



# Village of North Aurora, Illinois



## Comprehensive Annual Financial Report

For Fiscal Year Ended May 31, 2019

**VILLAGE OF NORTH AURORA, ILLINOIS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED**  
**MAY 31, 2019**

Prepared by:

William D. Hannah  
Finance Director

Mandy Flatt  
Accounting and Finance Manager

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## **INTRODUCTORY SECTION**

This section includes miscellaneous data regarding the Village of North Aurora:

- List of Principal Officials
- Organizational Chart
- Transmittal Letter
- Certificate of Achievement for Excellence in Financial Reporting

**VILLAGE OF NORTH AURORA, ILLINOIS**  
**List of Principal Officials**



**VILLAGE PRESIDENT**

Dale Berman

**VILLAGE 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**

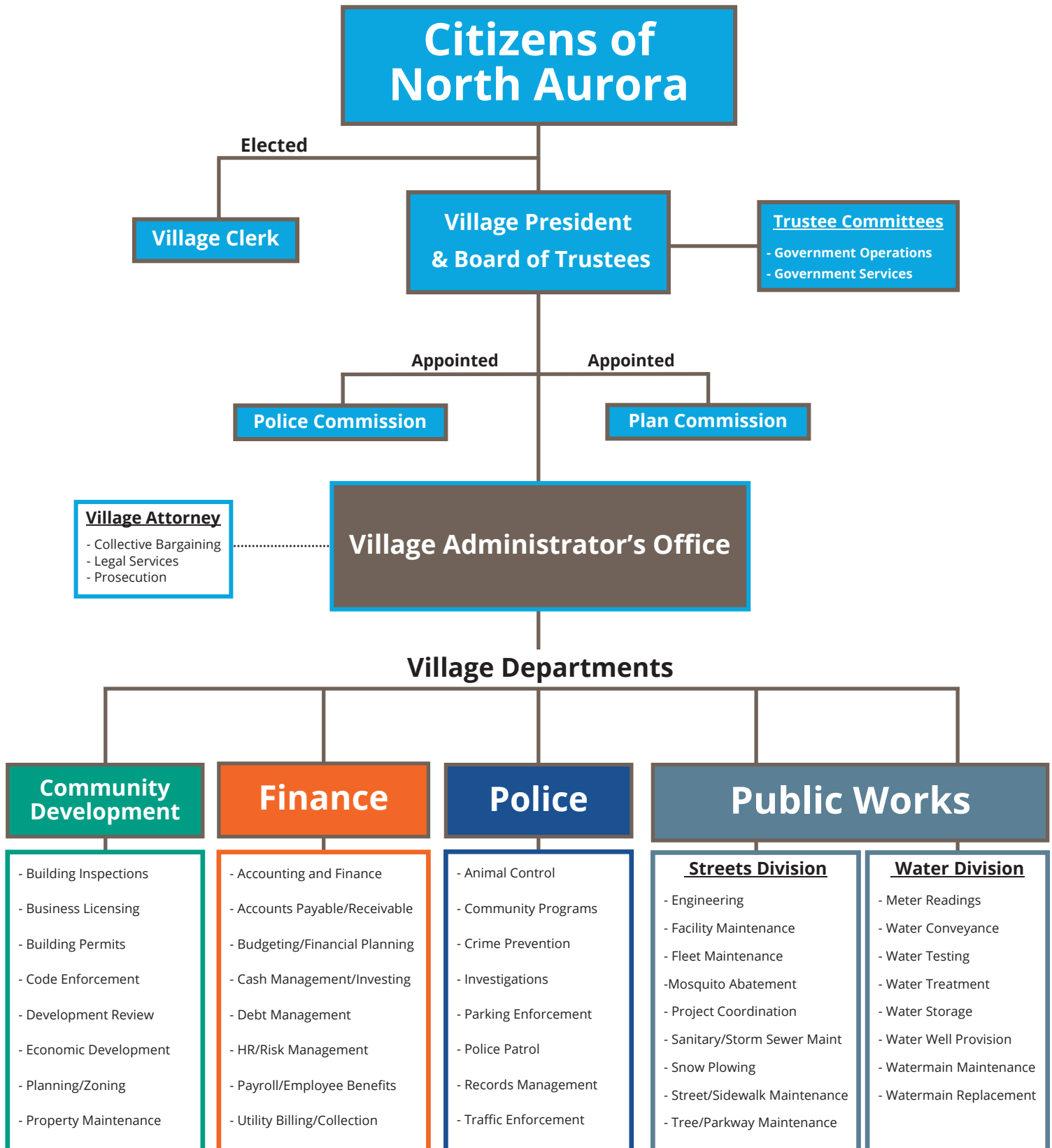
|                |                                |
|----------------|--------------------------------|
| William Hannah | Finance Director               |
| John Laskowski | Public Works Director          |
| David Fisher   | Police Chief                   |
| Michael Toth   | Community Development Director |

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Officials listed as of the date of the preparation of the Comprehensive Annual Financial Report.

# Village of North Aurora

## Organizational Chart





October 18, 2019

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, 2019 is hereby submitted. This report provides a comprehensive view of the Village's financial activities for the year and financial position at May 31, 2019. 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 Lauterbach & Amen, 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, 2019 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and, evaluating the overall financial statement presentation.

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

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified (“clean”) opinion that the Village’s financial statements for the fiscal year ended May 31, 2019 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 38 miles west of the downtown of the City of Chicago in southeast Kane County, the Village occupies a land area of 7.73 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 60.55 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. The Village does not have any other reporting units which would qualify as a discretely presented component unit in the separate column of the government-wide financial statements.

## **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 91 and 92 as part of the required supplementary information. For other funds with appropriated budgets, this comparison is presented in the other supplementary information.

## **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. Development in the Village continues to be very strong. Over the last several years, a second industrial warehouse was completed along Orchard Gateway, construction was completed on the Springs at Orchard, a 300-unit Class A gated apartment community and last year, and construction of a new hotel and new townhomes was completed within the Randall Highlands development. During the last year, a developer began construction

of a significant new residential development consisting of 374 senior age-targeted homes on the former Fox Valley golf course on Rt. 25. This development will significantly contribute to the overall tax base of the Village as it is built-out over the next several years.

The Village has also worked with other neighboring communities to update various boundary agreements which will provide for careful planning for unincorporated areas through the development of annexations and annexation agreements for future development. 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 increased again for 2018, the fifth consecutive year of increases going back to 2014. The Village's 2018 taxable EAV increased 6.2% to \$535,501,856. The increase was due to the addition of \$13,915,561 in new construction EAV and an increase in current EAV of 3.4%. Tentative information for the 2019 tax year shows that the EAV for current property may increase by more than 5%, evidence that the overall value of property in North Aurora will continue. The Village maintains and continues to maintain a developed land area with a balanced mix of residential (77%), commercial (16%) and industrial (7%) uses.

Overall economic and retail activity within the Village continued to remain strong. General Fund sales tax revenue increased to \$4,712,911 for the year, increasing slightly from last year's prior year amount of \$4,711,465, the 9<sup>th</sup> consecutive year-over-year increase. Revenue increased despite a challenging retail environment and changing shopping patterns which, ultimately, also led to a significant increase in use tax collections and distributions from the State which increased to \$545,827 or 17% from the prior year due to an increase in sales tax collected from on-line purchases and a new state law requiring certain out-of-state retailers to collect sales tax. The Village's overall retail environment remains strong with new businesses opening and most categories of sales tax revenue increasing from last year.

State-shared income tax revenue increased 13.7% during the year to \$1,804,364. The increase was largely due to an increase in individual and corporate final income tax returns for 2018. In addition, the state reduced the reduction of state shared revenues to 5% from 10% in the previous year, accounting for roughly 5% of the overall increase in revenues for the year. Income tax revenues, like use tax revenues, are distributed on a per-capital basis to the Village based on the Village's official population of 17,441.

**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 at the time 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:

- Continued efforts to implement the Village Board's 2017 strategic goals and objectives across five general 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
- Successfully completed the negotiations and entering of new agreements with the Village's three (3) collective bargaining units
- Worked with developers on concept designs for several new single-family and multi-family development and mixed-use projects
- Continued the development of the Village's geographic information systems (GIS) by moving the hosting and development in-house
- Awarded and oversaw several TIF-funded façade rehabilitation projects or new projects including a coffee shop on Rt. 31, and assisted with remediation costs and further analysis of other sites for future development potential
- Completed the Village's Popular Annual Financial Report (PAFR) for the May 31, 2018 year and received recognition from the Government Finance Officers Association (GFOA) for its PAFR reporting award from the prior year
- Completed design options for the refurbishing and adaptive lighting of the silo and surrounding land
- Fully implemented Police department local ordinance violation and adjudication system, giving officers more discretion over the issuance of violation notices, and also began the prosecution of local DUI offenses in order to more efficiently prosecute said offenses
- Completed the 2018 road improvement program (3.1 miles) on:
  - White Oak Drive, from Oak to Wilkerson
  - Spring Court, White Oak Drive to End of Cul-de-Sac
  - White Oak Court, White Oak Drive to End of Cul-de-Sac (east)
  - White Oak Court, White Oak Drive to End of Cul-de-Sac (west)
  - Whitney Court, White Oak Drive to End of Cul-de-Sac
  - Stevens Court, White Oak Drive to End of Cul-de-Sac
  - West Mooseheart Drive, White Oak Drive to Subdivision limits/pavement change
  - Brenson Court, West Mooseheart Road to the End of Cul-de-Sac
  - Wilkenson Lane, entire loop
  - Patterson Avenue, Wilkenson Lane to the west subdivision limits
  - Martinson Court, Patterson Avenue to the end of the Cul-de-Sac
  - Martinson Court, Patterson Avenue to the North subdivision boundary
  - Cromwell Court, Wilkenson Lane to end of Cul-de-Sac
  - Carlson Court, Wilkenson Lane to end of Cul-de-Sac
  - Dogwood Drive Acorn Drive to Magnolia Drive
  - Juniper Drive, Butternut Drive to Magnolia Drive
  - Oak Street, Forest Ridge Drive to Orchard Road
- Installed sidewalk along various sections of Rt. 31 to increase pedestrian connectivity
- Continued the substantial replacement of all street lights in the Village to LED with 422 light fixtures converted during the year and only 3374 remaining to be replaced

- Completed the construction of a public parking lot for 20 spaces at the end of John Street and Marvo Street
- Substantially completed the reconstruction of Monroe Alley including watermain, partially funded with CDBG funds
- Worked with consultants to continue analysis of potential redevelopment opportunities in the general area of Rt. 31 and State Street
- Began the process of assessing current conditions and facility needs requirements at the Village's Public Works facility
- Completed the drilling of two (2) new deep water wells in the Village, began installation of transmission main from the new wells to the water treatment facilities and moved forward with plans to construct the well houses in 2020
- Completed several improvements to operational efficiency and effectiveness through the deployment of new information technology and software and replacement of departmental ERP systems

**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 program which, as a result of the completion of the 2017 pavement condition index (PCI) study, the Village has a more comprehensive analysis of the current conditions of every road in the Village and can better prioritize which road segments will require maintenance or rehabilitation in future years. The Village also maintains a 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 that may be necessary over the next five years or beyond so the Village can plan appropriately to ensure funding is in place for those projects.

**Relevant Financial Policies.** The Village has also established various revenue, expenditure, debt, cash management, purchasing 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 one-time revenues were allocated for future capital projects, and as an additional police pension contribution.

**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, 2018. This was the 18<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.

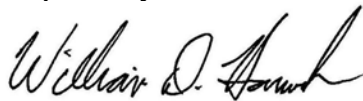
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Village also produced and distributed for fiscal year ended May 31, 2018, a Popular Annual Financial Report (PAFR). The Village also received from the GFOA an Award for Outstanding Achievement in Popular Annual Financial Reporting, a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive this award, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. This was the 2<sup>nd</sup> consecutive year that the Village has received this award.

In addition, the Village of North Aurora received for the 13<sup>th</sup> year in a row the GFOA's Distinguished Budget Presentation Award for the fiscal year 2018-19 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 Village has also submitted its FY 2019-20 Budget for consideration of this award.

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 Manager Mandy Flatt. I would like to extend my appreciation to the President and Trustees of the Village Board for their interest and support in supporting the establishment of prudent financial policies and processes and support in conducting the financial operations of the Village in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "William D. Hannah". The signature is fluid and cursive, with a large initial "W" and a stylized "H".

William D. Hannah  
Finance Director



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, 2018**

*Christopher P. Morill*

Executive Director/CEO

## **FINANCIAL SECTION**

## **INDEPENDENT AUDITORS' REPORT**

This section includes the opinion of the Village's independent auditing firm.



## **INDEPENDENT AUDITORS' REPORT**

October 18, 2019

The Honorable Village President  
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, as of and for the year ended May 31, 2019, and the related notes to the 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of North Aurora, Illinois, as of May 31, 2019, 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 as listed in the table of contents and budgetary information reported in the required supplementary information as 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 of North Aurora, Illinois' basic financial statements. The introductory section, combining and individual fund financial statements and budgetary comparison schedules, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and budgetary comparison schedules and supplemental 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 budgetary comparison schedules and supplemental 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.

*Lauterbach & Amen, LLP*  
LAUTERBACH & AMEN, LLP

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**VILLAGE OF NORTH AURORA, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**MAY 31, 2019**

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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, 2019. 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 3 and the Village's financial statements beginning on page 25.

**Financial Highlights**

- The Village's total net position increased by \$1.3 million or 1.1% during the fiscal year ending May 31, 2019. The governmental net position increased by \$555,898 and the business-type activities net position increased by \$703,244
- The Village's combined Governmental Funds ending fund balances increased \$566,294 as of May 31, 2019 to \$15.6 million
- As of May 31, 2019 the unassigned fund balance for the General Fund was \$7.4 million or 68.8% 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 25 through 28 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 twelve (12) individual governmental funds. Information is presented separately in the governmental fund balance sheet (beginning page 29) and in the governmental fund statement of revenues, expenditures, and changes in fund balances (beginning page 31) for the General Fund, Capital Projects Fund and Route 31 TIF Fund which are considered to be major funds. Data from the other nine (9) 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 schedule 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 33 through 36 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 37 and 38 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 39 through 82 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 83 to 93.

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, individual fund statements and schedules and other supplementary information can be found on pages 94 through 127 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, 2019.

**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, 2019**

|                                  | <b>Governmental-Activities</b> |                      | <b>Business-Type Activities</b> |                      | <b>Total Primary Government</b> |                       |
|----------------------------------|--------------------------------|----------------------|---------------------------------|----------------------|---------------------------------|-----------------------|
|                                  | <b>2019</b>                    | <b>2018</b>          | <b>2019</b>                     | <b>2018</b>          | <b>2019</b>                     | <b>2018</b>           |
| Current and Other Assets         | \$ 23,482,563                  | \$ 22,283,318        | \$ 8,952,482                    | \$ 9,427,201         | \$ 32,435,045                   | \$ 31,710,519         |
| Capital Assets                   | 95,252,912                     | 95,687,981           | 23,122,392                      | 22,136,648           | 118,375,304                     | 117,824,629           |
| <b>Total Assets</b>              | <b>118,735,475</b>             | <b>117,971,299</b>   | <b>32,074,874</b>               | <b>31,563,849</b>    | <b>150,810,349</b>              | <b>149,535,148</b>    |
| Pension Items                    | 4,470,759                      | 2,772,829            | 179,130                         | 100,955              | 4,649,889                       | 2,873,784             |
| Unamortized Loss on Refunding    | 225,060                        | 254,405              | -                               | -                    | 225,060                         | 254,405               |
| <b>Deferred Outflows</b>         | <b>4,695,819</b>               | <b>3,027,234</b>     | <b>179,130</b>                  | <b>100,955</b>       | <b>4,874,949</b>                | <b>3,128,189</b>      |
| Non-Current Liabilities          | 21,630,625                     | 18,902,494           | 5,511,405                       | 5,742,026            | 27,142,030                      | 24,644,520            |
| Current Liabilities              | 3,062,389                      | 2,683,220            | 1,053,373                       | 780,899              | 4,115,762                       | 3,464,119             |
| <b>Total Liabilities</b>         | <b>24,693,014</b>              | <b>21,585,714</b>    | <b>6,564,778</b>                | <b>6,522,925</b>     | <b>31,257,792</b>               | <b>28,108,639</b>     |
| Pension Items                    | 945,949                        | 1,586,778            | 33,301                          | 132,810              | 979,250                         | 1,719,588             |
| Deferred Revenues                | 3,743,304                      | 3,626,518            | -                               | -                    | 3,743,304                       | 3,626,518             |
| <b>Deferred Inflows</b>          | <b>4,689,253</b>               | <b>5,213,296</b>     | <b>33,301</b>                   | <b>132,810</b>       | <b>4,722,554</b>                | <b>5,346,106</b>      |
| Net Position:                    |                                |                      |                                 |                      |                                 |                       |
| Net Investment in Capital Assets | 88,935,559                     | 88,427,188           | 20,894,884                      | 20,927,587           | 109,830,443                     | 109,354,775           |
| Restricted                       | 3,068,317                      | 3,002,428            | -                               | -                    | 3,068,317                       | 3,002,428             |
| Unrestricted                     | 2,045,151                      | 2,769,907            | 4,761,041                       | 4,081,482            | 6,806,192                       | 6,851,389             |
| <b>Total Net Position</b>        | <b>\$ 94,049,027</b>           | <b>\$ 94,199,523</b> | <b>\$ 25,655,925</b>            | <b>\$ 25,009,069</b> | <b>\$ 119,704,952</b>           | <b>\$ 119,208,592</b> |

**Current Year Impacts on Net Position.** The Village's total net position increased \$496,360 or 0.4% to \$119,704,952. Net position decreased for governmental activities by \$150,496 and net position for business-type activities increased by \$646,856.

The governmental activities total assets increased \$764,176 to \$118,735,475 due to an increase in current assets of \$1,199,245 which was primarily due to an increase in cash and investments of \$941,991 or 5.6% to \$17,847,021. This was partially offset by a decrease in capital assets net of accumulated depreciation of \$435,069 due to depreciation of current assets exceeding new capital asset additions or replacements during the year. Governmental activities liabilities increased 14.4% or \$3,107,300 to \$24,693,014. This was due to an increase in:

- The net pension liability for police pension by \$1,956,275 to \$12,868,997
- The net pension liability for IMRF by \$962,507 to \$1,132,113
- An increase in liabilities related to OPEB of \$772,984 to \$1,132,113 due to the implementation of new accounting standards related to OPEB.

These increases in governmental activities liabilities were partially offset with a decrease in net general obligation bonds payable of \$1,002,785 due to the retirement of bonded debt obligations during the year.

Total assets of business-type activities increased \$511,025 or 1.6% to \$32,074,874 due to an increase in

capital assets of \$985,744 as various water-related capital projects continued during the year. This was partially offset by 5.0% or \$474,719 decrease in current assets to \$8,952,482 as cash and investments decreased due to the funding of ongoing capital projects in the Waterworks Fund. Liabilities of business-type activities increased \$41,853 to \$6,564,778. Net general obligation bonds payable decreased 6.3% or \$337,724 to \$4,965,415 which was partially offset by an increase in account payable of \$264,878.

Of the Village's \$119,704,952 total net position at May 31, 2019, 91.8% are net investments in capital assets (buildings, land, infrastructure, equipment). The Village's total unrestricted net position as of May 31, 2019 decreased \$45,197 to \$6,806,192 for the year. Unrestricted net position for governmental activities decreased \$724,756 or 26.2% to \$2,045,151 due to primarily the increase in noncurrent net pension liabilities. Restricted net position for governmental activities increased 2.2% to \$3,068,317. Unrestricted net position for business-type activities increased \$679,559 to \$4,761,041. 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 pages 25 and 26.

**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, 2019**

|                                     | <b>Governmental Activities</b> |                      | <b>Business-Type Activities</b> |                      | <b>Total Primary Government</b> |                       |
|-------------------------------------|--------------------------------|----------------------|---------------------------------|----------------------|---------------------------------|-----------------------|
|                                     | <b>2019</b>                    | <b>2018</b>          | <b>2019</b>                     | <b>2018</b>          | <b>2019</b>                     | <b>2018</b>           |
| <b>REVENUES</b>                     |                                |                      |                                 |                      |                                 |                       |
| Program Revenues:                   |                                |                      |                                 |                      |                                 |                       |
| Charges for Services                | \$ 1,514,205                   | \$ 1,318,640         | \$ 2,709,384                    | \$ 2,606,783         | \$ 4,223,589                    | \$ 3,925,423          |
| Operating Grants/Contributic        | 478,186                        | 473,490              | -                               | -                    | 478,186                         | 473,490               |
| Capital Grants/Contributions        | 903,665                        | 840,642              | 401,473                         | -                    | 1,305,138                       | 840,642               |
| General Revenues:                   |                                |                      |                                 |                      |                                 |                       |
| Property & Repl Taxes               | 3,663,493                      | 3,456,783            | -                               | -                    | 3,663,493                       | 3,456,783             |
| Sales Taxes                         | 5,726,334                      | 5,761,731            | -                               | -                    | 5,726,334                       | 5,761,731             |
| Other Taxes                         | 1,625,659                      | 1,450,596            | -                               | -                    | 1,625,659                       | 1,450,596             |
| Shared Income Taxes                 | 1,804,364                      | 1,587,027            | -                               | -                    | 1,804,364                       | 1,587,027             |
| Other                               | 920,781                        | 521,333              | 420,321                         | 292,902              | 1,341,102                       | 814,235               |
| <b>Total Revenues</b>               | <b>16,636,687</b>              | <b>15,410,242</b>    | <b>3,531,178</b>                | <b>2,899,685</b>     | <b>20,167,865</b>               | <b>18,309,927</b>     |
| <b>EXPENSES</b>                     |                                |                      |                                 |                      |                                 |                       |
| General Government                  | 3,291,405                      | 3,167,235            | -                               | -                    | 3,291,405                       | 3,167,235             |
| Public Safety                       | 6,895,823                      | 6,054,957            | -                               | -                    | 6,895,823                       | 6,054,957             |
| Public Works                        | 5,086,291                      | 4,668,722            | -                               | -                    | 5,086,291                       | 4,668,722             |
| Sanitation                          | 600,875                        | 418,347              | -                               | -                    | 600,875                         | 418,347               |
| Interest                            | 206,395                        | 233,328              | -                               | -                    | 206,395                         | 233,328               |
| Waterworks                          | -                              | -                    | 2,827,934                       | 2,621,550            | 2,827,934                       | 2,621,550             |
| <b>Total Expenses</b>               | <b>16,080,789</b>              | <b>14,542,589</b>    | <b>2,827,934</b>                | <b>2,621,550</b>     | <b>18,908,723</b>               | <b>17,164,139</b>     |
| <b>Change in Net Position</b>       | <b>\$ 555,898</b>              | <b>\$ 867,653</b>    | <b>\$ 703,244</b>               | <b>\$ 278,135</b>    | <b>\$ 1,259,142</b>             | <b>\$ 1,145,788</b>   |
| <b>Net Position, June 1</b>         | <b>\$ 94,199,523</b>           | <b>\$ 93,331,870</b> | <b>\$ 25,009,069</b>            | <b>\$ 24,730,934</b> | <b>\$ 119,208,592</b>           | <b>\$ 118,062,804</b> |
| Change in accounting principle      | \$ (706,394)                   | \$ -                 | \$ (56,388)                     |                      | \$ (762,782)                    | \$ -                  |
| <b>Net Position, June 1 Restate</b> | <b>\$ 93,493,129</b>           | <b>\$ 93,331,870</b> | <b>\$ 24,952,681</b>            | <b>\$ 24,730,934</b> | <b>\$ 118,445,810</b>           | <b>\$ 118,062,804</b> |
| <b>Net Position, May 31</b>         | <b>\$ 94,049,027</b>           | <b>\$ 94,199,523</b> | <b>\$ 25,655,925</b>            | <b>\$ 25,009,069</b> | <b>\$ 119,704,952</b>           | <b>\$ 119,208,592</b> |

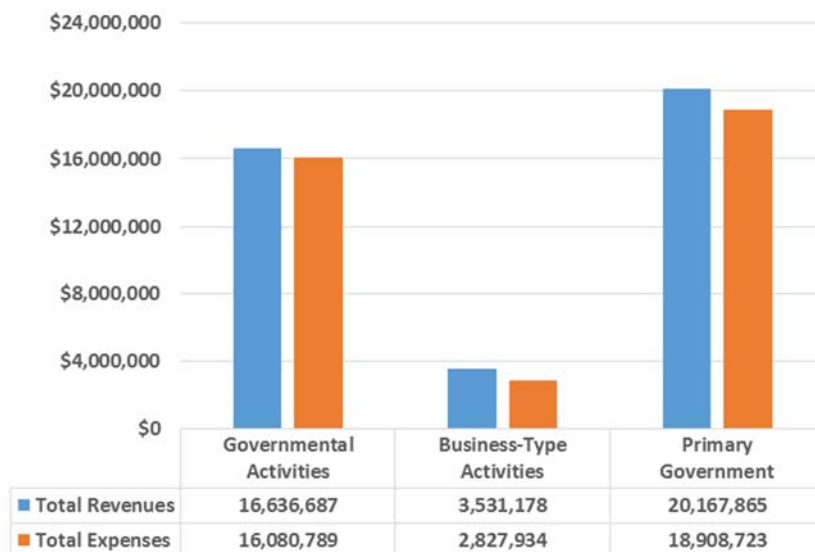
## Change in Net Position

Total revenues for governmental activities increased 8.0% or \$1,226,445 to \$16,636,687 due primarily to an increase in charges for services of \$195,565, an increase in property taxes of \$206,710 and an increase in other taxes of \$175,063 and an increase in shared income taxes of \$218,337. Charges for services of \$1,514,205 consists of General Fund licenses and permits of \$748,164, sanitary sewer usage fees \$76,514 and cable franchise fees of \$284,140. Sales taxes remained about the same for the year, decreasing \$35,397 to \$5,726,334. Other revenue increased \$399,448 to \$920,781 primarily due to an increase in interest income of \$261,767 to \$456,447.

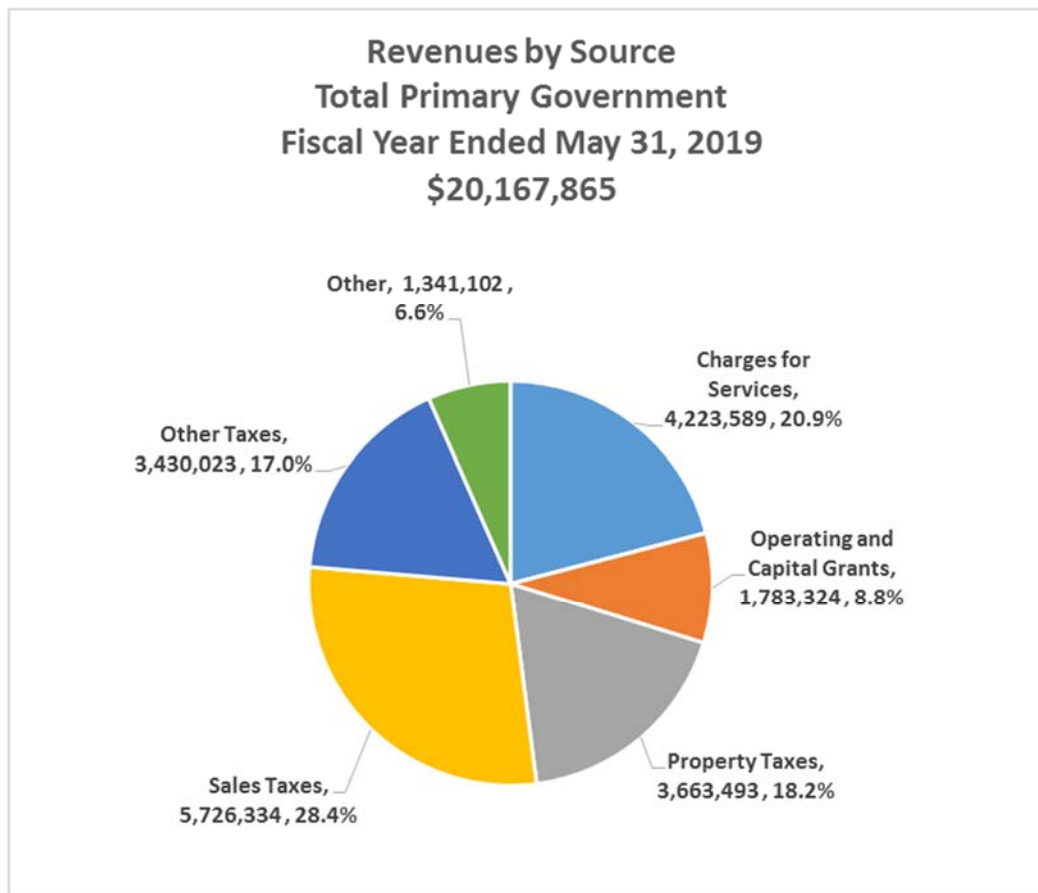
Expenses for governmental activities increased \$1,538,200 or 10.6% to \$16,080,789. General Government expenses increased 3.9% to \$3,291,405 due to increases in staffing and professional services. Expenses for Public Safety increased 13.9% or \$840,866 to \$6,895,823 due to increases in employee compensation, increase in employer pension contributions, and an increase in the police pension expense for the year. Public Works expenses increased 8.9% or \$417,569 to \$5,086,291. The increase was due to an increase in expenditures related snow removal costs, replacement of street lights to LED's, and increase in certain contractual costs related to public works services. Sanitation expenses increased \$182,528 due to \$151,353 increase in sanitary sewer maintenance activities for televising and cleaning.

Revenues for business-type activities increased 21.7% or \$631,493 to \$3,531,178. This was due to the receipt of capital contributions from developers during the year of \$401,473 and an increase in charges for services due to increased water usage charges of \$102,601. Expenses for business-type activities increased \$206,384 or 7.9% to \$2,827,934 due primarily to an increase in maintenance activities for the water system engineering design for future capital projects. Depreciation expenses decreased \$20,465 to \$848,443 for the year. Total business-type activities change in net position for the year was a positive \$703,244.

### Statement of Activities Fiscal Year Ended May 31, 2019

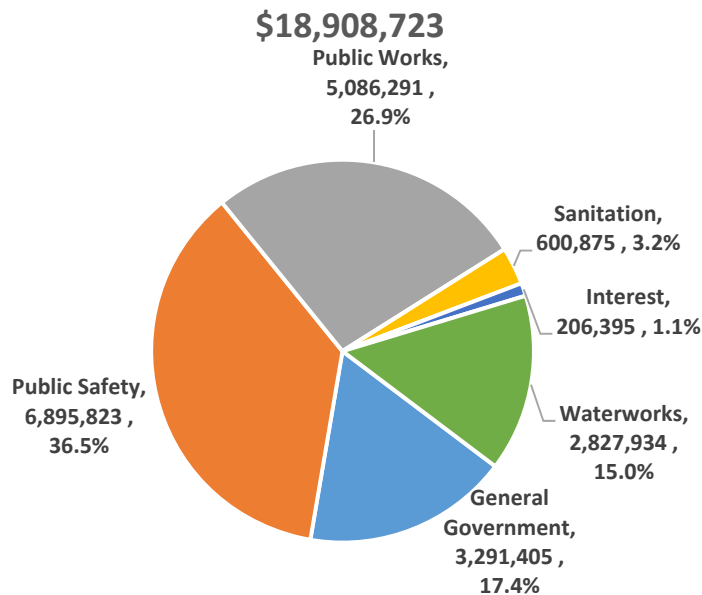


**Revenues.** Total primary government revenues for the fiscal year ended May 31, 2019 were \$20,167,865. As the chart below shows, 28.4% of revenues were from sales taxes, 20.9% was from charges for services, 7.2% was from operating and capital grants and contributions, and 18.2% was from property taxes. Sales taxes were the largest source of revenues received at \$5,726,334 and property taxes, levied to support various purposes, special service areas or received as TIF revenues, were \$3,663,493. Charges for services consist primarily of building permits at \$509,152, cable franchise fees of \$284,140, and water usage sales at \$2,440,289.



**Expenses.** Total primary government expenses for the year were \$18,908,723, an increase of 10.2% or \$1,744,584 from the prior year. Public Works expenses related to the Village's street maintenance and capital projects accounted for 26.9% of the total expenses. Public Safety expenses related to the Village's Police Department operations accounted for 36.5% of total expenses and the Village's waterworks operations accounted for 15.0%. Together, these three operational areas account for 78.4% of total expenses.

**Expenses by Function  
Total Primary Government  
Fiscal Year Ended May 31, 2019**



### 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, 2019, the governmental funds reported total combined ending fund balances of \$15,604,751, an increase of \$566,294 from the total beginning governmental fund balances of \$15,038,457. The increase was due an increase in the fund balance of the General Fund by \$318,016, and an increase in the fund balance of the Capital Projects Fund of \$144,443. Of the total ending fund balances of \$15,064,751, \$22,356 is nonspendable in form, \$3,144,505 is restricted for various purposes, \$420,898 is committed for roads, infrastructure and capital projects and \$4,620,851 is assigned for various purposes. The remaining \$7,396,141 is unassigned in the General Fund. Total assigned and unassigned fund balances as of May 31, 2019 were \$12,016,992.

**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 \$7,396,141, while total fund balance in the General Fund was \$7,442,980. 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 68.8% of total General Fund expenditures plus

transfers out for debt service. This ratio is in line with the Village's policy of maintaining a 40% to 50% fund balance (exclusive of nonspendable portions).

During the year, General Fund revenues increased \$991,913 or 9.5% from \$10,428,222 to \$11,420,135. This was due primarily to an increase in state-shared income tax revenue of \$217,337 or 13.7% to \$1,804,364 due to an increase in one-time collections by the State, an increase in building permit revenue of \$235,395 to \$509,152 due to one-time permits received for new development and a significant increase in roofing and siding permits as a result of a hail storm. General Fund revenues also increased due to an increase in investment income of \$162,930 due to higher available interest rates, and an increase in use tax revenue of \$79,138 due to increased tax collections by the State on internet and out-of-state purchases. Other revenue increases included an increase in OTB handle taxes of \$46,852 due to the re-establishment of the off-track-betting location in the Village and increase of property taxes received of \$66,300 to \$2,119,391 due to the prior year CPI increase and new construction EAV added during the prior year.

General Fund expenditures increased 5.0% during the year by \$482,999 to \$10,120,715. General government expenditures increased \$53,568 or 2.2% to \$2,442,782 due to an increase in Administration/Finance expenditures of \$104,941 or 10.3% to \$1,124,880 as a result of an increase in staffing related to the new full-time position. This was partially offset by a decrease in sales tax rebates payable of \$65,747 to \$690,149. Public safety expenditures for police department operations increased by 8.7% or \$453,031 to \$5,681,776. This was due to a 7.6% or \$209,541 in regular full-time wages and salaries paid to \$2,756,741 due to an increase in collectively bargained pay increases of 2.5% to 3.25%, officer step increases where applicable, an increase in compensated absences charges, and an increase in payouts of accrued holiday and comp time leave during the year. In addition, employer contributions to the police pension fund increase \$211,000 to \$1,167,000 due to an additional contribution made to the police pension trust fund during the year of \$120,000. Public Works expenditures increased \$98,345 or 5.2% to \$1,996,157. This was due to an increase in contracted snow removal costs of \$65,995 during the year to \$193,890, and an increase in storm sewer maintenance costs of \$29,302 for sink-hole repairs.

Transfers out during the year of \$1,003,692 were made with \$623,692 transferred out to the Police Station Debt Service Fund for debt service payments and \$380,000 was transferred out to the Capital Projects Fund for future capital projects. Revenues were over final budget by \$551,985 primarily due to one-time building permit revenues received and state-shared income tax revenue being higher than budgeted. Expenditures were under final budget by \$333,111 due to typical variances within each department.

**Capital Projects Fund.** The Capital Projects Fund received revenues totaling \$1,915,906. This was almost no change from the total revenues received in the prior year of \$1,920,332. Of this amount, \$1,013,423 was from the Village's 0.50% non-home rule sales tax and \$634,522 was from the 3% utility tax on gas, electricity (kilowatt-hour equivalency) and 1.5% portion of the 4.0% telecommunications tax which is committed by the Village Board for roads, infrastructure and capital projects. The Village received \$156,000 in grant revenues during the year towards the Monroe alley reconstruction project. Total expenditures during the year were \$2,151,463 which included \$2,085,524 in expenditures for the annual road reconstruction which includes components of sidewalk replacement and new installation, and storm sewer replacement and other related infrastructure programs. The total fund balance increased from \$2,978,900 to \$3,123,343. Of the \$3,123,343 in fund balance, \$420,898 was committed for roads, infrastructure and capital projects and \$2,702,445 was assigned for future capital projects.

**Route 31 TIF Fund.** The Route 31 TIF Fund realized \$530,300 in revenues during the year of which \$495,340 were TIF incremental property tax revenues. This was an increase in TIF incremental property tax revenues of \$110,209 or 28.6% from the prior year. Expenditures for the year were \$416,475 of which \$260,612 was for the construction of the parking lot at the end of Marvo and John. In addition, the Village paid out \$117,710 in TIF grants or to assist property-owners with specific testing, remediation or other costs. Overall the fund balance in the Rt. 31 TIF Fund increased from \$1,500,435 to \$1,614,260.

**Business-Type Activities.** Total Waterworks operating revenues were \$2,709,384, an increase of \$102,601 or 3.9% from the prior year. The increase was due to an increase in water charges as a result of a 4.1% water rate increase implemented for the year, offset by a decrease in the sanitary sewer rate. Water connection/tap fees increased to \$198,486 from \$187,950 in the prior year. Total operating expenses were \$2,659,635, an increase of 9.0% or \$220,108 from the prior year due to an increase in engineering related costs and treatment plant repair and maintenance improvements. This resulted in operating income of \$49,749. After non-operating revenues/(expenses) were added, the change in net position for the year was a positive \$301,771. Total net position at the end of the year was \$25,655,925 which includes the Waterworks Fund net investment in capital assets of \$20,894,884 leaving an unrestricted net position of \$4,761,041.

**General Fund Budget.** For the year, three budget amendments were approved by the Village Board which impacted the General Fund. The amendments:

- Increased the budget for part-time police records staffing by \$18,000
- Transferred \$380,000 from the General Fund to the Capital Projects Fund
- Authorized an additional \$120,000 in employer contributions for the police pension fund
- Increased the budgets in Public Works by \$59,000 to account for additional snow removal and storm drain maintenance costs

## Capital Assets.

**Table 3**  
**Capital Assets**  
**As of May 31, 2019**

|                            | Governmental-Activities |                      | Business-Type Activities |                      | Total Primary Government |                       |
|----------------------------|-------------------------|----------------------|--------------------------|----------------------|--------------------------|-----------------------|
|                            | 2019                    | 2018                 | 2019                     | 2018                 | 2019                     | 2018                  |
| Land and Land Right of Way | \$ 27,689,137           | \$ 27,537,237        | \$ 476,703               | \$ 476,703           | \$ 28,165,840            | \$ 28,013,940         |
| Buildings                  | 18,042,153              | 18,042,153           | -                        | -                    | 18,042,153               | 18,042,153            |
| Construction in Progress   | -                       | -                    | 1,618,287                | 125,343              | 1,618,287                | 125,343               |
| Vehicles and Equipment     | 4,067,713               | 4,013,260            | 57,200                   | 72,200               | 4,124,913                | 4,085,460             |
| Infrastructure             | 64,824,400              | 62,858,643           | -                        | -                    | 64,824,400               | 62,858,643            |
| Sewer Lines                | 25,485,275              | 24,912,127           | -                        | -                    | 25,485,275               | 24,912,127            |
| Water Towers and Wells     | -                       | -                    | 4,536,612                | 4,875,441            | 4,536,612                | 4,875,441             |
| Water Treatment Facilities | -                       | -                    | 6,745,464                | 7,008,259            | 6,745,464                | 7,008,259             |
| Water Lines                | -                       | -                    | 24,212,300               | 23,810,827           | 24,212,300               | 23,810,827            |
| Less:                      |                         |                      |                          |                      |                          |                       |
| Accumulated Depreciation   | (44,855,766)            | (41,675,439)         | (14,524,174)             | (14,232,125)         | (59,379,940)             | (55,907,564)          |
| <b>Total Assets</b>        | <b>\$ 95,252,912</b>    | <b>\$ 95,687,981</b> | <b>\$ 23,122,392</b>     | <b>\$ 22,136,648</b> | <b>\$ 118,375,304</b>    | <b>\$ 117,824,629</b> |

The Village's investment in capital assets for both its governmental and business-type activities as of May 31, 2019 is \$118,375,304 (net of accumulated depreciation). This investment in capital assets includes land, buildings, vehicles and equipment, infrastructure, sewer lines, water lines, water towers, water wells and water treatment facilities as well as intangible assets. The total increase in the Village's investment in capital assets net of accumulated depreciation for the current fiscal year was 0.47% (a 0.45% decrease for governmental activities and a 4.5% increase for business-type activities). The above schedule reflects the Village's capital asset balances as of May 31, 2019.

Major capital asset additions during the fiscal year included:

- Completion of the 2018 road rehabilitation program of 2.9 miles on portions or all of Oak Street, from Forest Ridge to Orchard, White Oak Drive and connecting streets, Wilkenson Lane, Patterson, Juniper and Dogwood for \$1,480,856
- Reconstruction of the Monroe Alley for \$260,612
- Construction of a new parking lot at the end of Marvo and John streets for \$322,252
- Purchase and replacement of five (5) police vehicles for \$160,850
- Completion of the drilling of two new deep wells in preparation for well house and electrical and site work improvements for \$1,295,572

Additional information on the Village's capital assets can be found in Note 3.

## **Debt Outstanding**

As of May 31, 2019, the Village had total debt outstanding of \$11,720,860 (excluding amounts deferred for issuance premiums, compensated absences, the net other post-employment benefits liabilities and the net pension liabilities). 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:

- \$ 900,000 is to be retired with a library debt service property tax levy
- \$5,360,860 is to be retired with water service charges revenue
- \$5,460,000 is to be retired with sales tax revenue

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, 2019, the taxable EAV of the Village was \$535,501,856 which resulted in a total legal debt limit of \$46,187,035. At the end of the fiscal year, the Village has \$900,000 in debt applicable to the debt limit, resulting in a debt to EAV ratio of 0.19%.

Additional information on the long-term debt of the Village can be found in Note 3 of the Notes to the Financial Statements. The following schedule summarizes the Village's bonded and similar indebtedness:

**Table 4**  
**Bonded and Similar Indebtedness**  
**As of May 31, 2019**

|  | <b>Governmental-Activities</b> |                     | <b>Business-Type Activities</b> |                     | <b>Total Primary Government</b> |                      |
|--|--------------------------------|---------------------|---------------------------------|---------------------|---------------------------------|----------------------|
|  | <b>2019</b>                    | <b>2018</b>         | <b>2019</b>                     | <b>2018</b>         | <b>2019</b>                     | <b>2018</b>          |
| General Obligation Bonds                                       | 900,000                        | 1,385,000           | -                               | -                   | 900,000                         | 1,385,000            |
| General Obligation Bonds/Loans<br>(Alternative Revenue Source) | 5,460,000                      | 5,925,000           | 5,360,860                       | 5,791,362           | 10,820,860                      | 11,716,362           |
| <b>Total</b>   | <b>\$ 6,360,000</b>            | <b>\$ 7,310,000</b> | <b>\$ 5,360,860</b>             | <b>\$ 5,791,362</b> | <b>\$ 11,720,860</b>            | <b>\$ 13,101,362</b> |

### **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 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 '20 and it is anticipated that operations will overall remain balanced, except for the possible use of reserves for one-time projects. Overall the Village remains in a 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 2018 levy collected in calendar 2019, this increase was 2.1%. For the 2019 levy collected in 2020, the applicable CPI factor is 1.9%. Over the least two years the Village has seen a significant 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 '20 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 2017. Those projects include two new deep wells and a new water storage tower.

### **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.

## **BASIC FINANCIAL STATEMENTS**

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Proprietary Funds

Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

# VILLAGE OF NORTH AURORA, ILLINOIS

## Statement of Net Position May 31, 2019

|   | Primary Government         |                             |              |
|---|----------------------------|-----------------------------|--------------|
|   | Governmental<br>Activities | Business-Type<br>Activities | Totals       |
| <b>ASSETS</b>                                   |                            |                             |              |
| Current Assets                                  |                            |                             |              |
| Cash and Investments                            | \$ 17,847,021              | 8,565,947                   | 26,412,968   |
| Receivables - Net of Allowances                 |                            |                             |              |
| Property Taxes                                  | 3,704,332                  | -                           | 3,704,332    |
| Other Taxes                                     | 1,832,059                  | -                           | 1,832,059    |
| Accounts  | 24,303                     | 383,228                     | 407,531      |
| Accrued Interest                                | 21,313                     | 3,307                       | 24,620       |
| Due from Other Governments                      | 5,930                      | -                           | 5,930        |
| Prepays/Inventories                             | 47,605                     | -                           | 47,605       |
| Total Current Assets                            | 23,482,563                 | 8,952,482                   | 32,435,045   |
| Capital Assets                                  |                            |                             |              |
| Nondepreciable                                  | 27,689,137                 | 2,094,990                   | 29,784,127   |
| Depreciable                                     | 112,419,541                | 35,551,576                  | 147,971,117  |
| Accumulated Depreciation                        | (44,855,766)               | (14,524,174)                | (59,379,940) |
| Total Capital Assets                            | 95,252,912                 | 23,122,392                  | 118,375,304  |
| Total Assets                                    | 118,735,475                | 32,074,874                  | 150,810,349  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>           |                            |                             |              |
| Unamortized Refunding Loss                      | 225,060                    | -                           | 225,060      |
| Deferred Items - IMRF                           | 976,234                    | 179,130                     | 1,155,364    |
| Deferred Items - Police Pension                 | 3,494,525                  | -                           | 3,494,525    |
| Total Deferred Outflows of Resources            | 4,695,819                  | 179,130                     | 4,874,949    |
| Total Assets and Deferred Outflows of Resources | 123,431,294                | 32,254,004                  | 155,685,298  |

The notes to the financial statements are an integral part of this statement.

|   | Primary Government         |                             |             |
|---|----------------------------|-----------------------------|-------------|
|   | Governmental<br>Activities | Business-Type<br>Activities | Total       |
| <b>LIABILITIES</b>                                  |                            |                             |             |
| Current Liabilities                                 |                            |                             |             |
| Accounts Payable                                    | \$ 1,453,531               | 506,829                     | 1,960,360   |
| Accrued Payroll                                     | 188,544                    | 16,152                      | 204,696     |
| Deposits Payable                                    | 257,815                    | -                           | 257,815     |
| Accrued Interest Payable                            | 76,188                     | 72,573                      | 148,761     |
| Other Payables                                      | -                          | 11,754                      | 11,754      |
| Current Portion of Long-Term Debt                   | 1,086,311                  | 446,065                     | 1,532,376   |
| Total Current Liabilities                           | 3,062,389                  | 1,053,373                   | 4,115,762   |
| Noncurrent Liabilities                              |                            |                             |             |
| Compensated Absences Payable                        | 318,934                    | 17,266                      | 336,200     |
| Net Pension Liability - IMRF                        | 1,748,168                  | 320,772                     | 2,068,940   |
| Net Pension Liability - Police Pension              | 12,868,997                 | -                           | 12,868,997  |
| Total OPEB Liability - RBP                          | 1,132,113                  | 87,401                      | 1,219,514   |
| General Obligation Bonds Payable - Net              | 5,562,413                  | 4,965,415                   | 10,527,828  |
| Kane County Loan Payable                            | -                          | 120,551                     | 120,551     |
| Total Noncurrent Liabilities                        | 21,630,625                 | 5,511,405                   | 27,142,030  |
| Total Liabilities                                   | 24,693,014                 | 6,564,778                   | 31,257,792  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                |                            |                             |             |
| Property Taxes                                      | 3,743,304                  | -                           | 3,743,304   |
| Deferred Items - IMRF                               | 181,483                    | 33,301                      | 214,784     |
| Deferred Items - Police Pension                     | 764,466                    | -                           | 764,466     |
| Total Deferred Inflows of Resources                 | 4,689,253                  | 33,301                      | 4,722,554   |
| Total Liabilities and Deferred Inflows of Resources | 29,382,267                 | 6,598,079                   | 35,980,346  |
| <b>NET POSITION</b>                                 |                            |                             |             |
| Net Investment in Capital Assets                    | 88,935,559                 | 20,894,884                  | 109,830,443 |
| Restricted  |                            |                             |             |
| DUI Enforcement                                     | 26,383                     | -                           | 26,383      |
| Highways and Streets                                | 999,736                    | -                           | 999,736     |
| Economic Development                                | 1,630,145                  | -                           | 1,630,145   |
| Subdivision Improvements                            | 105,128                    | -                           | 105,128     |
| Debt Service  | 306,925                    | -                           | 306,925     |
| Unrestricted  | 2,045,151                  | 4,761,041                   | 6,806,192   |
| Total Net Position                                  | 94,049,027                 | 25,655,925                  | 119,704,952 |

The notes to the financial statements are an integral part of this statement.

# VILLAGE OF NORTH AURORA, ILLINOIS

## Statement of Activities

For the Fiscal Year Ended May 31, 2019

|                               |              | Program Revenues           |                                       |                                     |
|-------------------------------|--------------|----------------------------|---------------------------------------|-------------------------------------|
|                               |              | Charges<br>for<br>Services | Operating<br>Grants/<br>Contributions | Capital<br>Grants/<br>Contributions |
|                               | Expenses     |                            |                                       |                                     |
| Governmental Activities       |              |                            |                                       |                                     |
| General Government            | \$ 3,291,405 | 1,166,275                  | 7,139                                 | -                                   |
| Public Safety                 | 6,895,823    | 236,193                    | -                                     | 22,617                              |
| Public Works                  | 5,086,291    | -                          | 471,047                               | 881,048                             |
| Sanitation                    | 600,875      | 111,737                    | -                                     | -                                   |
| Interest on Long-Term Debt    | 206,395      | -                          | -                                     | -                                   |
| Total Governmental Activities | 16,080,789   | 1,514,205                  | 478,186                               | 903,665                             |
| Business-Type Activities      |              |                            |                                       |                                     |
| Waterworks                    | 2,827,934    | 2,709,384                  | -                                     | 401,473                             |
| Total Primary Government      | 18,908,723   | 4,223,589                  | 478,186                               | 1,305,138                           |

The notes to the financial statements are an integral part of this statement.

|                                      | Net (Expenses)/Revenues    |                             |              |
|--------------------------------------|----------------------------|-----------------------------|--------------|
|                                      | Primary Government         |                             | Totals       |
|                                      | Governmental<br>Activities | Business-Type<br>Activities |              |
|                                      | (2,117,991)                | -                           | (2,117,991)  |
|                                      | (6,637,013)                | -                           | (6,637,013)  |
|                                      | (3,734,196)                | -                           | (3,734,196)  |
|                                      | (489,138)                  | -                           | (489,138)    |
|                                      | (206,395)                  | -                           | (206,395)    |
|                                      | (13,184,733)               | -                           | (13,184,733) |
|                                      | -                          | 282,923                     | 282,923      |
|                                      | (13,184,733)               | 282,923                     | (12,901,810) |
| General Revenues                     |                            |                             |              |
| Taxes                                |                            |                             |              |
| Property Taxes                       | 3,625,303                  | -                           | 3,625,303    |
| Non Home-Rule Sales Taxes            | 1,013,423                  | -                           | 1,013,423    |
| Utility Taxes                        | 766,543                    | -                           | 766,543      |
| Other Taxes                          | 313,289                    | -                           | 313,289      |
| Intergovernmental                    |                            |                             |              |
| Sales Taxes                          | 4,712,911                  | -                           | 4,712,911    |
| Income Tax                           | 1,804,364                  | -                           | 1,804,364    |
| Use Tax                              | 545,827                    | -                           | 545,827      |
| Replacement Tax                      | 38,190                     | -                           | 38,190       |
| Interest Income                      | 464,334                    | 202,567                     | 666,901      |
| Miscellaneous                        | 456,447                    | 217,754                     | 674,201      |
|                                      | 13,740,631                 | 420,321                     | 14,160,952   |
| Change in Net Position               | 555,898                    | 703,244                     | 1,259,142    |
| Net Position - Beginning as Restated | 93,493,129                 | 24,952,681                  | 118,445,810  |
| Net Position - Ending                | 94,049,027                 | 25,655,925                  | 119,704,952  |

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Balance Sheet - Governmental Funds  
May 31, 2019**

|  | General      | Special<br>Revenue<br>Route<br>31 TIF | Capital<br>Projects | Nonmajor  | Totals     |
|--|--------------|---------------------------------------|---------------------|-----------|------------|
| <b>ASSETS</b>  |              |                                       |                     |           |            |
| Cash and Investments   | \$ 6,893,951 | 1,658,162                             | 3,384,857           | 3,676,853 | 15,613,823 |
| Receivables - Net of Allowances                                    |              |                                       |                     |           |            |
| Property Taxes   | 2,315,038    | 505,061                               | -                   | 884,233   | 3,704,332  |
| Other Taxes  | 1,481,653    | -                                     | 301,849             | 48,557    | 1,832,059  |
| Accounts   | 13,499       | -                                     | -                   | 10,804    | 24,303     |
| Accrued Interest   | 11,375       | -                                     | -                   | 4,599     | 15,974     |
| Due from Other Governments   | 5,930        | -                                     | -                   | -         | 5,930      |
| Prepays  | 20,456       | -                                     | -                   | 1,900     | 22,356     |
| Total Assets   | 10,741,902   | 2,163,223                             | 3,686,706           | 4,626,946 | 21,218,777 |
| <b>LIABILITIES</b>   |              |                                       |                     |           |            |
| Accounts Payable   | 768,957      | 29,084                                | 317,384             | 308,938   | 1,424,363  |
| Accrued Payroll  | 188,544      | -                                     | -                   | -         | 188,544    |
| Other Payables   | -            | 11,836                                | 245,979             | -         | 257,815    |
| Total Liabilities  | 957,501      | 40,920                                | 563,363             | 308,938   | 1,870,722  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                               |              |                                       |                     |           |            |
| Property Taxes   | 2,341,421    | 508,043                               | -                   | 893,840   | 3,743,304  |
| Total Liabilities and Deferred Inflows of Resources                | 3,298,922    | 548,963                               | 563,363             | 1,202,778 | 5,614,026  |
| <b>FUND BALANCES</b>   |              |                                       |                     |           |            |
| Nonspendable   | 20,456       | -                                     | -                   | 1,900     | 22,356     |
| Restricted   | 26,383       | 1,614,260                             | -                   | 1,503,862 | 3,144,505  |
| Committed  | -            | -                                     | 420,898             | -         | 420,898    |
| Assigned   | -            | -                                     | 2,702,445           | 1,918,406 | 4,620,851  |
| Unassigned   | 7,396,141    | -                                     | -                   | -         | 7,396,141  |
| Total Fund Balances  | 7,442,980    | 1,614,260                             | 3,123,343           | 3,424,168 | 15,604,751 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | 10,741,902   | 2,163,223                             | 3,686,706           | 4,626,946 | 21,218,777 |

The notes to the financial statements are an integral part of this statement.

VILLAGE OF NORTH AURORA, ILLINOIS

Reconciliation of Total Governmental Fund Balance to the  
Statement of Net Position - Governmental Activities

May 31, 2019

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|   |                              |
|---|------------------------------|
| <b>Total Governmental Fund Balances</b>   | <b>\$ 15,604,751</b>         |
| <br>Amounts reported for governmental activities in the Statement of Net Position<br>are different because:   |                              |
| Capital Assets used in governmental activities are not financial<br>resources and therefore, are not reported in the funds.   | 95,252,912                   |
| Less: Internal Service Funds  | (1,440,371)                  |
| <br>Internal Service Funds are used by the Village to charge the costs of vehicle and<br>equipment management and employee compensated absences to individual funds.<br>The assets and liabilities of the internal service funds are included in<br>the governmental activities in the Statement of Net Position. | <br><br><br>3,249,744        |
| <br>Deferred outflows (inflows) of resources related to the pensions not<br>reported in the funds.  |                              |
| Deferred Items - IMRF   | 794,751                      |
| Deferred Items - Police Pension   | 2,730,059                    |
| <br>Long-term liabilities are not due and payable in the current<br>period and therefore are not reported in the funds.   |                              |
| Net Pension Liability - IMRF  | (1,748,168)                  |
| Net Pension Liability - Police Pension  | (12,868,997)                 |
| Total OPEB Liability - RBP  | (1,132,113)                  |
| General Obligation Bonds - Net  | (6,542,413)                  |
| Unamortized Refunding Loss  | 225,060                      |
| Accrued Interest Payable  | <u>(76,188)</u>              |
| <br><b>Net Position of Governmental Activities</b>  | <br><b><u>94,049,027</u></b> |

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended May 31, 2019**

|  | General      | Special<br>Revenue<br>Route<br>31 TIF | Capital<br>Projects | Nonmajor  | Totals      |
|--|--------------|---------------------------------------|---------------------|-----------|-------------|
| Revenues   |              |                                       |                     |           |             |
| Taxes  | \$ 2,645,594 | 495,340                               | 1,647,945           | 929,679   | 5,718,558   |
| Intergovernmental  | 7,108,431    | -                                     | 156,000             | 471,047   | 7,735,478   |
| Licenses and Permits   | 748,164      | -                                     | -                   | 35,223    | 783,387     |
| Charges for Services   | 385,646      | -                                     | -                   | 116,514   | 502,160     |
| Fines and Forfeitures  | 228,658      | -                                     | -                   | -         | 228,658     |
| Interest   | 234,006      | 34,960                                | 63,615              | 84,929    | 417,510     |
| Miscellaneous  | 69,636       | -                                     | 48,346              | 142,570   | 260,552     |
| Total Revenues   | 11,420,135   | 530,300                               | 1,915,906           | 1,779,962 | 15,646,303  |
| Expenditures   |              |                                       |                     |           |             |
| Current  |              |                                       |                     |           |             |
| General Government   | 2,442,782    | 155,863                               | -                   | 264,118   | 2,862,763   |
| Public Safety  | 5,681,776    | -                                     | -                   | 247,766   | 5,929,542   |
| Public Works   | 1,996,157    | -                                     | -                   | 568,651   | 2,564,808   |
| Sanitation   | -            | -                                     | -                   | 246,836   | 246,836     |
| Capital Outlay   | -            | 260,612                               | 2,151,463           | 51,000    | 2,463,075   |
| Debt Service   |              |                                       |                     |           |             |
| Principal Retirement   | -            | -                                     | -                   | 950,000   | 950,000     |
| Interest and Fiscal Charges                                  | -            | -                                     | -                   | 211,288   | 211,288     |
| Total Expenditures   | 10,120,715   | 416,475                               | 2,151,463           | 2,539,659 | 15,228,312  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 1,299,420    | 113,825                               | (235,557)           | (759,697) | 417,991     |
| Other Financing Sources (Uses)                               |              |                                       |                     |           |             |
| Disposal of Capital Asset                                    | 498          | -                                     | -                   | -         | 498         |
| Insurance Claim Reimbursement                                | 21,790       | -                                     | -                   | 126,015   | 147,805     |
| Transfers In   | -            | -                                     | 380,000             | 623,692   | 1,003,692   |
| Transfers Out  | (1,003,692)  | -                                     | -                   | -         | (1,003,692) |
|  | (981,404)    | -                                     | 380,000             | 749,707   | 148,303     |
| Net Change in Fund Balances                                  | 318,016      | 113,825                               | 144,443             | (9,990)   | 566,294     |
| Fund Balances - Beginning                                    | 7,124,964    | 1,500,435                             | 2,978,900           | 3,434,158 | 15,038,457  |
| Fund Balances - Ending                                       | 7,442,980    | 1,614,260                             | 3,123,343           | 3,424,168 | 15,604,751  |

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances  
to the Statement of Activities - Governmental Activities**

**For the Fiscal Year Ended May 31, 2019**

|   |                       |
|---|-----------------------|
| <b>Net Change in Fund Balances - Total Governmental Funds</b>   | <b>\$ 566,294</b>     |
| Amounts reported for governmental activities in the Statement of Activities are different because:  |                       |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.  |                       |
| Capital Outlays   | 2,205,677             |
| Capital Contribution  | 725,048               |
| Depreciation Expense  | (3,325,623)           |
| Disposals - Cost  | (239,920)             |
| Disposals - Accumulated Depreciation  | 239,920               |
| Internal service funds are used by the Village to charge the costs of vehicle and equipment management and employee compensated absences to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. |                       |
|   | 76,222                |
| The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.   |                       |
| Change in Deferred Items - IMRF   | 947,721               |
| Change in Deferred Items - Police Pension   | 1,391,038             |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.   |                       |
| (Increase) in Net Pension Liability - IMRF  | (962,507)             |
| (Increase) in Net Pension Liability - Police Pension  | (1,956,275)           |
| (Increase) in Total OPEB Liability - RBP  | (66,590)              |
| Retirement of Debt  | 950,000               |
| Amortization of Bond Premium  | 22,785                |
| Amortization of Refunding Loss  | (29,345)              |
| Changes to accrued interest on long-term debt in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.  |                       |
|   | <u>11,453</u>         |
| <b>Changes in Net Position of Governmental Activities</b>   | <u><u>555,898</u></u> |

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Statement of Net Position - Proprietary Funds  
May 31, 2019**

|   | Business-Type<br>Activities<br><u>Waterworks</u> | Governmental<br>Activities<br><u>Internal<br/>Service</u> |
|---|--|---|
| <b>ASSETS</b>                                   |  |   |
| Current Assets                                  |  |   |
| Cash and Investments                            | \$ 8,565,947                                     | 2,233,198   |
| Receivables - Net of Allowances                 |  |   |
| Accounts  | 383,228  | -   |
| Accrued Interest                                | 3,307  | 5,339   |
| Inventories                                     | -  | 25,249  |
| Total Current Assets                            | <u>8,952,482</u>                                 | <u>2,263,786</u>  |
| Noncurrent Assets                               |  |   |
| Capital Assets                                  |  |   |
| Nondepreciable                                  | 2,094,990  | 15,800  |
| Depreciable                                     | 35,551,576                                       | 3,060,211   |
| Accumulated Depreciation                        | <u>(14,524,174)</u>                              | <u>(1,635,640)</u>  |
| Total Noncurrent Assets                         | <u>23,122,392</u>                                | <u>1,440,371</u>  |
| Total Assets                                    | <u>32,074,874</u>                                | <u>3,704,157</u>  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>           |  |   |
| Deferred Items - IMRF                           | <u>179,130</u>                                   | <u>-</u>  |
| Total Assets and Deferred Outflows of Resources | <u>32,254,004</u>                                | <u>3,704,157</u>  |

The notes to the financial statements are an integral part of this statement.

|   | Business-Type<br>Activities<br>Waterworks | Governmental<br>Activities<br>Internal<br>Service |
|---|---|---|
| <b>LIABILITIES</b>                                  |   |   |
| Current Liabilities                                 |   |   |
| Accounts Payable                                    | 506,829                                   | 29,168  |
| Accrued Payroll                                     | 16,152                                    | -   |
| Accrued Interest Payable                            | 72,573                                    | -   |
| Other Payables                                      | 11,754                                    | -   |
| Current Portion of Long-Term Debt                   | 446,065                                   | 106,311   |
| Total Current Liabilities                           | 1,053,373                                 | 135,479   |
| Noncurrent Liabilities                              |   |   |
| Compensated Absences Payable                        | 17,266                                    | 318,934   |
| Net Pension Liability - IMRF                        | 320,772                                   | -   |
| Total OPEB Liability - RBP                          | 87,401                                    | -   |
| General Obligation Bonds Payable - Net              | 4,965,415                                 | -   |
| Kane County Loan Payable                            | 120,551                                   | -   |
| Total Noncurrent Liabilities                        | 5,511,405                                 | 318,934   |
| Total Liabilities                                   | 6,564,778                                 | 454,413   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                |   |   |
| Deferred Items - IMRF                               | 33,301                                    | -   |
| Total Liabilities and Deferred Inflows of Resources | 6,598,079                                 | 454,413   |
| <b>NET POSITION</b>                                 |   |   |
| Net Investment in Capital Assets                    | 20,894,884                                | 1,440,371   |
| Unrestricted  | 4,761,041                                 | 1,809,373   |
| Total Net Position                                  | 25,655,925                                | 3,249,744   |

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds  
For the Fiscal Year Ended May 31, 2019**

|   | Business-Type<br>Activities<br><u>Waterworks</u> | Governmental<br>Activities<br><u>Internal<br/>Service</u> |
|---|--|---|
| Operating Revenues                                    |  |   |
| Charges for Services                                  |  |   |
| Water Sales   | \$ 2,440,289                                     | -   |
| Water Meters  | 37,917   | -   |
| Water Permits   | 198,486  | -   |
| Meter Reads   | 18,384   | -   |
| Impact Fees   | 288  | -   |
| Building Permits                                      | 4,020  | -   |
| Hydrant Meter Rental                                  | 50   | -   |
| Reimburse Turn On/Turn Off Fees                       | 9,950  | -   |
| Internal Service - Charges for Services               | -  | 431,898   |
| Total Operating Revenues                              | <u>2,709,384</u>                                 | <u>431,898</u>  |
| Operating Expenses                                    |  |   |
| Operations and Capital                                | 1,811,192  | 249,380   |
| Depreciation  | 848,443  | 223,827   |
| Total Operating Expenses                              | <u>2,659,635</u>                                 | <u>473,207</u>  |
| Operating Income (Loss)                               | <u>49,749</u>                                    | <u>(41,309)</u>   |
| Nonoperating Revenue (Expenses)                       |  |   |
| Interest Income                                       | 202,567  | 46,824  |
| Other Income  | 216,145  | -   |
| Disposal of Capital Asset                             | 1,609  | 46,690  |
| Interest Expense                                      | (168,299)  | -   |
|   | <u>252,022</u>                                   | <u>93,514</u>   |
| Income (Loss) Before Capital Grants and Contributions | 301,771  | 52,205  |
| Capital Grants  | -  | 22,617  |
| Contributions   | <u>401,473</u>                                   | <u>1,400</u>  |
| Change in Net Position                                | 703,244  | 76,222  |
| Net Position - Beginning as Restated                  | <u>24,952,681</u>                                | <u>3,173,522</u>  |
| Net Position - Ending                                 | <u><u>25,655,925</u></u>                         | <u><u>3,249,744</u></u>                                   |

The notes to the financial statements are an integral part of this statement.

# VILLAGE OF NORTH AURORA, ILLINOIS

## Statement of Cash Flows - Proprietary Funds For the Fiscal Year Ended May 31, 2019

|  | Business-Type<br>Activities<br>Waterworks | Governmental<br>Activities<br>Internal<br>Service |
|--|---|---|
| Cash Flows from Operating Activities   |   |   |
| Receipts from Customers and Users  | \$ 2,842,412                              | -   |
| Interfund Services Provided  | -   | 425,984   |
| Payments to Employees  | (350,460)                                 | -   |
| Payments to Suppliers  | (1,144,274)                               | (327,279)   |
|  | <u>1,347,678</u>                          | <u>98,705</u>                                     |
| Cash Flows from Capital and Related Financing Activities                               |   |   |
| Proceeds from Public Works Escrow  | -   | 1,400   |
| Capital Grants   | -   | 22,617  |
| Disposal of Capital Assets   | 197,044                                   | 46,690  |
| Purchase of Capital Assets   | (1,628,149)                               | (183,656)   |
| Payment of Principal   | (430,502)                                 | -   |
| Interest Expense   | (168,299)                                 | -   |
|  | <u>(2,029,906)</u>                        | <u>(112,949)</u>                                  |
| Cash Flows from Investing Activities   |   |   |
| Interest Received  | <u>202,567</u>                            | <u>46,824</u>                                     |
| Net Change in Cash and Cash Equivalents  | (479,661)                                 | 32,580  |
| Cash and Cash Equivalents  |   |   |
| Beginning  | <u>9,045,608</u>                          | <u>2,200,618</u>                                  |
| Ending   | <u>8,565,947</u>                          | <u>2,233,198</u>                                  |
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities |   |   |
| Operating Income (Loss)  | 49,749                                    | (41,309)  |
| Adjustments to Reconcile Operating Income to Net Income to Net Cash                    |   |   |
| Provided by (Used in) Operating Activities:  |   |   |
| Depreciation Expense   | 848,443                                   | 223,827   |
| Other Income   | 216,145                                   | -   |
| (Increase) Decrease in Current Assets  | (83,117)                                  | (5,914)   |
| Increase (Decrease) in Current Liabilities   | 316,458                                   | (77,899)  |
| Net Cash Provided by Operating Activities  | <u>1,347,678</u>                          | <u>98,705</u>                                     |
| Noncash Capital and Related Financing Activities                                       |   |   |
| Contributions  | <u>401,473</u>                            | <u>-</u>  |

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Statement of Fiduciary Net Position  
May 31, 2019**

|                                      | Pension<br>Trust<br>Police<br>Pension | Agency<br>Funds |
|--------------------------------------|---------------------------------------|-----------------|
| <b>ASSETS</b>                        |                                       |                 |
| Cash and Cash Equivalents            | \$ 763,337                            | 988,019         |
| Investments                          |                                       |                 |
| U.S. Government Obligations          | 349,946                               | -               |
| U.S. Agency Obligations              | 3,671,986                             | -               |
| Municipal Bonds                      | 640,291                               | -               |
| Corporate Bonds                      | 3,377,625                             | -               |
| Equities                             | 1,081,560                             | -               |
| Mutual Funds                         | 8,370,838                             | -               |
| Receivables - Net of Allowances      |                                       |                 |
| Accrued Interest                     | 93,528                                | -               |
| Total Assets                         | 18,349,111                            | 988,019         |
| <b>LIABILITIES</b>                   |                                       |                 |
| Due to Others                        | -                                     | 988,019         |
| <b>NET POSITION</b>                  |                                       |                 |
| Net Position Restricted for Pensions | 18,349,111                            |                 |

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended May 31, 2019**

|                                      | <u>Pension<br/>Trust<br/>Police<br/>Pension</u> |
|--------------------------------------|---|
| Additions                            |   |
| Contributions - Employer             | \$ 1,167,000                                    |
| Contributions - Plan Members         | 265,961   |
| Total Contributions                  | <u>1,432,961</u>                                |
| Investment Income                    |   |
| Interest Earned                      | 764,403   |
| Net Change in Fair Value             | <u>(208,238)</u>                                |
|                                      | 556,165   |
| Less Investment Expenses             | <u>(26,573)</u>                                 |
| Net Investment Income                | <u>529,592</u>                                  |
| Total Additions                      | <u>1,962,553</u>                                |
| Deductions                           |   |
| Administration                       | 10,737  |
| Benefits and Refunds                 | <u>865,484</u>                                  |
| Total Deductions                     | <u>876,221</u>                                  |
| Change in Fiduciary Net Position     | 1,086,332                                       |
| Net Position Restricted for Pensions |   |
| Beginning                            | <u>17,262,779</u>                               |
| Ending                               | <u><u>18,349,111</u></u>                        |

The notes to the financial statements are an integral part of this statement.

# **VILLAGE OF NORTH AURORA, ILLINOIS**

## **Notes to the Financial Statements May 31, 2019**

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### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Village of North Aurora, Illinois (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 administrative services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

### **REPORTING ENTITY**

The Village's financial reporting entity comprises the following:

|                     |                         |
|---------------------|-------------------------|
| Primary Government: | Village of North Aurora |
|---------------------|-------------------------|

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

#### **Police Pension Employees Retirement System**

The Village's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary Village because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a pension trust fund.

# **VILLAGE OF NORTH AURORA, ILLINOIS**

## **Notes to the Financial Statements May 31, 2019**

---

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

#### **BASIS OF PRESENTATION**

##### **Government-Wide Statements**

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's public safety, public works, sanitation, and general administrative services are classified as governmental activities. The Village's waterworks services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations.

The Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public safety, public works, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges for services, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) changes to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales and use taxes, certain intergovernmental revenues, permits and charges for services, etc.).

The Village does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is recorded as a reimbursement and reduction of general government expenditures to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

---

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village electively added funds, as major funds, which either have debt outstanding or a specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

##### Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

#### Fund Financial Statements – Continued

#### Governmental Funds – Continued

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

*Special Revenue Funds* are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains eight special revenue funds. The Route 31 TIF Fund, presented as a major fund, is used to account for the operations of the Village's Tax Increment Financing District #1 funded by restricted incremental revenues.

*Debt Service Funds* are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Village maintains two nonmajor debt service funds.

*Capital Projects Funds* are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Capital Projects Fund is a major fund.

#### Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:

*Enterprise Funds* are required to account for operations for which a fee is charged to external users for goods or services and the activity is (a) financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Waterworks Fund, a major fund, is used 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

## Notes to the Financial Statements May 31, 2019

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

#### Fund Financial Statements – Continued

#### Proprietary Funds – Continued

*Internal Service Funds* are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the Village on a cost-reimbursement basis. The Village maintains two 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 expenses. The Employee Compensated Absences Fund is used to account for the portion of compensated absences related to governmental funds owed to employees. The Village's internal service funds are presented in the proprietary funds financial statements. Because the principal users of the internal services are the Village's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (general government, public safety, public works, etc.).

#### Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity by the Village for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

*Pension Trust Funds* are used to account for assets held in a trustee capacity by the Village for pension benefit payments. The Police Pension Fund is used to account for the accumulation of resources to pay pension costs. Resources are contributed by police force members at rates fixed by state statutes and by the government through an annual property tax levy.

*Agency Funds* are used to account for assets held by the Village in a purely custodial capacity. The Developer's and Building Escrow Fund is used to account for building bond deposits, developer's deposits and corresponding development costs. The Land Cash Escrows Fund is used to account for the accumulation and distribution of other taxing districts land/cash impact fees.

The Village's fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Village, these funds are not incorporated into the government-wide statements.

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

##### Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary and pension trust funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

##### Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

##### **Basis of Accounting** – Continued

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A ninety-day available period is used for revenue related to the sales and telecommunication taxes. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise taxes, licenses, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary, pension trust and agency funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Village’s enterprise funds, and of the Village’s internal service funds are charges to customers for sales and services. The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

# **VILLAGE OF NORTH AURORA, ILLINOIS**

## **Notes to the Financial Statements May 31, 2019**

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### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

#### **ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY**

##### **Cash and Investments**

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, cash with fiscal agent. For the purpose of the proprietary funds “Statement of Cash Flows,” cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Village categorizes its 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; Level 3 inputs are significant unobservable inputs.

##### **Receivables**

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, and franchise taxes. Business-type activities report waterworks charges as their major receivables.

##### **Prepays/Inventories**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Prepays/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids/inventories are recorded as expenditures when consumed rather than when purchased.

##### **Interfund Receivables, Payables and Activity**

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Internal service fund services provided and used are not eliminated in the process of consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

##### Capital Assets

Capital assets purchased or acquired with an original cost of \$10,000 or more, and an estimated useful life in excess of one years, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

|                        |               |
|------------------------|---------------|
| Buildings              | 25 - 50 Years |
| Vehicles and Equipment | 3 - 10 Years  |
| Infrastructure         | 20 - 40 Years |
| Water System           | 10 - 40 Years |

##### Compensated Absences

The Village accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

##### Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

##### Long-Term Obligations

In the government-wide financial statements, and proprietary fund types 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 type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expenses at the time of issuance.

In the fund financial statements, governmental fund types 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 debt service expenditures.

##### Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted – All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

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

### **Notes to the Financial Statements May 31, 2019**

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#### **NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

##### **BUDGETARY INFORMATION**

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, three budget amendments were adopted and is reflected in the financial statements.

#### **NOTE 3 – DETAIL NOTES ON ALL FUNDS**

##### **DEPOSITS AND INVESTMENTS**

The Village maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

Permitted Deposits and Investments – Statutes and the Village's investment policy authorize the Village to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Trust, Illinois Funds Investment Pool and the Illinois Metropolitan Investment Fund.

# **VILLAGE OF NORTH AURORA, ILLINOIS**

## **Notes to the Financial Statements May 31, 2019**

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### **NOTE 3 – DETAIL NOTES ON ALL FUNDS**

#### **DEPOSITS AND INVESTMENTS – Continued**

The deposits and investments of the Pension Fund are held separately from those of other Village funds. Statutes authorize the Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, pension funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

The Illinois Trust was established for the purpose of allowing various public agencies including, but not limited to, counties, townships, cities, towns, villages, school districts, housing authorities and public water supply districts, to jointly invest funds in accordance with the Laws of the State of Illinois. Participation in the Illinois Trust is voluntary. The Illinois Trust is not registered with the SEC as an Investment Company. Investments in the Illinois Trust are valued at the share price, the price for which the investment could be sold.

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### DEPOSITS AND INVESTMENTS – Continued

The Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is 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 the share price, the price for which the investment could be sold.

Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. The Illinois Funds is not registered with the SEC as an investment company. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

#### Village – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

*Deposits.* At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$2,313,583 and the bank balances totaled \$2,361,564.

*Investments.* The Village has the following investment fair values and maturities:

| Investment Type          | Fair Value   | Investment Maturities - in Years |           |      |              |
|--------------------------|--------------|----------------------------------|-----------|------|--------------|
|                          |              | Less Than 1                      | 1-5       | 6-10 | More Than 10 |
| U. S. Agency Obligations | \$ 2,497,119 | -                                | 2,497,119 | -    | -            |
| Negotiable CDs           | 6,980,051    | 3,020,605                        | 3,959,446 | -    | -            |
| Illinois Trust           | 4,058,504    | 4,058,504                        | -         | -    | -            |
| Illinois Funds           | 6,786,468    | 6,786,468                        | -         | -    | -            |
| IMET                     | 3,777,243    | 3,777,243                        | -         | -    | -            |
| Totals                   | 24,099,385   | 17,642,820                       | 6,456,565 | -    | -            |

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### DEPOSITS AND INVESTMENTS – Continued

#### Village – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

*Investments – Continued.* The Village has the following recurring fair value measurements as of May 31, 2019:

|   |              | Fair Value Measurements Using  |   |  |
|---|--------------|--|---|--|
|   |              | Quoted<br>Prices<br>in Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| Investments by Fair Value Level                   | Total        |  |   |  |
| Debt Securities                                   |              |  |   |  |
| U. S. Agency Obligations                          | \$ 2,497,119 | -  | 2,497,119   | -  |
| Negotiable CDs                                    | 6,980,051    | -  | 6,980,051   | -  |
| Total Investments by Fair Value Level             | 9,477,170    | -  | 9,477,170   | -  |
| Investments Measured at the Net Asset Value (NAV) |              |  |   |  |
| Illinois Trust                                    | 4,058,504    |  |   |  |
| Illinois Funds                                    | 6,786,468    |  |   |  |
| IMET  | 3,777,243    |  |   |  |
|   | 24,099,385   |  |   |  |

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

## VILLAGE OF NORTH AURORA, ILLINOIS

### Notes to the Financial Statements May 31, 2019

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### DEPOSITS AND INVESTMENTS – Continued

##### **Village – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued**

*Interest Rate Risk.* 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 five years from date of purchase. 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.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. 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. At May 31, 2019, U.S. Agency Obligations are rated A2 by Moody's Investor Services. The Illinois Funds are rated AAAm, the investment in IMET 1-3 Year Fund is rated AAAf, and the investment in the Illinois Trust is rated AAAm by Standard & Poor's.

*Concentration Risk.* This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. 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 50% 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 50% in Illinois Funds, no more than 30% in IMET (1 to 3 year portion) and 50% in IMET (convenience fund portion), no more than 50% in the Illinois Trust, no more than 40% in brokered certificates of deposit, no more than 25% in bonds of counties, states and villages and no more than 10% in commercial paper. At year-end, the Village does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### DEPOSITS AND INVESTMENTS – Continued

#### Village – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

*Custodial Credit Risk – Deposits.* In the case of deposits, this is the risk that in the event of a bank 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. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

*Custodial Credit Risk – Investments.* In the case of investments, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the 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. At year-end, the Village's investments in the Illinois Funds, IMET and the Illinois Trust are not subject to custodial credit risk.

#### Police Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

*Deposits.* At year-end, the carrying amount of the Pension Fund's deposits totaled \$763,337 and the bank balances totaled \$763,402.

*Investments.* The Pension Fund has the following investment fair values and maturities:

| Investment Type            | Fair Value | Investment Maturities - in Years |           |           |              |
|----------------------------|------------|----------------------------------|-----------|-----------|--------------|
|                            |            | Less Than 1                      | 1-5       | 6-10      | More Than 10 |
| U. S. Treasury Obligations | \$ 349,946 | 149,993                          | 199,953   | -         | -            |
| U. S. Agency Obligations   | 3,671,986  | 654,457                          | 1,260,276 | 1,757,253 | -            |
| Municipal Bonds            | 640,291    | -                                | 510,133   | 26,175    | 103,983      |
| Corporate Bonds            | 3,377,625  | 116,787                          | 2,654,030 | 606,808   | -            |
| Totals                     | 8,039,848  | 921,237                          | 4,624,392 | 2,390,236 | 103,983      |

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### DEPOSITS AND INVESTMENTS – Continued

#### Police Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

*Investments – Continued.* At year-end, the Pension Fund has the following recurring fair value measurements:

| Investments by Fair Value Level       | Total      | Fair Value Measurements Using  |   |  |
|---------------------------------------|------------|--|---|--|
|                                       |            | Quoted<br>Prices<br>in Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| Debt Securities                       |            |  |   |  |
| U.S. Treasuries                       | \$ 349,946 | 349,946  | -   | -  |
| U.S. Agencies                         | 3,671,986  | -  | 3,671,986   | -  |
| Municipal Bonds                       | 640,291    | -  | 640,291   | -  |
| Corporate Bonds                       | 3,377,625  | -  | 3,377,625   | -  |
| Equity Securities                     |            |  |   |  |
| Equities                              | 1,081,560  | 1,081,560  | -   | -  |
| Mutual Funds                          | 8,370,838  | 8,370,838  | -   | -  |
| Total Investments by Fair Value Level | 17,492,246 | 9,802,344  | 7,689,902   | -  |

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

*Custodial Credit Risk – Deposits.* With respect to deposits, the Pension Fund's investment policy requires all bank balances to be covered by federal depository insurance. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

*Custodial Credit Risk – Investments.* With respect to investments, the Pension 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 Pension Fund's agent separate from where the investment was purchased in the Pension 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 the Financial Statements May 31, 2019

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### DEPOSITS AND INVESTMENTS – Continued

#### Police Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

*Interest Rate Risk.* In accordance with its investment policy, the Pension 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 Pension Fund.

*Credit Risk.* The Pension Fund limits its exposure to credit risk 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 U. S. Agency Obligations, corporate bonds and municipal bond investment ratings are not available.

*Concentration Risk.* The Pension Fund's investment policy does not address concentration risk. In addition to the securities and fair values listed above, the Pension Fund also has \$8,370,838 invested in mutual funds, and \$1,081,560 invested in equities. At year-end, the Pension Fund does not have any investments over 5 percent of the net position (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

| Asset Class               | Target | Long-Term<br>Expected Real<br>Rate of Return |
|---------------------------|--------|--|
| Domestic Equities         | 41.25% | 5.0% - 5.30%                                 |
| International Equities    | 13.75% | 0.00% - 5.30%                                |
| Fixed Income              | 45.00% | 1.80% - 3.50%                                |
| Cash and Cash Equivalents | 0.00%  | 0.00%  |

Illinois Compiled Statutes (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.

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### DEPOSITS AND INVESTMENTS – Continued

#### Police Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

*Concentration Risk – Continued.* The long-term expected rate of return on the Pension Fund's investments was determined using an asset allocation study conducted by the Pension Fund's investment management consultant in June 2019 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. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of May 31, 2019 are listed in the table above.

#### Rate of Return

For the year ended May 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.99%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

#### 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 2018 levy was adopted on December 3, 2018 and is recorded as a receivable and offset by deferred/unavailable revenue since it is intended to finance the subsequent fiscal year. No allowance for uncollectible taxes has been established since historically the Village has collected approximately 100% of the levy.

The 2019 tax levy, which attached as an enforceable lien on property as of January 1, 2019, has not been recorded as a receivable as of May 31, 2019 as the tax has not yet been levied by the Village and will not be levied until December 2019 and, therefore, the levy is not measurable at May 31, 2019.

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### CAPITAL ASSETS

##### Governmental Activities

Governmental capital asset activity for the year was as follows:

|                                      | Beginning<br>Balances | Increases        | Decreases      | Ending<br>Balances |
|--------------------------------------|-----------------------|------------------|----------------|--------------------|
| Nondepreciable Capital Assets        |                       |                  |                |                    |
| Land                                 | \$ 5,287,447          | -                | -              | 5,287,447          |
| Land Right of Way                    | 22,249,790            | 151,900          | -              | 22,401,690         |
|                                      | <u>27,537,237</u>     | <u>151,900</u>   | <u>-</u>       | <u>27,689,137</u>  |
| Depreciable Capital Assets           |                       |                  |                |                    |
| Buildings                            | 18,042,153            | -                | -              | 18,042,153         |
| Vehicles and Equipment               | 4,013,260             | 183,656          | 129,203        | 4,067,713          |
| Infrastructure                       | 62,858,643            | 2,205,677        | 239,920        | 64,824,400         |
| Infrastructure - Sewer Lines         | 24,912,127            | 573,148          | -              | 25,485,275         |
|                                      | <u>109,826,183</u>    | <u>2,962,481</u> | <u>369,123</u> | <u>112,419,541</u> |
| Less Accumulated Depreciation        |                       |                  |                |                    |
| Buildings                            | 4,997,881             | 452,997          | -              | 5,450,878          |
| Vehicles and Equipment               | 2,236,854             | 264,716          | 129,203        | 2,372,367          |
| Infrastructure                       | 24,842,522            | 2,260,985        | 239,920        | 26,863,587         |
| Infrastructure - Sewer Lines         | 9,598,182             | 570,752          | -              | 10,168,934         |
|                                      | <u>41,675,439</u>     | <u>3,549,450</u> | <u>369,123</u> | <u>44,855,766</u>  |
| Total Net Depreciable Capital Assets | <u>68,150,744</u>     | <u>(586,969)</u> | <u>-</u>       | <u>67,563,775</u>  |
| Total Net Capital Assets             | <u>95,687,981</u>     | <u>(435,069)</u> | <u>-</u>       | <u>95,252,912</u>  |

Depreciation expense was charged to governmental activities as follows:

|                    |                  |
|--------------------|------------------|
| General Government | \$ 235,508       |
| Public Safety      | 506,183          |
| Public Works       | 2,453,720        |
| Sanitation         | <u>354,039</u>   |
|                    | <u>3,549,450</u> |

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Notes to the Financial Statements  
May 31, 2019**

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**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**CAPITAL ASSETS – Continued**

**Business-Type Activities**

Business-type capital asset activity for the year was as follows:

|   | Beginning<br>Balances | Increases        | Decreases      | Ending<br>Balances |
|---|-----------------------|------------------|----------------|--------------------|
| Nondepreciable Capital Assets           |                       |                  |                |                    |
| Land                                    | \$ 476,703            | -                | -              | 476,703            |
| Construction in Progress                | 125,343               | 1,492,944        | -              | 1,618,287          |
|   | <u>602,046</u>        | <u>1,492,944</u> | <u>-</u>       | <u>2,094,990</u>   |
| Depreciable Capital Assets              |                       |                  |                |                    |
| Equipment                               | 53,100                | -                | 15,000         | 38,100             |
| Vehicles                                | 19,100                | -                | -              | 19,100             |
| Water System - Treatment and Facilities | 7,008,259             | 135,205          | 398,000        | 6,745,464          |
| Water System - Towers and Wells         | 4,875,441             | -                | 338,829        | 4,536,612          |
| Water System - Lines                    | 23,810,827            | 401,473          | -              | 24,212,300         |
|   | <u>35,766,727</u>     | <u>536,678</u>   | <u>751,829</u> | <u>35,551,576</u>  |
| Less Accumulated Depreciation           |                       |                  |                |                    |
| Equipment                               | 53,100                | -                | 15,000         | 38,100             |
| Vehicles                                | 19,100                | -                | -              | 19,100             |
| Water System - Treatment and Facilities | 1,803,754             | 176,934          | 398,000        | 1,582,688          |
| Water System - Towers and Wells         | 2,473,305             | 127,335          | 143,394        | 2,457,246          |
| Water System - Lines                    | 9,882,866             | 544,174          | -              | 10,427,040         |
|   | <u>14,232,125</u>     | <u>848,443</u>   | <u>556,394</u> | <u>14,524,174</u>  |
| Total Net Depreciable Capital Assets    | <u>21,534,602</u>     | <u>(311,765)</u> | <u>195,435</u> | <u>21,027,402</u>  |
| Total Net Capital Assets                | <u>22,136,648</u>     | <u>1,181,179</u> | <u>195,435</u> | <u>23,122,392</u>  |

Depreciation expense was charged to the water business-type activities as follows:

|            |                   |
|------------|-------------------|
| Waterworks | <u>\$ 848,443</u> |
|------------|-------------------|

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Notes to the Financial Statements  
May 31, 2019**

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**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**INTERFUND TRANSFERS**

Interfund transfers for the year consisted of the following:

| Transfer In           | Transfer Out | Amount                  |
|-----------------------|--------------|-------------------------|
| Capital Projects      | General      | \$ 380,000              |
| Nonmajor Governmental | General      | <u>623,692</u>          |
|                       |              | <u><u>1,003,692</u></u> |

The Village made a transfer from the General Fund to the nonmajor governmental funds for future debt service payments and to the Capital Projects Fund to help fund capital projects of the Village. These amounts will not be repaid to the General Fund.

**LONG-TERM DEBT**

**Loans Payable**

The Village enters into loans payable for the acquisition of capital equipment. Loans payable are direct obligations and pledge the full faith and credit of the Village. Loans payable currently outstanding are as follows:

| Issue   | Fund Debt<br>Retired by | Beginning<br>Balances | Issuances | Retirements    | Ending<br>Balances |
|---|-------------------------|-----------------------|-----------|----------------|--------------------|
| Kane County Loan Payable of 2010, due in annual installments of \$93,512 to \$120,551, plus interest at 2.018% to 3.071% through December 15, 2020. | Waterworks              | <u>\$ 346,362</u>     | <u>-</u>  | <u>110,502</u> | <u>235,860</u>     |

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### LONG-TERM DEBT – Continued

##### General Obligation (Alternate Revenue Source) Bonds

The Village has issued general obligation bonds for the purpose of acquiring property. General obligation bonds currently outstanding are as follows:

| Issue   | Fund Debt<br>Retired by | Beginning<br>Balances | Issuances | Retirements | Ending<br>Balances |
|---|-------------------------|-----------------------|-----------|-------------|--------------------|
| General Obligation Refunding Bonds of 2009 due in annual installments of \$325,000 to \$505,000, plus interest at 2.00% to 3.75% through January 1, 2021.                         | Library                 | \$ 1,385,000          | -         | 485,000     | 900,000            |
| General Obligation Alternate Revenue Source Refunding Bonds of 2014 due in annual installments of \$55,000 to \$625,000, plus interest at 2.00% to 3.00% through January 1, 2029. | Police Station          | 5,925,000             | -         | 465,000     | 5,460,000          |
| General Obligation Alternate Revenue Source Bonds of 2017 due in annual installments of \$320,000 to \$475,000, plus interest at 3.00% to 4.00% through January 1, 2032.          | Waterworks              | 5,445,000             | -         | 320,000     | 5,125,000          |
|   |                         | 12,755,000            | -         | 1,270,000   | 11,485,000         |

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### LONG-TERM DEBT – Continued

#### Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

| Type of Debt                     | Restated<br>Beginning<br>Balances | Additions        | Deductions       | Ending<br>Balances | Due within<br>One Year |
|----------------------------------|-----------------------------------|------------------|------------------|--------------------|------------------------|
| <b>Governmental Activities</b>   |                                   |                  |                  |                    |                        |
| Compensated Absences             | \$ 373,045                        | 104,400          | 52,200           | 425,245            | 106,311                |
| Net Pension Liability            |                                   |                  |                  |                    |                        |
| IMRF                             | 785,661                           | 962,507          | -                | 1,748,168          | -                      |
| Police Pension                   | 10,912,722                        | 1,956,275        | -                | 12,868,997         | -                      |
| Total OPEB Liability - RBP       | 1,065,523                         | 66,590           | -                | 1,132,113          | -                      |
| General Obligation Bonds Payable | 7,310,000                         | -                | 950,000          | 6,360,000          | 980,000                |
| Plus: Premium on Bonds Payable   | 205,198                           | -                | 22,785           | 182,413            | -                      |
|                                  | <u>20,652,149</u>                 | <u>3,089,772</u> | <u>1,024,985</u> | <u>22,716,936</u>  | <u>1,086,311</u>       |
| <b>Business-Type Activities</b>  |                                   |                  |                  |                    |                        |
| Compensated Absences             | 17,516                            | 11,012           | 5,506            | 23,022             | 5,756                  |
| Net Pension Liability - IMRF     | 163,608                           | 157,164          | -                | 320,772            | -                      |
| Total OPEB Liability - RBP       | 82,670                            | 4,731            | -                | 87,401             | -                      |
| General Obligation Bonds Payable | 5,445,000                         | -                | 320,000          | 5,125,000          | 325,000                |
| Plus: Premium on Bonds Payable   | 178,139                           | -                | 12,724           | 165,415            | -                      |
| Kane County Loan Payable         | 346,362                           | -                | 110,502          | 235,860            | 115,309                |
|                                  | <u>6,233,295</u>                  | <u>172,907</u>   | <u>448,732</u>   | <u>5,957,470</u>   | <u>446,065</u>         |

For the governmental activities, the compensated absences, the net pension liability and the total OPEB liability are liquidated by the General Fund. The Library Fund and Police Station Fund make payments on the general obligation bonds. At year end, the compensated absences above are reported in the internal service funds’.

For business-type activities, the Waterworks Fund makes payments on the compensated absences, on the net pension liability, on the total OPEB liability, on the general obligation bonds, and on the Kane County Loan Payable.

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### LONG-TERM DEBT – Continued

#### Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

| Fiscal<br>Year | Governmental Activities                |          | Business-Type Activities               |           |                             |          |
|----------------|--|----------|--|-----------|-----------------------------|----------|
|                | General<br>Obligation<br>Bonds Payable |          | General<br>Obligation<br>Bonds Payable |           | Kane County<br>Loan Payable |          |
|                | Principal                              | Interest | Principal                              | Interest  | Principal                   | Interest |
| 2020           | \$ 980,000                             | 182,850  | 325,000                                | 166,225   | 115,309                     | 7,062    |
| 2021           | 885,000                                | 154,414  | 335,000                                | 156,475   | 120,551                     | 3,702    |
| 2022           | 505,000                                | 129,800  | 345,000                                | 146,425   | -                           | -        |
| 2023           | 515,000                                | 119,700  | 360,000                                | 136,075   | -                           | -        |
| 2024           | 535,000                                | 104,250  | 370,000                                | 125,275   | -                           | -        |
| 2025           | 550,000                                | 88,200   | 380,000                                | 114,175   | -                           | -        |
| 2026           | 570,000                                | 71,700   | 390,000                                | 102,775   | -                           | -        |
| 2027           | 585,000                                | 54,600   | 405,000                                | 91,075    | -                           | -        |
| 2028           | 610,000                                | 37,050   | 415,000                                | 78,925    | -                           | -        |
| 2029           | 625,000                                | 18,750   | 430,000                                | 65,438    | -                           | -        |
| 2030           | -                                      | -        | 440,000                                | 51,464    | -                           | -        |
| 2031           | -                                      | -        | 455,000                                | 36,062    | -                           | -        |
| 2032           | -                                      | -        | 475,000                                | 18,999    | -                           | -        |
| Totals         | 6,360,000                              | 961,314  | 5,125,000                              | 1,289,388 | 235,860                     | 10,764   |

#### Legal Debt Margin

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979".

|  |                       |
|--|-----------------------|
| Assessed Valuation - 2018                    | <u>\$ 535,501,856</u> |
| Bonded Debt Limit - 8.625% of Assessed Value | 46,187,035            |
| Amount of Debt Applicable to Limit           |                       |
| General Obligation Bonds                     | <u>900,000</u>        |
| Legal Debt Margin                            | <u>45,287,035</u>     |

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### PLEDGED REVENUES

The Village has issued Alternate Revenue Source Bonds for which they have pledged future revenue streams. The General Obligation Alternate Revenue Source Bonds of 2017, 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 \$6,414,388, with the bonds maturing January 1, 2032. During the current fiscal year, the pledge of \$495,825 was approximately 45.34% of net operations (excluding depreciation) of \$1,093,625.

The General Obligation Refunding Alternate Revenue Source Bonds of 2014, 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 \$6,372,750 and the bonds maturing January 1, 2029. During the current fiscal year, the pledge of sales tax and use tax of \$623,400 was approximately 11.85% of total sales and use tax of 5,258,154.

#### SALES TAX REBATES

The Village has entered into economic incentives with two 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. \$5,011,948 has been paid or accrued as accounts payable as of May 31, 2019.

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. \$3,443,070 has been paid or accrued as accounts payable as of May 31, 2019.

#### COMMITMENTS

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

| Purpose                          | Expended<br>To Date | Remaining<br>Commitment |
|----------------------------------|---------------------|-------------------------|
| 2019 Street Improvements         | \$ -                | 1,869,424               |
| Well #8 and #9 Transmission Main | 197,372             | 254,898                 |

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### 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 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. \$22,757 has been paid or accrued as accounts payable as of May 31, 2019.

#### NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of May 31, 2019:

|   |                   |
|---|-------------------|
| Governmental Activities   |                   |
| Capital Assets - Net of Accumulated Depreciation                    | \$ 95,252,912     |
| Add: Unamortized Refunding Loss                                     | 225,060           |
| Less Capital Related Debt:  |                   |
| General Obligation Refunding Library Bonds of 2009                  | (900,000)         |
| General Obligation Alternate Revenue Source Refunding Bonds of 2014 | (5,460,000)       |
| Premium on Bonds Payable  | (182,413)         |
|   | <u>88,935,559</u> |
| Business-Type Activities  |                   |
| Capital Assets - Net of Accumulated Depreciation                    | 23,122,392        |
| Add: Unspent Bond Proceeds  | 3,298,767         |
| Less Capital Related Debt:  |                   |
| Taxable General Obligation (Alternate Revenue Source)               |                   |
| General Obligation Alternate Revenue Source Bonds of 2017           | (5,125,000)       |
| Premium on Bonds Payable  | (165,415)         |
| Kane County Loan Payable  | (235,860)         |
|   | <u>20,894,884</u> |
| Net Investment in Capital Assets                                    | <u>20,894,884</u> |

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### NET POSITION RESTATEMENTS

Beginning net position was restated due to the implementation of GASB Statement No. 75. The following is a summary of the net position as originally reported and as restated:

| Net Position                            | As Reported   | As Restated | (Decrease) |
|---|---------------|-------------|------------|
| Governmental Activities                 | \$ 94,199,523 | 93,493,129  | (706,394)  |
| Business-Type Activities/<br>Waterworks | 25,009,069    | 24,952,681  | (56,388)   |

#### FUND BALANCE CLASSIFICATIONS

*Nonspendable Fund Balance.* Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

*Restricted Fund Balance.* Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance.* Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Trustees; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

*Assigned Fund Balance.* Responsibility for the assignment of fund balance is delegated to the Finance Director with the approval of the Village Administrator and communicated through the annual budget or via memorandum to the Board of Trustees. The Village's highest level of decision-making authority is the Board of Trustees, who is authorized to assign amounts to a specific purpose.

*Unassigned Fund Balance.* Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

*Minimum Fund Balance Policy.* The Village's policy manual states that the General Fund should maintain a minimum fund balance equal to 40% to 50% of annual expenditures and transfers of resources out of the General Fund for the purpose of debt repayment.

The Village's policy manual states that the Motor Fuel Tax Fund of 25% of annual expenditures in order to provide sufficient cash flow and an adequate reserve.

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### NET POSITION/FUND BALANCES – Continued

##### Fund Balance Classifications – Continued

In the governmental funds financial statements, the Village considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Village first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

|  | General   | Special<br>Revenue<br>Route<br>31 TIF | Capital<br>Projects | Nonmajor  | Totals     |
|--|-----------|---------------------------------------|---------------------|-----------|------------|
| Fund Balances                                  |           |                                       |                     |           |            |
| Nonspendable                                   |           |                                       |                     |           |            |
| Prepays  | \$ 20,456 | -                                     | -                   | 1,900     | 22,356     |
| Restricted                                     |           |                                       |                     |           |            |
| DUI Enforcement                                | 26,383    | -                                     | -                   | -         | 26,383     |
| Highways and Streets                           | -         | -                                     | -                   | 999,736   | 999,736    |
| Economic Development                           | -         | 1,614,260                             | -                   | 15,885    | 1,630,145  |
| Subdivision Improvements                       | -         | -                                     | -                   | 105,128   | 105,128    |
| Debt Service                                   | -         | -                                     | -                   | 383,113   | 383,113    |
|  | 26,383    | 1,614,260                             | -                   | 1,503,862 | 3,144,505  |
| Committed                                      |           |                                       |                     |           |            |
| Roads, Infrastructure,<br>and Capital Projects | -         | -                                     | 420,898             | -         | 420,898    |
| Assigned                                       |           |                                       |                     |           |            |
| Roads, Infrastructure,<br>and Capital Projects | -         | -                                     | 2,702,445           | -         | 2,702,445  |
| Buffer Repair/Replacement                      | -         | -                                     | -                   | 35,440    | 35,440     |
| Tort   | -         | -                                     | -                   | 340,683   | 340,683    |
| Sanitary Sewers                                | -         | -                                     | -                   | 1,480,641 | 1,480,641  |
| Tourism  | -         | -                                     | -                   | 61,642    | 61,642     |
|  | -         | -                                     | 2,702,445           | 1,918,406 | 4,620,851  |
| Unassigned                                     | 7,396,141 | -                                     | -                   | -         | 7,396,141  |
| Total Fund Balances                            | 7,442,980 | 1,614,260                             | 3,123,343           | 3,424,168 | 15,604,751 |

# **VILLAGE OF NORTH AURORA, ILLINOIS**

## **Notes to the Financial Statements May 31, 2019**

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### **NOTE 4 – OTHER INFORMATION**

#### **RISK MANAGEMENT**

##### **Illinois Municipal League Risk Management Association**

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, 2019, for the current or prior claim years.

##### **Intergovernmental Personnel Benefit Cooperative (IPBC)**

As of January 1, 2018, the Village joined Intergovernmental Personnel Benefit Cooperative (IPBC). Risks for medical and death benefits for employees and retirees are provided for through the Village's participation in the IPBC. IPBC acts as an administrative agency to receive, process and pay such claims as may come within the benefit program of each member. IPBC maintains specific reinsurance coverage for claims in excess of \$50,000 per individual employee participant. The Village pays premiums to IPBC based upon current employee participation and its prior experience factor with the pool. Current year overages or underages for participation in the pool are adjusted into subsequent years experience factor for premiums. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

#### **CONTINGENT LIABILITIES**

##### **Grants**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

##### **Litigation**

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

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, and the Police Pension Plans which is a single-employer pension plan. A separate report is issued for the Police Pension Plan and may be obtained by writing to the Village at 25 East State Street, North Aurora, Illinois 60542. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org). The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

The aggregate amount of pension expense recognized for the pension plans is:

|                |                  |
|----------------|------------------|
| IMRF           |                  |
| Village        | \$ 231,906       |
| Library        | 121,353          |
| Police Pension | <u>1,732,237</u> |
|                | <u>2,085,496</u> |

#### Illinois Municipal Retirement Fund (IMRF)

##### Plan Descriptions

*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.

*Benefits Provided.* IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

IMRF provides two tiers of pension benefits. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Illinois Municipal Retirement Fund (IMRF) – Continued

##### Plan Descriptions – Continued

*Benefits Provided – Continued.* 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 employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

*Plan Membership.* As of December 31, 2018, the measurement date, the following employees were covered by the benefit terms:

|  |                   |
|--|-------------------|
| Inactive Plan Members Currently Receiving Benefits               | 32                |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 37                |
| Active Plan Members  | <u>54</u>         |
| Total  | <u><u>123</u></u> |

*Contributions.* As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended May 31, 2019, the Village and Library's contribution was 10.85% of covered payroll.

*Net Pension Liability.* The Village's net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Illinois Municipal Retirement Fund (IMRF) – Continued

##### Plan Descriptions – Continued

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation performed, as of December 31, 2018, using the following actuarial methods and assumptions:

|                            |                     |
|----------------------------|---------------------|
| Actuarial Cost Method      | Entry Age<br>Normal |
| Asset Valuation Method     | Market              |
| Actuarial Assumptions      |                     |
| Interest Rate              | 7.25%               |
| Salary Increases           | 3.39% to 14.25%     |
| Cost of Living Adjustments | 2.50%               |
| Inflation                  | 2.50%               |

For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The 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-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

### NOTE 4 – OTHER INFORMATION – Continued

### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

### Illinois Municipal Retirement Fund (IMRF) – Continued

### Plan Descriptions – Continued

### Actuarial Assumptions – Continued.

| Asset Class               | Target | Long-Term<br>Expected Real<br>Rate of Return |
|---------------------------|--------|--|
| Fixed Income              | 28.00% | 3.75%  |
| Domestic Equities         | 37.00% | 7.15%  |
| International Equities    | 18.00% | 7.25%  |
| Real Estate               | 9.00%  | 6.25%  |
| Blended                   | 7.00%  | 3.20% - 8.50%                                |
| Cash and Cash Equivalents | 1.00%  | 2.50%  |

### Discount Rate

The discount rate used to measure the total pension liability was 7.25% and the prior valuation used 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the 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. 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.

### 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 pension liability of the Village calculated using the discount rate as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

|                       | 1% Decrease<br>(6.25%) | Current<br>Discount Rate<br>(7.25%) | 1% Increase<br>(8.25%) |
|-----------------------|------------------------|-------------------------------------|------------------------|
| Village               | \$ 3,378,718           | 2,068,940                           | 995,527                |
| Library               | 1,188,352              | 727,681                             | 350,143                |
| Net Pension Liability | 4,567,070              | 2,796,621                           | 1,345,670              |

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

#### Illinois Municipal Retirement Fund (IMRF) – Continued

#### Changes in the Net Pension Liability

|  | Village    | Library   | Total      |
|--|------------|-----------|------------|
| Total Pension Liability  |            |           |            |
| Service Cost   | \$ 195,612 | 68,800    | 264,412    |
| Interest   | 565,456    | 232,164   | 797,620    |
| Differences Between Expected<br>and Actual Experience          | 188,140    | 66,172    | 254,312    |
| Change of Assumptions  | 288,341    | 101,414   | 389,755    |
| Benefit Payments, Including<br>Refunds of Member Contributions | (320,099)  | (112,584) | (432,683)  |
| Net Change in Total Pension Liability                          | 917,450    | 355,966   | 1,273,416  |
| Total Pension Liability - Beginning                            | 8,141,136  | 2,577,938 | 10,719,074 |
| Total Pension Liability - Ending                               | 9,058,586  | 2,933,904 | 11,992,490 |
| Plan Fiduciary Net Position                                    |            |           |            |
| Contributions - Employer                                       | 234,350    | 82,425    | 316,775    |
| Contributions - Members  | 95,783     | 33,689    | 129,472    |
| Net Investment Income  | (359,776)  | (126,539) | (486,315)  |
| Benefit Payments, Including Refunds<br>of Member Contributions | (320,099)  | (112,584) | (432,683)  |
| Other (Net Transfer)   | 147,521    | 51,885    | 199,406    |
| Net Change in Plan Fiduciary Net Position                      | (202,221)  | (71,124)  | (273,345)  |
| Plan Net Position - Beginning                                  | 7,191,867  | 2,277,347 | 9,469,214  |
| Plan Net Position - Ending                                     | 6,989,646  | 2,206,223 | 9,195,869  |
| Employer's Net Pension Liability                               | 2,068,940  | 727,681   | 2,796,621  |

#### Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended May 31, 2019, the Village recognized pension expense of \$231,906 and the Library recognized a pension expense of \$121,353. At May 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Illinois Municipal Retirement Fund (IMRF) – Continued

#### Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – Continued

|   | Village                        |                               | Library                        |                               |           |
|---|--------------------------------|-------------------------------|--------------------------------|-------------------------------|-----------|
|   | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources | Totals    |
| Difference Between Expected and Actual Experience             | \$ 352,319                     | (61,041)                      | 123,917                        | (21,469)                      | 393,726   |
| Change in Assumptions   | 224,393                        | (153,743)                     | 78,923                         | (54,074)                      | 95,499    |
| Net Difference Between Projected and Actual                   | 477,988                        | -                             | 168,117                        | -                             | 646,105   |
| Total Pension Expense to be Recognized in Future Periods      | 1,054,700                      | (214,784)                     | 370,957                        | (75,543)                      | 1,135,330 |
| Pension Contributions Made Subsequent to the Measurement Date | 100,664                        | -                             | 35,405                         | -                             | 136,069   |
| Total Deferred Amounts Related to IMRF                        | 1,155,364                      | (214,784)                     | 406,362                        | (75,543)                      | 1,271,399 |

\$136,069 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended May 31, 2020.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

| Fiscal Year | Net Deferred Outflows of Resources |         |           |
|-------------|------------------------------------|---------|-----------|
|             | Village                            | Library | Totals    |
| 2020        | \$ 241,070                         | 84,788  | 325,858   |
| 2021        | 180,286                            | 63,410  | 243,696   |
| 2022        | 186,555                            | 65,614  | 252,169   |
| 2023        | 232,005                            | 81,602  | 313,607   |
| 2024        | -                                  | -       | -         |
| Thereafter  | -                                  | -       | -         |
| Totals      | 839,916                            | 295,414 | 1,135,330 |

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Police Pension Plan

##### Plan Descriptions

*Plan Administration.* The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum 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 Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active police employees.

*Plan Membership.* At May 31, 2019, the measurement date, membership consisted of the following:

|  |                  |
|--|------------------|
| Inactive Plan Members Currently Receiving Benefits               | 13               |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 3                |
| Active Plan Members  | <u>29</u>        |
| Total  | <u><u>45</u></u> |

*Benefits Provided.* The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of  $\frac{1}{2}$  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 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent 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 a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 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 percent of the original pension and 3 percent compounded annually thereafter.

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Police Pension Plan – Continued

##### Plan Descriptions – Continued

*Benefits Provided – Continued.* Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 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 officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent 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. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of ½ of the change in the Consumer Price Index for the proceeding calendar year.

*Contributions.* Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended May 31, 2019, the Village's contribution was 43.09% of covered payroll.

*Concentrations.* At year-end, the Pension Plan does not have any investments over 5 percent of the net position (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Police Pension Plan – Continued

##### Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of May 31, 2019, using the following actuarial methods and assumptions:

|                            |                                  |
|----------------------------|----------------------------------|
| Actuarial Cost Method      | Entry Age<br>Normal              |
| Asset Valuation Method     | Smoothed over a<br>5-Year Period |
| Actuarial Assumptions      |                                  |
| Interest Rate              | 6.50%                            |
| Salary Increases           | Service based                    |
| Cost of Living Adjustments | 1.25% - 3.00%                    |
| Inflation                  | 2.50%                            |

Mortality rates were based on the PubS-2010 mortality tables, projected 5 years past the valuation date with scale MP-2018.

##### Discount Rate

The discount rate used to measure the total pension liability was 6.50%, the same as the prior valuation. 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 Village contributions will be made at rates equal to the difference between the 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 project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Police Pension Plan – Continued

##### Discount Rate Sensitivity

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

|                       | 1% Decrease<br>(5.50%) | Current<br>Discount Rate<br>(6.50%) | 1% Increase<br>(7.50%) |
|-----------------------|------------------------|-------------------------------------|------------------------|
| Net Pension Liability | \$ 18,120,351          | 12,868,997                          | 8,643,633              |

##### Changes in the Net Pension Liability

|   | Total<br>Pension<br>Liability<br>(A) | Plan<br>Net Position<br>(B) | Net Pension<br>Liability<br>(A) - (B) |
|---|--------------------------------------|-----------------------------|---------------------------------------|
| Balances at May 31, 2018  | \$ 28,175,501                        | 17,262,779                  | 10,912,722                            |
| Changes for the Year:   |                                      |                             |                                       |
| Service Cost  | 667,091                              | -                           | 667,091                               |
| Interest on the Total Pension<br>Difference Between Expected<br>Experience of the Total | 1,846,640                            | -                           | 1,846,640                             |
| Changes of Assumptions  | 394,877                              | -                           | 394,877                               |
| Contributions - Employer  | 999,483                              | -                           | 999,483                               |
| Contributions - Employees   | -                                    | 1,167,000                   | (1,167,000)                           |
| Net Investment Income   | -                                    | 265,961                     | (265,961)                             |
| Benefit Payments, including<br>of Employee Contributions                                | -                                    | 529,592                     | (529,592)                             |
| Administrative Expense  | (865,484)                            | (865,484)                   | -                                     |
|   |                                      | (10,737)                    | 10,737                                |
| Net Changes   | 3,042,607                            | 1,086,332                   | 1,956,275                             |
| Balances at May 31, 2019  | 31,218,108                           | 18,349,111                  | 12,868,997                            |

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

##### Police Pension Plan – Continued

##### Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended May 31, 2019, the Village recognized pension expense of \$1,732,237. At May 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Totals    |
|---|--------------------------------------|-------------------------------------|-----------|
| Difference Between Expected and Actual Experience                                   | \$ 458,078                           | (360,202)                           | 97,876    |
| Change in Assumptions   | 2,418,002                            | (404,264)                           | 2,013,738 |
| Net Difference Between Projected and Actual<br>Earnings on Pension Plan Investments | 618,445                              | -                                   | 618,445   |
| Total Deferred Amounts Related to Police Pension                                    | 3,494,525                            | (764,466)                           | 2,730,059 |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

| Fiscal<br>Year | Net Deferred<br>Outflows<br>of Resources |
|----------------|--|
| 2020           | \$ 613,905                               |
| 2021           | 417,392                                  |
| 2022           | 490,536                                  |
| 2023           | 463,952                                  |
| 2024           | 372,137                                  |
| Thereafter     | 372,137                                  |
| Total          | 2,730,059                                |

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

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### NOTE 4 – OTHER INFORMATION – Continued

#### OTHER POST-EMPLOYMENT BENEFITS

##### General Information about the OPEB Plan

*Plan Description.* The Village's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the Village. RBP is a single-employer defined benefit OPEB plan administered by the Village. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Village Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

*Benefits Provided.* A retired employee and his or her spouse are eligible to continue health insurance identical to active employees if they meet the eligibility for retirements under the applicable Plan. The retiree is responsible for paying the entire monthly premium for health coverage and that of any covered spouse or eligible dependents. Medicare becomes primary at age 65.

*Plan Membership.* As of May 31, 2019, the measurement date, the following employees were covered by the benefit terms:

|  |                  |
|--|------------------|
| Inactive Plan Members Currently Receiving Benefits               | 4                |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | -                |
| Active Plan Members  | <u>55</u>        |
| Total  | <u><u>59</u></u> |

##### Total OPEB Liability

The Village's total OPEB liability was measured as of May 31, 2019, and was determined by an actuarial valuation as of that date.

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

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### NOTE 4 – OTHER INFORMATION – Continued

#### OTHER POST-EMPLOYMENT BENEFITS – Continued

##### Total OPEB Liability – Continued

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the May 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|  |   |
|--|---|
| Inflation                                | 2.50%   |
| Salary Increases                         | 2.50%   |
| Discount Rate                            | 3.05%   |
| Healthcare Cost Trend Rates              | 7.75% decreasing to an ultimate rate of 4.0% for 2073 and later years |
| Retirees' Share of Benefit-Related Costs | 100% of projected health insurance premiums for retirees              |

The discount rate was based on the S&P Municipal Bond Index with a maturity of 20 years.

Mortality rates were based on the RP-2000 Combined Health Mortality Table projected to the valuation date using Scale AA.

##### Change in the Total OPEB Liability

|   | Total<br>OPEB<br>Liability |
|---|----------------------------|
| Balances at May 31, 2018                          | <u>\$ 1,148,193</u>        |
| Changes for the Year:                             |                            |
| Service Cost                                      | 29,369                     |
| Interest on the Total Pension Liability           | 37,979                     |
| Changes of Benefit Terms                          | -                          |
| Difference Between Expected and Actual Experience | -                          |
| Changes of Assumptions or Other Inputs            | 36,467                     |
| Benefit Payments                                  | <u>(32,494)</u>            |
| Net Changes                                       | <u>71,321</u>              |
| Balances at May 31, 2019                          | <u><u>1,219,514</u></u>    |

# VILLAGE OF NORTH AURORA, ILLINOIS

## Notes to the Financial Statements May 31, 2019

### NOTE 4 – OTHER INFORMATION – Continued

#### OTHER POST-EMPLOYMENT BENEFITS – Continued

##### Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, calculated using a Single Discount Rate of 3.05%, as well as what the total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

|                      | 1% Decrease<br>(2.05%) | Current<br>Discount Rate<br>(3.05%) | 1% Increase<br>(4.05%) |
|----------------------|------------------------|-------------------------------------|------------------------|
| Total OPEB Liability | \$ 1,405,435           | 1,219,514                           | 1,064,856              |

##### Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using varied Healthcare Trend Rate, as well as what the total OPEB liability would be if it were calculated using Healthcare Trend Rates that are one percentage point lower or one percentage point higher:

|                      | 1% Decrease<br>(Varies) | Healthcare<br>Cost Trend<br>Rates<br>(Varies) | 1% Increase<br>(Varies) |
|----------------------|-------------------------|---|-------------------------|
| Total OPEB Liability | \$ 1,061,090            | 1,219,514                                     | 1,409,086               |

##### OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended May 31, 2019, the Village recognized OPEB expense of \$106,815. At May 31, 2019, the Village did not report any deferred outflows or inflows related to OPEB.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Employer Contributions
  - Illinois Municipal Retirement Fund
  - Police Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability
  - Illinois Municipal Retirement Fund
  - Police Pension Fund
- Schedule of Investment Returns
  - Police Pension Fund
- Schedule of Changes in the Employer's Total OPEB Liability
  - Retiree Benefits Plan
- Budgetary Comparison Schedule
  - General Fund
  - Route 31 TIF – Special Revenue Fund
- Budgetary Information

# VILLAGE OF NORTH AURORA, ILLINOIS

## Illinois Municipal Retirement Fund

### Required Supplementary Information Schedule of Employer Contributions May 31, 2019

| Fiscal Year |         | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution | Contribution Excess/ (Deficiency) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|-------------|---------|-------------------------------------|--|-----------------------------------|-----------------|--|
| 2016        | Total   | \$ 258,699                          | \$ 258,699   | \$ -                              | \$ 2,330,622    | 11.10%   |
| 2017        | Total   | 314,036                             | 314,036  | -                                 | 2,553,148       | 12.30%   |
| 2018        | Total   | 321,707                             | 321,707  | -                                 | 2,815,969       | 11.42%   |
| 2019        | Village | 237,655                             | 237,655  | -                                 | 2,190,360       | 10.85%   |
|             | Library | 83,591                              | 83,591   | -                                 | 770,386         | 10.85%   |
|             |         | 321,246                             | 321,246  | -                                 | 2,960,746       | 10.85%   |

#### Notes to the Required Supplementary Information:

|                               |  |
|-------------------------------|--|
| Actuarial Cost Method         | Entry Age Normal   |
| Amortization Method           | Level % Pay (Closed)   |
| Remaining Amortization Period | 25 Years   |
| Asset Valuation Method        | 5-Year Smoothed Market   |
| Inflation                     | 3.00%  |
| Salary Increases              | 3.75% - 14.80%   |
| Investment Rate of Return     | 7.50%  |
| Retirement Age                | See the Notes to the Financial Statements  |
| Mortality                     | IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012) |

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

# VILLAGE OF NORTH AURORA, ILLINOIS

## Police Pension Fund

### Required Supplementary Information Schedule of Employer Contributions May 31, 2019

| Fiscal Year | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution | Contribution Excess/ (Deficiency) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|-------------|-------------------------------------|--|-----------------------------------|-----------------|--|
| 2015        | \$ 579,311                          | \$ 830,000   | \$ 250,689                        | \$ 2,353,959    | 35.26%   |
| 2016        | 596,578                             | 747,000  | 150,422                           | 2,545,665       | 29.34%   |
| 2017        | 799,095                             | 925,000  | 125,905                           | 2,454,099       | 37.69%   |
| 2018        | 955,822                             | 956,000  | 178                               | 2,582,783       | 37.01%   |
| 2019        | 1,046,968                           | 1,167,000  | 120,032                           | 2,708,303       | 43.09%   |

#### Notes to the Required Supplementary Information:

|                               |   |
|-------------------------------|---|
| Actuarial Cost Method         | Entry Age Normal  |
| Amortization Method           | Level % Pay (Closed)  |
| Remaining Amortization Period | 22 Years  |
| Asset Valuation Method        | Market Value  |
| Inflation                     | 2.50%   |
| Salary Increases              | Service based   |
| Investment Rate of Return     | 7.00%   |
| Retirement Age                | See the Notes to the Financial Statements   |
| Mortality                     | RP-2000 Combined Healthy Mortality with a blue collar adjustment, projected to the valuation date with Scale BB |

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information  
Schedule of Changes in the Employer's Net Pension Liability  
May 31, 2019**

|  | <u>12/31/2015</u>          |
|--|----------------------------|
| Total Pension Liability  |                            |
| Service Cost   | \$ 244,754                 |
| Interest   | 659,565                    |
| Differences Between Expected and Actual Experience                         | 97,213                     |
| Change of Assumptions  | -                          |
| Benefit Payments, Including Refunds of Member Contributions                | <u>(296,612)</u>           |
| Net Change in Total Pension Liability                                      | 704,920                    |
| Total Pension Liability - Beginning  | <u>8,843,641</u>           |
| Total Pension Liability - Ending   | <u><u>9,548,561</u></u>    |
| Plan Fiduciary Net Position  |                            |
| Contributions - Employer   | \$ 258,699                 |
| Contributions - Members  | 104,878                    |
| Net Investment Income  | 37,179                     |
| Benefit Payments, Including Refunds of Member Contributions                | (296,612)                  |
| Other (Net Transfer)   | <u>80,085</u>              |
| Net Change in Plan Fiduciary Net Position                                  | 184,229                    |
| Plan Net Position - Beginning  | <u>7,402,398</u>           |
| Plan Net Position - Ending   | <u><u>7,586,627</u></u>    |
| Employer's Net Pension Liability   | <u><u>\$ 1,961,934</u></u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 79.45%                     |
| Covered Payroll  | \$ 2,330,622               |
| Employer's Net Pension Liability as a Percentage of Covered Payroll        | 84.18%                     |

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

| 12/31/2016 | 12/31/2017 | 12/31/2018 |           | Totals     |
|------------|------------|------------|-----------|------------|
|            |            | Village    | Library   |            |
| 256,245    | 274,567    | 195,612    | 68,800    | 264,412    |
| 713,181    | 742,763    | 565,456    | 232,164   | 797,620    |
| (249,580)  | 482,960    | 188,140    | 66,172    | 254,312    |
| (27,435)   | (357,068)  | 288,341    | 101,414   | 389,755    |
| (284,368)  | (380,752)  | (320,099)  | (112,584) | (432,683)  |
| 408,043    | 762,470    | 917,450    | 355,966   | 1,273,416  |
| 9,548,561  | 9,956,604  | 8,141,136  | 2,577,938 | 10,719,074 |
| 9,956,604  | 10,719,074 | 9,058,586  | 2,933,904 | 11,992,490 |
| 314,036    | 316,702    | 234,350    | 82,425    | 316,775    |
| 114,892    | 121,497    | 95,783     | 33,689    | 129,472    |
| 532,178    | 1,339,788  | (359,776)  | (126,539) | (486,315)  |
| (284,368)  | (380,752)  | (320,099)  | (112,584) | (432,683)  |
| (108,115)  | (83,271)   | 147,521    | 51,885    | 199,406    |
| 568,623    | 1,313,964  | (202,221)  | (71,124)  | (273,345)  |
| 7,586,627  | 8,155,250  | 7,191,867  | 2,277,347 | 9,469,214  |
| 8,155,250  | 9,469,214  | 6,989,646  | 2,206,223 | 9,195,869  |
| 1,801,354  | 1,249,860  | 2,068,940  | 727,681   | 2,796,621  |
| 81.91%     | 88.34%     | 77.16%     | 75.20%    | 76.68%     |
| 2,553,148  | 2,699,931  | 2,128,523  | 748,637   | 2,877,160  |
| 70.55%     | 46.29%     | 97.20%     | 97.20%    | 97.20%     |

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Changes in the Employer's Net Pension Liability  
May 31, 2019**

|  | <u>2015</u>                |
|--|----------------------------|
| Total Pension Liability  |                            |
| Service Cost   | \$ 513,686                 |
| Interest   | 1,280,827                  |
| Changes in Benefit Terms   | -                          |
| Differences Between Expected and Actual Experience                         | (112,998)                  |
| Change of Assumptions  | 2,538,709                  |
| Benefit Payments, Including Refunds of Member Contributions                | <u>(568,087)</u>           |
| Net Change in Total Pension Liability                                      | 3,652,137                  |
| Total Pension Liability - Beginning  | <u>18,581,570</u>          |
| Total Pension Liability - Ending   | <u><u>22,233,707</u></u>   |
| Plan Fiduciary Net Position  |                            |
| Contributions - Employer   | \$ 830,000                 |
| Contributions - Members  | 232,046                    |
| Contributions - Other  | -                          |
| Net Investment Income  | 773,810                    |
| Benefit Payments, Including Refunds of Member Contributions                | (568,087)                  |
| Administrative Expense   | <u>(11,292)</u>            |
| Net Change in Plan Fiduciary Net Position                                  | 1,256,477                  |
| Plan Net Position - Beginning  | <u>12,497,842</u>          |
| Plan Net Position - Ending   | <u><u>13,754,319</u></u>   |
| Employer's Net Pension Liability   | <u><u>\$ 8,479,388</u></u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 61.86%                     |
| Covered Payroll  | \$ 2,353,959               |
| Employer's Net Pension Liability as a Percentage of Covered Payroll        | 360.22%                    |

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

| 2016       | 2017       | 2018       | 2019       |
|------------|------------|------------|------------|
| 593,355    | 649,659    | 619,311    | 667,091    |
| 1,575,395  | 1,706,540  | 1,780,157  | 1,846,640  |
| -          | -          | -          | -          |
| (562,619)  | 209,323    | (105,189)  | 394,877    |
| 889,503    | (707,460)  | 1,488,739  | 999,483    |
| (642,831)  | (714,048)  | (838,041)  | (865,484)  |
| 1,852,803  | 1,144,014  | 2,944,977  | 3,042,607  |
| 22,233,707 | 24,086,510 | 25,230,524 | 28,175,501 |
| 24,086,510 | 25,230,524 | 28,175,501 | 31,218,108 |
| 747,000    | 925,000    | 956,000    | 1,167,000  |
| 242,060    | 253,704    | 252,169    | 265,961    |
| -          | -          | -          | -          |
| (7,923)    | 1,367,627  | 993,321    | 529,592    |
| (642,831)  | (714,048)  | (838,041)  | (865,484)  |
| (7,925)    | (8,094)    | (9,559)    | (10,737)   |
| 330,381    | 1,824,189  | 1,353,890  | 1,086,332  |
| 13,754,319 | 14,084,700 | 15,908,889 | 17,262,779 |
| 14,084,700 | 15,908,889 | 17,262,779 | 18,349,111 |
| 10,001,810 | 9,321,635  | 10,912,722 | 12,868,997 |
| 58.48%     | 63.05%     | 61.27%     | 58.78%     |
| 2,545,665  | 2,454,099  | 2,582,783  | 2,708,303  |
| 392.90%    | 379.84%    | 422.52%    | 475.17%    |

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Investment Returns  
May 31, 2019**

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| <b>Fiscal<br/>Year</b> | <b>Annual Money-<br/>Weighted Rate<br/>of Return, Net<br/>of Investment<br/>Expense</b> |
|------------------------|---|
| 2015                   | 6.10%   |
| 2016                   | (0.05%)   |
| 2017                   | 9.46%   |
| 2018                   | 6.10%   |
| 2019                   | 2.99%   |

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

# VILLAGE OF NORTH AURORA, ILLINOIS

## Retiree Benefits Plan

### Required Supplementary Information

#### Schedule of Changes in the Employer's Total OPEB Liability

May 31, 2019

|   | 2019         |
|---|--------------|
| Total OPEB Liability                                    |              |
| Service Cost  | \$ 29,369    |
| Interest  | 37,979       |
| Changes in Benefit Terms                                | -            |
| Differences Between Expected and Actual Experience      | -            |
| Change of Assumptions or Other Inputs                   | 36,467       |
| Benefit Payments  | (32,494)     |
| Net Change in Total OPEB Liability                      | 71,321       |
| Total OPEB Liability - Beginning                        | 1,148,193    |
| Total OPEB Liability - Ending                           | 1,219,514    |
| Covered Payroll   | \$ 4,738,002 |
| Total OPEB Liability as a Percentage of Covered Payroll | 25.74%       |

#### Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

*Changes of Benefit Terms*. There was no change in the retirees' share of health insurance premiums.

*Changes of Assumptions*. Changes of assumptions and other inputs reflect the effects of changes in the trend rate each period. The following are the trend rates used in each period:

| Fiscal Year | Medical |
|-------------|---------|
| 2020        | 7.75%   |
| 2021        | 7.25%   |
| 2022        | 7.00%   |
| 2023        | 6.75%   |
| 2024        | 6.25%   |
| 2025        | 6.00%   |
| 2026        | 5.75%   |
| 2027 - 2038 | 5.50%   |
| 2039 - 2041 | 5.25%   |
| 2042 - 2049 | 5.00%   |
| 2050 - 2065 | 4.75%   |
| 2066 - 2068 | 4.50%   |
| 2069 - 2072 | 4.25%   |
| Ultimate    | 4.00%   |

In 2019, there was no change in the healthcare trend rates from the prior year.

# VILLAGE OF NORTH AURORA, ILLINOIS

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended May 31, 2019

|  | Budget       |             | Actual      | Variance<br>Over<br>(Under) |
|--|--------------|-------------|-------------|-----------------------------|
|  | Original     | Final       |             |                             |
| Revenues   |              |             |             |                             |
| Taxes  | \$ 2,635,000 | 2,635,000   | 2,645,594   | 10,594                      |
| Intergovernmental  | 6,927,500    | 6,927,500   | 7,108,431   | 180,931                     |
| Licenses and Permits   | 458,300      | 458,300     | 748,164     | 289,864                     |
| Charges for Services   | 377,850      | 377,850     | 385,646     | 7,796                       |
| Fines and Forfeitures  | 254,500      | 254,500     | 228,658     | (25,842)                    |
| Interest   | 155,000      | 155,000     | 234,006     | 79,006                      |
| Miscellaneous  | 60,000       | 60,000      | 69,636      | 9,636                       |
| Total Revenues   | 10,868,150   | 10,868,150  | 11,420,135  | 551,985                     |
| Expenditures   |              |             |             |                             |
| General Government   | 2,664,150    | 2,664,150   | 2,442,782   | (221,368)                   |
| Public Safety  | 5,581,328    | 5,719,328   | 5,681,776   | (37,552)                    |
| Public Works   | 2,011,348    | 2,070,348   | 1,996,157   | (74,191)                    |
| Total Expenditures   | 10,256,826   | 10,453,826  | 10,120,715  | (333,111)                   |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 611,324      | 414,324     | 1,299,420   | 885,096                     |
| Other Financing Sources (Uses)                               |              |             |             |                             |
| Insurance Claim Reimbursement                                | 15,000       | 15,000      | 21,790      | 6,790                       |
| Disposal of Capital Assets                                   | 2,500        | 2,500       | 498         | (2,002)                     |
| Transfers Out  | (623,692)    | (1,003,692) | (1,003,692) | -                           |
|  | (606,192)    | (986,192)   | (981,404)   | 4,788                       |
| Net Change in Fund Balance                                   | 5,132        | (571,868)   | 318,016     | 889,884                     |
| Fund Balance - Beginning                                     |              |             | 7,124,964   |                             |
| Fund Balance - Ending  |              |             | 7,442,980   |                             |

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Route 31 TIF - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
For the Fiscal Year Ended May 31, 2019**

|                              | Budget           |                  |                  | Variance         |
|------------------------------|------------------|------------------|------------------|------------------|
|                              | Original         | Final            | Actual           | Over<br>(Under)  |
| Revenues                     |                  |                  |                  |                  |
| Taxes                        |                  |                  |                  |                  |
| Property Taxes               | \$ 493,739       | 493,739          | 495,340          | 1,601            |
| Interest                     | 23,000           | 23,000           | 34,960           | 11,960           |
| Total Revenues               | <u>516,739</u>   | <u>516,739</u>   | <u>530,300</u>   | <u>13,561</u>    |
| Expenditures                 |                  |                  |                  |                  |
| General Government           |                  |                  |                  |                  |
| Engineering                  | 80,000           | 80,000           | 33,865           | (46,135)         |
| Legal                        | 3,500            | 3,500            | 578              | (2,922)          |
| Audit Services               | 1,900            | 1,900            | 1,900            | -                |
| Professional/Consulting Fees | 45,000           | 45,000           | 1,810            | (43,190)         |
| TIF Reimbursements/Grants    | 120,000          | 120,000          | 117,710          | (2,290)          |
| Capital Outlay               | <u>715,000</u>   | <u>715,000</u>   | <u>260,612</u>   | <u>(454,388)</u> |
| Total Expenditures           | <u>965,400</u>   | <u>965,400</u>   | <u>416,475</u>   | <u>(548,925)</u> |
| Net Change in Fund Balance   | <u>(448,661)</u> | <u>(448,661)</u> | 113,825          | <u>562,486</u>   |
| Fund Balance - Beginning     |                  |                  | <u>1,500,435</u> |                  |
| Fund Balance - Ending        |                  |                  | <u>1,614,260</u> |                  |

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

### **Notes to the Required Supplementary Information**

#### **Required Supplementary Information**

##### **Budgetary Information**

**May 31, 2019**

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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

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, three budget amendments were adopted and are reflected in the financial statements.

## **OTHER SUPPLEMENTARY INFORMATION**

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedule – Enterprise Fund
- Combining Statements – Internal Service Funds
- Budgetary Comparison Schedule – Internal Service Fund
- Budgetary Comparison Schedule – Pension Trust Fund
- Combining Statement – Agency Funds
- Consolidated Year-End Financial Report

## **GENERAL FUND**

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

# VILLAGE OF NORTH AURORA, ILLINOIS

## General Fund

### Schedule of Revenues - Budget and Actual For the Fiscal Year Ended May 31, 2019

|                                   | Budget           |                  | Actual           | Variance<br>Over<br>(Under) |
|-----------------------------------|------------------|------------------|------------------|-----------------------------|
|                                   | Original         | Final            |                  |                             |
| <b>Taxes</b>                      |                  |                  |                  |                             |
| Property Taxes                    | \$ 2,121,000     | 2,121,000        | 2,119,391        | (1,609)                     |
| Property Tax - Road & Bridge      | 157,000          | 157,000          | 157,386          | 386                         |
| Auto Rental Taxes                 | 5,000            | 5,000            | 9,825            | 4,825                       |
| Telecommunication Taxes           | 155,000          | 155,000          | 132,021          | (22,979)                    |
| Video Gaming Taxes                | 94,000           | 94,000           | 104,078          | 10,078                      |
| OTB Handle                        | 35,000           | 35,000           | 49,933           | 14,933                      |
| Amusement Taxes                   | 68,000           | 68,000           | 72,960           | 4,960                       |
| <b>Total Taxes</b>                | <b>2,635,000</b> | <b>2,635,000</b> | <b>2,645,594</b> | <b>10,594</b>               |
| <b>Intergovernmental</b>          |                  |                  |                  |                             |
| Sales Taxes                       | 4,750,000        | 4,750,000        | 4,712,911        | (37,089)                    |
| Use Taxes                         | 480,000          | 480,000          | 545,827          | 65,827                      |
| Illinois Income Taxes             | 1,660,000        | 1,660,000        | 1,804,364        | 144,364                     |
| Replacement Taxes                 | 35,000           | 35,000           | 38,190           | 3,190                       |
| Grants                            | 2,500            | 2,500            | 7,139            | 4,639                       |
| <b>Total Intergovernmental</b>    | <b>6,927,500</b> | <b>6,927,500</b> | <b>7,108,431</b> | <b>180,931</b>              |
| <b>Licenses and Permits</b>       |                  |                  |                  |                             |
| Business Licenses                 | 25,000           | 25,000           | 28,863           | 3,863                       |
| Liquor Licenses                   | 65,000           | 65,000           | 67,200           | 2,200                       |
| Antenna/Tower License Fee         | 4,000            | 4,000            | 7,000            | 3,000                       |
| Business Registration             | 16,500           | 16,500           | 16,950           | 450                         |
| Building Permits                  | 260,000          | 260,000          | 509,152          | 249,152                     |
| Plumbing Permits                  | 14,000           | 14,000           | 16,353           | 2,353                       |
| Contractor Licenses               | 46,000           | 46,000           | 69,300           | 23,300                      |
| Temporary Occupancy Fee           | 4,000            | 4,000            | 5,500            | 1,500                       |
| Storm Drain Fees                  | 4,000            | 4,000            | 8,621            | 4,621                       |
| ROW Permit Fees                   | -                | -                | 650              | 650                         |
| Zoning/Annex/Sp. Use Fees         | 3,500            | 3,500            | 1,500            | (2,000)                     |
| Solicitor's Permit                | 1,000            | 1,000            | 3,325            | 2,325                       |
| Overweight Truck Permits          | 15,000           | 15,000           | 13,250           | (1,750)                     |
| Towing Licenses                   | 300              | 300              | 500              | 200                         |
| <b>Total Licenses and Permits</b> | <b>458,300</b>   | <b>458,300</b>   | <b>748,164</b>   | <b>289,864</b>              |

**VILLAGE OF NORTH AURORA, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual - Continued  
For the Fiscal Year Ended May 31, 2019**

|                             | Budget     |            |            | Variance        |
|-----------------------------|------------|------------|------------|-----------------|
|                             | Original   | Final      | Actual     | Over<br>(Under) |
| Charges for Services        |            |            |            |                 |
| Cable Franchise Fee         | \$ 315,000 | 315,000    | 284,140    | (30,860)        |
| Accident Reports            | 1,200      | 1,200      | 1,725      | 525             |
| Services Fees               | 2,500      | 2,500      | 4,853      | 2,353           |
| Fingerprinting              | 1,800      | 1,800      | 2,075      | 275             |
| Printed Materials           | 50         | 50         | 79         | 29              |
| BRC/Variance Review Fees    | 500        | 500        | 200        | (300)           |
| Administration Fees         | 14,000     | 14,000     | 24,675     | 10,675          |
| Rents                       | 35,000     | 35,000     | 35,000     | -               |
| School Reimbursement        | 7,800      | 7,800      | 29,164     | 21,364          |
| Other                       | -          | -          | 3,735      | 3,735           |
| Total Charges for Services  | 377,850    | 377,850    | 385,646    | 7,796           |
| Fines and Forfeitures       |            |            |            |                 |
| Ordinance Violations        | 40,000     | 40,000     | 43,354     | 3,354           |
| Police Towing Admin Fees    | 60,000     | 60,000     | 48,000     | (12,000)        |
| Circuit Court Fines         | 100,000    | 100,000    | 102,678    | 2,678           |
| Circuit Court Dui Fines     | 50,000     | 50,000     | 28,526     | (21,474)        |
| Drug Fund Revenue           | 1,000      | 1,000      | -          | (1,000)         |
| Alarm System Fines and Fees | 3,500      | 3,500      | 6,100      | 2,600           |
| Total Fines and Forfeitures | 254,500    | 254,500    | 228,658    | (25,842)        |
| Interest                    | 155,000    | 155,000    | 234,006    | 79,006          |
| Miscellaneous               |            |            |            |                 |
| Miscellaneous               | 60,000     | 60,000     | 69,636     | 9,636           |
| Total Revenues              | 10,868,150 | 10,868,150 | 11,420,135 | 551,985         |

# VILLAGE OF NORTH AURORA, ILLINOIS

## General Fund

### Schedule of Expenditures - Budget and Actual For the Fiscal Year Ended May 31, 2019

|   | Budget    |         |         | Variance<br>Over<br>(Under) |
|---|-----------|---------|---------|-----------------------------|
|   | Original  | Final   | Actual  |                             |
| General Government                          |           |         |         |                             |
| Village Officers and Trustee                |           |         |         |                             |
| Personnel Services                          |           |         |         |                             |
| Stipend - Village President                 | \$ 10,800 | 10,800  | 10,800  | -                           |
| Stipend - Trustees                          | 43,200    | 43,200  | 43,200  | -                           |
| Salary - Clerk                              | 7,200     | 7,200   | 7,200   | -                           |
| Stipend- Liquor Commissioner                | 1,200     | 1,200   | 1,200   | -                           |
| Pension Board - Meetings Per Diem           | 1,500     | 1,500   | 600     | (900)                       |
| Per Diem - Plan Commission                  | 3,500     | 3,500   | 1,800   | (1,700)                     |
| Employers FICA Social Security and Medicare | 4,774     | 4,774   | 4,774   | -                           |
| Contractual Services                        |           |         |         |                             |
| Legal                                       | 5,000     | 5,000   | 4,232   | (768)                       |
| Conferences and Travel                      | 1,100     | 1,100   | 26      | (1,074)                     |
| Dues and Meetings                           | 11,525    | 11,525  | 10,181  | (1,344)                     |
| Commodities                                 |           |         |         |                             |
| Office Supplies                             | 1,350     | 1,350   | 1,014   | (336)                       |
| Miscellaneous                               | 4,500     | 4,500   | 1,957   | (2,543)                     |
| Capital Outlay                              |           |         |         |                             |
| Equipment                                   | 1,000     | 1,000   | -       | (1,000)                     |
|   | 96,649    | 96,649  | 86,984  | (9,665)                     |
| Administration/Finance                      |           |         |         |                             |
| Personnel Services                          |           |         |         |                             |
| Salaries - Regular                          | 616,242   | 628,242 | 627,593 | (649)                       |
| Salaries - Part Time                        | 59,905    | 42,905  | 24,298  | (18,607)                    |
| Overtime                                    | 500       | 500     | 251     | (249)                       |
| Employers FICA Social Security and Medicare | 51,763    | 51,763  | 44,760  | (7,003)                     |
| IMRF  | 74,444    | 74,444  | 69,858  | (4,586)                     |
| Health Insurance                            | 91,819    | 91,819  | 84,779  | (7,040)                     |
| Life Insurance                              | 261       | 261     | 224     | (37)                        |
| Dental Insurance                            | 3,733     | 3,733   | 3,102   | (631)                       |
| Contractual Services                        |           |         |         |                             |
| Legal                                       | 35,000    | 35,000  | 29,529  | (5,471)                     |
| Audit Services                              | 20,750    | 20,750  | 20,150  | (600)                       |

# VILLAGE OF NORTH AURORA, ILLINOIS

## General Fund

### Schedule of Expenditures - Budget and Actual - Continued For the Fiscal Year Ended May 31, 2019

|   | Budget    |           | Actual    | Variance        |
|---|-----------|-----------|-----------|-----------------|
|   | Original  | Final     |           | Over<br>(Under) |
| General Government - Continued              |           |           |           |                 |
| Administration/Finance - Continued          |           |           |           |                 |
| Contractual Services - Continued            |           |           |           |                 |
| Finance Services                            | \$ 26,000 | 26,000    | 20,219    | (5,781)         |
| Professional/Consulting Fees                | 40,000    | 27,000    | 26,279    | (721)           |
| Conferences and Travel                      | 10,300    | 10,300    | 6,740     | (3,560)         |
| Training and Testing                        | 7,400     | 7,400     | 2,363     | (5,037)         |
| Dues and Meetings                           | 4,070     | 4,070     | 3,838     | (232)           |
| Postage                                     | 2,500     | 2,500     | 333       | (2,167)         |
| Publishing/Advertising                      | 4,330     | 4,330     | 2,724     | (1,606)         |
| Printing                                    | 13,550    | 13,550    | 10,237    | (3,313)         |
| Equipment/IT Maintenance                    | 85,500    | 85,500    | 76,618    | (8,882)         |
| Website Maintenance                         | 3,000     | 4,000     | 3,802     | (198)           |
| Banking Services/Fees                       | 11,000    | 11,000    | 10,192    | (808)           |
| Telephone                                   | 5,500     | 5,500     | 3,820     | (1,680)         |
| Communications                              | 10,850    | 10,850    | 7,785     | (3,065)         |
| Commodities                                 |           |           |           |                 |
| Office Supplies                             | 4,500     | 4,500     | 3,999     | (501)           |
| IT Supplies                                 | 5,000     | 5,000     | 1,631     | (3,369)         |
| Miscellaneous                               | 9,940     | 15,940    | 15,353    | (587)           |
| Capital Outlay                              |           |           |           |                 |
| Vehicle Equipment Fund Charges              | 12,344    | 12,344    | 12,344    | -               |
| Equipment                                   | 2,000     | 13,000    | 12,059    | (941)           |
|   | 1,212,201 | 1,212,201 | 1,124,880 | (87,321)        |
| Community Development                       |           |           |           |                 |
| Personnel Services                          |           |           |           |                 |
| Salaries - Regular                          | 334,847   | 334,847   | 332,421   | (2,426)         |
| Salaries - Part Time                        | 18,721    | 21,721    | 21,238    | (483)           |
| Salaries - Overtime                         | 2,500     | 2,500     | 2,200     | (300)           |
| Employers FICA Social Security and Medicare | 27,239    | 27,239    | 27,133    | (106)           |
| IMRF  | 37,143    | 37,143    | 36,458    | (685)           |
| Health Insurance                            | 30,698    | 30,698    | 24,604    | (6,094)         |
| Life Insurance                              | 174       | 174       | 145       | (29)            |
| Dental Insurance                            | 1,183     | 1,183     | 902       | (281)           |

# VILLAGE OF NORTH AURORA, ILLINOIS

## General Fund

### Schedule of Expenditures - Budget and Actual - Continued For the Fiscal Year Ended May 31, 2019

|                                   | Budget    |         | Actual  | Variance        |
|-----------------------------------|-----------|---------|---------|-----------------|
|                                   | Original  | Final   |         | Over<br>(Under) |
| General Government - Continued    |           |         |         |                 |
| Community Development - Continued |           |         |         |                 |
| Contractual Services              |           |         |         |                 |
| Engineering                       | \$ 30,000 | 30,500  | 30,131  | (369)           |
| Legal                             | 20,000    | 21,000  | 20,634  | (366)           |
| Planning                          | 5,000     | 5,000   | 2,170   | (2,830)         |
| Inspection Services               | 60,000    | 55,400  | 47,109  | (8,291)         |
| Consulting Fees                   | 15,000    | 15,000  | 9,755   | (5,245)         |
| Conferences and Travel            | 5,100     | 5,100   | -       | (5,100)         |
| Training                          | 2,000     | 2,000   | 405     | (1,595)         |
| Dues and Meetings                 | 5,400     | 5,400   | 4,967   | (433)           |
| Postage                           | 1,800     | 1,800   | 333     | (1,467)         |
| Publishing                        | 4,000     | 4,000   | 3,873   | (127)           |
| Printing                          | 1,500     | 1,500   | 465     | (1,035)         |
| Equipment/IT Maintenance          | 700       | 700     | 473     | (227)           |
| Vehicle Repair and Maintenance    | 1,000     | 1,000   | 608     | (392)           |
| Grass Cutting                     | 8,000     | 8,000   | 900     | (7,100)         |
| Telephone                         | 3,500     | 3,500   | 2,249   | (1,251)         |
| Communications                    | 1,850     | 1,850   | 783     | (1,067)         |
| Commodities                       |           |         |         |                 |
| Office Supplies                   | 4,000     | 4,000   | 3,092   | (908)           |
| Gas and Oil                       | 3,000     | 3,000   | 1,557   | (1,443)         |
| Uniform Allowance                 | 500       | 500     | 70      | (430)           |
| Miscellaneous                     | 1,500     | 1,600   | 1,507   | (93)            |
| Capital Outlay                    |           |         |         |                 |
| Vehicle Equipment Fund Charges    | 11,725    | 11,725  | 11,725  | -               |
| Equipment                         | 500       | 500     | 7       | (493)           |
|                                   | 638,580   | 638,580 | 587,914 | (50,666)        |
| Other Departments                 |           |         |         |                 |
| Contractual Services              |           |         |         |                 |
| Beautification Committee          | 10,000    | 12,000  | 11,816  | (184)           |
| Sales Tax Rebates                 | 770,000   | 760,000 | 690,149 | (69,851)        |
| Public Access Cable               | 97,000    | 97,000  | 93,664  | (3,336)         |
| Fireworks                         | 25,000    | 25,000  | 25,000  | -               |
| Miscellaneous                     | -         | 8,000   | 7,155   | (845)           |
|                                   | 902,000   | 902,000 | 827,784 | (74,216)        |

# VILLAGE OF NORTH AURORA, ILLINOIS

## General Fund

### Schedule of Expenditures - Budget and Actual - Continued For the Fiscal Year Ended May 31, 2019

|                                      | Budget       |           | Actual    | Variance<br>Over<br>(Under) |
|--------------------------------------|--------------|-----------|-----------|-----------------------------|
|                                      | Original     | Final     |           |                             |
| General Government - Continued       |              |           |           |                             |
| Less Reimbursements from Other Funds | \$ (185,280) | (185,280) | (184,780) | 500                         |
| Total General Government             | 2,664,150    | 2,664,150 | 2,442,782 | (221,368)                   |
| Public Safety                        |              |           |           |                             |
| Police Commission                    |              |           |           |                             |
| Personnel Services                   |              |           |           |                             |
| Police Meetings - per Diem           | 1,500        | 1,500     | 1,000     | (500)                       |
| Contractual Services                 |              |           |           |                             |
| Legal                                | 800          | 400       | -         | (400)                       |
| Recruit Testing                      | 5,000        | 5,200     | 5,185     | (15)                        |
| Dues and Meetings                    | 375          | 375       | 375       | -                           |
| Miscellaneous                        | -            | 200       | 112       | (88)                        |
|                                      | 7,675        | 7,675     | 6,672     | (1,003)                     |
| Police Department                    |              |           |           |                             |
| Personnel Services                   |              |           |           |                             |
| Salaries - Regular                   | 2,881,345    | 2,967,345 | 2,966,282 | (1,063)                     |
| Salaries - Part Time                 | 63,639       | 71,639    | 70,759    | (880)                       |
| Salaries - Overtime                  | 160,000      | 96,000    | 93,044    | (2,956)                     |
| Salaries - Court Time                | 16,900       | 12,900    | 12,586    | (314)                       |
| Service Pay                          | 2,500        | 2,500     | 532       | (1,968)                     |
| On-Call Pay                          | 19,000       | 24,000    | 23,822    | (178)                       |
| Specialty Pay                        | -            | 2,500     | 2,320     | (180)                       |
| Employers FICA Social                |              |           |           |                             |
| Security and Medicare                | 242,290      | 231,290   | 229,515   | (1,775)                     |
| IMRF                                 | 12,140       | 12,140    | 12,016    | (124)                       |
| Health Insurance                     | 393,336      | 396,336   | 395,283   | (1,053)                     |
| Life Insurance                       | 1,349        | 1,349     | 1,165     | (184)                       |
| Dental Insurance                     | 9,702        | 9,702     | 9,496     | (206)                       |
| Police Pension                       | 1,047,000    | 1,167,000 | 1,167,000 | -                           |
| Contractual Services                 |              |           |           |                             |
| Legal                                | 40,000       | 49,000    | 47,949    | (1,051)                     |
| Conferences and Travel               | 8,450        | 9,950     | 9,802     | (148)                       |
| Training                             | 21,334       | 23,334    | 23,303    | (31)                        |

# VILLAGE OF NORTH AURORA, ILLINOIS

## General Fund

### Schedule of Expenditures - Budget and Actual - Continued For the Fiscal Year Ended May 31, 2019

|                                   | Budget    |           | Actual    | Variance<br>Over<br>(Under) |
|-----------------------------------|-----------|-----------|-----------|-----------------------------|
|                                   | Original  | Final     |           |                             |
| Public Safety - Continued         |           |           |           |                             |
| Police Department - Continued     |           |           |           |                             |
| Contractual Services - Continued  |           |           |           |                             |
| Firearm Training                  | \$ 24,200 | 24,200    | 24,087    | (113)                       |
| Dues and Meetings                 | 13,804    | 13,804    | 13,687    | (117)                       |
| Postage                           | 2,100     | 2,100     | 1,499     | (601)                       |
| Equipment/IT Maintenance          | 46,554    | 46,554    | 43,721    | (2,833)                     |
| Vehicle Repair and Maintenance    | 43,320    | 43,320    | 39,681    | (3,639)                     |
| Animal Control                    | 1,500     | 1,500     | 810       | (690)                       |
| Investigations                    | 7,800     | 8,000     | 7,887     | (113)                       |
| Licensing                         | 300       | 300       | -         | (300)                       |
| Evidence Processing               | 2,500     | 2,500     | 2,295     | (205)                       |
| Emergency Management              | 13,200    | 16,200    | 15,928    | (272)                       |
| Telephone                         | 11,000    | 16,000    | 15,223    | (777)                       |
| Communications                    | 185,600   | 170,600   | 168,056   | (2,544)                     |
| Commodities                       |           |           |           |                             |
| Office Supplies                   | 11,500    | 14,500    | 14,261    | (239)                       |
| Gas and Oil                       | 65,000    | 56,800    | 54,721    | (2,079)                     |
| Prisoner Maintenance and Supplies | 1,000     | 1,000     | 692       | (308)                       |
| Drug Fund - Other Expenditures    | 2,000     | 2,000     | -         | (2,000)                     |
| DUI Prevention                    | 16,000    | -         | -         | -                           |
| Community Service                 | 13,600    | 13,600    | 10,534    | (3,066)                     |
| Uniform Allowance                 | 28,250    | 30,250    | 29,555    | (695)                       |
| Miscellaneous                     | 11,150    | 11,150    | 7,752     | (3,398)                     |
| Capital Outlay                    |           |           |           |                             |
| Vehicle Equipment Fund Charges    | 148,240   | 148,240   | 148,240   | -                           |
| Equipment                         | 6,050     | 12,050    | 11,601    | (449)                       |
|                                   | 5,573,653 | 5,711,653 | 5,675,104 | (36,549)                    |
| Total Public Safety               | 5,581,328 | 5,719,328 | 5,681,776 | (37,552)                    |
| Public Works                      |           |           |           |                             |
| Personnel Services                |           |           |           |                             |
| Salaries - Regular                | 705,124   | 705,124   | 697,719   | (7,405)                     |
| Salaries - Part Time              | 18,000    | 3,800     | 3,483     | (317)                       |
| Salaries - Overtime               | 42,000    | 54,000    | 53,390    | (610)                       |
| On-Call Pay                       | 18,000    | 18,000    | 13,195    | (4,805)                     |

# VILLAGE OF NORTH AURORA, ILLINOIS

## General Fund

### Schedule of Expenditures - Budget and Actual - Continued For the Fiscal Year Ended May 31, 2019

|  | Budget    |         | Actual  | Variance<br>Over<br>(Under) |
|--|-----------|---------|---------|-----------------------------|
|  | Original  | Final   |         |                             |
| Public Works - Continued                     |           |         |         |                             |
| Personnel Services - Continued               |           |         |         |                             |
| Employers FICA Social                        |           |         |         |                             |
| Security and Medicare                        | \$ 59,910 | 59,910  | 57,214  | (2,696)                     |
| IMRF   | 84,602    | 84,602  | 83,114  | (1,488)                     |
| Health Insurance                             | 123,831   | 123,831 | 118,442 | (5,389)                     |
| Life Insurance                               | 435       | 435     | 376     | (59)                        |
| Dental Insurance                             | 2,425     | 3,425   | 3,387   | (38)                        |
| Contractual Services                         |           |         |         |                             |
| Engineering                                  | 20,000    | 5,000   | 2,752   | (2,248)                     |
| Legal  | 2,500     | 12,500  | 11,534  | (966)                       |
| Conferences and Travel                       | 4,800     | 4,800   | 3,024   | (1,776)                     |
| Training                                     | 3,000     | 5,000   | 4,647   | (353)                       |
| Dues and Meetings                            | 1,765     | 1,765   | 1,124   | (641)                       |
| Postage                                      | 2,000     | 2,000   | 433     | (1,567)                     |
| Publishing                                   | 1,500     | 2,000   | 1,551   | (449)                       |
| Printing                                     | 500       | 500     | 61      | (439)                       |
| Equipment/IT Maintenance                     | 10,000    | 10,000  | 7,977   | (2,023)                     |
| Vehicle Repair and Maintenance               | 61,900    | 77,900  | 76,123  | (1,777)                     |
| Public Buildings Repair<br>and Maintenance   | 82,600    | 92,600  | 92,324  | (276)                       |
| Mosquito Control                             | 55,000    | 57,000  | 56,594  | (406)                       |
| Public Grounds/Parks Maintenance             | 19,000    | 19,000  | 9,170   | (9,830)                     |
| Tree Service                                 | 119,000   | 89,000  | 86,099  | (2,901)                     |
| Snow Removal                                 | 160,000   | 194,000 | 193,890 | (110)                       |
| Streets and Alleys Repair<br>and Maintenance | 30,000    | 33,000  | 32,678  | (322)                       |
| Sidewalks Repair and Maintenance             | 40,000    | 25,000  | 23,833  | (1,167)                     |
| Storm Drain Maintenance                      | 12,000    | 37,000  | 32,916  | (4,084)                     |
| Traffic Signs and Signals                    | 25,000    | 26,000  | 25,150  | (850)                       |
| Grass Cutting                                | 32,000    | 32,000  | 25,814  | (6,186)                     |
| Telephone                                    | 7,000     | 7,000   | 5,954   | (1,046)                     |
| Communications                               | 10,800    | 10,800  | 8,708   | (2,092)                     |
| Utility                                      | 7,500     | 7,500   | 1,278   | (6,222)                     |

VILLAGE OF NORTH AURORA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended May 31, 2019

|                                | Budget     |            | Actual     | Variance        |
|--------------------------------|------------|------------|------------|-----------------|
|                                | Original   | Final      |            | Over<br>(Under) |
| Public Works - Continued       |            |            |            |                 |
| Commodities                    |            |            |            |                 |
| Office Supplies                | \$ 3,100   | 3,600      | 3,348      | (252)           |
| Gas and Oil                    | 25,000     | 27,000     | 26,946     | (54)            |
| Custodial Supplies             | 13,500     | 14,500     | 14,366     | (134)           |
| Salt                           | 11,050     | 11,050     | 8,958      | (2,092)         |
| Uniform Allowance              | 3,300      | 3,500      | 3,388      | (112)           |
| Miscellaneous                  | 3,000      | 6,000      | 5,339      | (661)           |
| Capital Outlay                 |            |            |            |                 |
| Vehicle Equipment Fund Charges | 184,206    | 184,206    | 184,206    | -               |
| Equipment                      | 6,000      | 16,000     | 15,652     | (348)           |
| Total Public Works             | 2,011,348  | 2,070,348  | 1,996,157  | (74,191)        |
| Total Expenditures             | 10,256,826 | 10,453,826 | 10,120,715 | (333,111)       |

## **MAJOR CAPITAL PROJECTS FUND**

The Capital Projects Fund is used to account for all resources used for the acquisition of capital assets by the Village, except those financed by Proprietary and Trust Funds, including general and infrastructure capital assets.

# VILLAGE OF NORTH AURORA, ILLINOIS

## Capital Projects Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance For the Fiscal Year Ended May 31, 2019

|  | Budget       |             |           | Variance        |
|--|--------------|-------------|-----------|-----------------|
|  | Original     | Final       | Actual    | Over<br>(Under) |
| Revenues   |              |             |           |                 |
| Taxes  |              |             |           |                 |
| Non-Home Rule Sales Tax                                      | \$ 1,050,000 | 1,050,000   | 1,013,423 | (36,577)        |
| Utility Tax - Electric                                       | 390,000      | 390,000     | 408,580   | 18,580          |
| Utility Tax - Gas  | 115,000      | 115,000     | 146,898   | 31,898          |
| Telecommunication Tax  | 98,000       | 98,000      | 79,044    | (18,956)        |
| Intergovernmental  |              |             |           |                 |
| Grants   | -            | -           | 156,000   | 156,000         |
| Interest   | 35,000       | 35,000      | 63,615    | 28,615          |
| Miscellaneous  |              |             |           |                 |
| Impact Fees  | 20,000       | 20,000      | 45,721    | 25,721          |
| Capital Fees   | 15,000       | 15,000      | 2,625     | (12,375)        |
| Total Revenues   | 1,723,000    | 1,723,000   | 1,915,906 | 192,906         |
| Expenditures   |              |             |           |                 |
| Capital Outlay   |              |             |           |                 |
| Annual Road Program  | 2,696,000    | 2,696,000   | 2,085,524 | (610,476)       |
| Village Facilities   | 76,000       | 76,000      | 21,575    | (54,425)        |
| Sidewalk/ROW Improvements                                    | 121,085      | 121,085     | -         | (121,085)       |
| Public Improvements  | 235,000      | 235,000     | 44,364    | (190,636)       |
| Total Expenditures   | 3,128,085    | 3,128,085   | 2,151,463 | (976,622)       |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (1,405,085)  | (1,405,085) | (235,557) | 1,169,528       |
| Other Financing Sources                                      |              |             |           |                 |
| Transfers In   | -            | 380,000     | 380,000   | -               |
| Disposal of Capital Assets                                   | 300,000      | 300,000     | -         | (300,000)       |
|  | 300,000      | 680,000     | 380,000   | (300,000)       |
| Net Change in Fund Balance                                   | (1,105,085)  | (725,085)   | 144,443   | 869,528         |
| Fund Balance - Beginning                                     |              |             | 2,978,900 |                 |
| Fund Balance - Ending  |              |             | 3,123,343 |                 |

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

#### **Motor Fuel Tax Fund**

The Motor Fuel Tax Fund is used 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 Fund**

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

#### **North Lincolnway TIF Fund**

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

#### **Special Service Areas Fund**

The Special Services Areas Fund is used 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 subdivision's homeowner's association.

#### **Insurance Fund**

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

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS – Continued**

#### **Sanitary Sewer Fund**

The Sanitary Sewer Fund is used 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 Fund**

The Tourism Fund is used 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 paid to the Aurora Area Convention and Tourism Council, and remaining funds are used for local festival expenditures and other tourism related

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### **DEBT SERVICE FUNDS**

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt.

#### **Library Fund**

The Library Debt Service Fund is used 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 Fund**

The Police Station Debt Service Fund is used 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, 2019**

|   | Special Revenue   |               |                            |                             |                |                   |               | Debt Service   |                   | Totals           |
|---|-------------------|---------------|----------------------------|-----------------------------|----------------|-------------------|---------------|----------------|-------------------|------------------|
|   | Motor<br>Fuel Tax | Sperry TIF    | North<br>Lincolnway<br>TIF | Special<br>Service<br>Areas | Insurance      | Sanitary<br>Sewer | Tourism       | Library        | Police<br>Station |                  |
| <b>ASSETS</b>   |                   |               |                            |                             |                |                   |               |                |                   |                  |
| Cash and Investments  | \$ 1,110,487      | 13,823        | 2,062                      | 146,334                     | 343,721        | 1,604,984         | 66,274        | 117,047        | 272,121           | 3,676,853        |
| Receivables - Net of Allowances   |                   |               |                            |                             |                |                   |               |                |                   |                  |
| Property Taxes  | -                 | 6,668         | 29,728                     | 39,786                      | 269,966        | -                 | -             | 538,085        | -                 | 884,233          |
| Other Taxes   | 35,379            | -             | -                          | -                           | -              | -                 | 13,178        | -              | -                 | 48,557           |
| Accounts  | -                 | -             | -                          | -                           | -              | 10,804            | -             | -              | -                 | 10,804           |
| Accrued Interest  | -                 | -             | -                          | -                           | -              | 4,599             | -             | -              | -                 | 4,599            |
| Prepays   | -                 | -             | -                          | -                           | -              | -                 | 1,900         | -              | -                 | 1,900            |
| <b>Total Assets</b>   | <b>1,145,866</b>  | <b>20,491</b> | <b>31,790</b>              | <b>186,120</b>              | <b>613,687</b> | <b>1,620,387</b>  | <b>81,352</b> | <b>655,132</b> | <b>272,121</b>    | <b>4,626,946</b> |
| <b>LIABILITIES</b>  |                   |               |                            |                             |                |                   |               |                |                   |                  |
| Accounts Payable  | 146,130           | -             | -                          | 5,252                       | -              | 139,746           | 17,810        | -              | -                 | 308,938          |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                      |                   |               |                            |                             |                |                   |               |                |                   |                  |
| Property Taxes  | -                 | 6,668         | 29,728                     | 40,300                      | 273,004        | -                 | -             | 544,140        | -                 | 893,840          |
| <b>Total Liabilities and Deferred Inflows of Resources</b>                | <b>146,130</b>    | <b>6,668</b>  | <b>29,728</b>              | <b>45,552</b>               | <b>273,004</b> | <b>139,746</b>    | <b>17,810</b> | <b>544,140</b> | <b>-</b>          | <b>1,202,778</b> |
| <b>FUND BALANCES</b>  |                   |               |                            |                             |                |                   |               |                |                   |                  |
| Nonspendable  | -                 | -             | -                          | -                           | -              | -                 | 1,900         | -              | -                 | 1,900            |
| Restricted  | 999,736           | 13,823        | 2,062                      | 105,128                     | -              | -                 | -             | 110,992        | 272,121           | 1,503,862        |
| Assigned  | -                 | -             | -                          | 35,440                      | 340,683        | 1,480,641         | 61,642        | -              | -                 | 1,918,406        |
| <b>Total Fund Balances</b>  | <b>999,736</b>    | <b>13,823</b> | <b>2,062</b>               | <b>140,568</b>              | <b>340,683</b> | <b>1,480,641</b>  | <b>63,542</b> | <b>110,992</b> | <b>272,121</b>    | <b>3,424,168</b> |
| <b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b> | <b>1,145,866</b>  | <b>20,491</b> | <b>31,790</b>              | <b>186,120</b>              | <b>613,687</b> | <b>1,620,387</b>  | <b>81,352</b> | <b>655,132</b> | <b>272,121</b>    | <b>4,626,946</b> |

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Nonmajor Governmental Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended May 31, 2019**

|  | Special Revenue   |            |                            |                             |           |                   |         | Debt Service |                   |           |
|--|-------------------|------------|----------------------------|-----------------------------|-----------|-------------------|---------|--------------|-------------------|-----------|
|  | Motor<br>Fuel Tax | Sperry TIF | North<br>Lincolnway<br>TIF | Special<br>Service<br>Areas | Insurance | Sanitary<br>Sewer | Tourism | Library      | Police<br>Station | Totals    |
| Revenues   |                   |            |                            |                             |           |                   |         |              |                   |           |
| Taxes  | \$ -              | 5,873      | 17,130                     | 22,780                      | 265,776   | -                 | 76,493  | 541,627      | -                 | 929,679   |
| Intergovernmental  | 471,047           | -          | -                          | -                           | -         | -                 | -       | -            | -                 | 471,047   |
| Licenses and Permits   | -                 | -          | -                          | -                           | -         | 35,223            | -       | -            | -                 | 35,223    |
| Charges for Services   | -                 | -          | -                          | -                           | 40,000    | 76,514            | -       | -            | -                 | 116,514   |
| Interest   | 24,457            | -          | 654                        | 2,176                       | 6,627     | 39,224            | 800     | 3,456        | 7,535             | 84,929    |
| Miscellaneous  | 34,831            | -          | -                          | -                           | -         | -                 | 107,739 | -            | -                 | 142,570   |
| Total Revenues   | 530,335           | 5,873      | 17,784                     | 24,956                      | 312,403   | 150,961           | 185,032 | 545,083      | 7,535             | 1,779,962 |
| Expenditures   |                   |            |                            |                             |           |                   |         |              |                   |           |
| General Government   | -                 | -          | -                          | 40,717                      | 42,585    | -                 | 180,756 | 30           | 30                | 264,118   |
| Public Safety  | -                 | -          | -                          | -                           | 247,766   | -                 | -       | -            | -                 | 247,766   |
| Public Works   | 491,224           | -          | -                          | -                           | 77,427    | -                 | -       | -            | -                 | 568,651   |
| Sanitation   | -                 | -          | -                          | -                           | 19,357    | 227,479           | -       | -            | -                 | 246,836   |
| Capital Outlay   | -                 | -          | 51,000                     | -                           | -         | -                 | -       | -            | -                 | 51,000    |
| Debt Service   |                   |            |                            |                             |           |                   |         |              |                   |           |
| Principal Retirement   | -                 | -          | -                          | -                           | -         | -                 | -       | 485,000      | 465,000           | 950,000   |
| Interest and Fiscal Charges                                  | -                 | -          | -                          | -                           | -         | -                 | -       | 52,413       | 158,875           | 211,288   |
| Total Expenditures   | 491,224           | -          | 51,000                     | 40,717                      | 387,135   | 227,479           | 180,756 | 537,443      | 623,905           | 2,539,659 |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 39,111            | 5,873      | (33,216)                   | (15,761)                    | (74,732)  | (76,518)          | 4,276   | 7,640        | (616,370)         | (759,697) |
| Other Financing Sources                                      |                   |            |                            |                             |           |                   |         |              |                   |           |
| Insurance Claim Reimbursement                                | -                 | -          | -                          | -                           | 126,015   | -                 | -       | -            | -                 | 126,015   |
| Transfers In   | -                 | -          | -                          | -                           | -         | -                 | -       | -            | 623,692           | 623,692   |
|  | -                 | -          | -                          | -                           | 126,015   | -                 | -       | -            | 623,692           | 749,707   |
| Net Change in Fund Balances                                  | 39,111            | 5,873      | (33,216)                   | (15,761)                    | 51,283    | (76,518)          | 4,276   | 7,640        | 7,322             | (9,990)   |
| Fund Balances - Beginning                                    | 960,625           | 7,950      | 35,278                     | 156,329                     | 289,400   | 1,557,159         | 59,266  | 103,352      | 264,799           | 3,434,158 |
| Fund Balances - Ending                                       | 999,736           | 13,823     | 2,062                      | 140,568                     | 340,683   | 1,480,641         | 63,542  | 110,992      | 272,121           | 3,424,168 |

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Motor Fuel Tax - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
For the Fiscal Year Ended May 31, 2019**

|   | Budget          |                 |                | Variance        |
|---|-----------------|-----------------|----------------|-----------------|
|   | Original        | Final           | Actual         | Over<br>(Under) |
| Revenues                                  |                 |                 |                |                 |
| Intergovernmental                         |                 |                 |                |                 |
| Motor Fuel Tax Allotments                 | \$ 460,000      | 460,000         | 471,047        | 11,047          |
| Interest                                  | 15,000          | 15,000          | 24,457         | 9,457           |
| Miscellaneous                             | -               | -               | 34,831         | 34,831          |
| Total Revenues                            | <u>475,000</u>  | <u>475,000</u>  | <u>530,335</u> | <u>55,335</u>   |
| Expenditures                              |                 |                 |                |                 |
| Public Works                              |                 |                 |                |                 |
| Engineering                               | -               | 500             | 473            | (27)            |
| Salt                                      | 160,000         | 160,000         | 159,060        | (940)           |
| Streets and Alleys Repair and Maintenance | 105,000         | 104,000         | 74,250         | (29,750)        |
| Bank Services/Fees                        | 500             | 500             | 485            | (15)            |
| Street Lighting and Poles                 | 110,000         | 110,000         | 85,557         | (24,443)        |
| Street Light Repair/Maintenance           | 185,000         | 185,000         | 171,399        | (13,601)        |
| Miscellaneous                             | -               | 500             | -              | (500)           |
| Total Expenditures                        | <u>560,500</u>  | <u>560,500</u>  | <u>491,224</u> | <u>(69,276)</u> |
| Net Change in Fund Balance                | <u>(85,500)</u> | <u>(85,500)</u> | 39,111         | <u>124,611</u>  |
| Fund Balance - Beginning                  |                 |                 | <u>960,625</u> |                 |
| Fund Balance - Ending                     |                 |                 | <u>999,736</u> |                 |

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Sperry TIF - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
For the Fiscal Year Ended May 31, 2019**

|                            | Budget         |                | Actual        | Variance<br>Over<br>(Under) |
|----------------------------|----------------|----------------|---------------|-----------------------------|
|                            | Original       | Final          |               |                             |
| Revenues                   |                |                |               |                             |
| Taxes                      |                |                |               |                             |
| Property Taxes             | \$ 5,873       | 5,873          | 5,873         | -                           |
| Expenditures               |                |                |               |                             |
| General Government         |                |                |               |                             |
| Contractual Services       | 2,000          | 2,000          | -             | (2,000)                     |
| Capital Outlay             | 10,000         | 10,000         | -             | (10,000)                    |
| Total Expenditures         | 12,000         | 12,000         | -             | (12,000)                    |
| Net Change in Fund Balance | <u>(6,127)</u> | <u>(6,127)</u> | 5,873         | <u>12,000</u>               |
| Fund Balance - Beginning   |                |                | <u>7,950</u>  |                             |
| Fund Balance - Ending      |                |                | <u>13,823</u> |                             |

**VILLAGE OF NORTH AURORA, ILLINOIS**

**North Lincolnway TIF - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
For the Fiscal Year Ended May 31, 2019**

|                            | Budget    |          | Actual   | Variance<br>Over<br>(Under) |
|----------------------------|-----------|----------|----------|-----------------------------|
|                            | Original  | Final    |          |                             |
| Revenues                   |           |          |          |                             |
| Taxes                      |           |          |          |                             |
| Property Taxes             | \$ 17,130 | 17,130   | 17,130   | -                           |
| Interest                   | -         | -        | 654      | 654                         |
| Total Revenues             | 17,130    | 17,130   | 17,784   | 654                         |
| Expenditures               |           |          |          |                             |
| Capital Outlay             | 55,000    | 55,000   | 51,000   | (4,000)                     |
| Net Change in Fund Balance | (37,870)  | (37,870) | (33,216) | 4,654                       |
| Fund Balance - Beginning   |           |          | 35,278   |                             |
| Fund Balance - Ending      |           |          | 2,062    |                             |

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Special Service Areas - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
For the Fiscal Year Ended May 31, 2019**

|                            | Budget    |          | Actual   | Variance<br>Over<br>(Under) |
|----------------------------|-----------|----------|----------|-----------------------------|
|                            | Original  | Final    |          |                             |
| Revenues                   |           |          |          |                             |
| Taxes                      |           |          |          |                             |
| Property Taxes             | \$ 22,800 | 22,800   | 22,780   | (20)                        |
| Interest                   | 500       | 500      | 2,176    | 1,676                       |
| Total Revenues             | 23,300    | 23,300   | 24,956   | 1,656                       |
| Expenditures               |           |          |          |                             |
| General Government         |           |          |          |                             |
| Maintenance                | 35,628    | 39,628   | 38,937   | (691)                       |
| Administrative Fee         | 2,280     | 1,980    | 1,780    | (200)                       |
| Total Expenditures         | 37,908    | 41,608   | 40,717   | (891)                       |
| Net Change in Fund Balance | (14,608)  | (18,308) | (15,761) | 2,547                       |
| Fund Balance - Beginning   |           |          | 156,329  |                             |
| Fund Balance - Ending      |           |          | 140,568  |                             |

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Insurance - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
For the Fiscal Year Ended May 31, 2019**

|  | Budget     |          |          | Variance        |
|--|------------|----------|----------|-----------------|
|  | Original   | Final    | Actual   | Over<br>(Under) |
| Revenues   |            |          |          |                 |
| Taxes  |            |          |          |                 |
| Property Taxes   | \$ 266,000 | 266,000  | 265,776  | (224)           |
| Charges for Services   | 40,000     | 40,000   | 40,000   | -               |
| Interest   | 9,000      | 9,000    | 6,627    | (2,373)         |
| Total Revenues   | 315,000    | 315,000  | 312,403  | (2,597)         |
| Expenditures   |            |          |          |                 |
| General Government   | 38,500     | 44,000   | 42,585   | (1,415)         |
| Public Safety  | 224,000    | 256,000  | 247,766  | (8,234)         |
| Public Works   | 70,000     | 80,000   | 77,427   | (2,573)         |
| Sanitation   | 17,500     | 20,000   | 19,357   | (643)           |
| Total Expenditures   | 350,000    | 400,000  | 387,135  | (12,865)        |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (35,000)   | (85,000) | (74,732) | 10,268          |
| Other Financing Sources                                      |            |          |          |                 |
| Insurance Claim Reimbursement                                | 40,000     | 40,000   | 126,015  | 86,015          |
| Net Change in Fund Balance                                   | 5,000      | (45,000) | 51,283   | 96,283          |
| Fund Balance - Beginning                                     |            |          | 289,400  |                 |
| Fund Balance - Ending  |            |          | 340,683  |                 |

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Sanitary Sewer - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
For the Fiscal Year Ended May 31, 2019**

|                                | Budget           |                  |                  | Variance        |
|--------------------------------|------------------|------------------|------------------|-----------------|
|                                | Original         | Final            | Actual           | Over<br>(Under) |
| Revenues                       |                  |                  |                  |                 |
| Licenses and Permits           |                  |                  |                  |                 |
| Sanitary Sewer Permits         | \$ 20,000        | 20,000           | 35,223           | 15,223          |
| Charges for Services           |                  |                  |                  |                 |
| Sewer Sales                    | 75,000           | 75,000           | 76,514           | 1,514           |
| Interest                       | 28,000           | 28,000           | 39,224           | 11,224          |
| Total Revenues                 | 123,000          | 123,000          | 150,961          | 27,961          |
| Expenditures                   |                  |                  |                  |                 |
| Sanitation                     |                  |                  |                  |                 |
| Engineering                    | 35,000           | 35,000           | 8,064            | (26,936)        |
| Equipment/IT Maintenance       | 6,000            | 6,000            | 144              | (5,856)         |
| Sewer Repair and Maintenance   | 388,000          | 387,000          | 156,667          | (230,333)       |
| Administrative Fee             | 40,000           | 40,000           | 40,000           | -               |
| Vehicle Equipment Fund Charges | 16,875           | 16,875           | 16,875           | -               |
| Liability Insurance            | 5,000            | 5,000            | 5,000            | -               |
| Miscellaneous                  | -                | 1,000            | 729              | (271)           |
| Total Expenditures             | 490,875          | 490,875          | 227,479          | (263,396)       |
| Net Change in Fund Balance     | <u>(367,875)</u> | <u>(367,875)</u> | (76,518)         | <u>291,357</u>  |
| Fund Balance - Beginning       |                  |                  | <u>1,557,159</u> |                 |
| Fund Balance - Ending          |                  |                  | <u>1,480,641</u> |                 |

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Tourism - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
For the Fiscal Year Ended May 31, 2019**

|                            | <u>Budget</u>   |                |                | Variance                |
|----------------------------|-----------------|----------------|----------------|-------------------------|
|                            | <u>Original</u> | <u>Final</u>   | <u>Actual</u>  | <u>Over<br/>(Under)</u> |
| Revenues                   |                 |                |                |                         |
| Taxes                      |                 |                |                |                         |
| Hotel Taxes                | \$ 58,000       | 58,000         | 76,493         | 18,493                  |
| Interest                   | 1,000           | 1,000          | 800            | (200)                   |
| Miscellaneous              |                 |                |                |                         |
| North Aurora Days          | 120,000         | 120,000        | 107,739        | (12,261)                |
| Total Revenues             | <u>179,000</u>  | <u>179,000</u> | <u>185,032</u> | <u>6,032</u>            |
| Expenditures               |                 |                |                |                         |
| General Government         |                 |                |                |                         |
| North Aurora Days          | 115,000         | 103,000        | 98,355         | (4,645)                 |
| Tourism                    | 52,200          | 72,200         | 71,601         | (599)                   |
| Fireworks                  | 11,000          | 11,000         | 10,800         | (200)                   |
| Total Expenditures         | <u>178,200</u>  | <u>186,200</u> | <u>180,756</u> | <u>(5,444)</u>          |
| Net Change in Fund Balance | <u>800</u>      | <u>(7,200)</u> | 4,276          | <u>11,476</u>           |
| Fund Balance - Beginning   |                 |                | <u>59,266</u>  |                         |
| Fund Balance - Ending      |                 |                | <u>63,542</u>  |                         |

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Library - Debt Service Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
For the Fiscal Year Ended May 31, 2019**

|                             | Budget     |         |         | Variance        |
|-----------------------------|------------|---------|---------|-----------------|
|                             | Original   | Final   | Actual  | Over<br>(Under) |
| Revenues                    |            |         |         |                 |
| Taxes                       |            |         |         |                 |
| Property Taxes              | \$ 542,307 | 542,307 | 541,627 | (680)           |
| Interest                    | 3,000      | 3,000   | 3,456   | 456             |
| Total Revenues              | 545,307    | 545,307 | 545,083 | (224)           |
| Expenditures                |            |         |         |                 |
| General Government          |            |         |         |                 |
| Miscellaneous               | 50         | 50      | 30      | (20)            |
| Debt Service                |            |         |         |                 |
| Principal Retirement        | 485,000    | 485,000 | 485,000 | -               |
| Interest and Fiscal Charges | 52,488     | 52,488  | 52,413  | (75)            |
| Total Expenditures          | 537,538    | 537,538 | 537,443 | (95)            |
| Net Change in Fund Balance  | 7,769      | 7,769   | 7,640   | (129)           |
| Fund Balance - Beginning    |            |         | 103,352 |                 |
| Fund Balance - Ending       |            |         | 110,992 |                 |

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Police Station - Debt Service Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance  
For the Fiscal Year Ended May 31, 2019**

|  | Budget    |           |           | Variance        |
|--|-----------|-----------|-----------|-----------------|
|  | Original  | Final     | Actual    | Over<br>(Under) |
| Revenues   |           |           |           |                 |
| Interest   | \$ 3,500  | 3,500     | 7,535     | 4,035           |
| Expenditures   |           |           |           |                 |
| General Government   |           |           |           |                 |
| Miscellaneous  | 100       | 100       | 30        | (70)            |
| Debt Service   |           |           |           |                 |
| Principal Retirement   | 465,000   | 465,000   | 465,000   | -               |
| Interest and Fiscal Charges                                  | 159,000   | 159,000   | 158,875   | (125)           |
| Total Expenditures   | 624,100   | 624,100   | 623,905   | (195)           |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (620,600) | (620,600) | (616,370) | 4,230           |
| Other Financing Sources                                      |           |           |           |                 |
| Transfers In   | 623,692   | 623,692   | 623,692   | -               |
| Net Change in Fund Balance                                   | 3,092     | 3,092     | 7,322     | 4,230           |
| Fund Balance - Beginning                                     |           |           | 264,799   |                 |
| Fund Balance - Ending  |           |           | 272,121   |                 |

## **ENTERPRISE FUND**

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

### **Waterworks Fund**

The Waterworks Fund is used 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 - Enterprise Fund

### Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual For the Fiscal Year Ended May 31, 2019

|                                      | Budget       |             | Actual     | Variance<br>Over<br>(Under) |
|--------------------------------------|--------------|-------------|------------|-----------------------------|
|                                      | Original     | Final       |            |                             |
| Operating Revenues                   |              |             |            |                             |
| Charges for Services                 |              |             |            |                             |
| Water Sales                          | \$ 2,410,000 | 2,410,000   | 2,440,289  | 30,289                      |
| Water Meters                         | 20,000       | 20,000      | 37,917     | 17,917                      |
| Water Permits                        | 75,000       | 75,000      | 198,486    | 123,486                     |
| Meter Reads                          | 18,750       | 18,750      | 18,384     | (366)                       |
| Impact Fees                          | 500          | 500         | 288        | (212)                       |
| Building Permits                     | 1,500        | 1,500       | 4,020      | 2,520                       |
| Hydrant Meter Rental                 | 1,000        | 1,000       | 50         | (950)                       |
| Reimburse Turn On/Turn Off Fees      | 10,000       | 10,000      | 9,950      | (50)                        |
| Total Operating Revenues             | 2,536,750    | 2,536,750   | 2,709,384  | 172,634                     |
| Operating Expenses                   |              |             |            |                             |
| Operations                           | 5,139,748    | 5,139,748   | 1,811,192  | (3,328,556)                 |
| Depreciation                         | -            | -           | 848,443    | 848,443                     |
| Total Operating Expenses             | 5,139,748    | 5,139,748   | 2,659,635  | (2,480,113)                 |
| Operating Income (Loss)              | (2,602,998)  | (2,602,998) | 49,749     | 2,652,747                   |
| Nonoperating Revenue (Expenses)      |              |             |            |                             |
| Interest Income                      | 140,000      | 140,000     | 202,567    | 62,567                      |
| Tower Rent                           | 213,000      | 213,000     | 204,915    | (8,085)                     |
| Capacity Curtailment Payments        | -            | -           | 8,802      | 8,802                       |
| Miscellaneous                        | 5,000        | 5,000       | -          | (5,000)                     |
| Insurance Claim Reimbursement        | -            | -           | 2,428      | 2,428                       |
| Disposal of Capital Asset            | -            | -           | 1,609      | 1,609                       |
| Interest Expense                     | (186,513)    | (186,513)   | (168,299)  | 18,214                      |
|                                      | 171,487      | 171,487     | 252,022    | 80,535                      |
| Income (Loss) before Contributions   | (2,431,511)  | (2,431,511) | 301,771    | 2,733,282                   |
| Capital Contributions                | -            | -           | 401,473    | 401,473                     |
| Change in Net Position               | (2,431,511)  | (2,431,511) | 703,244    | 3,134,755                   |
| Net Position - Beginning as Restated |              |             | 24,952,681 |                             |
| Net Position - Ending                |              |             | 25,655,925 |                             |

# VILLAGE OF NORTH AURORA, ILLINOIS

## Waterworks - Enterprise Fund

### Schedule of Expenses - Budget and Actual For the Fiscal Year Ended May 31, 2019

|  | Budget     |         | Actual  | Variance        |
|--|------------|---------|---------|-----------------|
|  | Original   | Final   |         | Over<br>(Under) |
| Operations                                   |            |         |         |                 |
| Personal Services                            |            |         |         |                 |
| Salaries - Regular                           | \$ 356,240 | 356,240 | 328,474 | (27,766)        |
| Salaries - Overtime                          | 20,000     | 20,000  | 15,842  | (4,158)         |
| On-Call Pay                                  | 10,000     | 10,000  | 6,144   | (3,856)         |
| Employer's FICA Social Security and Medicare | 29,548     | 29,548  | 25,791  | (3,757)         |
| IMRF   | 42,706     | 42,706  | 37,136  | (5,570)         |
| Health Insurance                             | 93,600     | 93,600  | 77,297  | (16,303)        |
| Life Insurance                               | 218        | 218     | 174     | (44)            |
| Dental Insurance                             | 2,477      | 2,477   | 834     | (1,643)         |
|  | 554,789    | 554,789 | 491,692 | (63,097)        |
| Contractual Services                         |            |         |         |                 |
| Engineering                                  | 25,000     | 25,000  | 5,243   | (19,757)        |
| Legal  | 2,000      | 2,000   | 247     | (1,753)         |
| Conferences and Travel                       | 3,350      | 3,350   | 1,660   | (1,690)         |
| Training                                     | 4,000      | 4,000   | 1,686   | (2,314)         |
| Dues and Meetings                            | 1,975      | 1,975   | 953     | (1,022)         |
| Chlorine                                     | 30,000     | 30,000  | 12,697  | (17,303)        |
| Salt - Treatment                             | 17,000     | 18,000  | 17,869  | (131)           |
| New Meters, Repairs and Replacements         | 82,600     | 82,600  | 55,902  | (26,698)        |
| Postage                                      | 21,750     | 21,750  | 15,468  | (6,282)         |
| Publishing                                   | 1,600      | 1,600   | 205     | (1,395)         |
| Printing                                     | 21,250     | 21,250  | 18,149  | (3,101)         |
| Equipment/IT Maintenance                     | 20,950     | 20,950  | 19,907  | (1,043)         |
| Vehicle Repair and Maintenance               | 6,000      | 6,000   | 3,268   | (2,732)         |
| Water Studies                                | 14,500     | 14,500  | 10,430  | (4,070)         |
| Testing (Water)                              | 10,950     | 10,950  | 9,719   | (1,231)         |
| Fire Hydrant Repair/Maintenance              | 17,500     | 17,500  | 1,969   | (15,531)        |
| Water Well Repair and Maintenance            | 22,000     | 22,000  | 8,543   | (13,457)        |
| Treatment Plant Repair/Maintenance           | 118,200    | 128,200 | 127,424 | (776)           |
| Watermain Repairs and Replacements           | 86,700     | 69,700  | 21,136  | (48,564)        |
| Water Tower Repair and Maintenance           | 12,200     | 12,200  | 159     | (12,041)        |

# VILLAGE OF NORTH AURORA, ILLINOIS

## Waterworks - Enterprise Fund

### Schedule of Expenses - Budget and Actual - Continued For the Fiscal Year Ended May 31, 2019

|                                  | Budget      |             | Actual      | Variance        |
|----------------------------------|-------------|-------------|-------------|-----------------|
|                                  | Original    | Final       |             | Over<br>(Under) |
| Operations - Continued           |             |             |             |                 |
| Contractual Services - Continued |             |             |             |                 |
| Banking Services/Fees            | \$ 26,500   | 29,500      | 29,175      | (325)           |
| Collection Fee                   | 100         | 100         | -           | (100)           |
| Telephone                        | 2,800       | 2,900       | 2,814       | (86)            |
| Communications                   | 15,225      | 17,625      | 17,557      | (68)            |
| Utility                          | 345,000     | 345,000     | 315,137     | (29,863)        |
| Office Rental                    | 35,000      | 35,000      | 35,000      | -               |
| Administrative Fee               | 143,000     | 143,000     | 143,000     | -               |
| Liability Insurance              | 35,000      | 35,000      | 35,000      | -               |
| Well #3 Impairment Loss          | -           | -           | 195,433     | 195,433         |
| Water Pension                    | -           | -           | (20,518)    | (20,518)        |
| OPEB Retirement                  | -           | -           | 4,731       | 4,731           |
|                                  | 1,122,150   | 1,121,650   | 1,089,963   | (31,687)        |
| Commodities                      |             |             |             |                 |
| Office Supplies                  | 3,500       | 3,500       | 2,691       | (809)           |
| Gas and Oil                      | 11,000      | 11,000      | 9,899       | (1,101)         |
| Equipment                        | 23,000      | 23,000      | 1,317       | (21,683)        |
| Vehicle and Equipment Charges    | 6,308       | 6,308       | 6,308       | -               |
| Uniform Allowance                | 1,650       | 2,150       | 2,110       | (40)            |
| Miscellaneous                    | 9,000       | 9,000       | 8,883       | (117)           |
|                                  | 54,458      | 54,958      | 31,208      | (23,750)        |
| Capital Outlay                   |             |             |             |                 |
| Annual Watermain Replacement     | 30,000      | 30,000      | -           | (30,000)        |
| Plant Improvements               | 5,006,500   | 5,006,500   | 1,826,478   | (3,180,022)     |
|                                  | 5,036,500   | 5,036,500   | 1,826,478   | (3,210,022)     |
| Less Capital Assets Capitalized  | (1,628,149) | (1,628,149) | (1,628,149) | -               |
|                                  | 3,408,351   | 3,408,351   | 198,329     | (3,210,022)     |
| Total Operations                 | 5,139,748   | 5,139,748   | 1,811,192   | (3,328,556)     |
| Depreciation                     | -           | -           | 848,443     | 848,443         |
| Total Operating Expenses         | 5,139,748   | 5,139,748   | 2,659,635   | (2,480,113)     |

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Waterworks - Enterprise Fund**

**Schedule of Expenses - Budget and Actual - Continued**  
**For the Fiscal Year Ended May 31, 2019**

|                             | Budget     |           | Actual    | Variance        |
|-----------------------------|------------|-----------|-----------|-----------------|
|                             | Original   | Final     |           | Over<br>(Under) |
| Debt Service                |            |           |           |                 |
| Principal Retirement        | \$ 430,502 | 430,502   | 430,502   | -               |
| Interest and Fiscal Charges | 186,513    | 186,513   | 168,299   | (18,214)        |
|                             | 617,015    | 617,015   | 598,801   | (18,214)        |
| Less Principal Retirement   | (430,502)  | (430,502) | (430,502) | -               |
|                             | 186,513    | 186,513   | 168,299   | (18,214)        |
| Total Debt Service          | 186,513    | 186,513   | 168,299   | (18,214)        |

## **INTERNAL SERVICE FUNDS**

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies other governmental unit, or to other governmental units, on a cost-reimbursement basis.

### **Vehicle and Equipment Fund**

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 expenses.

### **Employee Compensated Absences Fund**

The Employee Compensated Absences Fund is used to account for the portion of compensated absences related to governmental funds owed to employees.

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Combining Statement of Net Position - Internal Service Funds  
May 31, 2019**

|                                 | Vehicle and<br>Equipment | Employee<br>Compensated<br>Absences | Totals      |
|---------------------------------|--------------------------|-------------------------------------|-------------|
| <b>ASSETS</b>                   |                          |                                     |             |
| Current Assets                  |                          |                                     |             |
| Cash and Investments            | \$ 1,807,953             | 425,245                             | 2,233,198   |
| Receivables - Net of Allowances |                          |                                     |             |
| Accrued Interest                | 5,339                    | -                                   | 5,339       |
| Inventories                     | 25,249                   | -                                   | 25,249      |
| Total Current Assets            | 1,838,541                | 425,245                             | 2,263,786   |
| Noncurrent Assets               |                          |                                     |             |
| Capital Assets                  |                          |                                     |             |
| Nondepreciable                  | 15,800                   | -                                   | 15,800      |
| Depreciable                     | 3,060,211                | -                                   | 3,060,211   |
| Accumulated Depreciation        | (1,635,640)              | -                                   | (1,635,640) |
| Total Noncurrent Assets         | 1,440,371                | -                                   | 1,440,371   |
| Total Assets                    | 3,278,912                | 425,245                             | 3,704,157   |
| <b>LIABILITIES</b>              |                          |                                     |             |
| Current Liabilities             |                          |                                     |             |
| Accounts Payable                | 29,168                   | -                                   | 29,168      |
| Compensated Absences Payable    | -                        | 106,311                             | 106,311     |
| Total Current Liabilities       | 29,168                   | 106,311                             | 135,479     |
| Long-Term Liabilities           |                          |                                     |             |
| Compensated Absences Payable    | -                        | 318,934                             | 318,934     |
| Total Liabilities               | 29,168                   | 425,245                             | 454,413     |
| <b>NET POSITION</b>             |                          |                                     |             |
| Investment in Capital Assets    | 1,440,371                | -                                   | 1,440,371   |
| Unrestricted                    | 1,809,373                | -                                   | 1,809,373   |
| Total Net Position              | 3,249,744                | -                                   | 3,249,744   |

# VILLAGE OF NORTH AURORA, ILLINOIS

## Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds For the Fiscal Year Ended May 31, 2019

|  | Vehicle and<br>Equipment | Employee<br>Compensated<br>Absences | Totals    |
|--|--------------------------|-------------------------------------|-----------|
| Operating Revenues                             |                          |                                     |           |
| Charges for Services                           | \$ 379,698               | 52,200                              | 431,898   |
| Operating Expenses                             |                          |                                     |           |
| Operations and Capital                         | 197,180                  | 52,200                              | 249,380   |
| Depreciation                                   | 223,827                  | -                                   | 223,827   |
| Total Operating Expenses                       | 421,007                  | 52,200                              | 473,207   |
| Operating Income (Loss)                        | (41,309)                 | -                                   | (41,309)  |
| Nonoperating Revenues                          |                          |                                     |           |
| Interest Income                                | 46,824                   | -                                   | 46,824    |
| Disposal of Capital Assets                     | 46,690                   | -                                   | 46,690    |
|  | 93,514                   | -                                   | 93,514    |
| Income Before Capital Grants and Contributions | 52,205                   | -                                   | 52,205    |
| Capital Grants                                 | 22,617                   | -                                   | 22,617    |
| Contributions                                  | 1,400                    | -                                   | 1,400     |
| Change in Net Position                         | 76,222                   | -                                   | 76,222    |
| Net Position - Beginning                       | 3,173,522                | -                                   | 3,173,522 |
| Net Position - Ending                          | 3,249,744                | -                                   | 3,249,744 |

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Combining Statement of Cash Flows - Internal Service Funds  
For the Fiscal Year Ended May 31, 2019**

|  | Vehicle and<br>Equipment | Employee<br>Compensated<br>Absences | Totals    |
|--|--------------------------|-------------------------------------|-----------|
| Cash Flows from Operating Activities   |                          |                                     |           |
| Interfund Services Provided  | \$ 373,784               | 52,200                              | 425,984   |
| Payment to Suppliers   | (327,279)                | -                                   | (327,279) |
|  | 46,505                   | 52,200                              | 98,705    |
| Cash Flows from Capital and Related Financing Activities   |                          |                                     |           |
| Proceeds from Public Works Escrow  | 1,400                    | -                                   | 1,400     |
| Capital Grants   | 22,617                   | -                                   | 22,617    |
| Disposal of Capital Assets   | 46,690                   | -                                   | 46,690    |
| Purchase of Capital Assets   | (183,656)                | -                                   | (183,656) |
|  | (112,949)                | -                                   | (112,949) |
| Cash Flows from Investing Activities   |                          |                                     |           |
| Interest Received  | 46,824                   | -                                   | 46,824    |
| Net Change in Cash and Cash Equivalents  | (19,620)                 | 52,200                              | 32,580    |
| Cash and Cash Equivalents - Beginning  | 1,827,573                | 373,045                             | 2,200,618 |
| Cash and Cash Equivalents - Ending   | 1,807,953                | 425,245                             | 2,233,198 |
| Reconciliation of Operating Income to Net Cash<br>Provided (Used) by Operating Activities              |                          |                                     |           |
| Operating Income (Loss)  | (41,309)                 | -                                   | (41,309)  |
| Adjustments to Reconcile Operating Income<br>to Net Cash Provided by (Used in)<br>Operating Activities |                          |                                     |           |
| Depreciation   | 223,827                  | -                                   | 223,827   |
| (Increase) Decrease in Current Assets  | (5,914)                  | -                                   | (5,914)   |
| Increase (Decrease) in Current Liabilities   | (130,099)                | 52,200                              | (77,899)  |
| Net Cash Provided by Operating Activities  | 46,505                   | 52,200                              | 98,705    |

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Vehicle and Equipment - Internal Service Fund**

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual  
For the Fiscal Year Ended May 31, 2019**

|  | <u>Budget</u>    |                  |                         | Variance        |
|--|------------------|------------------|-------------------------|-----------------|
|  | Original         | Final            | Actual                  | Over<br>(Under) |
| Operating Revenues                                       |                  |                  |                         |                 |
| Charges for Services                                     | \$ 380,594       | 380,594          | 379,698                 | (896)           |
| Operating Expenses                                       |                  |                  |                         |                 |
| Operations and Capital                                   | 749,010          | 749,010          | 380,836                 | (368,174)       |
| Operating Income (Loss)                                  | (368,416)        | (368,416)        | (1,138)                 | 367,278         |
| Nonoperating Revenues                                    |                  |                  |                         |                 |
| Interest Income  | 30,000           | 30,000           | 46,824                  | 16,824          |
| Disposal of Capital Assets                               | 35,000           | 35,000           | 46,690                  | 11,690          |
|  | 65,000           | 65,000           | 93,514                  | 28,514          |
| Income (Loss) Before Capital<br>Grants and Contributions | (303,416)        | (303,416)        | 92,376                  | 395,792         |
| Capital Grants   | -                | -                | 22,617                  | 22,617          |
| Contributions  | -                | -                | 1,400                   | 1,400           |
| Non-GAAP Basis Change in Net Position                    | <u>(303,416)</u> | <u>(303,416)</u> | 116,393                 | <u>419,809</u>  |
| Adjustments to GAAP Basis                                |                  |                  |                         |                 |
| Capital Assets Capitalized                               |                  |                  | 183,656                 |                 |
| Depreciation   |                  |                  | <u>(223,827)</u>        |                 |
| Change in Net Position                                   |                  |                  | 76,222                  |                 |
| Net Position - Beginning                                 |                  |                  | <u>3,173,522</u>        |                 |
| Net Position - Ending                                    |                  |                  | <u><u>3,249,744</u></u> |                 |

## **TRUST AND AGENCY FUNDS**

### **PENSION TRUST FUND**

#### **Police Pension Fund**

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

### **AGENCY FUNDS**

#### **Developer's and Building Escrow Fund**

The Developer's and Building Escrow Fund is used to account for building bond deposits, developer's deposits and corresponding development costs.

#### **Land Cash Escrows Fund**

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

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Police Pension Fund**

**Schedule of Changes in Fiduciary Net Position  
For the Fiscal Year Ended May 31, 2019**

|                                      | Budget       |           |            | Variance        |
|--------------------------------------|--------------|-----------|------------|-----------------|
|                                      | Original     | Final     | Actual     | Over<br>(Under) |
| Additions                            |              |           |            |                 |
| Contributions - Employer             | \$ 1,167,000 | 1,167,000 | 1,167,000  | -               |
| Contributions - Plan Members         | 262,000      | 262,000   | 265,961    | 3,961           |
| Total Contributions                  | 1,429,000    | 1,429,000 | 1,432,961  | 3,961           |
| Investment Income                    |              |           |            |                 |
| Interest Earned                      | 730,300      | 730,300   | 764,403    | 34,103          |
| Net Change in Fair Value             | 500,000      | 500,000   | (208,238)  | (708,238)       |
|                                      | 1,230,300    | 1,230,300 | 556,165    | (674,135)       |
| Less Investment Expenses             | (27,500)     | (28,500)  | (26,573)   | 1,927           |
| Net Investment Income                | 1,202,800    | 1,201,800 | 529,592    | (672,208)       |
| Total Additions                      | 2,631,800    | 2,630,800 | 1,962,553  | (668,247)       |
| Deductions                           |              |           |            |                 |
| Administration                       | 14,900       | 13,900    | 10,737     | (3,163)         |
| Benefits and Refunds                 | 914,054      | 914,054   | 865,484    | (48,570)        |
| Total Deductions                     | 928,954      | 927,954   | 876,221    | (51,733)        |
| Change in Fiduciary Net Position     | 1,702,846    | 1,702,846 | 1,086,332  | (616,514)       |
| Net Position Restricted for Pensions |              |           |            |                 |
| Beginning                            |              |           | 17,262,779 |                 |
| Ending                               |              |           | 18,349,111 |                 |

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Agency Funds**

**Combining Statement of Changes in Assets and Liabilities  
For the Fiscal Year Ended May 31, 2019**

|   | Beginning<br>Balances | Additions | Deductions | Ending<br>Balances |
|---|-----------------------|-----------|------------|--------------------|
| <b>All Funds</b>                            |                       |           |            |                    |
| <b>ASSETS</b>                               |                       |           |            |                    |
| Cash and Investments                        | \$ 959,339            | 494,078   | 465,398    | 988,019            |
| <b>LIABILITIES</b>                          |                       |           |            |                    |
| Due to Others                               | 959,339               | 494,078   | 465,398    | 988,019            |
| <b>Developer's and Building Escrow Fund</b> |                       |           |            |                    |
| <b>ASSETS</b>                               |                       |           |            |                    |
| Cash and Investments                        | 471,624               | 292,557   | 256,541    | 507,640            |
| <b>LIABILITIES</b>                          |                       |           |            |                    |
| Due to Others                               | 471,624               | 292,557   | 256,541    | 507,640            |
| <b>Land Cash Escrows Fund</b>               |                       |           |            |                    |
| <b>ASSETS</b>                               |                       |           |            |                    |
| Cash and Investments                        | 487,715               | 201,521   | 208,857    | 480,379            |
| <b>LIABILITIES</b>                          |                       |           |            |                    |
| Due to Others                               | 487,715               | 201,521   | 208,857    | 480,379            |

## **CONSOLIDATED YEAR-END FINANCIAL REPORT**

**VILLAGE OF NORTH AURORA, ILLINOIS****Consolidated Year-End Financial Report  
May 31, 2019**

| CSFA #      | Program Name   | State     | Federal | Other      | Totals     |
|-------------|--|-----------|---------|------------|------------|
| 494-00-0967 | High-Growth Cities Program   | \$ 29,693 | -       | -          | 29,693     |
| 494-00-1488 | Motor Fuel Tax Program   | 461,531   | -       | -          | 461,531    |
| 494-10-0343 | State and Community Highway<br>Safety/National Priority Safety Program | 5,930     | -       | -          | 5,930      |
| 494-42-0495 | Local Surface Transportation Program                                   | -         | 156,000 | 183,156    | 339,156    |
|             | Other Grant Programs and Activities                                    | -         | 1,209   | 78,433     | 79,642     |
|             | All Other Costs Not Allocated  | -         | -       | 17,992,771 | 17,992,771 |
|             | Totals   | 497,154   | 157,209 | 18,254,360 | 18,908,723 |



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING  
STANDARDS**

October 18, 2019

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of North Aurora, Illinois, as of and for the year ended May 31, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated October 18, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. According, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Lauterbach & Amen, LLP*  
LAUTERBACH & AMEN, LLP

## **SUPPLEMENTAL SCHEDULES**

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Schedule of General Long-Term Debt Payable from Governmental Activities  
May 31, 2019**

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|   |                   |
|---|-------------------|
| Amount Available and to be Provided for the Retirement of General Long-Term Debt          |                   |
| Amount Available for Debt Service   | \$ 306,925        |
| Amount to be Provided for Retirement of General Long-Term Debt                            | <u>22,227,598</u> |
| Total Amount Available and to be Provided for the Retirement of<br>General Long-Term Debt | <u>22,534,523</u> |
|   |                   |
| General Long-Term Debt Payable  |                   |
| Compensated Absences  | 425,245           |
| Net Pension Liabilities   | 14,617,165        |
| Total OPEB Liability - RBP  | 1,132,113         |
| General Obligation Bonds Payable  | <u>6,360,000</u>  |
| Total General Long-Term Debt Payable  | <u>22,534,523</u> |

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Schedule of Long-Term Debt Requirements**

**Kane County Loan Payable of 2010  
May 31, 2019**

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|                         |                         |
|-------------------------|-------------------------|
| Date of Issue           | December 14, 2040       |
| Date of Maturity        | December 15, 2020       |
| Authorized Issue        | \$1,033,785             |
| Interest Rates          | 2.018% - 3.071%         |
| Interest Dates          | June 15 and December 15 |
| Principal Maturity Date | December 15             |
| Payable at              | Kane County             |
| Debt Retired by         | Waterworks Fund         |

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

| Tax<br>Levy<br>Year | Requirements |          |         | Interest Due on |        |         |        |
|---------------------|--------------|----------|---------|-----------------|--------|---------|--------|
|                     | Principal    | Interest | Totals  | Jun. 15         | Amount | Dec. 15 | Amount |
| 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  |
|                     | 235,860      | 10,764   | 246,624 |                 | 5,382  |         | 5,382  |

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Schedule of Long-Term Debt Requirements**

**General Obligation Refunding Library Bonds of 2009  
May 31, 2019**

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|                         |                                 |
|-------------------------|---------------------------------|
| Date of Issue           | November 17, 2009               |
| Date of Maturity        | January 1, 2021                 |
| Authorized Issue        | \$4,525,000                     |
| Denomination of Bonds   | \$5,000                         |
| Interest Rates          | 2.00% - 3.75%                   |
| Interest Dates          | July 1 and January 1            |
| Principal Maturity Date | January 1                       |
| Payable at              | Amalgamated Bank of Chicago, IL |
| Debt Retired by         | Library Debt Service Fund       |

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

| Tax<br>Levy<br>Year | Bond<br>Numbers | Requirements   |               |                | Interest Due on |               |        |               |
|---------------------|-----------------|----------------|---------------|----------------|-----------------|---------------|--------|---------------|
|                     |                 | Principal      | Interest      | Totals         | Jul. 1          | Amount        | Jan. 1 | Amount        |
| 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            | <u>7,407</u>  | 2021   | <u>7,407</u>  |
|                     |                 | <u>900,000</u> | <u>48,564</u> | <u>948,564</u> |                 | <u>24,282</u> |        | <u>24,282</u> |

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Schedule of Long-Term Debt Requirements**

**General Obligation Alternate Revenue Source Refunding Bonds of 2014  
May 31, 2019**

|                         |                                  |
|-------------------------|----------------------------------|
| Date of Issue           | February 20, 2014                |
| Date of Maturity        | January 1, 2029                  |
| Authorized Issue        | \$6,885,000                      |
| Denomination of Bonds   | \$5,000                          |
| Interest Rate           | 2.00% - 3.00%                    |
| Interest Dates          | July 1 and January 1             |
| Principal Maturity Date | January 1                        |
| Payable at              | Amalgamated Bank of Chicago, IL  |
| Debt Retired by         | Police Station Debt Service Fund |

**CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS**

| Tax<br>Levy<br>Year | Bond<br>Numbers | Requirements     |                |                  | Interest Due on |        |                |                |
|---------------------|-----------------|------------------|----------------|------------------|-----------------|--------|----------------|----------------|
|                     |                 | Principal        | Interest       | Totals           | Jul. 1          | Amount | Jan. 1         | Amount         |
| 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                | 1014-1130       | 585,000          | 54,600         | 639,600          | 2026            | 27,300 | 2027           | 27,300         |
| 2026                | 1131-1252       | 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>5,460,000</u> | <u>912,750</u> | <u>6,372,750</u> |                 |        | <u>456,375</u> | <u>456,375</u> |

# VILLAGE OF NORTH AURORA, ILLINOIS

## Schedule of Long-Term Debt Requirements

### General Obligation Alternate Revenue Source Bonds of 2017 May 31, 2019

|                         |                                 |
|-------------------------|---------------------------------|
| Date of Issue           | April 4, 2017                   |
| Date of Maturity        | January 1, 2032                 |
| Authorized Issue        | \$5,800,000                     |
| Denomination of Bonds   | \$5,000                         |
| Interest Rates          | 3.00% - 4.00%                   |
| Interest Dates          | July 1 and January 1            |
| Principal Maturity Date | January 1                       |
| Payable at              | Amalgamated Bank of Chicago, IL |
| Debt Retired by         | Waterworks Fund                 |

### CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Tax<br>Levy<br>Year | Bond<br>Numbers | Requirements     |                  |                  | Interest Due on |        |                |                |
|---------------------|-----------------|------------------|------------------|------------------|-----------------|--------|----------------|----------------|
|                     |                 | Principal        | Interest         | Totals           | Jul. 1          | Amount | Jan. 1         | Amount         |
| 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>5,125,000</u> | <u>1,289,388</u> | <u>6,414,388</u> |                 |        | <u>644,699</u> | <u>644,689</u> |

## **STATISTICAL SECTION**

### **(Unaudited)**

This part of the 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.

#### Financial Trends

These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.

#### Revenue Capacity

These schedules contain information to help the reader assess the Village's most significant local revenue sources.

#### 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.

#### 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.

#### 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.

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Net Position by Component - Last Ten Fiscal Years\***  
**May 31, 2019 (Unaudited)**

|   | 2010          | 2011        | 2012        | 2013        | 2014        | 2015        | 2016 **     | 2017        | 2018        | 2019        |
|---|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Governmental Activities                     |               |             |             |             |             |             |             |             |             |             |
| Net Investment in Capital Assets            | \$ 52,220,638 | 73,654,427  | 81,798,254  | 83,248,697  | 85,083,399  | 86,384,283  | 87,966,627  | 88,313,085  | 88,427,188  | 88,935,559  |
| Restricted                                  | 3,557,460     | 4,108,032   | 3,572,015   | 3,906,679   | 3,748,762   | 4,049,089   | 3,293,677   | 2,940,679   | 3,002,428   | 3,068,317   |
| Unrestricted                                | 6,800,528     | 7,919,304   | 7,482,489   | 8,883,752   | 10,404,995  | 10,519,121  | 1,979,304   | 2,078,106   | 2,769,907   | 2,045,151   |
| Total Governmental Activities Net Position  | 62,578,626    | 85,681,763  | 92,852,758  | 96,039,128  | 99,237,156  | 100,952,493 | 93,239,608  | 93,331,870  | 94,199,523  | 94,049,027  |
| Business-Type Activities                    |               |             |             |             |             |             |             |             |             |             |
| Net Investment in Capital Assets            | 18,198,621    | 20,103,711  | 20,760,990  | 20,995,758  | 20,966,641  | 22,099,689  | 22,191,726  | 21,830,789  | 20,927,587  | 20,894,884  |
| Unrestricted                                | 761,323       | 1,043,388   | 1,493,850   | 2,306,779   | 2,893,770   | 2,406,255   | 2,744,852   | 2,900,145   | 4,081,482   | 4,761,041   |
| Total Business-Type Activities Net Position | 18,959,944    | 21,147,099  | 22,254,840  | 23,302,537  | 23,860,411  | 24,505,944  | 24,936,578  | 24,730,934  | 25,009,069  | 25,655,925  |
| Primary Government                          |               |             |             |             |             |             |             |             |             |             |
| Net Investment in Capital Assets            | 70,419,259    | 93,758,138  | 102,559,244 | 104,244,455 | 106,050,040 | 108,483,972 | 110,158,353 | 110,143,874 | 109,354,775 | 109,830,443 |
| Restricted                                  | 3,557,460     | 4,108,032   | 3,572,015   | 3,906,679   | 3,748,762   | 4,049,089   | 3,293,677   | 2,940,679   | 3,002,428   | 3,068,317   |
| Unrestricted                                | 7,561,851     | 8,962,692   | 8,976,339   | 11,190,531  | 13,298,765  | 12,925,376  | 4,724,156   | 4,978,251   | 6,851,389   | 6,806,192   |
| Total Primary Government Net Position       | 81,538,570    | 106,828,862 | 115,107,598 | 119,341,665 | 123,097,567 | 125,458,437 | 118,176,186 | 118,062,804 | 119,208,592 | 119,704,952 |

\* Accrual Basis of Accounting

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

Data Source: Audited Financial Statements

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Changes in Net Position - Last Ten Fiscal Years\***  
**May 31, 2019 (Unaudited)**

|   | 2010         | 2011       | 2012       | 2013       | 2014       | 2015       | 2016       | 2017       | 2018       | 2019       |
|---|--------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Expenses</b>                                 |              |            |            |            |            |            |            |            |            |            |
| Governmental Activities                         |              |            |            |            |            |            |            |            |            |            |
| General Government                              | \$ 2,613,359 | 2,367,118  | 2,781,256  | 2,438,161  | 2,509,574  | 2,739,039  | 2,751,762  | 2,658,299  | 3,167,235  | 3,291,405  |
| Public Safety                                   | 4,259,824    | 3,589,938  | 4,864,872  | 5,046,200  | 5,193,500  | 5,413,092  | 6,035,035  | 6,211,779  | 6,054,957  | 6,895,823  |
| Public Works                                    | 3,289,053    | 3,644,191  | 3,736,393  | 3,949,037  | 4,765,606  | 6,086,057  | 5,380,250  | 4,795,769  | 4,668,722  | 5,086,291  |
| Sanitation                                      | 421,496      | 359,733    | 510,422    | 370,834    | 558,586    | 577,795    | 487,802    | 704,175    | 418,347    | 600,875    |
| Health and Welfare                              | 66,978       | 72,277     | 65,094     | -          | -          | -          | -          | -          | -          | -          |
| Interest  | 510,332      | 537,322    | 512,987    | 487,719    | 465,671    | 459,862    | 287,892    | 259,260    | 233,328    | 206,395    |
| Total Governmental Activities Expenses          | 11,161,042   | 10,570,579 | 12,471,024 | 12,291,951 | 13,492,937 | 15,275,845 | 14,942,741 | 14,629,282 | 14,542,589 | 16,080,789 |
| Business-Type Activities                        |              |            |            |            |            |            |            |            |            |            |
| Waterworks                                      | 2,140,741    | 2,155,414  | 2,207,371  | 2,252,015  | 2,399,782  | 2,332,989  | 2,265,473  | 2,800,134  | 2,621,550  | 2,827,934  |
| Total Primary Government Expenses               | 13,301,783   | 12,725,993 | 14,678,395 | 14,543,966 | 15,892,719 | 17,608,834 | 17,208,214 | 17,429,416 | 17,164,139 | 18,908,723 |
| <b>Program Revenues</b>                         |              |            |            |            |            |            |            |            |            |            |
| Governmental Activities                         |              |            |            |            |            |            |            |            |            |            |
| Charges for Services                            |              |            |            |            |            |            |            |            |            |            |
| General Government                              | 546,116      | 647,884    | 631,909    | 797,812    | 1,104,559  | 1,295,616  | 1,210,730  | 869,123    | 894,698    | 1,166,275  |
| Public Works                                    | 44,884       | 40,208     | 50,790     | 29,758     | -          | -          | -          | -          | -          | -          |
| Other   | 601,625      | 617,152    | 614,929    | 610,725    | 630,640    | 436,583    | 533,199    | 353,591    | 423,942    | 347,930    |
| Operating Grants/Contributions                  | 494,575      | 598,055    | 526,517    | 513,589    | 609,785    | 547,447    | 477,516    | 466,331    | 473,490    | 478,186    |
| Capital Grants/Contributions                    | 6,853,809    | 21,555,794 | 7,053,967  | 2,582,819  | 2,810,769  | 3,117,646  | 1,410,172  | 839,023    | 840,642    | 903,665    |
| Total Governmental Activities Program Revenues  | 8,541,009    | 23,459,093 | 8,878,112  | 4,534,703  | 5,155,753  | 5,397,292  | 3,631,617  | 2,528,068  | 2,632,772  | 2,896,056  |
| Business-Type Activities                        |              |            |            |            |            |            |            |            |            |            |
| Charges for Services                            |              |            |            |            |            |            |            |            |            |            |
| Waterworks                                      | 2,264,997    | 2,442,003  | 2,547,310  | 3,119,005  | 2,772,684  | 2,544,588  | 2,841,797  | 2,558,809  | 2,606,783  | 2,709,384  |
| Capital Gains and Contributions                 | 230,238      | 1,882,337  | 754,260    | 207,500    | 174,062    | 418,913    | 10,597     | -          | -          | 401,473    |
| Total Business-Type Activities Program Revenues | 2,495,235    | 4,324,340  | 3,301,570  | 3,326,505  | 2,946,746  | 2,963,501  | 2,852,394  | 2,558,809  | 2,606,783  | 3,110,857  |
| Total Primary Government Program Revenues       | 11,036,244   | 27,783,433 | 12,179,682 | 7,861,208  | 8,102,499  | 8,360,793  | 6,484,011  | 5,086,877  | 5,239,555  | 6,006,913  |

|  | 2010           | 2011       | 2012        | 2013        | 2014        | 2015        | 2016         | 2017         | 2018         | 2019         |
|--|----------------|------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|
| Net (Expense) Revenue                              |                |            |             |             |             |             |              |              |              |              |
| Governmental Activities                            | \$ (2,620,033) | 12,888,514 | (3,592,912) | (7,757,248) | (8,337,184) | (9,878,553) | (11,311,124) | (12,101,214) | (11,909,817) | (13,184,733) |
| Business-Type Activities                           | 354,494        | 2,168,926  | 1,094,199   | 1,074,490   | 546,964     | 630,512     | 586,921      | (241,325)    | (14,767)     | 282,923      |
| Total Primary Government Net (Expense) Revenue     | (2,265,539)    | 15,057,440 | (2,498,713) | (6,682,758) | (7,790,220) | (9,248,041) | (10,724,203) | (12,342,539) | (11,924,584) | (12,901,810) |
| General Revenues and Other Changes in Net Position |                |            |             |             |             |             |              |              |              |              |
| Governmental Activities                            |                |            |             |             |             |             |              |              |              |              |
| Taxes  |                |            |             |             |             |             |              |              |              |              |
| Property and Replacement                           | 3,085,273      | 3,192,341  | 3,212,355   | 3,117,516   | 3,328,978   | 3,346,397   | 3,390,542    | 3,405,492    | 3,456,783    | 3,663,493    |
| Sales  | 4,013,156      | 4,392,497  | 4,747,193   | 4,902,035   | 5,063,094   | 5,255,029   | 5,354,915    | 5,585,044    | 5,761,731    | 5,726,334    |
| Telecommunications                                 | 383,446        | 374,926    | 363,748     | 346,743     | 329,355     | 304,778     | 278,444      | 258,746      | 230,805      | 132,021      |
| Utility  | 513,988        | 537,432    | 497,232     | 532,587     | 568,148     | 527,221     | 487,721      | 531,002      | 529,459      | 766,543      |
| Amusement  | 66,300         | 67,359     | 76,438      | 75,669      | 84,050      | 80,155      | 88,845       | 82,489       | 74,175       | 72,960       |
| Other  | 280,784        | 320,504    | 328,803     | 355,255     | 401,734     | 484,048     | 535,140      | 550,330      | 616,157      | 654,135      |
| Shared Income Taxes                                | 1,225,777      | 1,229,912  | 1,420,009   | 1,585,789   | 1,600,554   | 1,688,499   | 1,714,327    | 1,612,400    | 1,587,027    | 1,804,364    |
| Investment Income                                  | 155,009        | 56,265     | 54,747      | 48,281      | 95,274      | (180,909)   | 92,804       | 102,993      | 179,922      | 464,334      |
| Miscellaneous                                      | 90,885         | 43,387     | 63,382      | 24,979      | 64,025      | 88,672      | 28,252       | 64,980       | 341,411      | 456,447      |
| Gain on Disposal of Capital Assets                 | -              | -          | -           | 34,654      | -           | -           | -            | -            | -            | -            |
| Total Governmental Activities General Revenues     | 9,814,618      | 10,214,623 | 10,763,907  | 11,023,508  | 11,535,212  | 11,593,890  | 11,970,990   | 12,193,476   | 12,777,470   | 13,740,631   |
| Business-Type Activities                           |                |            |             |             |             |             |              |              |              |              |
| Investment Income                                  | 4,734          | 1,981      | 1,189       | 3,770       | 6,777       | 7,087       | 6,626        | 21,607       | 82,620       | 202,567      |
| Miscellaneous                                      | 36,830         | 16,248     | 12,353      | 9,356       | 4,133       | 7,934       | 24,019       | 14,074       | 210,282      | 217,754      |
| Total Business-Type Activities General Revenues    | 41,564         | 18,229     | 13,542      | 13,126      | 10,910      | 15,021      | 30,645       | 35,681       | 292,902      | 420,321      |
| Total Primary Government General Revenues          | 9,856,182      | 10,232,852 | 10,777,449  | 11,036,634  | 11,546,122  | 11,608,911  | 12,001,635   | 12,229,157   | 13,070,372   | 14,160,952   |
| Changes in Net Position                            |                |            |             |             |             |             |              |              |              |              |
| Governmental Activities                            | 7,194,585      | 23,103,137 | 7,170,995   | 3,266,260   | 3,198,028   | 1,715,337   | 659,866      | 92,262       | 867,653      | 555,898      |
| Business-Type Activities                           | 396,058        | 2,187,155  | 1,107,741   | 1,087,616   | 557,874     | 645,533     | 617,566      | (205,644)    | 278,135      | 703,244      |
| Total Primary Government Changes in Net Position   | 7,590,643      | 25,290,292 | 8,278,736   | 4,353,876   | 3,755,902   | 2,360,870   | 1,277,432    | (113,382)    | 1,145,788    | 1,259,142    |

\* Accrual Basis of Accounting

Data Source: Audited Financial Statements

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Fund Balances of Governmental Funds - Last Ten Fiscal Years\***  
**May 31, 2019 (Unaudited)**

|                                    | 2010       | 2011       | 2012       | 2013       | 2014       | 2015       | 2016       | 2017       | 2018       | 2019       |
|------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| General Fund                       |            |            |            |            |            |            |            |            |            |            |
| Reserved                           | \$ 34,047  | 28,325     | -          | -          | -          | -          | -          | -          | -          | -          |
| Unreserved                         | 4,671,774  | 5,124,435  | -          | -          | -          | -          | -          | -          | -          | -          |
| Nonspendable                       | -          | -          | 45,382     | 28,122     | 5,866      | 18,743     | 19,129     | 19,765     | 6,104      | 20,456     |
| Restricted                         | -          | -          | 20,047     | 19,559     | 19,070     | 16,535     | 23,493     | 31,821     | 52,464     | 26,383     |
| Unrestricted                       |            |            |            |            |            |            |            |            |            |            |
| Unassigned                         | -          | -          | 5,358,408  | 5,801,289  | 6,152,602  | 6,364,785  | 6,605,504  | 6,898,400  | 7,066,396  | 7,396,141  |
| Total General Fund                 | 4,705,821  | 5,152,760  | 5,423,837  | 5,848,970  | 6,177,538  | 6,400,063  | 6,648,126  | 6,949,986  | 7,124,964  | 7,442,980  |
| All Other Governmental Funds       |            |            |            |            |            |            |            |            |            |            |
| Reserved                           | 5,044,911  | 4,249,421  | -          | -          | -          | -          | -          | -          | -          | -          |
| Unreserved                         |            |            |            |            |            |            |            |            |            |            |
| Capital Projects                   | 2,049,659  | 1,961,817  | -          | -          | -          | -          | -          | -          | -          | -          |
| Nonspendable                       | -          | -          | 2,400      | -          | -          | 972        | -          | 5,325      | 11,500     | 1,900      |
| Restricted                         | -          | -          | 3,551,968  | 4,833,771  | 3,729,692  | 4,032,554  | 3,270,184  | 2,908,858  | 3,037,605  | 3,118,122  |
| Unrestricted                       |            |            |            |            |            |            |            |            |            |            |
| Committed                          | -          | -          | -          | -          | 641,896    | 294,517    | -          | -          | 702,562    | 420,898    |
| Assigned                           | -          | -          | 2,314,949  | 2,468,350  | 3,849,499  | 3,788,586  | 3,924,404  | 3,869,046  | 4,161,826  | 4,620,851  |
| Unassigned                         | -          | -          | (2,496)    | -          | -          | -          | -          | -          | -          | -          |
| Total All Other Governmental Funds | 7,094,570  | 6,211,238  | 5,866,821  | 7,302,121  | 8,221,087  | 8,116,629  | 7,194,588  | 6,783,229  | 7,913,493  | 8,161,771  |
| Total Governmental Funds           | 11,800,391 | 11,363,998 | 11,290,658 | 13,151,091 | 14,398,625 | 14,516,692 | 13,842,714 | 13,733,215 | 15,038,457 | 15,604,751 |

\* Modified Accrual Basis of Accounting

Data Source: Audited Financial Statements

The Village implemented GASB No. 54 for the fiscal year ended May 31, 2012.

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years\***  
**May 31, 2019 (Unaudited)**

|  | 2010         | 2011       | 2012       | 2013       | 2014        | 2015        | 2016        | 2017       | 2018       | 2019        |
|--|--------------|------------|------------|------------|-------------|-------------|-------------|------------|------------|-------------|
| <b>Revenues</b>  |              |            |            |            |             |             |             |            |            |             |
| Taxes  | \$ 8,342,948 | 8,885,058  | 9,225,769  | 9,317,485  | 9,775,359   | 9,997,628   | 10,135,609  | 10,413,105 | 5,455,655  | 5,718,558   |
| Intergovernmental  | 1,770,352    | 2,169,201  | 2,062,401  | 2,175,060  | 2,303,622   | 2,296,559   | 2,216,295   | 2,093,264  | 7,273,972  | 7,735,478   |
| Licenses and Permits   | 274,749      | 355,582    | 426,556    | 555,008    | 828,380     | 987,674     | 980,051     | 479,890    | 547,092    | 783,387     |
| Charges for Services   | 683,158      | 668,021    | 689,479    | 652,786    | 650,364     | 637,452     | 571,260     | 585,900    | 589,510    | 502,160     |
| Fines and Forfeits   | 277,722      | 301,113    | 291,247    | 217,966    | 177,756     | 142,274     | 125,525     | 127,720    | 182,038    | 228,658     |
| Developer Contributions                                      | 577,373      | 65,614     | 198,563    | 73,753     | 904,416     | 228,474     | 307,130     | 42,490     | -          | -           |
| Investment Income  | 155,009      | 56,265     | 54,747     | 48,281     | 95,274      | (180,909)   | 92,804      | 102,993    | 160,145    | 417,510     |
| Miscellaneous  | 47,880       | 23,916     | 35,060     | 34,856     | 27,626      | 53,471      | 95,343      | 94,185     | 277,915    | 260,552     |
| Total Revenues   | 12,129,191   | 12,524,770 | 12,983,822 | 13,075,195 | 14,762,797  | 14,162,623  | 14,524,017  | 13,939,547 | 14,486,327 | 15,646,303  |
| <b>Expenditures</b>  |              |            |            |            |             |             |             |            |            |             |
| Current  |              |            |            |            |             |             |             |            |            |             |
| General Government   | 2,391,451    | 2,163,355  | 2,250,381  | 2,258,771  | 2,309,967   | 2,567,418   | 2,536,799   | 2,489,554  | 2,747,687  | 2,862,763   |
| Public Safety  | 3,984,649    | 4,154,945  | 4,611,054  | 4,605,621  | 4,804,652   | 5,190,232   | 5,202,837   | 5,439,089  | 5,436,470  | 5,929,542   |
| Public Works   | 1,617,841    | 1,523,924  | 1,586,926  | 1,876,107  | 2,563,622   | 2,314,769   | 2,505,027   | 2,491,077  | 2,352,149  | 2,564,808   |
| Sanitation   | 76,971       | 57,858     | 63,329     | 57,004     | 243,504     | 230,131     | 145,104     | 314,133    | 81,121     | 246,836     |
| Health and Welfare   | 66,978       | 72,277     | 65,094     | -          | -           | -           | -           | -          | -          | -           |
| Capital Outlay   | 8,499,948    | 3,727,818  | 3,330,335  | 1,267,564  | 2,559,030   | 2,718,904   | 3,667,311   | 2,218,724  | 1,623,316  | 2,463,075   |
| Debt Service   |              |            |            |            |             |             |             |            |            |             |
| Principal  | 635,000      | 750,000    | 665,000    | 695,000    | 725,000     | 760,000     | 850,000     | 890,000    | 920,000    | 950,000     |
| Interest and Fiscal Charges                                  | 722,609      | 548,852    | 506,989    | 489,349    | 468,261     | 516,082     | 294,165     | 263,325    | 237,825    | 211,288     |
| Total Expenditures   | 17,995,447   | 12,999,029 | 13,079,108 | 11,249,416 | 13,674,036  | 14,297,536  | 15,201,243  | 14,105,902 | 13,398,568 | 15,228,312  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (5,866,256)  | (474,259)  | (95,286)   | 1,825,779  | 1,088,761   | (134,913)   | (677,226)   | (166,355)  | 1,087,759  | 417,991     |
| <b>Other Financing Sources (Uses)</b>                        |              |            |            |            |             |             |             |            |            |             |
| Transfers In   | 681,642      | 706,012    | 805,635    | 781,434    | 1,016,068   | 995,706     | 1,088,769   | 962,769    | 622,875    | 1,003,692   |
| Transfers Out  | (681,642)    | (706,012)  | (805,635)  | (781,434)  | (1,016,068) | (995,706)   | (1,088,769) | (962,769)  | (622,875)  | (1,003,692) |
| Bonds Issued   | 4,525,000    | -          | -          | -          | -           | 6,885,000   | -           | -          | -          | -           |
| Payment to Refunded Bonds Escrow                             | (4,500,954)  | -          | -          | -          | -           | (6,952,658) | -           | -          | -          | -           |
| Premium on Bonds Issued                                      | 68,153       | -          | -          | -          | -           | 256,582     | -           | -          | -          | -           |
| Disposal of Capital Assets                                   | -            | -          | -          | -          | -           | -           | -           | -          | 197,145    | 498         |
| Insurance Claim Reimbursement                                | -            | 37,866     | 21,946     | 34,654     | 146,453     | 64,056      | 3,248       | 56,856     | 20,338     | 147,805     |
| Total Other Financing Sources (Uses)                         | 92,199       | 37,866     | 21,946     | 34,654     | 146,453     | 252,980     | 3,248       | 56,856     | 217,483    | 148,303     |
| Net Change in Fund Balances                                  | (5,774,057)  | (436,393)  | (73,340)   | 1,860,433  | 1,235,214   | 118,067     | (673,978)   | (109,499)  | 1,305,242  | 566,294     |
| Debt Service as a Percentage<br>of Noncapital Expenditures   | 9.87%        | 14.16%     | 11.43%     | 11.45%     | 10.36%      | 9.60%       | 9.16%       | 9.55%      | 9.59%      | 8.92%       |

\* Modified Accrual Basis of Accounting

Data Source: Audited Financial Statements

# **VILLAGE OF NORTH AURORA, ILLINOIS**

## **Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years May 31, 2019 (Unaudited)**

| Tax<br>Levy<br>Year | Residential<br>Property | Commercial<br>Property | Industrial<br>Property | Railroad<br>Property | Farm<br>Property | Total<br>Taxable<br>Assessed<br>Value | Estimated<br>Actual<br>Taxable<br>Value | Total<br>Direct Tax<br>Rate |
|---------------------|-------------------------|------------------------|------------------------|----------------------|------------------|---------------------------------------|---|-----------------------------|
| 2009                | \$ 455,869,473          | \$ 77,510,259          | \$ 40,660,653          | \$ 205,003           | \$ 337,496       | \$ 574,582,884                        | \$ 1,723,748,652                        | \$ 0.3808                   |
| 2010                | 430,166,785             | 74,268,198             | 37,777,327             | 224,708              | 378,796          | 542,815,814                           | 1,628,447,442                           | 0.4574                      |
| 2011                | 396,460,429             | 64,212,904             | 34,967,983             | 268,280              | 385,110          | 496,294,706                           | 1,488,884,118                           | 0.5106                      |
| 2012                | 358,899,978             | 66,774,379             | 35,772,199             | 286,904              | 338,753          | 462,072,213                           | 1,386,216,639                           | 0.5647                      |
| 2013                | 337,016,726             | 58,444,313             | 31,023,446             | 312,020              | 336,302          | 427,132,807                           | 1,281,398,421                           | 0.6265                      |
| 2014                | 339,111,156             | 59,859,375             | 31,341,315             | 316,153              | 244,838          | 430,872,837                           | 1,292,618,511                           | 0.6377                      |
| 2015                | 359,301,370             | 67,329,121             | 33,018,080             | 330,034              | 248,169          | 460,226,774                           | 1,380,680,322                           | 0.6129                      |
| 2016                | 384,212,041             | 67,873,407             | 34,089,473             | 374,889              | 275,248          | 486,825,058                           | 1,460,475,174                           | 0.5892                      |
| 2017                | 397,846,748             | 71,244,763             | 34,513,524             | 362,886              | 288,822          | 504,256,743                           | 1,512,770,229                           | 0.5811                      |
| 2018                | 413,107,645             | 85,401,844             | 36,298,576             | 389,917              | 303,874          | 535,501,856                           | 1,606,505,568                           | 0.5591                      |

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**

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years  
May 31, 2019 (Unaudited)**

|   | 2009     | 2010     | 2011     | 2012     | 2013      | 2014      | 2015      | 2016      | 2017     | 2018     |
|---|----------|----------|----------|----------|-----------|-----------|-----------|-----------|----------|----------|
| Village Direct Rates                    |          |          |          |          |           |           |           |           |          |          |
| Village of North Aurora                 | 0.294611 | 0.367100 | 0.409270 | 0.454490 | 0.505010  | 0.515680  | 0.497450  | 0.478350  | 0.473600 | 0.457519 |
| General Obligation Library Debt Service | 0.086180 | 0.090252 | 0.101378 | 0.110170 | 0.121440  | 0.122027  | 0.115407  | 0.110865  | 0.107546 | 0.101613 |
| Total Direct Rates                      | 0.380791 | 0.457352 | 0.510648 | 0.564660 | 0.626450  | 0.637707  | 0.612857  | 0.589215  | 0.581146 | 0.559132 |
| Overlapping Rates                       |          |          |          |          |           |           |           |           |          |          |
| Messenger Public Library                | 0.242730 | 0.266280 | 0.296870 | 0.329670 | 0.366550  | 0.374060  | 0.360840  | 0.347020  | 0.343292 | 0.333939 |
| North Arora Fire District               | 0.696580 | 0.764120 | 0.834119 | 0.916086 | 1.024067  | 1.046502  | 1.016720  | 0.978261  | 0.967609 | 0.954886 |
| Kane County                             | 0.339794 | 0.372975 | 0.398980 | 0.433559 | 0.462292  | 0.468360  | 0.447884  | 0.420062  | 0.402498 | 0.387659 |
| Kane County Forest Preserve             | 0.199732 | 0.220104 | 0.260923 | 0.271015 | 0.303868  | 0.312630  | 0.294354  | 0.225322  | 0.165841 | 0.160702 |
| Aurora Township (1)                     | 0.218958 | 0.242825 | 0.274235 | 0.314060 | 0.362063  | 0.374280  | 0.247795  | 0.326488  | 0.312400 | 0.312643 |
| College District 516                    | 0.404276 | 0.406952 | 0.470953 | 0.531163 | 0.580694  | 0.595432  | 0.587468  | 0.560691  | 0.553304 | 0.541425 |
| Fox Valley Park District                | 0.412193 | 0.480263 | 0.528582 | 0.586301 | 0.627967  | 0.630680  | 0.599925  | 0.558975  | 0.532249 | 0.490283 |
| West Aurora Schools 129                 | 4.183454 | 4.273974 | 5.160256 | 5.889589 | 6.666744  | 6.857788  | 6.589755  | 6.147832  | 5.988207 | 5.830096 |
| Total Overlapping Rates                 | 6.697717 | 7.027493 | 8.224918 | 9.271443 | 10.394245 | 10.659732 | 10.144741 | 9.564651  | 9.265400 | 9.011633 |
| Total All Rates (Representative)        | 7.078508 | 7.484845 | 8.735566 | 9.836103 | 11.020695 | 11.297439 | 10.757598 | 10.153866 | 9.846546 | 9.570765 |

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 Tax Payers - Current Levy Year and Nine Levy Years Ago May 31, 2019 (Unaudited)

| Taxpayer                              | Levy Year<br>2018            |      |  | Levy Year<br>2009            |      |  |
|---------------------------------------|------------------------------|------|--|------------------------------|------|--|
|                                       | Taxable<br>Assessed<br>Value | Rank | Percentage<br>of Total Village<br>Taxable<br>Assessed<br>Value | Taxable<br>Assessed<br>Value | Rank | Percentage<br>of Total Village<br>Taxable<br>Assessed<br>Value |
| SVF Orchard North Aurora LLC          | \$ 8,750,766                 | 1    | 1.63%  |                              |      |  |
| Continental 343 Fund LLC              | 8,665,801                    | 2    | 1.62%  |                              |      |  |
| Star Randall Highlands LLC            | 7,883,275                    | 3    | 1.47%  |                              |      |  |
| MP North Aurora East LLC              | 5,911,469                    | 4    | 1.10%  |                              |      |  |
| Dart Container Corp                   | 5,414,270                    | 5    | 1.01%  | \$ 7,092,541                 | 1    | 1.23%  |
| Woodman's Food Market                 | 4,247,167                    | 6    | 0.79%  | 5,727,786                    | 2    | 1.00%  |
| Liberty Illinois LP                   | 4,224,325                    | 7    | 0.79%  |                              |      |  |
| Summitt Enterprises of Illinois, Ltd. | 3,905,137                    | 8    | 0.73%  | 5,259,214                    | 3    | 0.92%  |
| Courtyards Village West Apartment     | 3,158,508                    | 9    | 0.59%  | 3,884,618                    | 4    | 0.68%  |
| Gerald Realty Holdings                | 3,030,517                    | 10   | 0.57%  |                              |      |  |
| Preferred Real Estate LLC             |                              |      |  | 3,546,899                    | 5    | 0.62%  |
| Target Corporation                    |                              |      |  | 3,199,633                    | 6    | 0.56%  |
| JC Penney Properties                  |                              |      |  | 2,679,273                    | 7    | 0.47%  |
| NARE/Inland North Aurora Venture      |                              |      |  | 2,392,031                    | 8    | 0.42%  |
| Liberty Illinois LLP                  |                              |      |  | 2,241,320                    | 9    | 0.39%  |
| Little Miranda                        |                              |      |  | 1,783,387                    | 10   | 0.31%  |
|                                       | <u>55,191,235</u>            |      | <u>10.31%</u>  | <u>37,806,702</u>            |      | <u>6.58%</u>   |

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

Data Source: Office of the County Clerk

# VILLAGE OF NORTH AURORA, ILLINOIS

## Property Tax Levies and Collections - Last Ten Levy Years May 31, 2019 (Unaudited)

| Tax<br>Levy<br>Year | Taxes<br>Levied for<br>the Fiscal<br>Year |           | Collected within the<br>Fiscal Year of the Levy |                       | Collections<br>in<br>Subsequent<br>Years | Total Collections to Date |                       |
|---------------------|---|-----------|---|-----------------------|--|---------------------------|-----------------------|
|                     |   |           | Amount  | Percentage<br>of Levy |  | Amount                    | Percentage<br>of Levy |
| 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%                 | 2,929,409                                | 2,994,979                 | 99.01%                |
| 2017                |   | 3,088,135 | 113,872   | 3.69%                 | 2,970,308                                | 3,084,180                 | 99.87%                |
| 2018                |   | 3,158,158 | 35,475  | 1.12%                 | 1,644,050                                | 1,679,525                 | 53.18%                |

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

Data Source: Office of the County Clerk

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Total Sales Taxes by Category - Last Ten Calendar Years  
May 31, 2019 (Unaudited)**

|                                 | 2009      | 2010      | 2011      | 2012      | 2013      | 2014      | 2015      | 2016      | 2017      | 2018      |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| General Merchandise             | 467,325   | 493,607   | 505,924   | 527,890   | 494,442   | 457,535   | 463,033   | 500,240   | 500,629   | 442,666   |
| Food                            | 909,306   | 977,589   | 1,106,414 | 1,163,388 | 1,190,519 | 1,178,048 | 1,157,147 | 1,142,081 | 1,226,793 | 1,254,978 |
| Drinking and Eating Places      | 241,546   | 262,390   | 289,233   | 322,069   | 340,590   | 367,727   | 413,909   | 409,591   | 426,812   | 429,548   |
| Apparel                         | 55,847    | 60,937    | 73,069    | 73,461    | 30,135    | 57,975    | 58,354    | N/A       | N/A       | 38,447    |
| Furniture & H.H. & Radio        | 255,162   | 263,781   | 254,383   | 253,578   | 246,541   | 246,357   | 249,324   | 249,758   | 225,232   | 161,290   |
| Lumber, Building Hardware       | 63,057    | 60,859    | 71,572    | -         | 65,982    | 99,887    | 59,456    | 72,789    | 60,878    | 61,408    |
| Automobile and Filling Stations | 1,323,237 | 1,474,027 | 1,776,042 | 1,868,562 | 1,863,590 | 2,040,342 | 1,975,673 | 1,906,527 | 1,885,391 | 1,944,640 |
| Drugs and Miscellaneous Retail  | 267,408   | 288,566   | 286,046   | 285,473   | 434,255   | 505,026   | 582,353   | 760,865   | 833,664   | 900,451   |
| Agriculture and All Others      | 239,617   | 152,316   | 149,743   | 118,245   | 135,272   | 130,118   | 130,883   | 181,407   | 226,076   | 245,757   |
| Manufacturers                   | 135,394   | 138,919   | 166,620   | 196,487   | 192,288   | 188,201   | 198,126   | 288,261   | 305,950   | 258,369   |
| Unclassified                    | -         | -         | -         | 7,293     | -         | -         | -         | -         | -         | -         |
| Total                           | 3,957,899 | 4,172,991 | 4,679,046 | 4,816,446 | 4,993,614 | 5,271,216 | 5,288,258 | 5,511,518 | 5,691,425 | 5,737,554 |
| Village Direct Sales Tax Rate   | 1.50%     | 1.50%     | 1.50%     | 1.50%     | 1.50%     | 1.50%     | 1.50%     | 1.50%     | 1.50%     | 1.50%     |

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

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

Data Sources: Village Records and Illinois Department of Revenue SIC Reporting

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Direct and Overlapping Sales Tax Rates (1)  
May 31, 2019 (Unaudited)**

| Fiscal<br>Year | General<br>Merchandise<br>Village<br>Direct Rate | General<br>Merchandise<br>State and<br>Other Rates | General<br>Merchandise<br>Total Rate<br>Within<br>Village |
|----------------|--|--|---|
| 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%   |
| 2018           | 1.50%  | 6.00%  | 7.50%   |
| 2019           | 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.

Data Source: Village and State Records

# VILLAGE OF NORTH AURORA, ILLINOIS

## Ratios of Outstanding Debt By Type - Last Ten Fiscal Years May 31, 2019 (Unaudited)

| Fiscal<br>Year | Governmental<br>Activities     |  | Business-Type Activities       |                                | Total<br>Primary<br>Government | Percentage<br>of<br>Personal<br>Income * | Per<br>Capita * |
|----------------|--------------------------------|--|--------------------------------|--------------------------------|--------------------------------|--|-----------------|
|                | General<br>Obligation<br>Bonds |  | General<br>Obligation<br>Bonds | Kane County<br>Loan<br>Payable |                                |  |                 |
| 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             |
| 2018           | 7,515,198                      |  | 5,623,139                      | 346,362                        | 13,484,699                     | 2.46%                                    | 773             |
| 2019           | 6,542,413                      |  | 5,290,415                      | 235,860                        | 12,068,688                     | 2.20%                                    | 692             |

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

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

Data Source: Village Records

# VILLAGE OF NORTH AURORA, ILLINOIS

## Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years May 31, 2019 (Unaudited)

| Fiscal Year | Governmental<br>Activities<br>General<br>Obligation<br>Bonds | Business-Type<br>Activities<br>General<br>Obligation<br>Bonds | Less: Amounts<br>Restricted<br>for Principal<br>Repayment | Net<br>Total  | Percentage of<br>Estimated<br>Actual Taxable<br>Value of<br>Property * | Per<br>Capita |
|-------------|--|---|---|---------------|--|---------------|
| 2010        | \$ 13,385,000  | \$ 3,140,000  | \$ 367,103  | \$ 16,157,897 | 2.81%  | \$ 1,017      |
| 2011        | 12,614,653   | 2,630,000   | 369,512   | 14,875,141    | 2.74%  | 888           |
| 2012        | 11,948,258   | 2,100,000   | 284,726   | 13,763,532    | 2.77%  | 821           |
| 2013        | 11,251,865   | 1,555,000   | 285,942   | 12,520,923    | 2.71%  | 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           |
| 2018        | 7,515,198  | 5,623,139   | 280,510   | 12,857,827    | 2.55%  | 737           |
| 2019        | 6,542,413  | 5,290,415   | 306,925   | 11,525,903    | 2.15%  | 661           |

\* See the Schedule of Assessed Value and Actual Value of Taxable Property for property value data.

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

Data Source: Village Records

# VILLAGE OF NORTH AURORA, ILLINOIS

## Schedule of Direct and Overlapping Governmental Activities Debt May 31, 2019 (Unaudited)

| Governmental Unit                  | Gross Debt   | Percentage of<br>Debt<br>Applicable<br>to Village (1) | Village's<br>Share of<br>Debt |
|------------------------------------|--------------|---|-------------------------------|
| Village of North Aurora            | \$ 6,542,413 | 100.00%   | \$ 6,542,413                  |
| Overlapping Debt                   |              |   |                               |
| Kane County                        | 28,140,000   | 3.74%   | 1,052,436                     |
| Kane County Forest Preserve        | 144,415,000  | 3.74%   | 5,401,121                     |
| Fox Valley Park District           | 28,700,000   | 9.11%   | 2,614,570                     |
| Batavia Park District              | 688,880      | 4.09%   | 28,175                        |
| Batavia Library 1998 Bond District | -            | 7.68%   | -                             |
| Schools                            |              |   |                               |
| School District #101               | 52,965,000   | 0.58%   | 307,197                       |
| School District #129               | 132,668,000  | 29.43%  | 39,044,192                    |
| School District #302               | 75,380,788   | 0.34%   | 256,295                       |
| Community College District #516    | 52,510,000   | 5.50%   | 2,888,050                     |
| Total Other Governments            | 515,467,668  |   | 51,592,036                    |
| Total Overlapping Bonded Debt      | 522,010,081  |   | 58,134,449                    |

(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 Tax Extension Department

**VILLAGE OF NORTH AURORA, ILLINOIS**  
**Schedule of Legal Debt Margin - Last Ten Fiscal Years**  
**May 31, 2019 (Unaudited)**

|   | 2010          | 2011       | 2012       | 2013       | 2014       | 2015       | 2016       | 2017       | 2018       | 2019       |
|---|---------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Legal Debt Limit  | \$ 49,557,774 | 46,817,864 | 42,805,418 | 39,853,728 | 36,840,205 | 37,162,782 | 39,694,559 | 41,988,661 | 43,492,144 | 46,187,035 |
| Total Net Debt Applicable to Limit                                      | 4,525,000     | 4,200,000  | 3,855,000  | 3,490,000  | 3,110,000  | 2,710,000  | 2,290,000  | 1,850,000  | 1,385,000  | 900,000    |
| Legal Debt Margin   | 45,032,774    | 42,617,864 | 38,950,418 | 36,363,728 | 33,730,205 | 34,452,782 | 37,404,559 | 40,138,661 | 42,107,144 | 45,287,035 |
| Total Net Debt Applicable to the Limit<br>as a Percentage of Debt Limit | 9.13%         | 8.97%      | 9.01%      | 8.76%      | 8.44%      | 7.29%      | 5.77%      | 4.41%      | 3.18%      | 1.95%      |

Data Source: Village Records

| Legal Debt Margin Calculation for Fiscal Year 2019 |                |
|--|----------------|
| Assessed Value                                     | \$ 535,501,856 |
| Bonded Debt Limit - 8.625% of<br>Assessed Value    | 46,187,035     |
| Amount of Debt Applicable to Limit                 | 900,000        |
| Legal Debt Margin                                  | 45,287,035     |

**VILLAGE OF NORTH AURORA, ILLINOIS**  
**Pledged-Revenue Coverage - Last Ten Fiscal Years**  
**May 31, 2019 (Unaudited)**

| Fiscal<br>Year | General Obligation Alternate Revenue Source Waterworks Bonds of 2017 |                                    |                             |              |            |          | General Obligation Alternate Revenue Source Refunding Bonds of 2014 |                                       |                             |                                  |                           |              |            |          |  |
|----------------|--|------------------------------------|-----------------------------|--------------|------------|----------|---|---------------------------------------|-----------------------------|----------------------------------|---------------------------|--------------|------------|----------|--|
|                | Water<br>Charges<br>and<br>Others (1)                                | Less:<br>Operating<br>Expenses (2) | Net<br>Available<br>Revenue | Debt Service |            | Coverage | Beginning<br>Fund<br>Balance  | Sales Tax,<br>Use Tax<br>And<br>Other | Total<br>Available<br>Funds | Less<br>Non-Debt<br>Expenditures | Net<br>Available<br>Funds | Debt Service |            | Coverage |  |
|                |  |                                    |                             | Principal    | Interest   |          |   |                                       |                             |                                  |                           | Principal    | Interest   |          |  |
|                |  |                                    |                             |              |            |          |   |                                       |                             |                                  |                           |              |            |          |  |
| 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     |  |
| 2018           | 2,689,403  | 1,570,619                          | 1,118,784                   | 355,000      | 138,302    | 2.27     | 261,060   | 626,744                               | 887,804                     | -                                | 887,804                   | 455,000      | 157,500    | 1.45     |  |
| 2019           | 2,911,951  | 1,811,192                          | 1,100,759                   | 320,000      | 171,820    | 2.24     | 264,799   | 623,400                               | 888,199                     | -                                | 888,199                   | 465,000      | 158,875    | 1.42     |  |

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

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

Data Source: Village Records

# VILLAGE OF NORTH AURORA, ILLINOIS

## Demographic and Economic Statistics - Last Ten Fiscal Years May 31, 2019 (Unaudited)

| Fiscal Year | (1)<br>Population | Personal<br>Income | (2)<br>Per<br>Capita<br>Personal<br>Income | (3)<br>Unemployment<br>Rate |
|-------------|-------------------|--------------------|--|-----------------------------|
| 2010        | 15,893            | \$ 459,752,704     | \$ 28,928                                  | 10.10%                      |
| 2011        | 16,760            | 485,704,800        | 28,980                                     | 10.30%                      |
| 2012        | 16,760            | 494,817,760        | 29,524                                     | 9.90%                       |
| 2013        | 16,760            | 494,817,760        | 29,524                                     | 8.80%                       |
| 2014        | 16,760            | 494,817,760        | 29,524                                     | 8.90%                       |
| 2015        | 16,760            | 494,817,760        | 29,524                                     | 6.80%                       |
| 2016        | 16,760            | 548,625,042        | 32,734                                     | 5.80%                       |
| 2017        | 17,441            | 548,625,042        | 31,456                                     | 5.90%                       |
| 2018        | 17,441            | 548,625,042        | 31,456                                     | 5.30%                       |
| 2019        | 17,441            | 548,625,042        | 31,456                                     | 4.90%                       |

(1) Population of 17,441 based on 2016 partial, special census.  
Population of 16,760 based on 2010 census.

(2) Per Capita Personal Income Based on 2010 census.

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

# VILLAGE OF NORTH AURORA, ILLINOIS

## Principal Employers - Current Year and Nine Years Ago May 31, 2019 (Unaudited)

| Employer                     | 2019         |      |   | 2010         |      |   |
|------------------------------|--------------|------|---|--------------|------|---|
|                              | Employees    | Rank | Percentage<br>of Total<br>Village<br>Employment | Employees    | Rank | Percentage<br>of Total<br>Village<br>Employment |
| Dart Container Corporation   | 370          | 1    | 2.12%   | 375          | 1    | 2.36%   |
| Aurora Packing Company, Inc. | 300          | 2    | 1.72%   | 250          | 2    | 1.57%   |
| West Aurora School District  | 260          | 3    | 1.49%   | 200          | 4    | 1.26%   |
| Oberweis Dairy, Inc.         | 225          | 4    | 1.29%   | 225          | 3    | 1.42%   |
| Pentair Aurora Pump          | 165          | 5    | 0.95%   | 200          | 5    | 1.26%   |
| Woodman's Food Market        | 160          | 6    | 0.92%   | 200          | 6    | 1.26%   |
| One Source Industries        | 160          | 7    | 0.92%   |              |      |   |
| Euclid Beverage Ltd.         | 140          | 8    | 0.80%   | 135          | 10   | 0.85%   |
| Dovenmuehle Mortgage         | 125          | 9    | 0.72%   |              |      |   |
| Target                       | 105          | 10   | 0.60%   |              |      |   |
| Best Buy                     |              |      |   | 150          | 7    | 0.94%   |
| Air-Rite Heating             |              |      |   | 150          | 8    | 0.94%   |
| Euclid Beverage Ltd.         |              |      |   | 140          | 9    | 0.88%   |
|                              | <u>2,010</u> |      | <u>11.52%</u>                                   | <u>2,025</u> |      | <u>12.74%</u>                                   |

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 Village Government Employees by Function - Last Ten Fiscal Years May 31, 2019 (Unaudited)

|                          | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  |
|--------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| General Government       |       |       |       |       |       |       |       |       |       |       |
| Admin/Finance            | 4.75  | 4.60  | 4.60  | 4.67  | 5.67  | 5.67  | 5.67  | 6.36  | 6.36  | 7.20  |
| Community Development    | 3.80  | 3.80  | 4.11  | 4.17  | 4.17  | 4.17  | 4.17  | 4.25  | 4.25  | 4.25  |
| Public Safety            |       |       |       |       |       |       |       |       |       |       |
| Police                   |       |       |       |       |       |       |       |       |       |       |
| Sworn Officers           | 29.00 | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 | 29.00 | 29.00 | 29.00 | 29.00 |
| Civilians/Other          | 4.10  | 4.10  | 4.10  | 4.10  | 3.35  | 3.35  | 3.35  | 3.35  | 3.35  | 3.65  |
| Public Works             |       |       |       |       |       |       |       |       |       |       |
| Administration           | 2.00  | 2.00  | 2.00  | 2.00  | 2.00  | 2.00  | 2.00  | 3.00  | 3.00  | 3.00  |
| Street Maintenance       | 8.30  | 7.25  | 7.45  | 7.45  | 7.45  | 7.45  | 8.45  | 7.45  | 7.45  | 8.45  |
| Water Operations/Billing | 4.00  | 4.00  | 4.00  | 4.00  | 4.00  | 4.00  | 5.00  | 5.00  | 5.00  | 5.00  |
| Total                    | 55.95 | 53.75 | 54.26 | 54.39 | 54.64 | 54.64 | 57.64 | 58.41 | 58.41 | 60.55 |

Data Source: Village Finance Office

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Operating Indicators by Function/Program - Last Ten Fiscal Years  
May 31, 2019 (Unaudited)**

|                               | 2010      | 2011      | 2012      | 2013      | 2014      | 2015      | 2016      | 2017      | 2018      | 2019      |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Community Development         |           |           |           |           |           |           |           |           |           |           |
| New Home Permits              | 19        | 18        | 22        | 147       | 27        | 21        | 332       | 13        | 30        | 34        |
| New Commercial Permits        | 18        | 10        | 16        | 14        | 24        | 13        | 21        | 39        | 15        | 10        |
| Misc Permits                  | 524       | 603       | 542       | 500       | 1,464     | 2,260     | 535       | 591       | 535       | 1,080     |
| Police                        |           |           |           |           |           |           |           |           |           |           |
| Physical Arrests              | 421       | 381       | 456       | 289       | 246       | 235       | 248       | 216       | 275       | 354       |
| Ordinance Violations          | 163       | 143       | 182       | 97        | 107       | 124       | 105       | 122       | 273       | 317       |
| Traffic Violations            | 6,205     | 8,555     | 7,758     | 4,510     | 5,565     | 4,597     | 2,258     | 3,731     | 5,028     | 2,002     |
| Public Works                  |           |           |           |           |           |           |           |           |           |           |
| Street Resurfacing (Miles)    | -         | 0.15      | 0.58      | -         | 0.36      | 2.19      | -         | -         | -         | -         |
| Street Reconstruction (Miles) | 0.80      | 0.40      | 0.54      | 0.98      | 1.62      | 0.97      | 1.70      | 1.60      | 4.20      | 2.90      |
| Water and Sewer               |           |           |           |           |           |           |           |           |           |           |
| New Connections               | 34        | 20        | 23        | 52        | 185       | 30        | 140       | 15        | 70        | 53        |
| Water Mains Breaks            | 10        | 10        | 9         | 22        | 16        | 12        | 8         | 7         | 8         | 5         |
| Average Daily Consumption     | 1,831,441 | 1,783,000 | 1,819,873 | 1,918,847 | 1,852,400 | 1,739,000 | 1,770,000 | 1,770,547 | 1,833,600 | 1,892,064 |
| Peak Daily Consumption        | 3,027,000 | 2,800,000 | 3,240,000 | 3,552,000 | 3,266,000 | 3,224,000 | 2,882,000 | 3,498,000 | 3,200,000 | 2,803,000 |

Data Source: Various Village Departments

**VILLAGE OF NORTH AURORA, ILLINOIS**

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years  
May 31, 2019 (Unaudited)**

|                            | 2010      | 2011      | 2012      | 2013      | 2014      | 2015      | 2016      | 2017      | 2018      | 2019      |
|----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Public Safety              |           |           |           |           |           |           |           |           |           |           |
| 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        | 18        | 18        | 18        | 18        |
| Public Works               |           |           |           |           |           |           |           |           |           |           |
| Streets (Miles)            | 74        | 74        | 76        | 76        | 76        | 77        | 77        | 77        | 77        | 77        |
| Streetlights               | 849       | 849       | 849       | 849       | 849       | 849       | 849       | 849       | 849       | 849       |
| Traffic Signals            | 8         | 8         | 8         | 8         | 8         | 8         | 8         | 8         | 8         | 8         |
| Water                      |           |           |           |           |           |           |           |           |           |           |
| Water Mains (Miles)        | 73        | 73        | 76        | 92        | 92        | 94        | 94        | 95        | 95        | 95        |
| Fire Hydrants              | 960       | 960       | 980       | 1,150     | 1,150     | 1,150     | 1,200     | 1,250     | 1,270     | 1,270     |
| 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