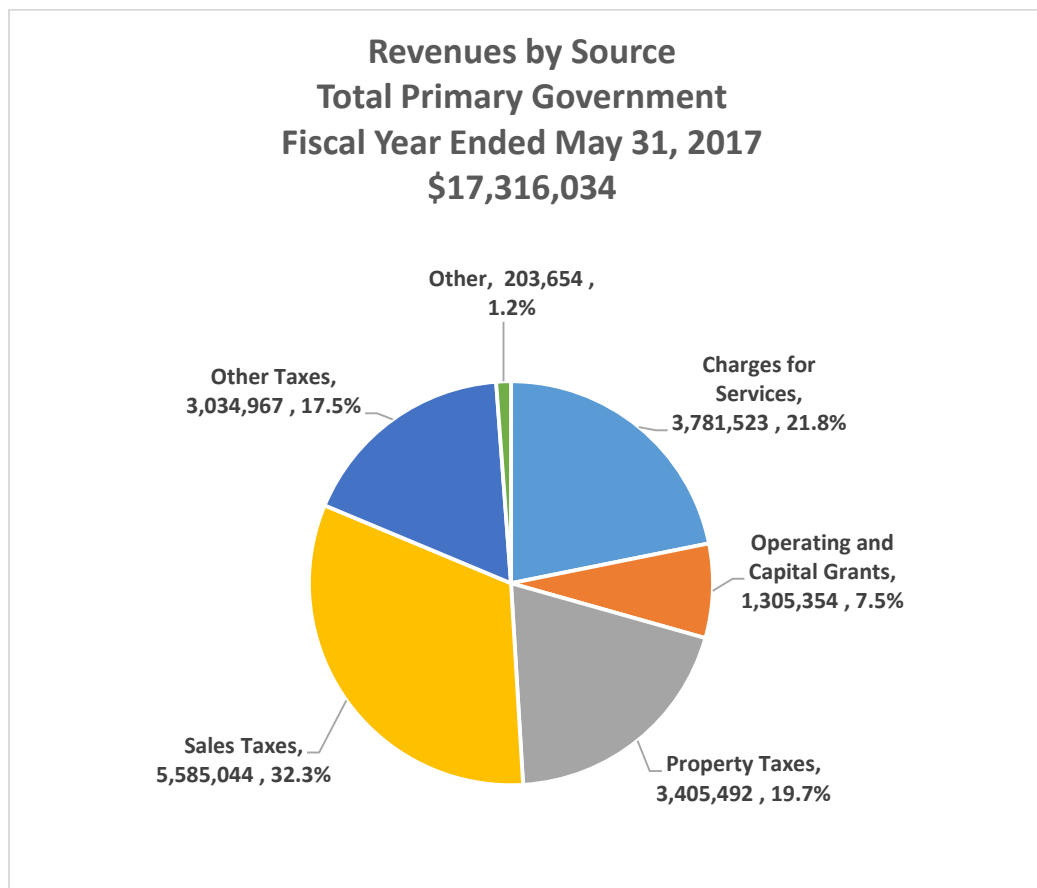
Expenses for governmental activities decreased 2.1% to \$14,629,282. General Government expenses decreased \$93,463 or 3.4% to \$2,658,299. This was due to a decrease in Rt.31 TIF expenses related to studies and other redevelopment activities of \$144,099. The decrease was partially offset by an increase in expenses in the General Fund of \$75,956 for operations. Expenses for Public Safety increased \$176,744 or 2.9% to \$6,211,779. Village contributions to the Police Pension Fund were \$925,000 versus last year's total of \$747,000. Salaries and wages also increased over the last year accounting for the additional increase. Public Works expenses decreased 10.9% or \$584,481 to \$4,795,769. The decrease was due to a decline in capital outlay activities compared to the prior year allocated to Public Works before depreciation. Public Works expenses in the General Fund increased \$54,802 due partially to an increase in personnel and benefit costs associated with hiring of a full-time Public Works Director in lieu of a Foreman position. Parkway tree maintenance and replacement expenditures decreased from \$208,538 to \$110,420, however this was offset by an increase in public building repair costs from \$92,079 to \$175,572 due to a repair and replacement of various HVAC systems.

Revenues for business-type activities decreased 10.0% or \$288,549 to \$2,594,490. This is due to a decrease in water connection fees from \$288,779 to \$35,466. In the prior year, water connection fees for the Springs at Orchard apartment complex were received in the amount of \$168,063. Water sales from customers increased 0.80% to \$2,294,592. Expenses for business-type activities increased 23.6% or \$534,661 to \$2,800,134. This increase is due to the \$259,188 in expenses related to the painting of the west-side water tower during the year, \$94,317 increase in engineering costs for various capital and water-related projects as well as increased water treatment plant maintenance and other increases in operating costs. Depreciation charges increased \$9,545 to \$845,925. Total business-type activities change in net position for the year was \$(205,644) a reflection of the one-time use of reserves for certain projects.

### Statement of Activities Fiscal Year Ended May 31, 2017

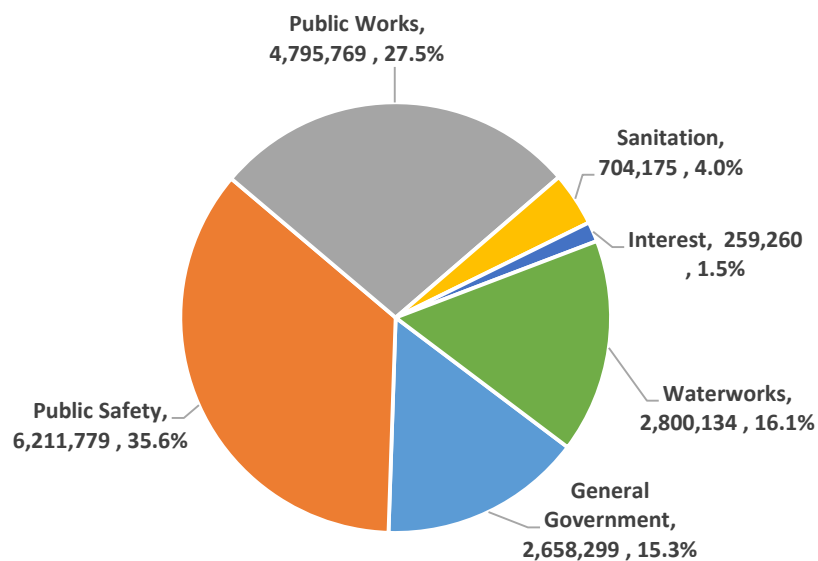


**Revenues.** Total primary government revenues for the fiscal year ended May 31, 2017 were \$17,316,034. As the chart below shows, 32.3% of revenues were from sales tax, 21.8% was from charges for services, 7.5% was from operating and capital grants and contributions, and 19.7% was from property taxes. Sales taxes were the largest source of revenues received at \$5,585,044 and property taxes, levied to support various purposes, special service areas or received as TIF revenues, were \$3,405,492. Charges for services consist primarily of building permits at \$272,442, cable franchise fees at \$281,600, and water usage sales at \$2,294,592.



**Expenses.** Total primary government expenses for the year were \$17,429,416, an increase of 1.3% from the prior year. Public Works expenses related to the Village's street maintenance and capital projects accounted for 27.5% of the total expenses. Public Safety expenses related to the Village's Police Department operations accounted for 35.6% of total expenses and the Village's waterworks operations accounted for 16.1%. Together, these three operational areas account for 79.2% of total expenses.

**Expenses by Function**  
**Total Primary Government**  
**Fiscal Year Ended May 31, 2017**  
**\$17,429,416**



### 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, 2017, the governmental funds reported total combined ending fund balances of \$13,733,215, a decrease of \$109,499 from the total beginning governmental fund balances of \$13,842,714. Of the total ending fund balances of \$13,733,215, \$25,090 is nonspendable in form, \$2,940,679 is restricted for various purposes, \$3,869,046 is assigned for various purposes and the remaining \$6,898,400 is unassigned. Total assigned and unassigned fund balances as of May 31, 2017 were \$10,767,446.

**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 \$6,898,400, while total fund balance in the General Fund was \$6,949,986. 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 68.9% 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 decreased \$205,683 or 2.0% from \$10,342,512 to \$10,136,829. This was due to a decrease in licenses and permits of \$357,380 due a decline in building permit revenues received. State-shared income tax revenue also decreased \$101,927 to \$1,612,400. These decreases were partially offset by an increase in sales tax revenues of \$184,290 to \$4,579,287. General Fund expenditures increased \$343,652 or 3.8% to \$9,388,868. Public safety expenditures for police department operations increased by 4.2% or \$212,894 to \$5,256,651 due to increases in salaries, wages and police pension expenditures. Police pension expenditures increased from \$747,000 to \$925,000. General government expenditures increased \$75,956 or 3.5% due primarily to an increase in Community Development Department staffing levels during the year and increases in personnel costs in Administration and Finance. Public Works expenditures increased \$54,802 or 3.0% to \$1,882,638. During the year, parkway tree replacement expenditures decreased from \$208,538 to \$110,420 but public building repair expenditures increased from \$92,079 to \$175,572. Total personnel costs in public works increased \$870,925 to \$915,573.

Transfers out during the year of \$624,834 were for required debt service payments. In the prior year, the Village transferred \$75,000 to the Insurance Fund and a transfer out of \$400,000 to support capital projects in the Capital Projects Fund but for 2017 no additional transfers were made for the year. The net increase in fund balance for the year was \$301,860. Revenues were under final budget by \$183,021 primarily due to lower than expected state-shared income tax revenue. Expenditures were under final budget by \$446,236 due to sales tax rebates being less than budgeted, and certain personnel and other operating expenditures coming in under budget.

**Capital Projects Fund.** The Capital Projects Fund received revenues totaling \$1,806,714. This was a decrease from the prior year of 9.6% or 192,973. Of this amount, \$1,005,758 was from the Village's 0.50% non-home rule sales tax and \$725,062 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 \$1,928,785 which included \$1,696,781 in expenditures for the annual road reconstruction, resurfacing and related infrastructure programs. The total fund balance increased from \$1,974,047 to \$2,064,911.

**Route 31 TIF Fund.** The Route 31 TIF Fund realized \$386,017 in revenues during the year of which \$374,963 were TIF property tax revenues. This was a decrease in TIF property tax revenues which in the prior year were \$450,515 due to a change in assessment for a particular property's EAV. Expenditures for the year were \$326,778. During the year the Village began the reconstruction of the final phase of Smoketree Lane and completed \$221,301 towards the reconstruction of that street. The Village also completed the demolition of the gas station at 24 S. Lincolnway for \$50,840. Overall the fund balance in the Rt. 31 TIF Fund increased slightly from \$1,163,048 to \$1,222,287.

**Business-Type Activities.** Total Waterworks operating revenues were \$2,365,197 a decrease of \$307,630 or 11.5% from the prior year. The decrease was due to water connection fees being \$253,313 less than the prior year. Total operating expenses were \$2,655,505, an increase of \$374,419 from the previous year, resulting in an operating loss of \$290,308. Operating expenses were higher due to the painting of the west-side water tower and increase in engineering costs for future capital projects. After non-operating revenues/(expenses) were added, the change in net position for the year was \$(205,644). Total net position at the end of the year was \$24,730,934 which includes the Waterworks Fund net investment in capital assets of \$21,830,789 leaving an unrestricted net position of \$2,900,145.

**General Fund Budget.** For the year, one budget amendment was approved by the Village Board which impacted the General Fund. This amendment transferred a portion of the remaining funds from the Community Development Loan Fund to the General Fund in the amount of \$125,000, and then an additional Village contribution to the Police Pension Fund was made for \$125,000. The remaining Community Development Loan Fund amounts were transferred to the Capital Projects Fund.

### Capital Assets

The Village's investment in capital assets for both its governmental and business-type activities as of May 31, 2017 is \$119,367,531 (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 decrease in the Village's investment in capital assets net of accumulated depreciation for the current fiscal year was 0.68% (a 0.55% decrease for governmental activities and a 1.22% decrease for business-type activities). The above schedule reflects the Village's capital asset balances as of May 31, 2017.

**Table 3**  
**Capital Assets**  
**As of May 31, 2017**

	Governmental-Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Land and Land Right of Way	\$ 27,428,737	\$ 27,279,737	\$ 476,703	\$ 476,703	\$ 27,905,440	\$ 27,756,440
Buildings	18,042,153	18,042,153	-	-	18,042,153	18,042,153
Construction in Progress	1,641,006	949,501	-	-	1,641,006	949,501
Vehicles and Equipment	3,676,486	3,700,627	72,200	72,200	3,748,686	3,772,827
Infrastructure	60,443,598	59,216,426	-	-	60,443,598	59,216,426
Sewer Lines	24,835,126	24,688,394	-	-	24,835,126	24,688,394
Water Towers and Wells	-	-	4,875,441	4,875,441	4,875,441	4,875,441
Water Treatment Facilities	-	-	7,008,259	6,852,559	7,008,259	6,852,559
Water Lines	-	-	23,810,827	23,588,202	23,810,827	23,588,202
Less:						-
Accumulated Depreciation	(39,579,788)	(36,852,538)	(13,363,217)	(12,703,205)	(52,943,005)	(49,555,743)
<b>Total Assets</b>	<b>\$ 96,487,318</b>	<b>\$ 97,024,300</b>	<b>\$ 22,880,213</b>	<b>\$ 23,161,900</b>	<b>\$ 119,367,531</b>	<b>\$ 120,186,200</b>

Major capital asset additions during fiscal year 2017 included:

- Completion of the 2016 road rehabilitation program of 1.6 miles on portions or all of Overland Drive, John Street, Hansen Blvd., Dee Street and Banbury Road for \$1,721,875
- Beginning of the 2017 road rehabilitation program during the year recorded as construction in progress for \$1,641,006
- Completion of the 2017 watermain replacement project on Cherrytree Lane for \$408,538
- Installation of new equipment at the East water treatment facility for \$155,700

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

## Debt Outstanding

As of May 31, 2017, the Village had total debt outstanding of \$14,482,614 (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:

- \$1,850,000 is to be retired with a library debt service property tax levy
- \$6,252,614 is to be retired with water service charges revenue
- \$6,380,000 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, 2017**

	<b>Governmental-Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
General Obligation Bonds	1,850,000	2,290,000	-	-	1,850,000	2,290,000
General Obligation Bonds/Loans (Alternative Revenue Source)	6,380,000	6,830,000	6,252,614	970,174	12,632,614	7,800,174
<b>Total</b>	<b>\$ 8,230,000</b>	<b>\$ 9,120,000</b>	<b>\$ 6,252,614</b>	<b>\$ 970,174</b>	<b>\$ 14,482,614</b>	<b>\$ 10,090,174</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, 2017, the taxable EAV of the Village was \$486,825,058 which resulted in a total legal debt limit of \$41,988,661. At the end of the fiscal year, the Village has \$1,850,000 in debt applicable to the debt limit, resulting in a debt to EAV ratio of 0.38%.

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 sales tax revenues due to strength in the local

economy as new businesses have opened and development of vacant land for both residential, commercial and industrial uses continues. The Village has adopted a balanced budget for FY '18 and it is anticipated that operations will overall remain balanced, except for the possible use of reserves for one-time projects. Although some decreases in state-shared income revenue have occurred due to law changes and state budget changes affective the FY '18 the Village remains in strong financial position to continue to meet the Village's operating and capital needs going forward.

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 2016 levy collected in calendar 2017, this increase was 0.7%. For the 2017 levy collected in 2018, the applicable CPI factor is 2.1%. For both the 2016 levy and the 2017 levy the Village has also seen an increase in new construction that has added to the overall tax base of the Village.

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 '18 in the Capital Projects Fund. The Village also replaces when necessary aging watermain in conjunction with the road program. The Village is moving forward with the construction of water system improvements for both water pumping capacity and storage using bonds issued during the year.

### **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, 2017

	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-Type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 10,518,321	\$ 6,961,230	\$ 17,479,551
Investments	5,815,363	1,622,903	7,438,266
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	3,375,325	-	3,375,325
Other Taxes	1,640,430	-	1,640,430
Accounts	26,424	350,173	376,597
Intergovernmental	433,087	-	433,087
Accrued Interest	20,437	1,797	22,234
Other	63,866	-	63,866
Prepaid Items	25,090	6,429	31,519
Inventory	16,591	-	16,591
Capital Assets			
Nondepreciable	29,069,743	476,703	29,546,446
Depreciable (Net of Accumulated Depreciation)	67,417,575	22,403,510	89,821,085
<b>Total Assets</b>	<b>118,422,252</b>	<b>31,822,745</b>	<b>150,244,997</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized Loss on Refunding	283,750	-	283,750
Pension Items - IMRF	329,769	68,671	398,440
Pension Items - Police Pension	1,143,509	-	1,143,509
<b>Total Deferred Outflows of Resources</b>	<b>1,757,028</b>	<b>68,671</b>	<b>1,825,699</b>
<b>LIABILITIES</b>			
Accounts Payable	2,012,888	309,213	2,322,101
Retainage Payable	129,305	45,074	174,379
Accrued Payroll	144,945	10,940	155,885
Accrued Interest Payable	98,698	34,876	133,574
Unearned Revenue	258,423	7,979	266,402
Due to Others	-	3,391	3,391
Noncurrent Liabilities			
Due Within One Year	1,009,934	465,898	1,475,832
Due in More than One Year	18,578,352	6,254,941	24,833,293
<b>Total Liabilities</b>	<b>22,232,545</b>	<b>7,132,312</b>	<b>29,364,857</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Items - IMRF	135,277	28,170	163,447
Pension Items - Police Pension	1,028,359	-	1,028,359
Deferred Revenue - Property Taxes	3,451,229	-	3,451,229
<b>Total Deferred Inflows of Resources</b>	<b>4,614,865</b>	<b>28,170</b>	<b>4,643,035</b>

(This statement is continued on the following page.)

VILLAGE OF NORTH AURORA, ILLINOIS

STATEMENT OF NET POSITION (Continued)

May 31, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 88,313,085	\$ 21,830,789	\$ 110,143,874
Restricted for			
Debt Service	360,521	-	360,521
DUI Enforcement	31,821	-	31,821
Highways and Streets	1,167,516	-	1,167,516
Economic Development	1,254,917	-	1,254,917
Subdivision Improvements	125,904	-	125,904
Unrestricted	2,078,106	2,900,145	4,978,251
<b>TOTAL NET POSITION</b>	<b>\$ 93,331,870</b>	<b>\$ 24,730,934</b>	<b>\$ 118,062,804</b>

See accompanying notes to financial statements.

**VILLAGE OF NORTH AURORA, ILLINOIS**

**STATEMENT OF ACTIVITIES**

For the Year Ended May 31, 2017

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		Program Revenues		
		Charges	Operating	Capital
	Expenses	for Services	Grants and	Grants and
			Contributions	Contributions
<hr/>				
<b>FUNCTIONS/PROGRAMS</b>				
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General Government	\$ 2,658,299	\$ 869,123	\$ -	\$ -
Public Safety	6,211,779	175,661	6,660	-
Public Works	4,795,769	-	459,671	839,023
Sanitation	704,175	177,930	-	-
Interest	259,260	-	-	-
Total Governmental Activities	14,629,282	1,222,714	466,331	839,023
Business-Type Activities				
Waterworks	2,800,134	2,558,809	-	-
Total Business-Type Activities	2,800,134	2,558,809	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 17,429,416</b>	<b>\$ 3,781,523</b>	<b>\$ 466,331</b>	<b>\$ 839,023</b>

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	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
	\$ (1,789,176)	\$ -	\$ (1,789,176)
	(6,029,458)	-	(6,029,458)
	(3,497,075)	-	(3,497,075)
	(526,245)	-	(526,245)
	(259,260)	-	(259,260)
	(12,101,214)	-	(12,101,214)
	-	(241,325)	(241,325)
	-	(241,325)	(241,325)
	(12,101,214)	(241,325)	(12,342,539)
General Revenues			
Taxes			
Property and Replacement	3,405,492	-	3,405,492
Sales	5,585,044	-	5,585,044
Telecommunications	258,746	-	258,746
Utility	531,002	-	531,002
Amusement	82,489	-	82,489
Other	550,330	-	550,330
Intergovernmental - Unrestricted			
Shared Income Taxes	1,612,400	-	1,612,400
Investment Income	102,993	21,607	124,600
Miscellaneous	64,980	14,074	79,054
Total	12,193,476	35,681	12,229,157
CHANGE IN NET POSITION	92,262	(205,644)	(113,382)
NET POSITION, JUNE 1	93,239,608	24,936,578	118,176,186
NET POSITION, MAY 31	\$ 93,331,870	\$ 24,730,934	\$ 118,062,804

See accompanying notes to financial statements.



**VILLAGE OF NORTH AURORA, ILLINOIS**

**GOVERNMENTAL FUNDS  
BALANCE SHEET**

May 31, 2017

	<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	\$ 2,510,268	\$ 2,325,575	\$ 1,482,248	\$ 2,959,077	\$ 9,277,168
Investments	3,672,512	425,411	-	770,686	4,868,609
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)					
Property Taxes	2,181,522	-	375,160	818,643	3,375,325
Other Taxes	1,273,299	322,359	-	44,772	1,640,430
Accounts	-	-	-	26,424	26,424
Intergovernmental	418,554	14,533	-	-	433,087
Accrued Interest	13,208	1,486	-	2,462	17,156
Other	63,866	-	-	-	63,866
Prepaid Items	19,765	-	-	5,325	25,090
<b>TOTAL ASSETS</b>	<b>\$10,152,994</b>	<b>\$ 3,089,364</b>	<b>\$ 1,857,408</b>	<b>\$ 4,627,389</b>	<b>\$ 19,727,155</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 827,907	\$ 676,120	\$ 216,024	\$ 289,987	\$ 2,010,038
Retainage Payable	-	101,999	22,130	5,176	129,305
Accrued Payroll	144,945	-	-	-	144,945
Unearned Revenue	-	246,334	11,836	-	258,170
Due to Others	-	-	-	253	253
Total Liabilities	972,852	1,024,453	249,990	295,416	2,542,711
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Property Taxes	2,230,156	-	385,131	835,942	3,451,229
Total Deferred Inflows of Resources	2,230,156	-	385,131	835,942	3,451,229
<b>FUND BALANCES</b>					
Nonspendable in Form - Prepaid Items	19,765	-	-	5,325	25,090
Restricted for DUI Enforcement	31,821	-	-	-	31,821
Restricted for Debt Service	-	-	-	360,521	360,521
Restricted for Highways and Streets	-	-	-	1,167,516	1,167,516
Restricted for Economic Development	-	-	1,222,287	32,630	1,254,917
Restricted for Subdivision Improvements	-	-	-	125,904	125,904
Unrestricted					
Assigned for Tort Purposes	-	-	-	304,020	304,020
Assigned for Roads, Infrastructure and Capital Projects	-	2,064,911	-	-	2,064,911
Assigned for Buffer Repair/Replacement	-	-	-	35,440	35,440
Assigned for Sanitary Sewers	-	-	-	1,396,599	1,396,599
Assigned for Tourism	-	-	-	68,076	68,076
Unassigned	6,898,400	-	-	-	6,898,400
Total Fund Balances	6,949,986	2,064,911	1,222,287	3,496,031	13,733,215
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$10,152,994</b>	<b>\$ 3,089,364</b>	<b>\$ 1,857,408</b>	<b>\$ 4,627,389</b>	<b>\$ 19,727,155</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, 2017

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<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>\$ 13,733,215</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	96,487,318
Less Internal Service Funds	(1,181,228)

Accrued interest payable is not recorded in governmental funds but is recorded on the statement of net position	(98,698)
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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 and inflows of resources on the statement of net position	194,492
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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	115,150
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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	(8,230,000)
Net Pension Liability - IMRF	(1,132,331)
Net Pension Liability - Police Pension	(9,321,635)
Net Other Postemployment Benefits Obligation	(316,600)

Loss on refunding of bonds is recorded on the statement of net position	283,750
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Premium on bonds is recorded on the statement of net position	(227,983)
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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>3,026,420</u>
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<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 93,331,870</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, 2017

	<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	\$ 7,446,673	\$ 1,730,820	\$ 374,963	\$ 860,649	\$ 10,413,105
Licenses and Permits	472,777	-	-	7,113	479,890
Intergovernmental	1,619,060	14,533	-	459,671	2,093,264
Charges for Services	415,083	-	-	170,817	585,900
Fines and Forfeits	127,720	-	-	-	127,720
Impact Fees	-	42,490	-	-	42,490
Investment Income	54,325	18,871	7,979	21,818	102,993
Miscellaneous	1,191	-	3,075	89,919	94,185
<b>Total Revenues</b>	<b>10,136,829</b>	<b>1,806,714</b>	<b>386,017</b>	<b>1,609,987</b>	<b>13,939,547</b>
<b>EXPENDITURES</b>					
Current					
General Government	2,249,579	-	53,714	186,261	2,489,554
Public Safety	5,256,651	-	-	182,438	5,439,089
Public Works	1,882,638	-	-	608,439	2,491,077
Sanitation	-	-	-	314,133	314,133
Capital Outlay	-	1,928,785	273,064	16,875	2,218,724
Debt Service					
Principal Retirement	-	-	-	890,000	890,000
Interest	-	-	-	262,375	262,375
Fiscal Charges	-	-	-	950	950
<b>Total Expenditures</b>	<b>9,388,868</b>	<b>1,928,785</b>	<b>326,778</b>	<b>2,461,471</b>	<b>14,105,902</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>747,961</b>	<b>(122,071)</b>	<b>59,239</b>	<b>(851,484)</b>	<b>(166,355)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	125,000	212,935	-	624,834	962,769
Transfers (Out)	(624,834)	-	-	(337,935)	(962,769)
Insurance Claim Reimbursement	53,733	-	-	3,123	56,856
<b>Total Other Financing Sources (Uses)</b>	<b>(446,101)</b>	<b>212,935</b>	<b>-</b>	<b>290,022</b>	<b>56,856</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>301,860</b>	<b>90,864</b>	<b>59,239</b>	<b>(561,462)</b>	<b>(109,499)</b>
<b>FUND BALANCES, JUNE 1</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>
<b>FUND BALANCES, MAY 31</b>	<b>\$ 6,949,986</b>	<b>\$ 2,064,911</b>	<b>\$ 1,222,287</b>	<b>\$ 3,496,031</b>	<b>\$ 13,733,215</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, 2017

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<b>NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ (109,499)</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	2,037,535
Depreciation expense does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds	(3,437,690)
Less amounts included in internal service funds below	190,541
Sales of capital assets are reported as proceeds in governmental funds but as a gain (loss) from sale on the statement of activities	(38,314)
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	782,000
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	890,000
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	10,625
The change in the Illinois Municipal Retirement Fund net pension liability is not a source or use of a financial resource	95,447
The change in the Police Pension Fund net pension liability is not a source or use of a financial resource	680,175
The change in deferred outflows and inflows for the Illinois Municipal Retirement Fund is reported only on the statement of activities	(195,383)
The change in deferred outflows and inflows for the Police Pension Fund is reported only on the statement of activities	(956,927)
The change in net other postemployment benefits obligations are reported only in the statement of activities	(38,045)
The change in net position in internal service funds is shown as a governmental activity on the statement of activities	<u>188,357</u>

<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 92,262</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, 2017

	<b>Business-Type Activities Waterworks</b>	<b>Governmental Activities Internal Service Funds</b>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 6,961,230	\$ 1,241,153
Investments	1,622,903	946,754
Receivables		
Accounts	350,173	-
Accrued Interest	1,797	3,281
Prepaid Items	6,429	-
Inventory	-	16,591
	<hr/>	<hr/>
Total Current Assets	8,942,532	2,207,779
	<hr/>	<hr/>
<b>CAPITAL ASSETS</b>		
Nondepreciable	476,703	15,800
Depreciable (Net of Accumulated Depreciation)	22,403,510	1,165,428
	<hr/>	<hr/>
Total Capital Assets	22,880,213	1,181,228
	<hr/>	<hr/>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension Items - IMRF	68,671	-
	<hr/>	<hr/>
Total Deferred Outflows of Resources	68,671	-
	<hr/>	<hr/>
Total Assets and Deferred Outflows of Resources	31,891,416	3,389,007
	<hr/>	<hr/>
<b>CURRENT LIABILITIES</b>		
Accounts Payable	309,213	2,850
Retainage Payable	45,074	-
Accrued Payroll	10,940	-
Other Unearned Revenue	7,979	-
Interest Payable	34,876	-
Due to Others	3,391	-
Compensated Absences Payable	4,646	89,934
Kane County Loan Payable	106,252	-
General Obligation Alternate Revenue		
Source Bonds Payable	355,000	-
	<hr/>	<hr/>
Total Current Liabilities	877,371	92,784
	<hr/>	<hr/>
<b>LONG-TERM LIABILITIES</b>		
Compensated Absences Payable	13,936	269,803
Net Pension Liability	235,797	-
Other Postemployment Benefits Payable	22,983	-
Kane County Loan Payable	346,362	-
General Obligation Alternate Revenue		
Source Bonds Payable	5,635,863	-
	<hr/>	<hr/>
Total Long-Term Liabilities	6,254,941	269,803
	<hr/>	<hr/>
Total Liabilities	7,132,312	362,587
	<hr/>	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension Items - IMRF	28,170	-
	<hr/>	<hr/>
Total Deferred Outflows of Resources	28,170	-
	<hr/>	<hr/>

(This statement is continued on the following page.)

VILLAGE OF NORTH AURORA, ILLINOIS

PROPRIETARY FUNDS  
STATEMENT OF NET POSITION (Continued)

May 31, 2017

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	<b>Business-Type Activities Waterworks</b>	<b>Governmental Activities Internal Service Funds</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$ 21,830,789	\$ 1,181,228
Unrestricted	2,900,145	1,845,192
<b>TOTAL NET POSITION</b>	<u>\$ 24,730,934</u>	<u>\$ 3,026,420</u>

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, 2017

	<b>Business-Type Activities Waterworks</b>	<b>Governmental Activities Internal Service Funds</b>
<b>OPERATING REVENUES</b>		
Water Sales	\$ 2,294,592	\$ -
Water Meters	8,371	-
Water Permits	35,466	-
Meter Reads	18,160	-
Impact Fees	288	-
Building Permits	670	-
Charges for Services	-	413,556
Hydrant Meter Rental	200	-
Reimburse Turn On/Turn Off Fees	7,450	-
	<hr/>	<hr/>
Total Operating Revenues	2,365,197	413,556
	<hr/>	<hr/>
<b>OPERATING EXPENSES</b>		
Operations	1,809,580	49,302
Depreciation	845,925	190,541
	<hr/>	<hr/>
Total Operating Expenses	2,655,505	239,843
	<hr/>	<hr/>
OPERATING INCOME (LOSS)	(290,308)	173,713
	<hr/>	<hr/>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Investment Income	21,607	10,786
Tower Rent	193,612	-
Miscellaneous	9,376	-
Insurance Claim Reimbursement	4,698	-
Gain on Disposal of Capital Assets	1,883	1,377
Interest Expense	(39,023)	-
Bond Issuance Costs	(107,489)	-
	<hr/>	<hr/>
Total Non-Operating Revenues (Expenses)	84,664	12,163
	<hr/>	<hr/>
CHANGE IN NET POSITION BEFORE CONTRIBUTIONS	(205,644)	185,876
	<hr/>	<hr/>
Contributions	-	2,481
	<hr/>	<hr/>
CHANGE IN NET POSITION	(205,644)	188,357
	<hr/>	<hr/>
NET POSITION, JUNE 1	24,936,578	2,838,063
	<hr/>	<hr/>
NET POSITION, MAY 31	\$ 24,730,934	\$ 3,026,420
	<hr/>	<hr/>

See accompanying notes to financial statements.

**VILLAGE OF NORTH AURORA, ILLINOIS**

**PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS**

For the Year Ended May 31, 2017

	<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	\$ 2,378,767	\$ -
Receipts from Tower Rental	193,612	-
Receipts from Internal Service Transactions	-	413,556
Payments to Suppliers	(1,367,348)	(46,773)
Payments to Employees	(472,083)	-
	<hr/>	<hr/>
Net Cash from Operating Activities	732,948	366,783
	<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	4,698	-
Proceeds from Public Works Escrow	-	2,481
Proceeds on Sale of Equipment	1,885	1,377
Purchase of Capital Assets	(564,240)	(121,165)
Proceeds on Long-Term Debt	5,896,098	-
Interest on Long-Term Debt	(31,525)	-
Principal on Long-Term Debt	(517,560)	-
	<hr/>	<hr/>
Net Cash from Capital and Related Financing Activities	4,789,356	(117,307)
	<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(1,622,903)	-
Interest Received	21,607	15,970
	<hr/>	<hr/>
Net Cash from Investing Activities	(1,601,296)	15,970
	<hr/>	<hr/>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	3,921,008	265,446
<b>CASH AND CASH EQUIVALENTS, JUNE 1</b>	3,040,222	975,707
	<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS, MAY 31</b>	\$ 6,961,230	\$ 1,241,153
	<hr/>	<hr/>

(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, 2017

	<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	\$ 6,961,230	\$ 1,241,153
Cash with Paying Agent	-	-
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>\$ 6,961,230</b>	<b>\$ 1,241,153</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ (290,308)	\$ 173,713
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities		
Depreciation	845,925	190,541
Tower Rent	193,612	-
Miscellaneous	9,376	-
(Increase) Decrease in		
Accounts Receivable	6,656	-
Inventory	-	(2,455)
Prepaid Items	1,181	-
Deferred Outflows - IMRF	18,674	-
Increase (Decrease) in		
Accounts Payable	(34,699)	-
Retainage Payable	1,648	-
Accrued Payroll	(301)	-
Other Unearned Revenue	931	-
Due to Others	(3,393)	-
Compensated Absences	(8,032)	4,984
Net Pension Liability - IMRF	(39,266)	-
Deferred Inflows - IMRF	28,170	-
Other Postemployment Benefits	2,774	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 732,948</b>	<b>\$ 366,783</b>
<b>NONCASH TRANSACTIONS</b>		
Change in Fair Value of Investments	\$ -	\$ (5,161)
<b>TOTAL NONCASH TRANSACTIONS</b>	<b>\$ -</b>	<b>\$ (5,161)</b>

See accompanying notes to financial statements.

**VILLAGE OF NORTH AURORA, ILLINOIS**

**FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION**

May 31, 2017

	<b>Pension Trust</b>	<b>Agency Funds</b>
	<b>Police Pension</b>	
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 5,952	\$ 879,663
Investments		
U.S. Agency Obligations	3,156,162	-
U.S. Treasury Obligations	35,133	-
Equity Mutual Funds	6,991,975	-
Municipal Bonds	625,401	-
Corporate Bonds	2,942,897	-
Money Market Mutual Funds	261,872	-
Equities	1,803,992	-
Receivables		
Accrued Interest	85,790	-
Total Assets	15,909,174	\$ 879,663
<b>LIABILITIES</b>		
Accounts Payable	285	\$ -
Due to Others	-	879,663
Total Liabilities	285	\$ 879,663
<b>NET POSITION</b>		
Net Position Restricted for Pension Benefits	15,908,889	
<b>TOTAL NET POSITION</b>	<b>\$ 15,908,889</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, 2017

	<b><u>Police Pension</u></b>
<b>ADDITIONS</b>	
Contributions	
Employer	\$ 925,000
Employee	<u>253,704</u>
Total Contributions	<u>1,178,704</u>
Investment Income	
Net Appreciation in	
Fair Value of Investments	928,417
Interest	<u>462,663</u>
Total Investment Income	1,391,080
Less Investment Expense	<u>(23,453)</u>
Net Investment Income	<u>1,367,627</u>
Total Additions	<u>2,546,331</u>
<b>DEDUCTIONS</b>	
Benefits and Refunds	714,048
Administrative	<u>8,094</u>
Total Deductions	<u>722,142</u>
NET INCREASE	1,824,189
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>	
June 1	<u>14,084,700</u>
May 31	<u><u>\$ 15,908,889</u></u>

See accompanying notes to financial statements.

# VILLAGE OF NORTH AURORA, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

May 31, 2017

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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 of Trustees 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: developer's and building escrow to account for building bond deposits; and 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. Non-negotiable certificates of deposit and investments with maturity of less than one year at date of purchase are stated at cost or amortized cost. All other investments are stated at fair value. All investments of the pension trust fund are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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



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

**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.”

**G. Unbilled Receivables**

Estimated sales for water usage prior to May 31, 2017, 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. Prepaid items are recognized as expenditures on the consumption method in governmental funds.

**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 acquisition 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:

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

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

**I. Capital Assets (Continued)**

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

**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

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

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

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.

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 outstanding debt that was issued to construct or acquire the capital assets.

**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.

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

**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.

**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 2016 levy was adopted on December 5, 2016 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.

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

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**2. PROPERTY TAXES (Continued)**

The 2017 tax levy, which attached as an enforceable lien on property as of January 1, 2017, has not been recorded as a receivable as of May 31, 2017 as the tax has not yet been levied by the Village and will not be levied until December 2017 and, therefore, the levy is not measurable at May 31, 2017.

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

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

Village Investments

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

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
FFCB	\$ 349,997	\$ 349,997	\$ -	\$ -	\$ -
FHLB	947,055	649,379	297,676	-	-
Municipal Bonds	236,746	-	236,746	-	-
Negotiable CDs	5,904,469	2,262,620	3,641,849	-	-
<b>TOTAL</b>	<b>\$ 7,438,266</b>	<b>\$ 3,261,996</b>	<b>\$ 4,176,270</b>	<b>\$ -</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 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.

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

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

Village Investments (Continued)

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).

The Village has the following recurring fair value measurements as of May 31, 2017. The FFCB, FHLB, municipal bonds and negotiable certificates of deposit are valued using matrix pricing models, which use inputs such as yields currently available on comparable securities with similar credit ratings and recent market price quotations (Level 2 inputs).

**4. RECEIVABLES**

A. Other Taxes Receivable

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

GOVERNMENTAL ACTIVITIES

Sales Tax	\$ 1,369,454
Simplified Telecommunications Tax	63,392
Local Use Tax	106,413
Motor Fuel Tax	38,717
Utility Taxes	35,478
Amusement Tax	5,600
Hotel Tax	6,055
Auto Rental Tax	1,261
Video Gaming Tax	<u>14,060</u>

TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 1,640,430</u>
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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	\$ 100,000	\$ -	\$ 5,178,947
Land Right of Way	22,200,790	49,000	-	22,249,790
Construction in Progress	949,501	1,641,006	949,501	1,641,006
Total Capital Assets not Being Depreciated	28,229,238	1,790,006	949,501	29,069,743
Capital Assets Being Depreciated				
Buildings	18,042,153	-	-	18,042,153
Vehicles and Equipment	3,700,627	119,487	143,628	3,676,486
Infrastructure	59,216,426	1,832,298	605,126	60,443,598
Sewer Lines	24,688,395	146,731	-	24,835,126
Total Capital Assets Being Depreciated	105,647,601	2,098,516	748,754	106,997,363
Less Accumulated Depreciation for				
Buildings and Improvements	4,087,382	457,502	-	4,544,884
Vehicles and Equipment	2,077,811	270,356	143,628	2,204,539
Infrastructure	22,223,273	2,144,611	566,812	23,801,072
Sewer Lines	8,464,072	565,221	-	9,029,293
Total Accumulated Depreciation	36,852,538	3,437,690	710,440	39,579,788
Total Capital Assets Being Depreciated, Net	68,795,063	(1,339,174)	38,314	67,417,575
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 97,024,301</b>	<b>\$ 450,832</b>	<b>\$ 987,815</b>	<b>\$ 96,487,318</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	155,700	-	7,008,259
Water Towers and Wells	4,875,441	-	-	4,875,441
Water Lines	23,588,202	408,538	185,913	23,810,827
Total Capital Assets Being Depreciated	35,388,402	564,238	185,913	35,766,727
Less Accumulated Depreciation for				
Equipment	50,291	2,810	-	53,101
Vehicles	19,100	-	-	19,100
Water Treatment Facilities	1,445,556	171,313	-	1,616,869
Water Tower and Wells	2,218,585	127,360	-	2,345,945
Water Lines	8,969,673	544,442	185,913	9,328,202
Total Accumulated Depreciation	12,703,205	845,925	185,913	13,363,217
Total Capital Assets Being Depreciated, Net	22,685,197	(281,687)	-	22,403,510
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 23,161,900</b>	<b>\$ (281,687)</b>	<b>\$ -</b>	<b>\$ 22,880,213</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	\$ 243,700
Public Safety	555,680
Public Works	2,284,210
Sanitation	<u>354,100</u>

**TOTAL DEPRECIATION EXPENSE -  
GOVERNMENTAL ACTIVITIES**

\$ 3,437,690

**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, 2017 is as follows:

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

Issue	Fund Debt Retired by	Balances May 31, 2016	Issuances	Retirements	Balances May 31, 2017	Current Portion
General Obligation Bonds						
\$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	\$ 2,290,000	\$ -	\$ 440,000	\$ 1,850,000	\$ 465,000
\$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	6,830,000	-	450,000	6,380,000	455,000
Total Bonds		9,120,000	-	890,000	8,230,000	920,000
Issuance Premiums		250,768	-	22,785	227,983	-
Net Bonds		9,370,768	-	912,785	8,457,983	920,000

**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, 2016	Issuances	Retirements	Balances May 31, 2017	Current Portion
General Obligation Bonds (Continued)						
Compensated Absences	General	\$ 354,753	\$ 93,672	\$ 88,688	\$ 359,737	\$ 89,934
Net Other Postemployment Benefits Obligation	General	278,555	38,045	-	316,600	-
Net Pension Liability - IMRF	General	1,227,778	-	95,447	1,132,331	-
Net Pension Liability - Police	General	10,001,810	-	680,175	9,321,635	-
TOTAL GOVERNMENTAL LONG-TERM DEBT		<u>\$21,233,664</u>	<u>\$ 131,717</u>	<u>\$ 1,777,095</u>	<u>\$19,588,286</u>	<u>\$ 1,009,934</u>

**B. Business-Type Activities**

Issue	Fund Debt Retired by	Balances May 31, 2016	Issuances	Retirements	Balances May 31, 2017	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	\$ 415,000	\$ -	\$ 415,000	\$ -	\$ -
\$5,800,000 General Obligation Alternate Revenue Source Bonds dated April 4, 2017, due in annual installments of \$320,000 to \$475,000 plus interest at 3% to 4% through January 1, 2032						
	Water	-	5,800,000	-	5,800,000	355,000
\$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	555,174	-	102,560	452,614	106,252
Total Bonds and Loan		970,174	5,800,000	517,560	6,252,614	461,252

**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, 2016	Issuances	Retirements	Balances May 31, 2017	Current Portion
Issuance Premiums		\$ -	\$ 203,588	\$ 12,725	\$ 190,863	\$ -
Net Bonds and Loan		970,174	6,003,588	530,285	6,443,477	461,252
Compensated Absences		26,614	-	8,032	18,582	4,646
Net Other Postemployment Benefits Obligation		20,209	2,774	-	22,983	-
Net Pension Liability - IMRF	General	275,063	-	39,266	235,797	-
TOTAL BUSINESS-TYPE LONG-TERM DEBT		\$ 1,292,060	\$ 6,006,362	\$ 577,583	\$ 6,720,839	\$ 465,898

**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, 2017 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
2018	\$ 920,000	\$ 236,875	\$ 1,156,875	\$ 461,252	\$ 151,160	\$ 612,412
2019	950,000	210,338	1,160,338	430,502	185,963	616,465
2020	980,000	182,850	1,162,850	440,309	173,287	613,596
2021	885,000	154,413	1,039,413	455,551	160,177	615,728
2022	505,000	129,800	634,800	345,000	146,425	491,425
2023	515,000	119,700	634,700	360,000	136,075	496,075
2024	535,000	104,250	639,250	370,000	125,275	495,275
2025	550,000	88,200	638,200	380,000	114,175	494,175
2026	570,000	71,700	641,700	390,000	102,775	492,775
2027	585,000	54,600	639,600	405,000	91,075	496,075
2028	610,000	37,050	647,050	415,000	78,925	493,925
2029	625,000	18,750	643,750	430,000	65,438	495,438
2030	-	-	-	440,000	51,463	491,463
2031	-	-	-	455,000	36,062	491,062
2032	-	-	-	475,000	19,000	494,000
TOTAL	\$ 8,230,000	\$ 1,408,526	\$ 9,638,526	\$ 6,252,614	\$ 1,637,275	\$ 7,889,889

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

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

**D. Pledged Revenues**

The Village has issued Alternate Revenue Source Bonds for which they have pledged future revenue streams. The Series 2017 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 2017 bonds have a remaining total pledge of \$7,403,515, with the bonds maturing January 1, 2032. During the current fiscal year, there was no pledge of water revenues for the 2017 bonds as there was no debt service payments in the current year.

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 \$7,618,650 and the bonds maturing January 1, 2029. During the current fiscal year, the pledge of sales tax and use tax of \$626,500 was approximately 12.52% 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, 2017, 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.

**8. INDIVIDUAL FUND DISCLOSURES**

Individual fund transfers are as follows:

	Transfers In	Transfers Out
General	\$ 125,000	\$ 624,834
Capital Projects	212,935	-
Nonmajor Governmental	624,834	337,935
<b>TOTAL</b>	<b>\$ 962,769</b>	<b>\$ 962,769</b>

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

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**8. INDIVIDUAL FUND DISCLOSURES (Continued)**

The purposes of significant transfers are as follows:

Transfer of \$624,834 from the General Fund to the Nonmajor Governmental Funds to fund future debt service payments. These amounts will not be repaid.

Transfer of \$337,935 from the Nonmajor Governmental Funds to the General Fund and Capital Projects Fund to close the Community Development Loan Fund. 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
2017 Road Program	\$ 675,612	\$ 1,363,646
Smoketree Lane Reconstruction	221,301	365,917

**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. \$4,091,143 has been paid or accrued as accounts payable as of May 31, 2017.

**10. SALES TAX REBATES (Continued)**

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. \$2,917,831 has been paid or accrued as accounts payable as of May 31, 2017.

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, 2017. 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, 2017.

**11. TAX ABATEMENTS**

As authorized under provisions of the Tax Increment Allocation Redevelopment Act, 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 through ordinances, 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. There are no recapture provisions included in the redevelopment agreements.

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 \$9,562 towards the redevelopment. Total payments to date are \$678,362. During the current fiscal year the term of the redevelopment agreement has ended.

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.

## 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, 2016, IMRF membership consisted of:

Inactive Employees or Their Beneficiaries	
Currently Receiving Benefits	28
Inactive Employees Entitled to but not yet	
Receiving Benefits	34
Active Employees	47
	<hr/>
TOTAL	109
	<hr/> <hr/>

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 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the fiscal year ended May 31, 2017 was 12.06% of covered payroll for IMRF.



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

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Actuarial Assumptions*

The total net pension liability was measured as of December 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial Valuation Date	December 31, 2016
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.75%
Salary Increases	3.75% to 14.50%
Interest Rate	7.50%
Cost of Living Adjustments	3.00%
Asset Valuation Method	Market Value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012).

IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**VILLAGE OF 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*

The discount rate used to measure the IMRF total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. 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.

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2016	\$ 9,548,561	\$ 7,586,627	\$ 1,961,934
Changes for the Period			
Service Cost	256,245	-	256,245
Interest	713,181	-	713,181
Difference Between Expected and Actual Experience	(249,580)	-	(249,580)
Changes in Assumptions	(27,435)	-	(27,435)
Employer Contributions	-	314,036	(314,036)
Employee Contributions	-	114,892	(114,892)
Net Investment Income	-	532,178	(532,178)
Benefit Payments and Refunds	(284,368)	(284,368)	-
Other (Net Transfer)	-	(108,115)	108,115
Net Changes	408,043	568,623	(160,580)
BALANCES AT DECEMBER 31, 2016	\$ 9,956,604	\$ 8,155,250	\$ 1,801,354

There was a change in assumptions related to the discount rate.

**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, 2016, the employer contributions and the net pension liability at December 31, 2016 was \$1,502,841, \$238,510 and \$1,368,128, respectively. The Library's proportionate share of the net pension liability at January 1, 2016, the employer contributions and the net pension liability at December 31, 2016 was \$459,093, \$75,526 and \$433,226, respectively.

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

For the year ended May 31, 2017, the Village recognized pension expense of \$336,700.

At May 31, 2017, 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	\$ 53,359	\$ 193,890
Changes in Assumptions	-	21,313
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	344,658	-
Contributions Subsequent to the Measurement Date	126,603	-
<b>TOTAL</b>	<b>\$ 524,620</b>	<b>\$ 215,203</b>

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 and inflows of resources at May 31, 2017 was \$398,440 and \$163,447, respectively. The Library's proportionate share of the deferred outflows and inflows of resources at May 31, 2017 was \$126,180 and \$51,756, respectively.

**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)*

\$126,603 reported as deferred outflows of resources related to pensions resulting from village contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the reporting year ending May 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Fiscal Year Ending May 31,	
2018	\$ 72,455
2019	72,455
2020	60,033
2021	(22,129)
2022	-
Thereafter	-
<b>TOTAL</b>	<b>\$ 182,814</b>

*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 7.5% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net Pension Liability (Village)	\$ 2,496,091	\$ 1,368,128	\$ 451,135
Net Pension Liability (Library)	790,402	433,226	142,854
<b>Net Pension Liability (Total)</b>	<b>\$ 3,286,493</b>	<b>\$ 1,801,354</b>	<b>\$ 593,989</b>

**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, 2017, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	13
Inactive Plan Members Entitled to but not yet Receiving Benefits	3
Active Plan Members	<u>28</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, 2017, the Village's contribution was 37.69% of covered payroll.

**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)

*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, 2017.

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, 2017 are listed in the table above.

*Investment Valuations*

All investments in the Plan are stated at fair value and are recorded as of the trade date.

*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, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.46%. 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, 2017:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 35,133	\$ -	\$ 35,133	\$ -	-
U.S. Agency Obligations	3,156,162	303,613	2,056,795	795,754	-
State and Local Obligations	625,401	25,361	572,864	27,176	-
Corporate Bonds	2,942,897	66,055	2,280,211	596,631	-
<b>TOTAL</b>	<b>\$ 6,759,593</b>	<b>\$ 395,029</b>	<b>\$ 4,945,003</b>	<b>\$ 1,419,561</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 state and local obligation 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)

*Fair Value Measurement*

The Fund has the following recurring fair value measurements as of May 31, 2017. The U.S. Treasury obligations, U.S. agency obligations, state and local obligations and corporate bonds are valued using quoted prices of similar securities (Level 2 inputs). The money market mutual funds, equity mutual funds and equity securities are valued using quoted prices in active markets for identical assets.

*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, 2016	\$ 24,086,510	\$ 14,084,700	\$ 10,001,810
Changes for the Period			
Service Cost	649,659	-	649,659
Interest	1,706,540	-	1,706,540
Difference Between Expected and Actual Experience	209,323	-	209,323
Changes in Assumptions	(707,460)	-	(707,460)
Employer Contributions	-	925,000	(925,000)
Employee Contributions	-	253,704	(253,704)
Net Investment Income	-	1,367,627	(1,367,627)
Benefit Payments and Refunds	(714,048)	(714,048)	-
Administrative Expense	-	(8,094)	8,094
Net Changes	1,144,014	1,824,189	(680,175)
BALANCES AT MAY 31, 2017	\$ 25,230,524	\$ 15,908,889	\$ 9,321,635

There was a change in assumptions for the payroll growth rate and salary increases.

**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, 2017
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.50%
Salary Increases	Service Based
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 sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 7% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6%) or 1 percentage point higher (8%) than the current rate:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net Pension Liability	\$ 13,405,323	\$ 9,321,635	\$ 6,015,596

**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, 2017, the Village recognized police pension expense of \$1,201,752. At May 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 179,418	\$ 421,963
Changes in Assumptions	667,128	606,396
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	296,963	-
TOTAL	<u>\$ 1,143,509</u>	<u>\$ 1,028,359</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:

Fiscal Year Ending May 31,	
2018	\$ 93,066
2019	93,067
2020	93,067
2021	(103,446)
2022	(30,302)
Thereafter	<u>(30,302)</u>
TOTAL	<u>\$ 115,150</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 (latest information available), membership consisted of:

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

#### **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
2015	\$ 57,040	\$ 16,352	28.67%	\$ 257,814
2016	68,957	28,008	40.62%	298,763
2017	69,368	28,549	41.20%	339,582

The net OPEB obligation as of May 31, 2017 was calculated as follows:

Annual Required Contribution	\$ 67,376
Interest on Net OPEB Obligation	11,951
Adjustment to Annual Required Contribution	(9,959)
Annual OPEB Cost	69,368
Contributions Made	(28,549)
Increase in Net OPEB Obligation	40,819
Net OPEB Obligation, Beginning of Year	298,763
<b>NET OPEB OBLIGATION, END OF YEAR</b>	<b>\$ 339,582</b>

Funded Status and Funding Progress. The funded status of the plan as of May 31, 2016 (latest information available) 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.

**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 8.0% with an ultimate healthcare inflation rate of 4.5%. Both rates include a 3.0% 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.

## **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, 2017

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Taxes	\$ 7,308,000	\$ 7,308,000	\$ 7,446,673	\$ 138,673
Licenses and Permits	377,800	377,800	472,777	94,977
Intergovernmental	1,923,000	1,923,000	1,619,060	(303,940)
Charges for Services	455,050	455,050	415,083	(39,967)
Fines and Forfeits	173,500	173,500	127,720	(45,780)
Investment Income	80,000	80,000	54,325	(25,675)
Miscellaneous	2,500	2,500	1,191	(1,309)
Total Revenues	10,319,850	10,319,850	10,136,829	(183,021)
<b>EXPENDITURES</b>				
Current				
General Government	2,424,789	2,424,789	2,249,579	(175,210)
Public Safety	5,336,742	5,461,742	5,256,651	(205,091)
Public Works	1,948,573	1,948,573	1,882,638	(65,935)
Total Expenditures	9,710,104	9,835,104	9,388,868	(446,236)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	609,746	484,746	747,961	263,215
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	125,000	125,000	-
Transfers (Out)	(624,834)	(624,834)	(624,834)	-
Insurance Claim Reimbursement	20,000	20,000	53,733	33,733
Total Other Financing Sources (Uses)	(604,834)	(479,834)	(446,101)	33,733
NET CHANGE IN FUND BALANCE	\$ 4,912	\$ 4,912	301,860	\$ 296,948
FUND BALANCE, JUNE 1			6,648,126	
FUND BALANCE, MAY 31			\$ 6,949,986	

(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, 2017

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Taxes				
Property Taxes	\$ 377,173	\$ 377,173	\$ 374,963	\$ (2,210)
Investment Income	3,500	3,500	7,979	4,479
Miscellaneous Income	-	-	3,075	3,075
Total Revenues	380,673	380,673	386,017	5,344
<b>EXPENDITURES</b>				
Current				
General Government				
Engineering	50,000	50,000	28,413	(21,587)
Legal Services	3,500	3,500	1,896	(1,604)
Accounting and Audit Services	2,153	2,153	2,153	-
Professional Consulting Fees	45,000	45,000	11,690	(33,310)
Reimbursements	110,000	110,000	9,562	(100,438)
Capital Outlay	593,000	593,000	273,064	(319,936)
Total Expenditures	803,653	803,653	326,778	(476,875)
NET CHANGE IN FUND BALANCE	<u>\$ (422,980)</u>	<u>\$ (422,980)</u>	59,239	<u>\$ 482,219</u>
FUND BALANCE, JUNE 1			<u>1,163,048</u>	
FUND BALANCE, MAY 31			<u>\$ 1,222,287</u>	

(See independent auditor's report.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

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

Last Six Fiscal Years

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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>
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%
2017	N/A	N/A	N/A	N/A	N/A	N/A

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

(See independent auditor's report.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

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

Last Two Fiscal Years

<b>FISCAL YEAR ENDED MAY 31,</b>	<b>2016</b>	<b>2017</b>
Actuarially Determined Contribution	\$ 216,905	\$ 236,764
Contributions in Relation to the Actuarially Determined Contribution	216,905	236,764
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>
Covered-Employee Payroll	\$ 1,785,256	\$ 1,962,890
Contributions as a Percentage of Covered-Employee Payroll	12.15%	12.06%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of December 31, 2013-2014. Additional information as of the December 31, 2016 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 27 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually and postretirement benefit increases of 3.00% compounded annually.

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

**VILLAGE OF NORTH AURORA, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND**

Last Ten Fiscal Years

<b>FISCAL YEAR ENDED MAY 31,</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>2017</b>
Actuarially Determined Contribution	\$ 347,382	\$ 388,247	\$ 439,842	\$ 523,264	\$ 529,375	\$ 479,202	\$ 523,413	\$ 579,311	\$ 596,578	\$ 799,095
Contribution in Relation to the Actuarially Determined Contribution	348,000	389,000	440,000	524,000	530,000	480,000	574,000	830,000	747,000	925,000
<b>CONTRIBUTION DEFICIENCY (Excess)</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>	<b>\$ (125,905)</b>
Covered-Employee Payroll	\$ 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	\$ 2,454,099
Contributions as a Percentage of Covered-Employee Payroll	18.14%	19.57%	21.57%	25.97%	24.53%	21.52%	25.28%	35.26%	29.34%	37.69%

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, 2017) is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 24 years; the asset valuation method was at 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**

Last Six Fiscal Years

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<b>Fiscal Year</b>	<b>Employer Contributions</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage Contributed</b>
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%
2017	28,549	67,376	42.37%

(See independent auditor's report.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

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

Last Two Fiscal Years

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<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>
Employer's Proportion of net Pension Liability	76.60%	75.95%
Employer's Proportionate Share of Net Pension Liability	\$ 1,502,841	\$ 1,368,128
Employer's Covered-Employee Payroll	1,785,256	1,939,116
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	84.18%	70.55%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.45%	81.91%

Notes to Required Supplementary Information

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

**VILLAGE OF NORTH AURORA, ILLINOIS**

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

Last Three Fiscal Years

<b>MEASUREMENT DATE MAY 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>TOTAL PENSION LIABILITY</b>			
Service Cost	\$ 513,686	\$ 593,355	\$ 649,659
Interest	1,280,827	1,575,395	1,706,540
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(112,998)	(562,619)	209,323
Changes in Assumptions	2,538,709	889,503	(707,460)
Benefit Payments, Including Refunds of Member Contributions	(568,087)	(642,831)	(714,048)
Net Change in Total Pension Liability	3,652,137	1,852,803	1,144,014
Total Pension Liability - Beginning	18,581,570	22,233,707	24,086,510
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 22,233,707</b>	<b>\$ 24,086,510</b>	<b>\$ 25,230,524</b>
<b>PLAN FIDUCIARY NET POSITION</b>			
Contributions - Employer	\$ 830,000	\$ 747,000	\$ 925,000
Contributions - Member	232,046	242,060	253,704
Net Investment Income	773,810	(7,923)	1,367,627
Benefit Payments, Including Refunds of Member Contributions	(568,087)	(642,831)	(714,048)
Administrative Expense	(11,292)	(7,925)	(8,094)
Net Change in Plan Fiduciary Net Position	1,256,477	330,381	1,824,189
Plan Fiduciary Net Position - Beginning	12,497,842	13,754,319	14,084,700
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 13,754,319</b>	<b>\$ 14,084,700</b>	<b>\$ 15,908,889</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 8,479,388</b>	<b>\$ 10,001,810</b>	<b>\$ 9,321,635</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.86%	58.48%	63.05%
Covered-Employee Payroll	\$ 2,353,959	\$ 2,545,665	\$ 2,454,099
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	360.22%	392.90%	379.84%
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. There was a change in assumptions in 2017 for the payroll growth rate and salary increases.

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

(See independent auditor's report.)



**VILLAGE OF NORTH AURORA, ILLINOIS**

**POLICE PENSION FUND  
SCHEDULE OF INVESTMENT RETURNS**

Last Three Fiscal Years

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<b>FISCAL YEAR ENDED MAY 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Annual Money-Weighted Rate of Return, Net of Investment Expense	6.10%	(0.05%)	9.46%

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

(See independent auditor's report.)

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

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

May 31, 2017

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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, one budget amendment was adopted and is 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, 2017

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>TAXES</b>				
Property Taxes	\$ 2,035,000	\$ 2,035,000	\$ 2,012,527	\$ (22,473)
Property Taxes - Road and Bridge	150,000	150,000	156,236	6,236
Replacement Taxes	40,000	40,000	41,469	1,469
Sales Tax	4,460,000	4,460,000	4,579,287	119,287
Use Tax	406,000	406,000	424,459	18,459
Telecommunications Tax	68,000	68,000	64,687	(3,313)
Amusement Tax	70,000	70,000	82,489	12,489
OTB Tax	-	-	1,994	1,994
Video Gaming Tax	70,000	70,000	80,135	10,135
Other Taxes	9,000	9,000	3,390	(5,610)
Total Taxes	7,308,000	7,308,000	7,446,673	138,673
<b>LICENSES AND PERMITS</b>				
Business Licenses	38,000	38,000	31,435	(6,565)
Liquor Licenses	56,000	56,000	63,013	7,013
Antenna/Tower License	4,000	4,000	3,000	(1,000)
Business Registration	13,000	13,000	15,950	2,950
Towing Licenses	300	300	500	200
Building Permits	200,000	200,000	272,442	72,442
Storm Drain Fees	4,000	4,000	1,300	(2,700)
Plumbing Permits	13,000	13,000	10,040	(2,960)
Contractor Licenses	35,000	35,000	53,927	18,927
Temporary Occupancy Fee	-	-	2,000	2,000
ROW Permits and Fees	-	-	420	420
Zoning and Annexation Permits	3,500	3,500	700	(2,800)
Solicitor's Permit	1,000	1,000	725	(275)
Overweight Truck Permits	10,000	10,000	17,325	7,325
Total Licenses and Permits	377,800	377,800	472,777	94,977
<b>INTERGOVERNMENTAL</b>				
State Income Tax	1,898,000	1,898,000	1,612,400	(285,600)
Grants	25,000	25,000	6,660	(18,340)
Total Intergovernmental	1,923,000	1,923,000	1,619,060	(303,940)

(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, 2017

	<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	1,200	1,200	1,625	425
School Reimbursement	7,800	7,800	-	(7,800)
Services Fees	65,000	65,000	19,474	(45,526)
Fingerprinting	1,500	1,500	2,070	570
BRC Review Fees	500	500	656	156
Cable Franchise Fees	290,000	290,000	281,600	(8,400)
Administration Fees	14,000	14,000	16,972	2,972
Printed Materials	50	50	24	(26)
Other	50,000	50,000	60,714	10,714
Police Training Reimbursement	-	-	6,948	6,948
Total Charges for Services	455,050	455,050	415,083	(39,967)
<b>FINES AND FORFEITS</b>				
Circuit Court Fines	119,000	119,000	94,293	(24,707)
Police Towing Admin Fees	40,000	40,000	21,000	(19,000)
Alarm System Fines	3,500	3,500	5,500	2,000
Drug Fines and Forfeitures	1,000	1,000	496	(504)
Ordinance Violations	10,000	10,000	6,431	(3,569)
Total Fines and Forfeits	173,500	173,500	127,720	(45,780)
<b>INVESTMENT INCOME</b>	80,000	80,000	54,325	(25,675)
<b>MISCELLANEOUS</b>	2,500	2,500	1,191	(1,309)
<b>TOTAL REVENUES</b>	<u>\$ 10,319,850</u>	<u>\$ 10,319,850</u>	<u>\$ 10,136,829</u>	<u>\$ (183,021)</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, 2017

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>GENERAL GOVERNMENT</b>				
Village Officers and Trustees	\$ 107,556	\$ 107,556	\$ 93,826	\$ (13,730)
Administration/Finance	1,007,063	1,007,063	970,457	(36,606)
Community Development	587,912	587,912	558,424	(29,488)
Other Departments	887,000	887,000	791,614	(95,386)
Reimbursements from Other Funds	(164,742)	(164,742)	(164,742)	-
Total General Government	2,424,789	2,424,789	2,249,579	(175,210)
<b>PUBLIC SAFETY</b>				
Police Commission	10,475	10,475	3,262	(7,213)
Police Department	5,326,267	5,451,267	5,253,389	(197,878)
Total Public Safety	5,336,742	5,461,742	5,256,651	(205,091)
<b>PUBLIC WORKS</b>				
Public Works	1,948,573	1,948,573	1,882,638	(65,935)
<b>TOTAL EXPENDITURES</b>	<u>\$ 9,710,104</u>	<u>\$ 9,835,104</u>	<u>\$ 9,388,868</u>	<u>\$ (446,236)</u>

(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, 2017

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>GENERAL GOVERNMENT</b>				
Village Officers and Trustees				
Personal Services				
Salaries and Wages	\$ 67,700	\$ 67,700	\$ 63,900	\$ (3,800)
Employer's Social Security	4,606	4,606	4,605	(1)
Total Personal Services	72,306	72,306	68,505	(3,801)
Contractual Services				
Legal	5,000	5,000	4,231	(769)
Professional Consulting	10,000	10,000	8,075	(1,925)
Dues and Meetings	10,300	10,300	10,155	(145)
Conventions and Travel	1,750	1,750	-	(1,750)
Total Contractual Services	27,050	27,050	22,461	(4,589)
Commodities				
Office Supplies	1,450	1,450	1,084	(366)
Miscellaneous	4,750	4,750	1,776	(2,974)
Total Commodities	6,200	6,200	2,860	(3,340)
Capital Outlay				
Equipment	2,000	2,000	-	(2,000)
Total Capital Outlay	2,000	2,000	-	(2,000)
Total Village Officers and Trustees	107,556	107,556	93,826	(13,730)
Administration/Finance				
Personal Services				
Salaries and Wages	558,377	557,077	554,461	(2,616)
Overtime	1,500	1,500	1,463	(37)
Employer's Social Security	42,831	42,831	38,956	(3,875)
Illinois Municipal Retirement Fund	70,298	70,298	64,612	(5,686)
Employee Health Insurance	87,931	82,931	81,241	(1,690)
Life Insurance	226	226	198	(28)
Dental Insurance	2,486	2,586	2,531	(55)
Total Personal Services	763,649	757,449	743,462	(13,987)
Contractual Services				
Communications	9,700	10,700	10,464	(236)
Telephone	5,000	5,000	4,193	(807)
Dues and Meetings	3,790	3,790	3,051	(739)
Convention and Travel	8,600	8,600	3,362	(5,238)
Training	7,400	7,400	2,908	(4,492)
Website Maintenance	3,300	3,300	3,172	(128)

(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, 2017

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>GENERAL GOVERNMENT (Continued)</b>				
Administration/Finance (Continued)				
Contractual Services (Continued)				
Banking Fees	\$ 14,500	\$ 8,500	\$ 8,145	\$ (355)
Equipment Repairs and Maintenance	55,800	47,800	45,993	(1,807)
Legal	35,000	35,000	34,140	(860)
Audit Services	27,866	27,866	27,116	(750)
Finance Services	20,700	21,700	21,397	(303)
Professional/Consulting Fees	-	16,000	15,717	(283)
Total Contractual Services	191,656	195,656	179,658	(15,998)
Commodities				
Office Supplies	4,100	4,600	4,467	(133)
IT Supplies	5,000	5,000	1,862	(3,138)
Postage	2,500	2,500	1,414	(1,086)
Publishing/Advertising	4,180	4,180	3,952	(228)
Printing	10,800	10,800	9,161	(1,639)
Miscellaneous	7,800	8,300	7,911	(389)
Total Commodities	34,380	35,380	28,767	(6,613)
Capital Outlay				
Other Equipment	2,000	3,200	3,192	(8)
Vehicle Equipment Fund Charges	15,378	15,378	15,378	-
Total Capital Outlay	17,378	18,578	18,570	(8)
Total Administration/Finance	1,007,063	1,007,063	970,457	(36,606)
Community Development				
Personal Services				
Salaries and Wages	304,401	321,401	317,560	(3,841)
Overtime Salaries	2,500	2,500	1,552	(948)
Employer's Social Security	23,478	23,678	23,584	(94)
Illinois Municipal Retirement Fund	38,638	38,638	37,221	(1,417)
Employee Health Insurance	47,269	36,269	34,339	(1,930)
Life Insurance	181	181	136	(45)
Dental Insurance	1,295	1,295	947	(348)
Total Personal Services	417,762	423,962	415,339	(8,623)
Contractual Services				
Planning	8,000	3,000	2,358	(642)
Inspection Services	18,000	37,000	35,781	(1,219)
Communications	1,850	2,350	1,854	(496)
Consulting Fees	25,000	15,000	14,500	(500)
Conventions and Travel	3,900	3,900	141	(3,759)
Telephone	3,500	3,500	2,127	(1,373)

(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, 2017

	<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	\$ 2,300	\$ 2,300	\$ 622	\$ (1,678)
Dues and Meetings	5,175	5,675	5,479	(196)
Vehicle Repair and Maintenance	1,000	1,000	-	(1,000)
Grass Cutting	10,000	6,000	5,724	(276)
Equipment Repair and Maintenance	700	700	189	(511)
Engineering	30,000	29,100	26,369	(2,731)
Legal	20,000	13,000	11,578	(1,422)
Total Contractual Services	129,425	122,525	106,722	(15,803)
Commodities				
Office Supplies	4,000	5,500	5,001	(499)
Gas and Oil	6,000	2,500	1,770	(730)
Uniform Allowance	400	400	323	(77)
Postage	1,600	1,600	1,259	(341)
Publishing	6,000	6,000	3,304	(2,696)
Printing	520	2,520	2,293	(227)
Miscellaneous	1,000	1,700	1,578	(122)
Total Commodities	19,520	20,220	15,528	(4,692)
Capital Outlay				
Other Equipment	500	500	130	(370)
Vehicle and Equipment Charges	20,705	20,705	20,705	-
Total Capital Outlay	21,205	21,205	20,835	(370)
Total Community Development	587,912	587,912	558,424	(29,488)
Other Departments				
Contractual Services				
Public Access Cable	90,000	92,000	91,944	(56)
Beautification Committee	6,000	6,000	3,615	(2,385)
Sales Tax Rebates	785,000	783,000	690,055	(92,945)
Total Contractual Services	881,000	881,000	785,614	(95,386)
Commodities				
Fireworks	6,000	6,000	6,000	-
Total Commodities	6,000	6,000	6,000	-
Total Other Departments	887,000	887,000	791,614	(95,386)
Less Reimbursements from Other Funds	(164,742)	(164,742)	(164,742)	-
<b>TOTAL GENERAL GOVERNMENT</b>	<b>\$ 2,424,789</b>	<b>\$ 2,424,789</b>	<b>\$ 2,249,579</b>	<b>\$ (175,210)</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, 2017

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>PUBLIC SAFETY</b>				
Police Commission				
Personal Services				
Salaries and Wages	\$ 1,500	\$ 1,500	\$ 900	\$ (600)
Total Personal Services	1,500	1,500	900	(600)
Contractual Services				
Legal	800	800	-	(800)
Training	5,000	5,000	1,876	(3,124)
Conventions and Travel	2,800	2,600	-	(2,600)
Dues and Meetings	375	375	375	-
Total Contractual Services	8,975	8,775	2,251	(6,524)
Commodities				
Miscellaneous	-	200	111	(89)
Total Commodities	-	200	111	(89)
Total Police Commission	10,475	10,475	3,262	(7,213)
Police Department				
Personal Services				
Salaries and Wages	2,886,826	2,866,826	2,861,721	(5,105)
On-Call Pay	20,000	23,000	22,917	(83)
Overtime	160,000	160,000	133,067	(26,933)
Court Time	21,000	21,000	14,612	(6,388)
Employer's Social Security	237,954	237,954	218,698	(19,256)
Illinois Municipal Retirement Fund	14,194	14,194	13,932	(262)
Employee Health Insurance	456,499	448,099	405,281	(42,818)
Life Insurance	1,401	1,401	1,288	(113)
Dental Insurance	9,273	9,273	9,104	(169)
Employers Pension Contribution	800,000	925,000	925,000	-
Total Personal Services	4,607,147	4,706,747	4,605,620	(101,127)
Contractual Services				
Communications	185,590	185,590	173,511	(12,079)
Drug Seizure Program	16,000	16,000	1,376	(14,624)
D.A.R.E. Program Expenses	16,000	16,000	-	(16,000)
Legal	35,000	35,000	26,161	(8,839)
Conferences and Travel	8,450	11,250	11,021	(229)
Telephone	11,000	14,000	12,912	(1,088)
Training	22,234	22,734	22,477	(257)
Dues and Meetings	13,139	13,139	12,438	(701)
Postage	1,500	1,500	1,276	(224)
Community Services	13,600	13,600	8,934	(4,666)
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, 2017

	<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	\$ 20,000	\$ 20,000	\$ 17,199	\$ (2,801)
Vehicle Repair and Maintenance	43,600	48,600	47,201	(1,399)
Animal Control	1,500	1,500	425	(1,075)
Evidence Processing	2,500	2,500	2,399	(101)
Equipment Repair and Maintenance	29,575	32,575	31,628	(947)
Emergency Management	12,350	12,350	12,097	(253)
Total Contractual Services	432,338	446,638	381,055	(65,583)
Commodities				
Office Supplies	11,250	11,250	7,964	(3,286)
Auto, Gas and Oil	75,000	75,000	48,543	(26,457)
Prisoner Care	1,000	1,100	1,032	(68)
Investigations	6,300	6,300	6,293	(7)
Uniform Allowance	27,650	32,150	31,907	(243)
Miscellaneous	10,500	13,500	12,843	(657)
Total Commodities	131,700	139,300	108,582	(30,718)
Capital Outlay				
Other Equipment	2,600	6,100	5,650	(450)
Vehicle and Equipment Charges	152,482	152,482	152,482	-
Total Capital Outlay	155,082	158,582	158,132	(450)
Total Police Department	5,326,267	5,451,267	5,253,389	(197,878)
<b>TOTAL PUBLIC SAFETY</b>	<b>\$ 5,336,742</b>	<b>\$ 5,461,742</b>	<b>\$ 5,256,651</b>	<b>\$ (205,091)</b>
<b>PUBLIC WORKS</b>				
Personal Services				
Salaries and Wages	\$ 640,142	\$ 633,142	\$ 623,871	\$ (9,271)
On-Call Pay	12,000	12,000	11,364	(636)
Overtime	40,000	40,000	36,385	(3,615)
Employer's Social Security	52,950	52,950	50,614	(2,336)
Illinois Municipal Retirement Fund	86,041	86,041	80,946	(5,095)
Employee Health Insurance	121,892	111,892	110,208	(1,684)
Life Insurance	452	452	427	(25)
Dental Insurance	1,673	1,773	1,758	(15)
Total Personal Services	955,150	938,250	915,573	(22,677)
Contractual Services				
Communications	4,500	4,500	3,548	(952)
Legal	2,500	3,700	3,561	(139)
Professional/Consulting Fees	25,000	-	-	-
Telephone	6,000	4,700	4,662	(38)

(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, 2017

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>PUBLIC WORKS (Continued)</b>				
Contractual Services (Continued)				
Utility	\$ 15,000	\$ 5,000	\$ 3,335	\$ (1,665)
Traffic Signals	30,000	41,000	40,665	(335)
Street Lighting	-	800	681	(119)
Conventions and Travel	500	500	9	(491)
Training	1,000	1,000	176	(824)
Dues and Meetings	575	575	280	(295)
Vehicle Repair and Maintenance	45,000	70,000	68,294	(1,706)
Equipment Repair and Maintenance	10,000	10,000	6,226	(3,774)
Public Building Repair and Maintenance	99,000	179,000	175,572	(3,428)
Mosquito Control	62,000	54,000	53,847	(153)
Public Grounds Repair and Maintenance	9,000	28,000	26,101	(1,899)
Sewer Repairs and Maintenance	-	400	330	(70)
Storm Drain Maintenance	15,000	12,000	9,366	(2,634)
Streets and Alleys Repair	30,000	30,000	25,812	(4,188)
Grass Cutting	47,000	47,000	40,425	(6,575)
Tree Service	119,000	111,000	110,420	(580)
Snow Removal	160,000	70,000	66,454	(3,546)
Sidewalk Repair	50,000	44,000	42,851	(1,149)
Engineering	10,000	42,000	40,927	(1,073)
Total Contractual Services	741,075	759,175	723,542	(35,633)
Commodities				
Office Supplies	5,100	5,100	3,358	(1,742)
Custodial Supplies	9,500	10,800	10,686	(114)
Salt	-	3,000	2,608	(392)
Auto, Gas and Oil	30,000	21,000	19,279	(1,721)
Uniform Allowance	4,250	4,250	2,628	(1,622)
Postage	900	1,400	1,259	(141)
Publishing	1,800	1,800	1,168	(632)
Printing	450	450	298	(152)
Miscellaneous	3,000	3,000	2,576	(424)
Total Commodities	55,000	50,800	43,860	(6,940)
Capital Outlay				
Other Equipment	4,000	7,000	6,315	(685)
Vehicle and Equipment Charges	193,348	193,348	193,348	-
Total Capital Outlay	197,348	200,348	199,663	(685)
<b>TOTAL PUBLIC WORKS</b>	<b>\$ 1,948,573</b>	<b>\$ 1,948,573</b>	<b>\$ 1,882,638</b>	<b>\$ (65,935)</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 9,710,104</b>	<b>\$ 9,835,104</b>	<b>\$ 9,388,868</b>	<b>\$ (446,236)</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, 2017

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes			
Non-Home Rule Sales	\$ 975,000	\$ 1,005,758	\$ 30,758
Electric Utility	380,000	401,254	21,254
Gas Utility	130,000	129,748	(252)
Simplified Telecommunications	210,000	194,060	(15,940)
Total Taxes	1,695,000	1,730,820	35,820
Grants	-	14,533	14,533
Contributions/Donations	115,000	29,489	(85,511)
Impact Fees	20,000	13,001	(6,999)
Investment Income	15,000	18,871	3,871
Total Revenues	1,845,000	1,806,714	(38,286)
<b>EXPENDITURES</b>			
Capital Outlay			
Annual Road Program	2,475,000	1,696,781	(778,219)
Sidewalk/ROW Improvements	295,000	164,989	(130,011)
Subdivision Improvements	120,000	8,970	(111,030)
Capital Improvements	89,000	49,183	(39,817)
Facility Improvements	20,000	8,862	(11,138)
Total Expenditures	2,999,000	1,928,785	(1,070,215)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,154,000)	(122,071)	1,031,929
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	214,000	212,935	(1,065)
Total Other Financing Sources (Uses)	214,000	212,935	(1,065)
NET CHANGE IN FUND BALANCE	<u>\$ (940,000)</u>	90,864	<u>\$ 1,030,864</u>
FUND BALANCE, JUNE 1		<u>1,974,047</u>	
FUND BALANCE, MAY 31		<u>\$ 2,064,911</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.

### **NONMAJOR GOVERNMENTAL FUNDS (Continued)**

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, 2017

	<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>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,399,007	\$ 3,583	\$ 29,047	\$ -
Investments	-	-	-	-
Receivables				
Property Taxes	-	4,367	12,223	-
Other Taxes	38,717	-	-	-
Accounts	-	-	-	-
Accrued Interest	-	-	-	-
Prepaid Items	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,437,724</b>	<b>\$ 7,950</b>	<b>\$ 41,270</b>	<b>\$ -</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 270,208	\$ -	\$ -	\$ -
Retainage Payable	-	-	-	-
Due to Others	-	-	-	-
<b>Total Liabilities</b>	<b>270,208</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	-	4,367	12,223	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>4,367</b>	<b>12,223</b>	<b>-</b>
<b>FUND BALANCES</b>				
Nonspendable in Form - Prepaid Items	-	-	-	-
Restricted for Debt Service	-	-	-	-
Restricted for Highways and Streets	1,167,516	-	-	-
Restricted for Economic Development	-	3,583	29,047	-
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>1,167,516</b>	<b>3,583</b>	<b>29,047</b>	<b>-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 1,437,724</b>	<b>\$ 7,950</b>	<b>\$ 41,270</b>	<b>\$ -</b>

Special Revenue Funds				Debt Service			
Special Service Areas	Insurance	Sanitary Sewer	Tourism	Library	Police Station	Total	
\$ 163,111	\$ 309,455	\$ 613,179	\$ 69,673	\$ 110,962	\$ 261,060	\$ 2,959,077	
-	-	770,686	-	-	-	770,686	
24,174	249,661	-	-	528,218	-	818,643	
-	-	-	6,055	-	-	44,772	
-	-	26,424	-	-	-	26,424	
-	-	2,462	-	-	-	2,462	
-	-	-	5,325	-	-	5,325	
\$ 187,285	\$ 559,116	\$ 1,412,751	\$ 81,053	\$ 639,180	\$ 261,060	\$ 4,627,389	
\$ 1,151	\$ -	\$ 10,976	\$ 7,652	\$ -	\$ -	\$ 289,987	
-	-	5,176	-	-	-	5,176	
253	-	-	-	-	-	253	
1,404	-	16,152	7,652	-	-	295,416	
24,537	255,096	-	-	539,719	-	835,942	
24,537	255,096	-	-	539,719	-	835,942	
-	-	-	5,325	-	-	5,325	
-	-	-	-	99,461	261,060	360,521	
-	-	-	-	-	-	1,167,516	
-	-	-	-	-	-	32,630	
125,904	-	-	-	-	-	125,904	
-	304,020	-	-	-	-	304,020	
35,440	-	-	-	-	-	35,440	
-	-	1,396,599	-	-	-	1,396,599	
-	-	-	68,076	-	-	68,076	
161,344	304,020	1,396,599	73,401	99,461	261,060	3,496,031	
\$ 187,285	\$ 559,116	\$ 1,412,751	\$ 81,053	\$ 639,180	\$ 261,060	\$ 4,627,389	

(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, 2017

	<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	\$ -	\$ 3,166	\$ 10,603	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	459,671	-	-	-
Charges for Services	-	-	-	-
Investment Income	7,047	-	-	810
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>466,718</b>	<b>3,166</b>	<b>10,603</b>	<b>810</b>
<b>EXPENDITURES</b>				
Current				
General Government	-	-	-	43
Public Safety	-	-	-	-
Public Works	569,345	-	-	-
Sanitation	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<b>569,345</b>	<b>-</b>	<b>-</b>	<b>43</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(102,627)</b>	<b>3,166</b>	<b>10,603</b>	<b>767</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance Claim Reimbursement	-	-	-	-
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	(337,935)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(337,935)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(102,627)</b>	<b>3,166</b>	<b>10,603</b>	<b>(337,168)</b>
<b>FUND BALANCES, JUNE 1</b>	<b>1,270,143</b>	<b>417</b>	<b>18,444</b>	<b>337,168</b>
<b>FUND BALANCES, MAY 31</b>	<b>\$ 1,167,516</b>	<b>\$ 3,583</b>	<b>\$ 29,047</b>	<b>\$ -</b>

Special Revenue Funds				Debt Service			
Special Service Areas	Insurance	Sanitary Sewer	Tourism	Library	Police Station	Total	
\$ 37,828	\$ 244,968	\$ -	\$ 40,351	\$ 523,733	\$ -	\$ 860,649	
-	-	7,113	-	-	-	7,113	
-	-	-	-	-	-	459,671	
-	-	170,817	-	-	-	170,817	
593	1,889	8,739	161	774	1,805	21,818	
-	-	-	89,919	-	-	89,919	
38,421	246,857	186,669	130,431	524,507	1,805	1,609,987	
35,261	26,062	-	124,775	60	60	186,261	
-	182,438	-	-	-	-	182,438	
-	39,094	-	-	-	-	608,439	
-	13,031	301,102	-	-	-	314,133	
-	-	16,875	-	-	-	16,875	
-	-	-	-	440,000	450,000	890,000	
-	-	-	-	85,875	176,500	262,375	
-	-	-	-	475	475	950	
35,261	260,625	317,977	124,775	526,410	627,035	2,461,471	
3,160	(13,768)	(131,308)	5,656	(1,903)	(625,230)	(851,484)	
-	3,123	-	-	-	-	3,123	
-	-	-	-	-	624,834	624,834	
-	-	-	-	-	-	(337,935)	
-	3,123	-	-	-	624,834	290,022	
3,160	(10,645)	(131,308)	5,656	(1,903)	(396)	(561,462)	
158,184	314,665	1,527,907	67,745	101,364	261,456	4,057,493	
\$ 161,344	\$ 304,020	\$ 1,396,599	\$ 73,401	\$ 99,461	\$ 261,060	\$ 3,496,031	

(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, 2017

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 435,000	\$ 459,671	\$ 24,671
Investment Income	1,500	7,047	5,547
Total Revenues	436,500	466,718	30,218
<b>EXPENDITURES</b>			
Current			
Public Works			
Engineering	15,000	8,595	(6,405)
Salt	166,727	148,301	(18,426)
Street and Alley Repairs and Maintenance	133,500	85,573	(47,927)
Street Lighting and Poles	110,000	105,238	(4,762)
Street Light Repair and Maintenance	35,500	35,280	(220)
Bank Services/Fees	500	18	(482)
Miscellaneous	1,000	317	(683)
Capital Improvements	700,000	186,023	(513,977)
Total Expenditures	1,162,227	569,345	(592,882)
NET CHANGE IN FUND BALANCE	<u>\$ (725,727)</u>	(102,627)	<u>\$ 623,100</u>
FUND BALANCE, JUNE 1		<u>1,270,143</u>	
FUND BALANCE, MAY 31		<u>\$ 1,167,516</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, 2017

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes			
Property Taxes	\$ 3,159	\$ 3,166	\$ 7
Total Revenues	3,159	3,166	7
<b>EXPENDITURES</b>			
Current			
General Government			
Contractual Services	2,000	-	(2,000)
Total Expenditures	2,000	-	(2,000)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 1,159</u>	3,166	<u>\$ 2,007</u>
<b>FUND BALANCE, JUNE 1</b>		<u>417</u>	
<b>FUND BALANCE, MAY 31</b>		<u>\$ 3,583</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, 2017

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes			
Property Taxes	\$ 10,576	\$ 10,603	\$ 27
Total Revenues	10,576	10,603	27
<b>EXPENDITURES</b>			
Current			
General Government			
Legal	500	-	(500)
Planning	7,000	-	(7,000)
Total Expenditures	7,500	-	(7,500)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 3,076</u>	10,603	<u>\$ 7,527</u>
<b>FUND BALANCE, JUNE 1</b>		<u>18,444</u>	
<b>FUND BALANCE, MAY 31</b>		<u>\$ 29,047</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, 2017

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Investment Income	\$ 700	\$ 810	\$ 110
Total Revenues	700	810	110
<b>EXPENDITURES</b>			
Current			
General Government			
Legal	10,000	43	(9,957)
Total Expenditures	10,000	43	(9,957)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(9,300)	767	10,067
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In (Out)	339,000	337,935	(1,065)
Total Other Financing Sources (Uses)	339,000	337,935	(1,065)
NET CHANGE IN FUND BALANCE	<u>\$ (348,300)</u>	(337,168)	<u>\$ 11,132</u>
FUND BALANCE, JUNE 1		<u>337,168</u>	
FUND BALANCE, MAY 31		<u><u>\$ -</u></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, 2017

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes			
Property Taxes	\$ 41,974	\$ 37,828	\$ (4,146)
Investment Income	200	593	393
Total Revenues	42,174	38,421	(3,753)
<b>EXPENDITURES</b>			
Current			
General Government			
Administration/Finance	3,742	3,742	-
Maintenance	36,550	31,519	(5,031)
Total Expenditures	40,292	35,261	(5,031)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 1,882</u>	3,160	<u>\$ 1,278</u>
<b>FUND BALANCE, JUNE 1</b>		<u>158,184</u>	
<b>FUND BALANCE, MAY 31</b>		<u>\$ 161,344</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, 2017

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes			
Property Taxes	\$ 248,000	\$ 244,968	\$ (3,032)
Investment Income	700	1,889	1,189
Total Revenues	248,700	246,857	(1,843)
<b>EXPENDITURES</b>			
Current			
General Government	34,200	26,062	(8,138)
Public Safety	239,400	182,438	(56,962)
Public Works	51,300	39,094	(12,206)
Sanitation	17,100	13,031	(4,069)
Total Expenditures	342,000	260,625	(81,375)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(93,300)	(13,768)	79,532
<b>OTHER FINANCING SOURCES (USES)</b>			
Insurance Claim Reimbursement	40,000	3,123	(36,877)
Total Other Financing Sources (Uses)	40,000	3,123	(36,877)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (53,300)</u>	(10,645)	<u>\$ 42,655</u>
<b>FUND BALANCE, JUNE 1</b>		<u>314,665</u>	
<b>FUND BALANCE, MAY 31</b>		<u>\$ 304,020</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, 2017

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Licenses and Permits			
Sanitary Sewer Permits	\$ 20,000	\$ 7,113	\$ (12,887)
Charges for Services			
Sewer Sales	163,000	170,817	7,817
Investment Income	15,000	8,739	(6,261)
Total Revenues	198,000	186,669	(11,331)
<b>EXPENDITURES</b>			
Current			
Sanitation			
Engineering	24,000	23,508	(492)
Administrative Fee	25,000	25,000	-
Equipment Repair and Maintenance	3,000	2,080	(920)
Repair and Maintenance	281,000	244,785	(36,215)
Liability Insurance	5,000	5,000	-
Miscellaneous	1,000	729	(271)
Capital Outlay			
Vehicle and Equipment Charges	76,875	16,875	(60,000)
Total Expenditures	415,875	317,977	(97,898)
NET CHANGE IN FUND BALANCE	<u>\$ (217,875)</u>	(131,308)	<u>\$ 86,567</u>
FUND BALANCE, JUNE 1		<u>1,527,907</u>	
FUND BALANCE, MAY 31		<u>\$ 1,396,599</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, 2017

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes			
Hotel Tax	\$ 40,000	\$ 40,351	\$ 351
Miscellaneous			
North Aurora Days	85,000	89,919	4,919
Investment Income	50	161	111
Total Revenues	125,050	130,431	5,381
<b>EXPENDITURES</b>			
Current			
General Government			
Tourism	37,800	37,764	(36)
North Aurora Days	75,200	75,011	(189)
Fireworks	12,000	12,000	-
Total Expenditures	125,000	124,775	(225)
NET CHANGE IN FUND BALANCE	<u>\$ 50</u>	5,656	<u>\$ 5,606</u>
FUND BALANCE, JUNE 1		<u>67,745</u>	
FUND BALANCE, MAY 31		<u>\$ 73,401</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, 2017

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Property Taxes	\$ 531,000	\$ 523,733	\$ (7,267)
Investment Income	700	774	74
Total Revenues	531,700	524,507	(7,193)
<b>EXPENDITURES</b>			
Current			
General Government			
Miscellaneous	60	60	-
Debt Service			
Principal Retirement	440,000	440,000	-
Interest	85,876	85,875	(1)
Fiscal Charges	540	475	(65)
Total Expenditures	526,476	526,410	(66)
NET CHANGE IN FUND BALANCE	<u>\$ 5,224</u>	(1,903)	<u>\$ (7,127)</u>
FUND BALANCE, JUNE 1		<u>101,364</u>	
FUND BALANCE, MAY 31		<u>\$ 99,461</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, 2017

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Investment Income	\$ 300	\$ 1,805	\$ 1,505
Total Revenues	300	1,805	1,505
<b>EXPENDITURES</b>			
Current			
General Government			
Contractual Services	100	60	(40)
Debt Service			
Principal Retirement	450,000	450,000	-
Interest	176,500	176,500	-
Fiscal Charges	600	475	(125)
Total Expenditures	627,200	627,035	(165)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(626,900)	(625,230)	1,670
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer In	624,834	624,834	-
Total Other Financing Sources (Uses)	624,834	624,834	-
NET CHANGE IN FUND BALANCE	<u>\$ (2,066)</u>	<u>(396)</u>	<u>\$ 1,670</u>
FUND BALANCE, JUNE 1		<u>261,456</u>	
FUND BALANCE, MAY 31		<u>\$ 261,060</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, 2017

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>OPERATING REVENUES</b>			
Water Sales	\$ 2,210,000	\$ 2,294,592	\$ 84,592
Water Meters	20,000	8,371	(11,629)
Water Permits	75,000	35,466	(39,534)
Meter Reads	18,000	18,160	160
Impact Fees	500	288	(212)
Building Permits	1,500	670	(830)
Hydrant Meter Rental	1,500	200	(1,300)
Reimburse Turn On/Turn Off Fees	7,000	7,450	450
Total Operating Revenues	2,333,500	2,365,197	31,697
<b>OPERATING EXPENSES</b>			
Operations	1,889,818	1,809,580	(80,238)
Depreciation	-	845,925	845,925
Total Operating Expenses	1,889,818	2,655,505	765,687
<b>OPERATING INCOME (LOSS)</b>	443,682	(290,308)	(733,990)
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment Income	12,000	21,607	9,607
Tower Rent	184,000	193,612	9,612
Capacity Curtailment Payments	700	7,640	6,940
Miscellaneous	5,000	1,736	(3,264)
Insurance Claim Reimbursement	-	4,698	4,698
Gain on Disposal of Capital Assets	-	1,883	1,883
Interest Expense	(31,610)	(39,023)	(7,413)
Bond Issuance Costs	(34,800)	(107,489)	(72,689)
Total Non-Operating Revenues (Expenses)	135,290	84,664	(50,626)
<b>CHANGE IN NET POSITION</b>	<u>\$ 578,972</u>	(205,644)	<u>\$ (784,616)</u>
<b>NET POSITION, JUNE 1</b>		<u>24,936,578</u>	
<b>NET POSITION, MAY 31</b>		<u>\$ 24,730,934</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, 2017

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>OPERATIONS EXPENSES</b>			
Personal Services			
Salaries and Wages	\$ 307,582	\$ 308,843	\$ 1,261
Overtime Salaries	21,000	20,857	(143)
On-Call Pay	7,000	5,817	(1,183)
Employer's Social Security	28,197	25,543	(2,654)
Illinois Municipal Retirement Fund	46,612	40,711	(5,901)
Employee Health Insurance	71,480	70,643	(837)
Life Insurance	226	206	(20)
Dental Insurance	1,550	1,483	(67)
Total Personal Services	483,647	474,103	(9,544)
Contractual Services			
Engineering	144,000	137,190	(6,810)
Legal	5,000	995	(4,005)
Conventions and Travel	2,100	104	(1,996)
Training	2,300	1,605	(695)
Dues and Meetings	1,900	1,261	(639)
Chlorine	24,000	23,615	(385)
Salt Treatment	14,850	14,750	(100)
Meters, Repairs and Replacements	93,800	92,304	(1,496)
Postage	19,200	17,234	(1,966)
Publishing	2,100	2,084	(16)
Printing	18,800	17,136	(1,664)
Vehicle Repair and Maintenance	6,000	5,967	(33)
Equipment Repair and Maintenance	23,250	17,124	(6,126)
Water Studies	3,500	2,555	(945)
Testing	8,750	5,873	(2,877)
Fire Hydrant Repair and Maintenance	17,500	17,432	(68)
Treatment Plant Repair and Maintenance	61,300	54,063	(7,237)
Water Well Maintenance	25,000	11,605	(13,395)
Watermain Repair and Maintenance	47,200	46,623	(577)
Water Tower Maintenance	264,200	262,118	(2,082)
Banking Services	27,000	21,391	(5,609)
Collection Fee	100	-	(100)
Telephone	4,000	2,596	(1,404)
Communications	10,825	9,462	(1,363)
Utility	332,000	330,925	(1,075)
Office Rental	25,000	25,000	-
Administrative Fee	136,000	136,000	-
Miscellaneous	11,200	11,067	(133)
Liability Insurance	25,000	25,000	-
Water Pension	-	7,578	7,578
Total Contractual Services	1,355,875	1,300,657	(55,218)

(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, 2017

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>OPERATIONS EXPENSES (Continued)</b>			
Commodities			
Uniform Allowance	\$ 2,850	\$ 2,799	\$ (51)
Office Supplies	4,300	4,155	(145)
Gas and Oil	12,500	6,487	(6,013)
Equipment	13,100	9,775	(3,325)
Vehicle and Equipment Charges	9,784	9,784	-
Total Commodities	<u>42,534</u>	<u>33,000</u>	<u>(9,534)</u>
Capital Improvements			
Annual Watermain Replacement	416,000	410,358	(5,642)
Plant Improvements	156,000	155,700	(300)
Total Capital Improvements	<u>572,000</u>	<u>566,058</u>	<u>(5,942)</u>
<b>ADJUSTMENTS TO GAAP BASIS</b>			
Less: Capital Assets Capitalized	<u>564,238</u>	<u>564,238</u>	<u>-</u>
Total Adjustments to GAAP Basis	<u>564,238</u>	<u>564,238</u>	<u>-</u>
<b>TOTAL OPERATIONS EXPENSES</b>			
<b>EXCLUDING DEPRECIATION - GAAP BASIS</b>	<u>\$ 1,889,818</u>	<u>\$ 1,809,580</u>	<u>\$ (80,238)</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, 2017

	<b>Vehicle and Equipment</b>	<b>Employee Compensated Absences</b>	<b>Total</b>
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	\$ 881,416	\$ 359,737	\$ 1,241,153
Investments	946,754	-	946,754
Inventory	16,591	-	16,591
Interest Receivable	3,281	-	3,281
Total Current Assets	1,848,042	359,737	2,207,779
<b>CAPITAL ASSETS</b>			
Nondepreciable	15,800	-	15,800
Depreciable (Net of Accumulated) Depreciation	1,165,428	-	1,165,428
Total Capital Assets	1,181,228	-	1,181,228
Total Assets	3,029,270	359,737	3,389,007
<b>CURRENT LIABILITIES</b>			
Accounts Payable	2,850	-	2,850
Compensated Absences Payable	-	89,934	89,934
Total Current Liabilities	2,850	89,934	92,784
<b>LONG-TERM LIABILITIES</b>			
Compensated Absences Payable	-	269,803	269,803
Total Long-Term Liabilities	-	269,803	269,803
Total Liabilities	2,850	359,737	362,587
<b>NET POSITION</b>			
Investment in Capital Assets	1,181,228	-	1,181,228
Unrestricted	1,845,192	-	1,845,192
<b>TOTAL NET POSITION</b>	<b>\$ 3,026,420</b>	<b>\$ -</b>	<b>\$ 3,026,420</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, 2017

	<b>Vehicle and Equipment</b>	<b>Employee Compensated Absences</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 408,572	\$ 4,984	\$ 413,556
Total Operating Revenues	408,572	4,984	413,556
<b>OPERATING EXPENSES</b>			
Operations and Capital	44,318	4,984	49,302
Depreciation	190,541	-	190,541
Total Operating Expenses	234,859	4,984	239,843
OPERATING INCOME	173,713	-	173,713
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment Income	10,786	-	10,786
Gain on Disposal of Capital Assets	1,377	-	1,377
Total Non-Operating Revenues (Expenses)	12,163	-	12,163
CHANGE IN NET POSITION BEFORE CONTRIBUTIONS	185,876	-	185,876
Contributions	2,481	-	2,481
CHANGE IN NET POSITION	188,357	-	188,357
NET POSITION, JUNE 1	2,838,063	-	2,838,063
NET POSITION, MAY 31	\$ 3,026,420	\$ -	\$ 3,026,420

(See independent auditor's report.)



**VILLAGE OF NORTH AURORA, ILLINOIS**

INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS

For the Year Ended May 31, 2017

	<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	\$ 408,572	\$ 4,984	\$ 413,556
Payments to Suppliers	(46,773)	-	(46,773)
Net Cash from Operating Activities	361,799	4,984	366,783
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
None	-	-	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from Public Works Escrow	2,481	-	2,481
Proceeds on Sale of Equipment	1,377	-	1,377
Purchase of Capital Assets	(121,165)	-	(121,165)
Net Cash from Capital and Related Financing Activities	(117,307)	-	(117,307)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Received	15,970	-	15,970
Net Cash from Investing Activities	15,970	-	15,970
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	260,462	4,984	265,446
<b>CASH AND CASH EQUIVALENTS, JUNE 1</b>	620,954	354,753	975,707
<b>CASH AND CASH EQUIVALENTS, MAY 31</b>	\$ 881,416	\$ 359,737	\$ 1,241,153
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating Income	\$ 173,713	\$ -	\$ 173,713
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities			
Depreciation	190,541	-	190,541
(Increase) Decrease in Inventory	(2,455)	-	(2,455)
Increase (Decrease) in Compensated Absences Payable	-	4,984	4,984
<b>NET CASH FROM OPERATING ACTIVITIES</b>	\$ 361,799	\$ 4,984	\$ 366,783
<b>RECEIPTS FROM NONCASH TRANSACTIONS</b>			
Change in fair value of investments	\$ (5,161)	\$ -	\$ (5,161)
<b>TOTAL NONCASH TRANSACTIONS</b>	\$ (5,161)	\$ -	\$ (5,161)

(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, 2017

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 408,572	\$ 408,572	\$ -
Total Operating Revenues	408,572	408,572	-
<b>OPERATING EXPENSES</b>			
Operations and Capital	358,661	163,805	(194,856)
Total Operating Expenses	358,661	163,805	(194,856)
OPERATING INCOME	49,911	244,767	194,856
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment Income	16,000	10,786	(5,214)
Gain (Loss) on Disposal of Capital Assets	10,000	1,377	(8,623)
Total Non-Operating Revenues (Expenses)	26,000	12,163	(13,837)
CHANGE IN NET POSITION BEFORE CONTRIBUTIONS	75,911	256,930	181,019
Contributions	-	2,481	2,481
<b>CHANGE IN NET POSITION - NONGAAP BASIS</b>	<u>\$ 75,911</u>	<u>259,411</u>	<u>\$ 183,500</u>
<b>ADJUSTMENTS TO GAAP BASIS</b>			
Capital Assets Capitalized		119,487	
Depreciation		(190,541)	
Total Adjustments to GAAP Basis		(71,054)	
CHANGE IN NET POSITION		188,357	
NET POSITION, JUNE 1		2,838,063	
<b>NET POSITION, MAY 31</b>		<u>\$ 3,026,420</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, 2017

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 925,000	\$ 925,000	\$ -
Employee	252,000	253,704	1,704
Total Contributions	1,177,000	1,178,704	1,704
Investment Income			
Net Appreciation in Fair Value of Investments	500,000	928,417	428,417
Interest	650,300	462,663	(187,637)
Total Investment Income	1,150,300	1,391,080	240,780
Less Investment Expense	(25,900)	(23,453)	2,447
Net Investment Income	1,124,400	1,367,627	243,227
Total Additions	2,301,400	2,546,331	244,931
<b>DEDUCTIONS</b>			
Benefits and Refunds	831,240	714,048	(117,192)
Administrative	13,650	8,094	(5,556)
Total Deductions	844,890	722,142	(122,748)
NET INCREASE	<u>\$ 1,456,510</u>	1,824,189	<u>\$ 367,679</u>
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>			
June 1		<u>14,084,700</u>	
May 31		<u>\$ 15,908,889</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, 2017

	<b>Balances June 1</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balances May 31</b>
<b>All Funds</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,383,018	\$ 344,658	\$ 848,013	\$ 879,663
<b>TOTAL ASSETS</b>	<b>\$ 1,383,018</b>	<b>\$ 344,658</b>	<b>\$ 848,013</b>	<b>\$ 879,663</b>
<b>LIABILITIES</b>				
Due to Others	\$ 1,383,018	\$ 344,658	\$ 848,013	\$ 879,663
<b>TOTAL LIABILITIES</b>	<b>\$ 1,383,018</b>	<b>\$ 344,658</b>	<b>\$ 848,013</b>	<b>\$ 879,663</b>
<b>Developer's and Building Escrow</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 370,775	\$ 258,432	\$ 342,711	\$ 286,496
<b>TOTAL ASSETS</b>	<b>\$ 370,775</b>	<b>\$ 258,432</b>	<b>\$ 342,711</b>	<b>\$ 286,496</b>
<b>LIABILITIES</b>				
Due to Others	\$ 370,775	\$ 258,432	\$ 342,711	\$ 286,496
<b>TOTAL LIABILITIES</b>	<b>\$ 370,775</b>	<b>\$ 258,432</b>	<b>\$ 342,711</b>	<b>\$ 286,496</b>
<b>Land Cash Escrows</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,012,243	\$ 86,226	\$ 505,302	\$ 593,167
<b>TOTAL ASSETS</b>	<b>\$ 1,012,243</b>	<b>\$ 86,226</b>	<b>\$ 505,302</b>	<b>\$ 593,167</b>
<b>LIABILITIES</b>				
Due to Others	\$ 1,012,243	\$ 86,226	\$ 505,302	\$ 593,167
<b>TOTAL LIABILITIES</b>	<b>\$ 1,012,243</b>	<b>\$ 86,226</b>	<b>\$ 505,302</b>	<b>\$ 593,167</b>

(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, 2017

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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	\$ 360,521
Amount to be Provided for Retirement of General Long-Term Debt	<u>18,999,782</u>
<b>TOTAL AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT</b>	<u><u>\$ 19,360,303</u></u>
<b>GENERAL LONG-TERM DEBT PAYABLE</b>	
General Obligation Bonds Payable	\$ 8,230,000
Compensated Absences	359,737
Net Other Postemployment Benefit Obligation	316,600
Net Pension Liability	<u>10,453,966</u>
<b>TOTAL GENERAL LONG-TERM DEBT PAYABLE</b>	<u><u>\$ 19,360,303</u></u>

(See independent auditor's report.)

## **LONG-TERM DEBT REQUIREMENTS**



**VILLAGE OF NORTH AURORA, ILLINOIS**

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

May 31, 2017

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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
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>\$ 1,850,000</u>	<u>\$ 169,878</u>	<u>\$ 2,019,878</u>			<u>\$ 84,939</u>	<u>\$ 84,939</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, 2017

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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
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>\$ 6,380,000</u>	<u>\$ 1,238,650</u>	<u>\$ 7,618,650</u>			<u>\$ 619,325</u>	<u>\$ 619,325</u>

(See independent auditor's report.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION ALTERNATE REVENUE SOURCE REFUNDING  
BOND SERIES 2017

May 31, 2017

Date of Issue	April 4, 2017
Date of Maturity	January 1, 2032
Authorized Issue	\$5,800,000
Actual Issue	\$5,800,000
Denomination of Bonds	\$5,000
Denomination of Bonds	1 to 1,160 - \$5,000
Interest Rates	Bonds
	1-71 3.00%
	72-135 3.00%
	136-200 3.00%
	201-267 3.00%
	268-336 3.00%
	337-408 3.00%
	409-482 3.00%
	483-558 3.00%
	559-636 3.00%
	637-717 3.00%
	718-800 3.25%
	801-886 3.25%
	887-974 3.50%
	975-1065 3.75%
	1066-1160 4.00%
Principal Maturity Date	January 1
Interest Dates	January 1 and July 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			Interest Due on			
		Principal	Interest	Total	July 1	Amount	January 1	Amount
2016	1-71	\$ 355,000	\$ 138,302	\$ 493,302	2017	\$ -	2018	\$ 138,302
2017	72-135	320,000	175,825	495,825	2018	87,913	2019	87,912
2018	136-200	325,000	166,225	491,225	2019	83,113	2020	83,112
2019	201-267	335,000	156,475	491,475	2020	78,238	2021	78,237
2020	268-336	345,000	146,425	491,425	2021	73,213	2022	73,212
2021	337-408	360,000	136,075	496,075	2022	68,038	2023	68,037
2022	409-482	370,000	125,275	495,275	2023	62,638	2024	62,637
2023	483-558	380,000	114,175	494,175	2024	57,088	2025	57,087
2024	559-636	390,000	102,775	492,775	2025	51,388	2026	51,387
2025	637-717	405,000	91,075	496,075	2026	45,538	2027	45,537
2026	718-800	415,000	78,925	493,925	2027	39,463	2028	39,462
2027	801-886	430,000	65,438	495,438	2028	32,719	2029	32,719
2028	887-974	440,000	51,464	491,464	2029	25,732	2030	25,732
2029	975-1065	455,000	36,062	491,062	2030	18,031	2031	18,031
2030	1066-1160	475,000	18,999	493,999	2031	9,500	2032	9,499
		<u>\$ 5,800,000</u>	<u>\$ 1,603,515</u>	<u>\$ 7,403,515</u>			<u>\$ 732,612</u>	<u>\$ 870,903</u>

(See independent auditor's report.)

**VILLAGE OF NORTH AURORA, ILLINOIS**

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

May 31, 2017

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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
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>\$ 452,614</u>	<u>\$ 33,760</u>	<u>\$ 486,374</u>		<u>\$ 16,880</u>		<u>\$ 16,880</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.	103-112
Revenue Capacity	
These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	113-118
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.	119-123
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.	124-125
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.	126-128

*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>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>GOVERNMENTAL ACTIVITIES</b>				
Net Investment in Capital Assets	\$ 36,451,871	\$ 47,004,982	\$ 52,220,638	\$ 73,654,427
Restricted	2,886,652	3,469,442	3,557,460	4,108,032
Unrestricted	6,311,477	5,375,448	6,800,528	7,919,304
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 45,650,000</b>	<b>\$ 55,849,872</b>	<b>\$ 62,578,626</b>	<b>\$ 85,681,763</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net Investment in Capital Assets	\$ 16,277,652	\$ 17,646,735	\$ 18,198,621	\$ 20,103,711
Restricted	-	-	-	-
Unrestricted	1,262,692	917,151	761,323	1,043,388
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 17,540,344</b>	<b>\$ 18,563,886</b>	<b>\$ 18,959,944</b>	<b>\$ 21,147,099</b>
<b>PRIMARY GOVERNMENT</b>				
Net Investment in Capital Assets	\$ 52,729,523	\$ 64,651,717	\$ 70,419,259	\$ 93,758,138
Restricted	2,886,652	3,469,442	3,557,460	4,108,032
Unrestricted	7,574,169	6,292,599	7,561,851	8,962,692
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 63,190,344</b>	<b>\$ 74,413,758</b>	<b>\$ 81,538,570</b>	<b>\$ 106,828,862</b>

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

### Data Source

Audited Financial Statements

<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016*</b>	<b>2017</b>
\$ 81,798,254	\$ 83,248,697	\$ 85,083,399	\$ 86,384,283	\$ 87,966,627	\$ 88,313,085
3,572,015	3,906,679	3,748,762	4,049,089	3,293,677	2,940,679
7,482,489	8,883,752	10,404,995	10,519,121	1,979,304	2,078,106
<u>\$ 92,852,758</u>	<u>\$ 96,039,128</u>	<u>\$ 99,237,156</u>	<u>\$ 100,952,493</u>	<u>\$ 93,239,608</u>	<u>\$ 93,331,870</u>
\$ 20,760,990	\$ 20,995,758	\$ 20,966,641	\$ 22,099,689	\$ 22,191,726	\$ 21,830,789
-	-	-	-	-	-
1,493,850	2,306,779	2,893,770	2,406,255	2,744,852	2,900,145
<u>\$ 22,254,840</u>	<u>\$ 23,302,537</u>	<u>\$ 23,860,411</u>	<u>\$ 24,505,944</u>	<u>\$ 24,936,578</u>	<u>\$ 24,730,934</u>
\$ 102,559,244	\$ 104,244,455	\$ 106,050,040	\$ 108,483,972	\$ 110,158,353	\$ 110,143,874
3,572,015	3,906,679	3,748,762	4,049,089	3,293,677	2,940,679
8,976,339	11,190,531	13,298,765	12,925,376	4,724,156	4,978,251
<u>\$ 115,107,598</u>	<u>\$ 119,341,665</u>	<u>\$ 123,097,567</u>	<u>\$ 125,458,437</u>	<u>\$ 118,176,186</u>	<u>\$ 118,062,804</u>

# VILLAGE OF NORTH AURORA, ILLINOIS

## CHANGES IN NET POSITION

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>EXPENSES</b>				
Governmental Activities				
General Government	\$ 2,258,047	\$ 2,741,380	\$ 2,613,359	\$ 2,367,118
Public Safety	3,725,577	4,548,047	4,259,824	3,589,938
Public Works	3,240,032	3,198,892	3,289,053	3,644,191
Sanitation	519,526	578,730	421,496	359,733
Health and Welfare	290,372	88,768	66,978	72,277
Interest	266,082	426,940	510,332	537,322
Total Governmental Activities Expenses	10,299,636	11,582,757	11,161,042	10,570,579
Business-Type Activities				
Waterworks	2,025,595	2,245,452	2,140,741	2,155,414
Total Business-Type Activities Expenses	2,025,595	2,245,452	2,140,741	2,155,414
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>\$ 12,325,231</b>	<b>\$ 13,828,209</b>	<b>\$ 13,301,783</b>	<b>\$ 12,725,993</b>
<b>PROGRAM REVENUES</b>				
Governmental Activities				
Charges for Services				
General Government	\$ 931,765	\$ 672,395	\$ 546,116	\$ 647,884
Public Works	36,679	31,268	44,884	40,208
Other	740,633	707,396	601,625	617,152
Operating Grants and Contributions	536,322	494,958	494,575	598,055
Capital Grants and Contributions	1,529,638	10,036,690	6,853,809	21,555,794
Total Governmental Activities Program Revenues	3,775,037	11,942,707	8,541,009	23,459,093
Business-Type Activities				
Charges for Services				
Waterworks	2,583,628	2,329,638	2,264,997	2,442,003
Capital Grants and Contributions	337,915	920,752	230,238	1,882,337
Total Business-Type Activities Program Revenues	2,921,543	3,250,390	2,495,235	4,324,340
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 6,696,580</b>	<b>\$ 15,193,097</b>	<b>\$ 11,036,244</b>	<b>\$ 27,783,433</b>
<b>NET REVENUE (EXPENSE)</b>				
Governmental Activities	\$ (6,524,599)	\$ 359,950	\$ (2,620,033)	\$ 12,888,514
Business-Type Activities	895,948	1,004,938	354,494	2,168,926
<b>TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)</b>	<b>\$ (5,628,651)</b>	<b>\$ 1,364,888</b>	<b>\$ (2,265,539)</b>	<b>\$ 15,057,440</b>



2012	2013	2014	2015	2016	2017
\$ 2,781,256	\$ 2,438,161	\$ 2,509,574	\$ 2,739,039	\$ 2,751,762	\$ 2,658,299
4,864,872	5,046,200	5,193,500	5,413,092	6,035,035	6,211,779
3,736,393	3,949,037	4,765,606	6,086,057	5,380,250	4,795,769
510,422	370,834	558,586	577,795	487,802	704,175
65,094	-	-	-	-	-
512,987	487,719	465,671	459,862	287,892	259,260
12,471,024	12,291,951	13,492,937	15,275,845	14,942,741	14,629,282
2,207,371	2,252,015	2,399,782	2,332,989	2,265,473	2,800,134
2,207,371	2,252,015	2,399,782	2,332,989	2,265,473	2,800,134
\$ 14,678,395	\$ 14,543,966	\$ 15,892,719	\$ 17,608,834	\$ 17,208,214	\$ 17,429,416
\$ 631,909	\$ 797,812	\$ 1,104,559	\$ 1,295,616	\$ 1,210,730	\$ 869,123
50,790	29,758	-	-	-	-
614,929	610,725	630,640	436,583	533,199	353,591
526,517	513,589	609,785	547,447	477,516	466,331
7,053,967	2,582,819	2,810,769	3,117,646	1,410,172	839,023
8,878,112	4,534,703	5,155,753	5,397,292	3,631,617	2,528,068
2,547,310	3,119,005	2,772,684	2,544,588	2,841,797	2,558,809
754,260	207,500	174,062	418,913	10,597	-
3,301,570	3,326,505	2,946,746	2,963,501	2,852,394	2,558,809
\$ 12,179,682	\$ 7,861,208	\$ 8,102,499	\$ 8,360,793	\$ 6,484,011	\$ 5,086,877
\$ (3,592,912)	\$ (7,757,248)	\$ (8,337,184)	\$ (9,878,553)	\$ (11,311,124)	\$ (12,101,214)
1,094,199	1,074,490	546,964	630,512	586,921	(241,325)
\$ (2,498,713)	\$ (6,682,758)	\$ (7,790,220)	\$ (9,248,041)	\$ (10,724,203)	\$ (12,342,539)

# VILLAGE OF NORTH AURORA, ILLINOIS

## CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>GENERAL REVENUES AND OTHER</b>				
<b>CHANGES IN NET POSITION</b>				
Governmental Activities				
Taxes				
Property and Replacement	\$ 2,479,136	\$ 2,798,676	\$ 3,085,273	\$ 3,192,341
Sales	4,596,159	4,160,089	4,013,156	4,392,497
Telecommunications	252,686	254,250	383,446	374,926
Utility	300,320	321,939	513,988	537,432
Amusement	78,403	73,592	66,300	67,359
Other	297,307	325,188	280,784	320,504
Shared Income Taxes	1,422,163	1,399,626	1,225,777	1,229,912
Investment Income	621,671	351,622	155,009	56,265
Miscellaneous	74,537	154,940	90,885	43,387
Gain on Disposal of Capital Assets	-	-	-	-
Total Governmental Activities	10,122,382	9,839,922	9,814,618	10,214,623
Business-Type Activities				
Investment Income	139,723	18,604	4,734	1,981
Miscellaneous	-	-	36,830	16,248
Total Business-Type Activities	139,723	18,604	41,564	18,229
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 10,262,105</b>	<b>\$ 9,858,526</b>	<b>\$ 9,856,182</b>	<b>\$ 10,232,852</b>
<b>CHANGE IN NET POSITION</b>				
Governmental Activities	\$ 3,597,783	\$ 10,199,872	\$ 7,194,585	\$ 23,103,137
Business-Type Activities	1,035,671	1,023,542	396,058	2,187,155
<b>TOTAL PRIMARY GOVERNMENT</b>				
<b>CHANGE IN NET POSITION</b>	<b>\$ 4,633,454</b>	<b>\$ 11,223,414</b>	<b>\$ 7,590,643</b>	<b>\$ 25,290,292</b>

Data Source

Audited Financial Statements

2012	2013	2014	2015	2016	2017
\$ 3,212,355	\$ 3,117,516	\$ 3,328,978	\$ 3,346,397	\$ 3,390,542	\$ 3,405,492
4,747,193	4,902,035	5,063,094	5,255,029	5,354,915	5,585,044
363,748	346,743	329,355	304,778	278,444	258,746
497,232	532,587	568,148	527,221	487,721	531,002
76,438	75,669	84,050	80,155	88,845	82,489
328,803	355,255	401,734	484,048	535,140	550,330
1,420,009	1,585,789	1,600,554	1,688,499	1,714,327	1,612,400
54,747	48,281	95,274	(180,909)	92,804	102,993
63,382	24,979	64,025	88,672	28,252	64,980
-	34,654	-	-	-	-
10,763,907	11,023,508	11,535,212	11,593,890	11,970,990	12,193,476
1,189	3,770	6,777	7,087	6,626	21,607
12,353	9,356	4,133	7,934	24,019	14,074
13,542	13,126	10,910	15,021	30,645	35,681
\$ 10,777,449	\$ 11,036,634	\$ 11,546,122	\$ 11,608,911	\$ 12,001,635	\$ 12,229,157
\$ 7,170,995	\$ 3,266,260	\$ 3,198,028	\$ 1,715,337	\$ 659,866	\$ 92,262
1,107,741	1,087,616	557,874	645,533	617,566	(205,644)
\$ 8,278,736	\$ 4,353,876	\$ 3,755,902	\$ 2,360,870	\$ 1,277,432	\$ (113,382)

# VILLAGE OF NORTH AURORA, ILLINOIS

## FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>GENERAL FUND</b>				
Reserved	\$ 74,520	\$ 39,542	\$ 34,047	\$ 28,325
Unreserved	4,903,124	4,593,025	4,671,774	5,124,435
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Unrestricted				
Unassigned	-	-	-	-
<b>TOTAL GENERAL FUND</b>	<b>\$ 4,977,644</b>	<b>\$ 4,632,567</b>	<b>\$ 4,705,821</b>	<b>\$ 5,152,760</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Reserved	\$ 2,865,078	\$ 11,673,398	\$ 5,044,911	\$ 4,249,421
Unreserved				
Capital Projects	1,892,227	1,268,483	2,049,659	1,961,817
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Unrestricted				
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (Deficit)	-	-	-	-
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 4,757,305</b>	<b>\$ 12,941,881</b>	<b>\$ 7,094,570</b>	<b>\$ 6,211,238</b>
<b>TOTAL ALL GOVERNMENTAL FUNDS</b>	<b>\$ 9,734,949</b>	<b>\$ 17,574,448</b>	<b>\$ 11,800,391</b>	<b>\$ 11,363,998</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

2012*	2013	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
45,382	28,122	5,866	18,743	19,129	19,765
20,047	19,559	19,070	16,535	23,493	31,821
5,358,408	5,801,289	6,152,602	6,364,785	6,605,504	6,898,400
\$ 5,423,837	\$ 5,848,970	\$ 6,177,538	\$ 6,400,063	\$ 6,648,126	\$ 6,949,986
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
2,400	-	-	972	-	5,325
3,551,968	4,833,771	3,729,692	4,032,554	3,270,184	2,908,858
-	-	641,896	294,517	-	-
2,314,949	2,468,350	3,849,499	3,788,586	3,924,404	3,869,046
(2,496)	-	-	-	-	-
\$ 5,866,821	\$ 7,302,121	\$ 8,221,087	\$ 8,116,629	\$ 7,194,588	\$ 6,783,229
\$ 11,290,658	\$ 13,151,091	\$ 14,398,625	\$ 14,516,692	\$ 13,842,714	\$ 13,733,215

**VILLAGE OF NORTH AURORA, ILLINOIS**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>REVENUES</b>				
Taxes	\$ 8,004,010	\$ 7,933,736	\$ 8,342,948	\$ 8,885,058
Licenses and Permits	668,631	419,591	274,749	355,582
Intergovernmental	1,972,850	2,004,584	1,770,352	2,169,201
Charges for Services	804,638	779,315	683,158	668,021
Fines and Forfeits	319,105	326,941	277,722	301,113
Developer Contributions	717,134	1,741,648	577,373	65,614
Investment Income	621,671	351,622	155,009	56,265
Miscellaneous	36,795	40,150	47,880	23,916
Total Revenues	13,144,834	13,597,587	12,129,191	12,524,770
<b>EXPENDITURES</b>				
Current				
General Government	2,214,660	2,366,401	2,391,451	2,163,355
Public Safety	3,726,617	3,864,954	3,984,649	4,154,945
Public Works	2,024,422	2,011,129	1,617,841	1,523,924
Sanitation	72,078	67,018	76,971	57,858
Health and Welfare	290,372	88,768	66,978	72,277
Capital Outlay	3,697,677	5,547,491	8,499,948	3,727,818
Debt Service				
Principal	947,428	405,000	635,000	750,000
Interest and Fiscal Charges	285,519	317,327	722,609	548,852
Total Expenditures	13,258,773	14,668,088	17,995,447	12,999,029
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(113,939)	(1,070,501)	(5,866,256)	(474,259)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,654,908	1,097,290	681,642	706,012
Transfers (Out)	(1,654,908)	(1,097,290)	(681,642)	(706,012)
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	-	-	-	-
Insurance Claim Reimbursement	-	-	-	37,866
Total Other Financing Sources (Uses)	-	8,910,000	92,199	37,866
<b>OTHER CHANGES TO FUND BALANCES</b>				
Prior Period Adjustment	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (113,939)</b>	<b>\$ 7,839,499</b>	<b>\$ (5,774,057)</b>	<b>\$ (436,393)</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>				
	16.85%	6.26%	9.87%	14.16%

Data Source

Audited Financial Statements

2012	2013	2014	2015	2016	2017
\$ 9,225,769	\$ 9,317,485	\$ 9,775,359	\$ 9,997,628	\$ 10,135,609	\$ 10,413,105
426,556	555,008	828,380	987,674	980,051	479,890
2,062,401	2,175,060	2,303,622	2,296,559	2,216,295	2,093,264
689,479	652,786	650,364	637,452	571,260	585,900
291,247	217,966	177,756	142,274	125,525	127,720
198,563	73,753	904,416	228,474	307,130	42,490
54,747	48,281	95,274	(180,909)	92,804	102,993
35,060	34,856	27,626	53,471	95,343	94,185
12,983,822	13,075,195	14,762,797	14,162,623	14,524,017	13,939,547
2,250,381	2,258,771	2,309,967	2,567,418	2,536,799	2,489,554
4,611,054	4,605,621	4,804,652	5,190,232	5,202,837	5,439,089
1,586,926	1,876,107	2,563,622	2,314,769	2,505,027	2,491,077
63,329	57,004	243,504	230,131	145,104	314,133
65,094	-	-	-	-	-
3,330,335	1,267,564	2,559,030	2,718,904	3,667,311	2,218,724
665,000	695,000	725,000	760,000	850,000	890,000
506,989	489,349	468,261	516,082	294,165	263,325
13,079,108	11,249,416	13,674,036	14,297,536	15,201,243	14,105,902
(95,286)	1,825,779	1,088,761	(134,913)	(677,226)	(166,355)
805,635	781,434	1,016,068	995,706	1,088,769	962,769
(805,635)	(781,434)	(1,016,068)	(995,706)	(1,088,769)	(962,769)
-	-	-	6,885,000	-	-
-	-	-	(6,952,658)	-	-
-	-	-	-	-	-
-	-	-	256,582	-	-
-	-	-	-	-	-
21,946	34,654	146,453	64,056	3,248	56,856
21,946	34,654	146,453	252,980	3,248	56,856
-	-	-	-	-	-
\$ (73,340)	\$ 1,860,433	\$ 1,235,214	\$ 118,067	\$ (673,978)	\$ (109,499)
11.43%	11.45%	10.36%	9.60%	9.16%	9.55%

**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>
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%
2016	384,212,041	67,873,407	34,089,473	374,889	275,248	486,825,058	0.589215	1,460,475,174	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 EAV."

Data Source

Office of the County Clerk



**VILLAGE OF NORTH AURORA, ILLINOIS**

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**

Last Ten Levy Years

<b>Tax Levy 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>
<b>VILLAGE DIRECT RATES</b>										
Village of North Aurora	0.331880	0.373998	0.294611	0.367100	0.409270	0.454490	0.505010	0.515680	0.497450	0.478350
General Obligation Library Debt Service	0.091545	0.087901	0.086180	0.090252	0.101378	0.110170	0.121440	0.122027	0.115407	0.110865
Total Direct Rate	0.423425	0.461899	0.380791	0.457352	0.510648	0.564660	0.626450	0.637707	0.612857	0.589215
<b>OVERLAPPING RATES (REPRESENTATIVE)</b>										
Messenger Public Library	0.240730	0.242000	0.242730	0.266280	0.296870	0.329670	0.366550	0.374060	0.360840	0.347020
North Aurora Fire District	0.694262	0.698169	0.696580	0.764120	0.834119	0.916086	1.024067	1.046502	1.016720	0.978261
Kane County	0.332164	0.333610	0.339794	0.372975	0.398980	0.433559	0.462292	0.468360	0.447884	0.420062
Kane County Forest Preserve	0.197429	0.193217	0.199732	0.220104	0.260923	0.271015	0.303868	0.312630	0.294354	0.225322
Aurora Township (1)	0.213940	0.214057	0.218958	0.242825	0.274235	0.314060	0.362063	0.374280	0.247795	0.326488
College District 516	0.395048	0.399526	0.404276	0.406952	0.470953	0.531163	0.580694	0.595432	0.587468	0.560691
Fox Valley Park District	0.403707	0.401363	0.412193	0.480263	0.528582	0.586301	0.627967	0.630680	0.599925	0.558975
West Aurora Schools 129	4.125158	4.122511	4.183454	4.273974	5.160256	5.889589	6.666744	6.857788	6.589755	6.147832
Total Overlapping Rates	6.602438	6.604453	6.697717	7.027493	8.224918	9.271443	10.394245	10.659732	10.144741	9.564651
<b>TOTAL ALL RATES (REPRESENTATIVE)</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>	<b>10.153866</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		
	2016			2007		
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	\$ 7,731,263	1	1.59%			
Star Randall Highlands LLC	7,055,966	2	1.45%			
Dart Container Corp	5,649,372	3	1.16%	\$ 4,123,592	2	0.77%
Liberty Illinois LP	4,137,917	4	0.85%			
Woodman's Food Market	4,078,791	5	0.84%	4,463,768	1	0.83%
Summitt Enterprises of Illinois, Ltd.	3,549,729	6	0.73%	3,439,386	3	0.64%
Preferred Real Estate LLC	3,413,541	7	0.70%			
Courtyards Village West Apartments LLC	2,802,040	8	0.58%	3,355,320	5	0.63%
Metropolitan Bank & Trust	2,458,249	9	0.50%			
Target Corporation	2,289,820	10	0.47%	2,484,229	8	0.46%
NARE/Inland North Aurora Venture LLC				3,392,171	4	0.63%
Little Miranda, LLC				2,762,227	6	0.52%
Avg-No Aurora LLC				2,578,120	7	0.48%
G Carey Construction				2,465,645	9	0.46%
Rubloff North Aurora LLC				2,297,791	10	0.43%
	<u>\$ 43,166,688</u>		<u>8.87%</u>	<u>\$ 31,362,249</u>		<u>5.85%</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			
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%	2,730,626	2,937,463	98.65%
2016	3,024,971	65,570	2.17%	1,532,075	1,597,645	52.82%

(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>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>
General Merchandise	\$ 418,447	\$ 486,771	\$ 467,325	\$ 493,607	\$ 505,924	\$ 527,890	\$ 494,442	\$ 457,535	\$ 463,033	\$ 500,240
Food	811,291	902,814	909,306	977,589	1,106,414	1,163,388	1,190,519	1,178,048	1,157,147	1,142,081
Drinking and Eating Places	231,941	260,481	241,546	262,390	289,233	322,069	340,590	367,727	413,909	409,591
Apparel	20,951	47,052	55,847	60,937	73,069	73,461	30,135	57,975	58,354	N/A
Furniture & H.H. & Radio	80,428	146,079	255,162	263,781	254,383	253,578	246,541	246,357	249,324	249,758
Lumber, Building Hardware	504,750	121,685	63,057	60,859	71,572	-	65,982	99,887	59,456	72,789
Automobile and Filling Stations	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	1,906,527
Drugs and Miscellaneous Retail	248,197	263,922	267,408	288,566	286,046	285,473	434,255	505,026	582,353	760,865
Agriculture and All Others	213,366	302,435	239,617	152,316	149,743	118,245	135,272	130,118	130,883	181,407
Manufacturers	212,924	161,536	135,394	138,919	166,620	196,487	192,288	188,201	198,126	288,261
Unclassified	-	-	-	-	-	7,293	-	-	-	-
<b>TOTAL</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>\$ 5,511,519</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>

N/A - not available

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

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<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>
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%
2017	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			
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
2017	8,457,983	-	5,990,863	452,614	14,901,460	2.72%	854

\* See the schedule of Demographic and Economic Information on page 124 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>
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%	964
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	386,689	9,399,079	2.04%	561
2017	8,457,983	5,990,863	360,521	14,088,325	2.89%	808

\* See the schedule of Assessed Value and Actual Value of Taxable Property on page 113 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, 2017

Governmental Unit	Gross Debt	Percentage Debt Applicable to the Village (1)	The Village's Share of Debt
Village of North Aurora	\$ 8,457,983	100.00%	\$ 8,457,983
Kane County	41,855,000	3.76%	1,573,748
Kane County Forest Preserve	122,205,000	3.76%	4,594,908
Fox Valley Park District	37,120,000	9.17%	3,403,904
Batavia Park District	1,016,650	4.05%	41,174
Batavia Library 1998 Bond District	1,395,000	7.54%	105,183
Schools			
School District No. 101	66,510,000	0.58%	385,758
School District No. 129	127,673,000	29.73%	37,957,183
School District No. 302	88,416,715	0.36%	318,300
Community College District No. 516	62,810,000	5.55%	3,485,955
Total Other Governments	549,001,365		51,866,113
<b>TOTAL OVERLAPPING BONDED DEBT</b>	<b>\$ 557,459,348</b>		<b>\$ 60,324,096</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>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>2017</b>
Legal Debt Limit	\$ 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	\$ 41,988,661
Total Net Debt Applicable to Limit	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	1,850,000
<b>LEGAL DEBT MARGIN</b>	<b>\$ 34,026,942</b>	<b>\$ 44,316,914</b>	<b>\$ 45,032,774</b>	<b>\$ 42,617,864</b>	<b>\$ 38,950,418</b>	<b>\$ 38,950,418</b>	<b>\$ 33,730,205</b>	<b>\$ 34,452,782</b>	<b>\$ 37,404,559</b>	<b>\$ 40,138,661</b>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	11%	10%	9%	9%	9%	9%	8%	7%	6%	4%

Legal Debt Margin Calculation for Fiscal 2016

Assessed Value	\$ 486,825,058
Legal Debt Margin	<u>8.625%</u>
Debt Limit	<u>41,988,661</u>
Debt Applicable to Limit General Obligation Bonds	<u>1,850,000</u>
Total Debt Applicable to Limit	<u>1,850,000</u>
<b>LEGAL DEBT MARGIN</b>	<b><u><u>\$ 40,138,661</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 Charges and Other (1)	Less Operating Expenses (2)	Net Available Revenue	Debt Service		Coverage	Beginning Fund Balance	Sales Tax, Use Tax and Other	Total Available Funds	Less Non-Debt Expenditures	Net Available Funds	Debt Service		Coverage	
				Principal	Interest							Principal	Interest		
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	
2017	2,386,804	1,809,580	577,224	415,000	15,355	1.34	261,456	626,639	888,095	-	888,095	450,000	176,500	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>
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%
2017	17,441	548,625,042	31,456	5.9%

(1) Population of 17,441 based on 2016 partial, special census.

Population of 16,760 based on 2010 Census.

Population of 15,893 based on 2007 partial, special Census.

(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	2017			2008		
	Employees	Rank	Percentage of Total Village Population	Employees	Rank	Percentage of Total Village Population
Dart Container Corporation	375	1	2.15%	375	1	2.36%
Aurora Packing Company, Inc.	300	2	1.72%	130	9	0.82%
West Aurora School District	243	3	1.40%	195	4	1.23%
Oberweis Dairy, Inc.	225	4	1.29%	225	2	1.42%
Pentair Aurora Pump	210	5	1.21%	200	3	1.26%
Woodman's Food Market	175	6	1.01%	155	5	0.98%
One Source Industries	159	7	0.91%			
Euclid Beverage Ltd.	140	8	0.80%	140	7	0.88%
Dovenmuehle Mortgage	125	9	0.72%			
Target	110	10	0.63%	100	10	0.63%
Daco, Inc.				135	8	0.85%
Air Rite Heating and Cooling				150	6	0.94%
<b>TOTAL</b>	<b>2,062</b>		<b>11.84%</b>	<b>1,805</b>		<b>11.37%</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>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>2017</b>
<b>GENERAL GOVERNMENT</b>										
Admin/Finance	5.75	5.75	4.75	4.60	4.60	4.67	5.67	5.67	5.67	6.36
Community Development	4.35	4.35	3.80	3.80	4.11	4.17	4.17	4.17	4.17	4.25
<b>PUBLIC SAFETY</b>										
Police										
Sworn Officers	30.00	29.00	29.00	28.00	28.00	28.00	28.00	28.00	29.00	29.00
Civilians/Other	4.10	4.10	4.10	4.10	4.10	4.10	3.35	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	3.00
Street Maintenance	8.30	8.30	8.30	7.25	7.45	7.45	7.45	7.45	8.45	7.45
Water Operations/Billing	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00
<b>TOTAL</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>	<b>58.41</b>

Data Source

Village Finance Office

# VILLAGE OF NORTH AURORA, ILLINOIS

## OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>COMMUNITY DEVELOPMENT</b>										
New Home Permits	73	25	19	18	22	147	27	21	332	13
New Commercial Permits	41	26	18	10	16	14	24	13	21	39
Misc Permits	605	555	524	603	542	500	1,464	2,260	535	591
<b>POLICE</b>										
Physical Arrests	666	640	421	381	456	289	246	235	248	216
Ordinance Violations	159	200	163	143	182	97	107	124	105	122
Traffic Violations	7,408	7,234	6,205	8,555	7,758	4,510	5,565	4,597	2,258	3,731
<b>PUBLIC WORKS</b>										
Street Resurfacing (Miles)	0.43	0.35	-	0.15	0.58	-	0.36	2.19	-	-
Street Reconstruction (Miles)	-	1.50	0.80	0.40	0.54	0.979	1.62	0.97	1.70	1.60
<b>WATER</b>										
New Connections	110	25	34	20	23	52	185	30	140	15
Water Main Breaks	10	13	10	10	9	22	16	12	8	7
Average Daily Consumption	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	1,770,547
Peak Daily Consumption	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	3,498,000

### 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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<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	18	18
<b>PUBLIC WORKS</b>										
Residential Streets (Miles)	70	72	74	74	76	76	76	77	77	77
Streetlights	500	575	849	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)	68	72	73	73	76	92	92	94	94	95
Fire Hydrants	920	950	960	960	980	1,150	1,150	1,150	1,200	1,250
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