

VILLAGE OF NORTH AURORA, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED MAY 31, 2018



VILLAGE OF NORTH AURORA, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
MAY 31, 2018

Prepared by:

William D. Hannah
Finance Director

Mandy Flatt
Accounting and Finance Manager

VILLAGE OF NORTH AURORA, ILLINOIS

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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

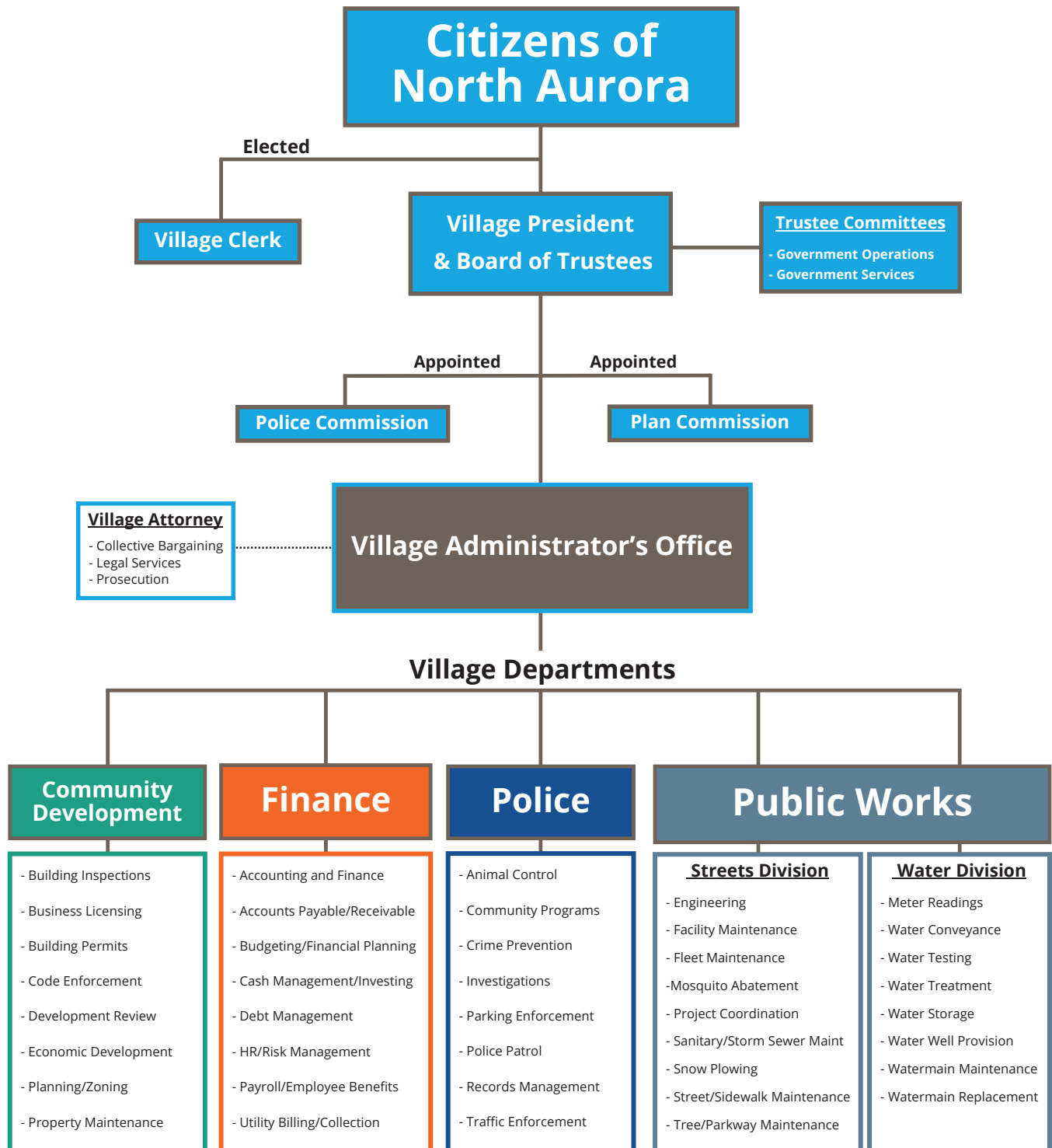
DEPARTMENT HEADS

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

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

Village of North Aurora

Organizational Chart





September 18, 2018

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, 2018 is hereby submitted. This report provides a comprehensive view of the Village's financial activities for the year and financial position at May 31, 2018. 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, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village for the fiscal year ended May 31, 2018 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.

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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, 2018 are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

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

Profile of the Village of North Aurora and Reporting Entity

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

Located approximately 36 miles west of the City of Chicago in southeast Kane County, the Village occupies a land area of 7.4 square miles. The Village has experienced rapid growth in the last twenty years from a population of 5,490 in 1990 to a 2010 census count of 16,760. The Village conducted a partial, special census in 2016 which increased the official population of the Village to 17,441. The Village is projected to reach a population of 22,000 by 2025 at which time it is estimated that most of the significant residential growth in the Village will be completed given the current incorporated boundaries and boundary agreements.

The Village provides a full range of services including police protection and investigation, maintenance of streets and infrastructure, water provision, treatment and service, water lines and maintenance of sanitary and storm sewer lines, building inspection and code enforcement, and general administrative/finance services. The Village has a total authorized employment level of 58.41 full-time equivalents. Solid waste collection and recycling services are administered by the Village through a contract with a private firm. Fire protection services are provided by the North Aurora Fire Protection District and Batavia Fire District, both separate governmental entities. Sanitary sewer treatment service is provided by the Fox Metropolitan Water Reclamation District, an independent unit of government. Recreational services are provided primarily by the Fox Valley Park District.

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

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

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

Budgeting System and Control

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

The annual budget is prepared by fund and department and includes information on past fiscal years, current year budget and projected and draft budget for next fiscal year. The Budget Officer may transfer budget amounts between objects; however, transfers between departments in the General Fund, transfers between funds or increases/decreases in the total budget of a fund must be approved by the Village Board. Expenditures may not legally exceed budget at the department level for the General Fund and at the fund level for other funds. Budget-to-actual comparisons are provided in this report for each fund for which a budget is adopted. For the General Fund and Route 31 TIF Fund, this comparison is presented on pages 71 and 72 as part of the required supplementary information. For other funds with appropriated budgets, this comparison is presented in the combining and individual fund financial statements and schedules.

Factors Affecting Financial Conditions

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

Local Economy and Revenues. The Village of North Aurora has a diversified commercial and retail base balanced with various industrial uses. This is due to the strategic location of the

Village along Interstate I-88 with access from both State Rt. 31 and Orchard Road. Other major roads providing access to the Village include Rt.25 running parallel along the Fox River, Rt. 56 to the East and Randall Road. The development of sites in the Village continues to be very strong. Two years ago, a second industrial warehouse completed construction along Orchard Gateway. In addition, construction was completed on the Springs at Orchard, a 300-unit Class A gated apartment community. This last year, construction of a new hotel was completed and construction began on several new townhomes within the Randall Highlands development. Discussions continued during the year with a developer on construction of 374 senior age-targeted homes on the former Fox Valley golf course on Rt. 25. Ground was recently broken on the development with models expected to be built during the current year. This development will significantly contribute to overall tax base of the Village as it is built-out over the next several years. Other development underway include a drive-through coffee shop on Rt. 31, construction of a new dental office building on Randall Road and the opening of several new businesses throughout the community.

The Village has also continued planning processes for unincorporated areas through the development of annexations and annexation agreements in order to continue a balanced approach of planning for continued increases in residential, commercial and industrial growth into the future in the overall context of the Village's Comprehensive Plan. North Aurora continues to be a desirable place for residential, commercial and industrial development.

As anticipated, the taxable equalized assessed valuation (EAV) within the Village stabilized and has increased for the 2014, 2015, 2016 and 2017 levy years and is anticipated to increase again for the 2018 levy year. The Village's 2017 taxable EAV increased 3.6% to \$504,256,743. The increase was due to the addition of \$2,226,999 in new construction EAV and an increase in current EAV of 3.1%. Tentative information for the 2018 tax year shows that the EAV for current property may increase by more than 4% and a substantial increase in new construction value will be realized for the year. The Village maintains and continues to maintain a developed land area with a balanced mix of residential (79%), commercial (15%) and industrial (6%) uses.

Economic activity within the Village continued to increase and remain strong as General Fund sales tax revenue for the year increased 2.9% from the prior year, the 8th consecutive year-over-year increase. General Fund sales tax revenue increased to \$4,711,465 for the year. Sales tax revenue in the General Fund has increased by an average of 5.9% every year for the last eight years and sales tax revenue has increased among most categories of revenue during that time.

State-shared income tax revenue decreased 1.6% during the year to \$1,587,027. During the year state income tax collections decreased due to a decrease of 10% in the allocation of income tax revenue allotted to municipalities by the State, which was partially offset with stronger overall revenue collections by the State, and the remaining seven-month effect of the 4.1% increase in the Village's official population to 17,441 due to the special census, which increased per-capita revenues to the Village, of which state-shared income tax is based on.

Bond Rating. The long-term, future outlook for the Village remains very positive, given the Village's location along Interstate 88 and developable area for both commercial, residential and industrial uses. The Village's underlying bond rating from Standard and Poor's was confirmed in March, 2017 at AA+. S&P cited the Village's strong economy, budgetary performance, very strong budgetary flexibility and liquidity as some of the reasons for the rating. The Village continues to move forward advancing goals and objectives, planning for needs into the future while maintaining financial strength.

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

- Updated the Village Board strategic goals and objectives. The planning resulted in thirty goals and objectives that can be broadly summarized into six main policy categories:
 - Community Vitality
 - Economic Development
 - Maintenance and Capital Resource Planning for Village Infrastructure
 - Maintenance and Strengthening of Village's Strong Financial Position
 - Efficient and Effective Delivery of Core Services
 - Redevelopment and Enhancement of the Rt. 31 Corridor
- Entered into an intergovernmental agreement with Kane County to begin providing various geographic information systems (GIS) services for the Village
- Completed citizen Gov101 training that was open to the public over a several-week period
- Created the Village's first Popular Annual Financial Report (PAFR) for the May 31, 2017 year which received recognition from the Government Finance Officers Association (GFOA) for its PAFR reporting award
- Acquired the silo and surrounding land from Harner's Bakery and began discussion on creative concepts for the silo's re-use including adaptive lighting
- Oversaw and worked with Metronet on the beginning of the installation of fiber throughout the Village as an additional option for cable/internet services
- Continued parkway tree replacement as necessary and the repair or replacement of sidewalk in targeted areas as needed.
- Completed the final phase III reconstruction of Smoketree Lane using accumulated TIF funds
- Completed the sale of 24 S. Lincolnway on Rt. 31 to a developer constructing a drive-through coffee shop
- Oversaw the completion of the reconstruction of Airport Road, Ice Cream Drive and Alder Lane which was 1.5 miles of reconstruction of which 75% funded by IDOT and 25% with local MFT funds
- Completed the 2017 road improvement program of (2.7 miles) on:
 - Acorn (Magnolia to Butternut)
 - Alder Dr (Ice Cream to the North End)
 - Cherrytree Ct (Kingswood Dr to Oak St)
 - Feltes Lane (Pinecreek Dr to Private Dr)
 - Deerpath Rd (Tanner Trails North to 941 Deerpath)

- Magnolia Drive (Acorn to the end East of Juniper)
- Mitchell Road (Liberty Business North to Oak St)
- Seavey Rd (Portions)
- Completed the installation of a new digital community sign board at the corner of Rt. 31 and State St.
- Completed a pavement condition index analysis to help guide the selection of Village streets for rehabilitation over the next several years
- Began the substantial replacement of all street lights in the Village to LED with 144 light fixtures converted during the year
- Acquired land near John Street and Marvo Street for the future construction of additional public parking spaces
- Acquired property at 24 N. Monroe Street in order to facilitate future redevelopment
- Worked with consultants to continue analysis of potential redevelopment opportunities in the general area of Rt. 31 and State Street
- Completed the bid process and awarded drilling contracts for the construction of two (2) new deep water wells in the Village and began the process for the upgrade of equipment at the Village's two (2) water treatment facilities
- 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 require maintenance or rehabilitation sooner than others. 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 they 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.

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, 2017. This was the 17th 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, for the first time for fiscal year ended May 31, 2017, 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.

In addition, the Village of North Aurora received for the 13th 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 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, 2017

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

September 18, 2018

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, 2018, 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 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, 2018, 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 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF NORTH AURORA, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
MAY 31, 2018

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, 2018. 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 iii and the Village's financial statements beginning on page 3.

Financial Highlights

- The Village's total net position increased by \$1.1 million or 1.0% during the fiscal year ending May 31, 2018. The governmental net position increased by \$867,653 and the business-type activities net position increased decreased by \$278,135
- The Village's combined Governmental Funds ending fund balance increased \$1.3 million as of May 31, 2018 to \$15.0 million
- As of May 31, 2018 the unassigned fund balance for the General Fund was \$7.1 million or 68.9% of General Fund expenditures and transfers out for debt service

Overview of the Financial Statements

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

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

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

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

The *Statement of Activities* presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the

underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

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

The government-wide financial statements can be found on pages 3 through 6 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 7) and in the governmental fund statement of revenues, expenditures, and changes in fund balances (beginning page 10) for the General Fund, Capital Projects Fund and Route 31 TIF Fund which are considered to be major funds. Data from the other 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 13 through 16 of this report.

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

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

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 through 62 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 63 to 73.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 74 through 106 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, 2018.

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, 2018

	Governmental-Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Current and Other Assets	\$ 22,283,318	\$ 21,934,934	\$ 9,427,201	\$ 8,942,532	\$ 31,710,519	\$ 30,877,466
Capital Assets	95,687,981	96,487,318	22,136,648	22,880,213	117,824,629	119,367,531
Total Assets	117,971,299	118,422,252	31,563,849	31,822,745	149,535,148	150,244,997
Pension Items	2,772,829	1,473,278	100,955	68,671	2,873,784	1,541,949
Unamortized Loss on Refunding	254,405	283,750	-	-	254,405	283,750
Deferred Outflows	3,027,234	1,757,028	100,955	68,671	3,128,189	1,825,699
Long-Term Liabilities	18,902,494	19,588,286	5,742,026	6,720,839	24,644,520	26,309,125
Current & Other Liabilities	2,683,220	2,644,259	780,899	411,473	3,464,119	3,055,732
Total Liabilities	21,585,714	22,232,545	6,522,925	7,132,312	28,108,639	29,364,857
Pension Items	1,586,778	1,163,636	132,810	28,170	1,719,588	1,191,806
Deferred Revenue	3,626,518	3,451,229	-	-	3,626,518	3,451,229
Deferred Inflows	5,213,296	4,614,865	132,810	28,170	5,346,106	4,643,035
Net Position:						
Net Investment in Capital Assets	88,427,188	88,313,085	20,927,587	21,830,789	109,354,775	110,143,874
Restricted	3,002,428	2,940,679	-	-	3,002,428	2,940,679
Unrestricted	2,769,907	2,078,106	4,081,482	2,900,145	6,851,389	4,978,251
Total Net Position	\$ 94,199,523	\$ 93,331,870	\$ 25,009,069	\$ 24,730,934	\$ 119,208,592	\$ 118,062,804

Current Year Impacts on Net Position. The Village's total net position increased \$1,145,788 or 1.0% to \$119,208,592. Net position increased for governmental activities by \$867,653 and net position for business-type activities increased by \$278,135.

The governmental activities total assets decreased \$450,953 due to a decline in capital assets of \$799,337 as a result of depreciation exceeding capital asset additions for the year, while governmental activities current assets increased \$345,384 due to an increase in cash and investments of \$571,346 for the year. Governmental activities liabilities decreased \$646,831 or 2.9% to \$21,585,714 due to a decrease in accounts payable of \$880,768 and a decrease in net long-term bonded debt of \$942,785, partially offset by an increase in the net pension liability for police pension of \$1,591,087 to \$10,912,722 as of the end of the year.

Total assets of business-type activities decreased \$258,896 due to the a decrease in net capital assets of \$743,565 as a result of depreciation, partially offset by an increase in cash and investments of \$461,475 during the year in the Waterworks Fund. Liabilities of business-type activities decreased \$609,387 due to a reduction in bonds and loans payable of \$473,976.

Of the Village's total net position at May 31, 2018, \$119,208,592, 91.7% are investments in capital assets (buildings, land, infrastructure, equipment). The Village's total unrestricted net position as of May 31, 2018 increased \$1,873,138 to \$6,851,389 for the year. Unrestricted net position for governmental activities increased \$691,801 to \$2,769,907. Restricted net position for

governmental activities remained about the same, increasing \$61,749 to \$3,002,428. Unrestricted net position for business-type activities increased \$1,181,337 to \$4,081,482. 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 3 and 4.

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

Table 2
Changes in Net Position
For the Fiscal Year Ended May 31, 2018

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
REVENUES						
Program Revenues:						
Charges for Services	\$ 1,318,640	\$ 1,222,714	\$ 2,606,783	\$ 2,558,809	\$ 3,925,423	\$ 3,781,523
Operating Grants/Contributio	473,490	466,331	-	-	473,490	466,331
Capital Grants/Contributions	840,642	839,023	-	-	840,642	839,023
General Revenues:						
Property & Repl Taxes	3,456,783	3,405,492	-	-	3,456,783	3,405,492
Sales Taxes	5,761,731	5,585,044	-	-	5,761,731	5,585,044
Other Taxes	1,450,596	1,422,567	-	-	1,450,596	1,422,567
Shared Income Taxes	1,587,027	1,612,400	-	-	1,587,027	1,612,400
Other	521,333	167,973	292,902	35,681	814,235	203,654
Total Revenues	15,410,242	14,721,544	2,899,685	2,594,490	18,309,927	17,316,034
EXPENSES						
General Government	3,167,235	2,658,299	-	-	3,167,235	2,658,299
Public Safety	6,054,957	6,211,779	-	-	6,054,957	6,211,779
Public Works	4,668,722	4,795,769	-	-	4,668,722	4,795,769
Sanitation	418,347	704,175	-	-	418,347	704,175
Interest	233,328	259,260	-	-	233,328	259,260
Waterworks	-	-	2,621,550	2,800,134	2,621,550	2,800,134
Total Expenses	14,542,589	14,629,282	2,621,550	2,800,134	17,164,139	17,429,416
Change in Net Position	\$ 867,653	\$ 92,262	\$ 278,135	\$ (205,644)	\$ 1,145,788	\$ (113,382)
Net Position, June 1	\$ 93,331,870	\$ 93,239,608	\$ 24,730,934	\$ 24,936,578	\$ 118,062,804	\$ 118,176,186
Net Position, May 31	\$ 94,199,523	\$ 93,331,870	\$ 25,009,069	\$ 24,730,934	\$ 119,208,592	\$ 118,062,804

Change in Net Positon

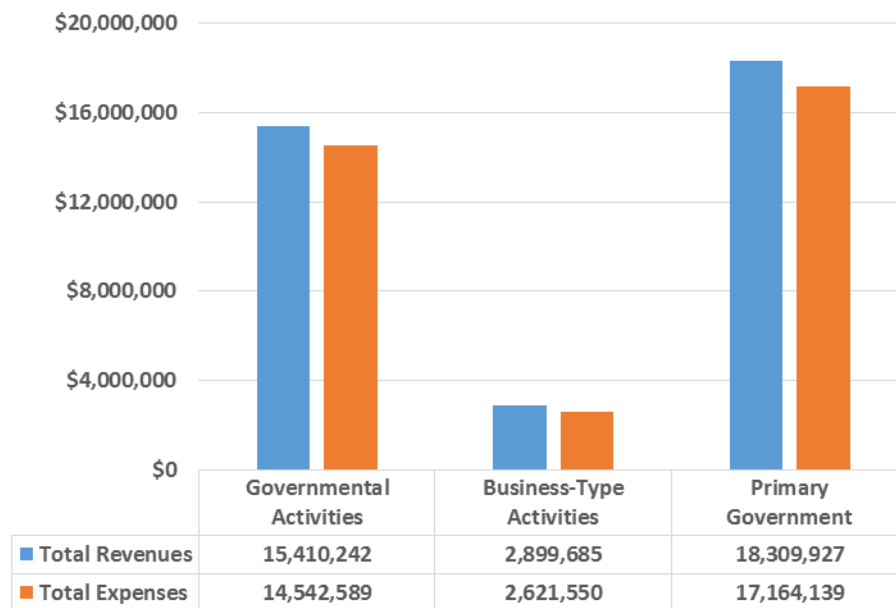
Total revenues for governmental activities increased 4.7% or \$688,698 to \$15,410,242 due primarily to an increase in sales taxes of \$176,687, an increase in investment income of \$76,989 and an increase in other revenues of \$276,431 due to an increase in impact fees received from developments. Charges for services of \$1,318,640 consists of General Fund licenses and permits of \$510,849, sanitary sewer usage fees \$177,541 and cable franchise fees of \$282,176, actuals which changed little from the prior year. Shard income taxes decreased \$25,373 as overall receipts collected by the State increased and the allocation to municipalities was reduced by 10% during the year. Property and replacement taxes increased 1.5% or \$51,291 to \$3,456,783. Other taxes which include utility taxes, telecommunication taxes and other taxes increased slightly by \$28,029

to \$1,450,596. Most revenue sources received during the year for governmental activities remained fairly consistent from the prior year.

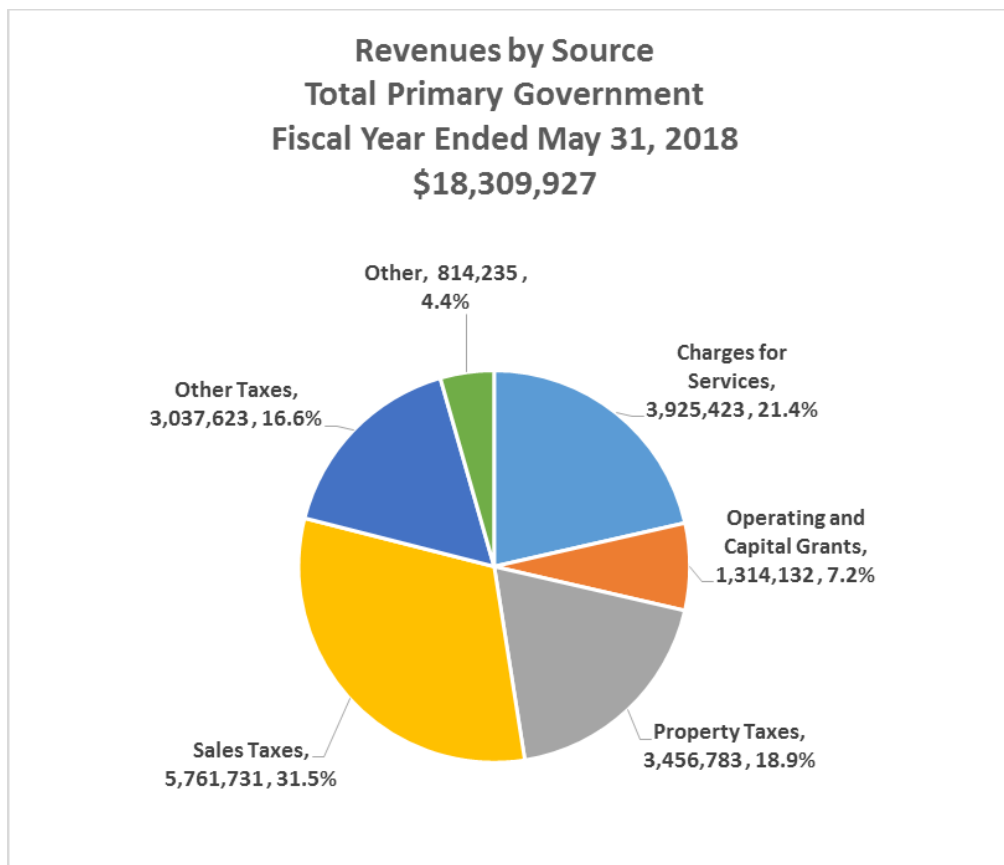
Expenses for governmental activities decreased 0.6% to \$14,542,589. General Government expenses increased \$508,936 to \$3,167,235. This was due to an increase in Rt.31 TIF expenses related to engineering and studies which increased \$78,677 from the prior year. General Government expenses also increased \$139,635 due to increases in wages, contracted services and sales tax rebates. Expenses for Public Safety decreased \$156,822 or 2.5% to \$6,054,957 due to staffing vacancies in the Police Department and a small decrease in depreciation expenses for the year. Village contributions to the Police Pension Fund were \$956,000 versus last year's total of \$925,000. Public Works expenses decreased 2.6% or \$127,047 to \$4,668,722. The decrease was due to a decline in maintenance activities compared to the prior year, partially offset by an increase personnel costs from a full-year of staffing. Sanitation expenses declined \$285,828 to \$418,347 due to the fact that a significant sanitary sewer televising program was not completed during the year as scheduled.

Revenues for business-type activities increased 11.8% or \$305,195 to \$2,899,685. This was due to an increase of \$152,484 in water tap connection fees and an increase of \$61,103 in interest income from the prior year. Water sales from customers increased 2.0% or \$46,206 to \$2,340,798. Expenses for business-type activities decreased \$178,584 or 6.4% to \$2,621,550 due primarily to a decrease in operating costs due to one-time projects in the prior year related to painting of a water tower. Depreciation expenses increased 2.7% to \$868,908 for the year. Total business-type activities change in net position for the year was a positive \$278,135.

Statement of Activities Fiscal Year Ended May 31, 2018

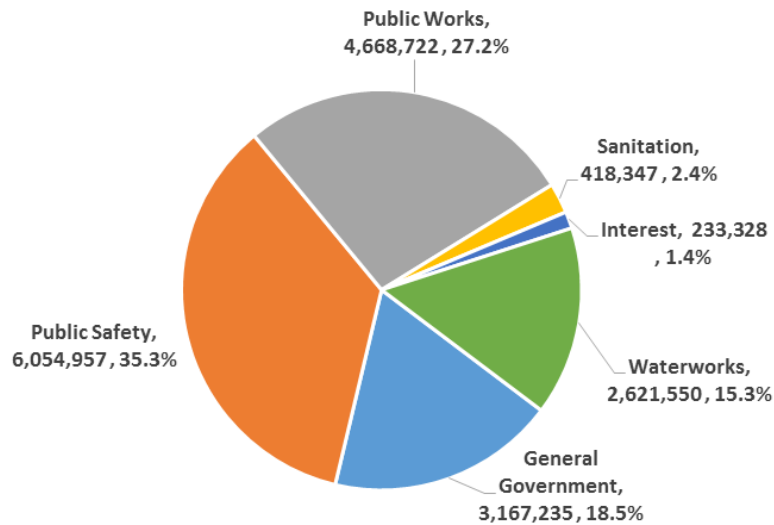


Revenues. Total primary government revenues for the fiscal year ended May 31, 2018 were \$18,309,927. As the chart below shows, 31.5% of revenues were from sales taxes, 21.4% was from charges for services, 7.2% was from operating and capital grants and contributions, and 18.9% was from property taxes. Sales taxes were the largest source of revenues received at \$5,761,731 and property taxes, levied to support various purposes, special service areas or received as TIF revenues, were \$3,456,783. Charges for services consist primarily of building permits at \$273,757, cable franchise fees of \$282,176, and water usage sales at \$2,340,798.



Expenses. Total primary government expenses for the year were \$17,164,139, a decrease of 1.5% from the prior year. Public Works expenses related to the Village's street maintenance and capital projects accounted for 27.2% of the total expenses. Public Safety expenses related to the Village's Police Department operations accounted for 35.3% of total expenses and the Village's waterworks operations accounted for 15.3%. Together, these three operational areas account for 77.8% of total expenses.

**Expenses by Function
Total Primary Government
Fiscal Year Ended May 31, 2018
\$17,164,139**



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, 2018, the governmental funds reported total combined ending fund balances of \$15,038,457, an increase of \$1,305,242 from the total beginning governmental fund balances of \$13,733,215. The increase was primarily due to an increase in total fund balance of the Capital Projects Fund of \$913,989 to \$2,978,900 as expenditures were less than normal since a significant portion of the annual road improvement program was completed in the prior year. Of the total ending fund balances of \$15,038,457, \$17,604 is nonspendable in form, \$3,090,069 is restricted for various purposes, \$702,562 is committed for roads, infrastructure and capital projects and \$4,161,826 is assigned for various purposes. The remaining \$7,066,396 is unassigned in the General Fund. Total assigned and unassigned fund balances as of May 31, 2018 were \$11,228,222.

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 \$7,066,396, while total fund balance in the General Fund was \$7,124,964. Unassigned fund balance may serve as a useful

measure of a government's net resources available for spending at the end of the fiscal year and as a measure of the General Fund's liquidity. At the end of the year, unassigned fund balance represents 68.9% of total General Fund expenditures plus transfers out for debt service. This ratio is in line with the Village's policy of maintaining a 40% to 50% fund balance (exclusive of nonspendable portions).

During the year, General Fund revenues increased \$291,393 or 2.9% from \$10,136,829 to \$10,428,222. This was due primarily to an increase in sales tax revenue of \$132,178 to \$4,711,465, an increase in police fines and fees of \$54,318 to \$182,038 due to an increase in court fines and tow fees, and in increase in sales use tax revenue of \$42,230 to \$466,689 collected on out-of-state and internet purchases. Other revenue increases such as an increase in investment income, permits and licenses were partially offset by decreases in other areas such as state-shared income tax revenue. General Fund expenditures increased \$248,848 or 2.7% to \$9,637,716. General government expenditures increased \$139,635 or 6.2% to \$2,389,214 due to an increase in sales tax rebates of \$65,841 to \$755,896. Excluding sales tax rebates general government expenditures increase 4.7% or \$73,794 due to an increase in wages and salaries, contracted community development inspection services and information technology maintenance expenditures. Public Safety expenditures for police department operations increased by 0.5% or \$27,906 to \$5,228,745. Due to employee retirements, expenditures were lower than normal as vacancies in positions existed and new employees were promoted or hired at lower rates. In addition, charges to the vehicle and equipment fund decreased from \$152,482 to \$115,113. Police pension expenditures increased \$925,000 to \$956,000. Public Works expenditures increased \$15,174 or 0.8% to \$1,897,812. Salaries increased \$65,718 due to a full-year of staffing from position changes. This was offset by a \$33,940 decrease in consultant engineering expenditures, a \$19,663 decrease in vehicle repairs and a decrease in parkway tree expenditures of \$37,163. Contracted snow plowing increased from \$66,454 to \$127,895. Finally, one-time capital outlay expenditures of \$121,945 were incurred related to property acquisition for the General Fund.

Transfers out during the year of \$622,875 were for required debt service payments. Revenues were under final budget by \$106,428 primarily due to state-shared income tax revenue being less than budget by \$97,973. Expenditures were under final budget by \$548,906 due to staffing turnover and vacancies which resulted in lower personnel and benefit costs than budgeted, and equipment maintenance, consulting and contracted services in public works and other departments being under budget.

Capital Projects Fund. The Capital Projects Fund received revenues totaling \$1,920,332. This was an increase from the prior year of 6.3% or \$113,618. Of this amount, \$1,050,266 was from the Village's 0.50% non-home rule sales tax and \$702,563 was from the 3.0% utility tax on gas, electricity (kilowatt-hour equivalency) and telecommunications which is committed by the Village Board for roads, infrastructure and capital projects. Total expenditures during the year were \$1,006,343 which included \$933,068 in expenditures for the annual road reconstruction, resurfacing and related infrastructure programs. The total fund balance increased from \$2,064,911 to \$2,978,900. Of the \$2,978,900 in fund balance, \$44,277 was restricted for infrastructure, \$702,562 was committed for roads, infrastructure and capital projects and \$2,232,061 was assigned for capital projects.

Route 31 TIF Fund. The Route 31 TIF Fund realized \$403,333 in revenues during the year of which \$385,131 were TIF incremental property tax revenues. This was an increase in TIF

incremental property tax revenues of \$10,168 which were \$374,963 in the prior year. Expenditures for the year were \$322,222. During the year the Village completed the final phase of the reconstruction of Smoketree Lane and acquired the Marvo/John land for future parking. In addition, the Village sold the property at 24 S. Lincolnway to a developer for a future drive-through coffee shop and recorded \$197,037 as other financing sources for the year. Overall the fund balance in the Rt. 31 TIF Fund increased from \$1,222,287 to \$1,500,435.

Business-Type Activities. Total Waterworks operating revenues were \$2,606,783, an increase of \$241,586 or 10.2% from the prior year. The increase was due to an increase in water tap fee permits from \$35,466 to \$187,950 due to the buildout of Randall Highlands. Water sales increased \$46,206 to \$2,340,798 for the year. Total operating expenses were \$2,439,527, a decrease of \$215,978 or 8.1% from the previous year due to one-time expenses in the prior year related to the painting of the west-side water tower. This resulted in operating income of \$167,256. After non-operating revenues/(expenses) were added, the change in net position for the year was a positive \$278,135. Total net position at the end of the year was \$25,009,069 which includes the Waterworks Fund net investment in capital assets of \$20,927,587 leaving an unrestricted net position of \$4,081,482.

General Fund Budget. For the year, one budget amendment was approved by the Village Board which impacted the General Fund. This amendment increased the budget for building inspection services by \$30,000, increased the budget for building repair/maintenance by \$100,000 and increased the budget by \$122,000 to account for the acquisition of a property on Monroe Street.

Capital Assets

Table 3
Capital Assets
As of May 31, 2018

	Governmental-Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Land and Land Right of Way	\$ 27,537,237	\$ 27,428,737	\$ 476,703	\$ 476,703	\$ 28,013,940	\$ 27,905,440
Buildings	18,042,153	18,042,153	-	-	18,042,153	18,042,153
Construction in Progress	-	1,641,006	125,343	-	125,343	1,641,006
Vehicles and Equipment	4,013,260	3,676,486	72,200	72,200	4,085,460	3,748,686
Infrastructure	62,858,643	60,443,598	-	-	62,858,643	60,443,598
Sewer Lines	24,912,127	24,835,126	-	-	24,912,127	24,835,126
Water Towers and Wells	-	-	4,875,441	4,875,441	4,875,441	4,875,441
Water Treatment Facilities	-	-	7,008,259	7,008,259	7,008,259	7,008,259
Water Lines	-	-	23,810,827	23,810,827	23,810,827	23,810,827
Less:						-
Accumulated Depreciation	(41,675,439)	(39,579,788)	(14,232,125)	(13,363,217)	(55,907,564)	(52,943,005)
Total Assets	\$ 95,687,981	\$ 96,487,318	\$ 22,136,648	\$ 22,880,213	\$ 117,824,629	\$ 119,367,531

The Village's investment in capital assets for both its governmental and business-type activities as of May 31, 2018 is \$117,824,629 (net of accumulated depreciation). This investment in capital assets includes land, buildings, vehicles and equipment, infrastructure, sewer lines, water lines,

water towers, water wells and water treatment facilities as well as intangible assets. The total decrease in the Village's investment in capital assets net of accumulated depreciation for the current fiscal year was 1.29% (a 0.83% decrease for governmental activities and a 3.25% decrease for business-type activities). The above schedule reflects the Village's capital asset balances as of May 31, 2018.

Major capital asset additions during fiscal year 2018 included:

- Completion of the 2017 road rehabilitation program of 2.7 miles on portions or all of Acorn Drive, Alder Drive, Cherrytree Court, Feltes Lane, Deerpath Road, Magnolia Drive, Mitchell Road and Seavey Road for \$1,386,377 (\$675,612 which was added as construction in progress in the prior year)
- Completion of the reconstruction of Airport Road, Alder Drive and Ice Cream Drive by the State which was partially funded by the Village for \$1,869,916 (\$744,093 which was added as construction in progress in the prior year)
- Acquisition of Marvo/John parcel for \$59,000 to construct future parking
- Purchase and replacement of five (5) police vehicles and three (3) public works dump and pickup trucks for \$360,754
- Beginning of the drilling of deep well #9 for \$125,343

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

Debt Outstanding

As of May 31, 2018, the Village had total debt outstanding of \$13,101,362 (excluding amounts deferred for issuance premiums, compensated absences, the net other post-employment benefits obligation, the net pension liabilities and unamortized accounting loss on refunding). This amount is comprised of one general obligation bond issuance, two general obligation bond alternate revenue source issuances and one general obligation alternate revenue source loan payable. Of the total amount outstanding:

- \$1,385,000 is to be retired with a library debt service property tax levy
- \$5,791,362 is to be retired with water service charges revenue
- \$5,925,000 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, 2018, the taxable EAV of the Village was \$504,256,743 which resulted in a total legal debt limit of \$43,492,144. At the end of the fiscal year, the Village has \$1,385,000 in debt applicable to the debt limit, resulting in a debt to EAV ratio of 0.32%.

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, 2018

	Governmental-Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
General Obligation Bonds	1,385,000	1,850,000	-	-	1,385,000	1,850,000
General Obligation Bonds/Loans (Alternative Revenue Source)	5,925,000	6,380,000	5,791,362	6,252,614	11,716,362	12,632,614
Total	\$ 7,310,000	\$ 8,230,000	\$ 5,791,362	\$ 6,252,614	\$ 13,101,362	\$ 14,482,614

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 '19 and it is anticipated that operations will overall remain balanced, except for the possible use of reserves for one-time projects. Although some decreases in state-shared income revenue have occurred over the last two years 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 2017 levy collected in calendar 2018, this increase was 2.1%. For the 2018 levy collected in 2019, the applicable CPI factor is again 2.1%. For both the 2017 levy and the 2018 anticipated levy the Village has also 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 '19 in the Capital Projects Fund. The Village also replaces when necessary aging watermain in conjunction with the road program. The Village is moving forward with the construction of water system improvements for both water pumping capacity and storage using bonds issued during the year.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability of the money it receives. Questions concerning this report or requests for additional financial information should be directed to William D. Hannah, Finance Director, Village of North Aurora, 25 East State Street, North Aurora, IL 60542.

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, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 16,905,030	9,045,608	25,950,638
Receivables - Net of Allowances			
Property Taxes	3,512,114	-	3,512,114
Other Taxes	1,738,355	-	1,738,355
Accounts	58,233	372,253	430,486
Accrued Interest	25,331	4,271	29,602
Due from Other Governments	7,759	-	7,759
Prepays/Inventories	36,496	5,069	41,565
Total Current Assets	22,283,318	9,427,201	31,710,519
Capital Assets			
Nondepreciable	27,537,237	602,046	28,139,283
Depreciable	109,826,183	35,766,727	145,592,910
Accumulated Depreciation	(41,675,439)	(14,232,125)	(55,907,564)
Total Capital Assets	95,687,981	22,136,648	117,824,629
Total Assets	117,971,299	31,563,849	149,535,148
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized Refunding Loss	254,405	-	254,405
Deferred Items - IMRF	484,800	100,955	585,755
Deferred Items - Police Pension	2,288,029	-	2,288,029
Total Deferred Outflows of Resources	3,027,234	100,955	3,128,189
Total Assets and Deferred Outflows of Resources	120,998,533	31,664,804	152,663,337

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

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 1,132,120	241,951	1,374,071
Accrued Payroll	162,382	12,450	174,832
Deposits Payable	257,816	-	257,816
Accrued Interest Payable	87,641	77,989	165,630
Other Payables	-	13,628	13,628
Current Portion of Long-Term Debt	1,043,261	434,881	1,478,142
Total Current Liabilities	2,683,220	780,899	3,464,119
Noncurrent Liabilities			
Compensated Absences Payable	279,784	13,137	292,921
Net Pension Liability - IMRF	785,661	163,608	949,269
Net Pension Liability - Police Pension	10,912,722	-	10,912,722
Net Other Post-Employment Obligation Payable	359,129	26,282	385,411
General Obligation Bonds Payable - Net	6,565,198	5,303,139	11,868,337
Kane County Loan Payable	-	235,860	235,860
Total Noncurrent Liabilities	18,902,494	5,742,026	24,644,520
Total Liabilities	21,585,714	6,522,925	28,108,639
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	3,626,518	-	3,626,518
Deferred Items - IMRF	637,770	132,810	770,580
Deferred Items - Police Pension	949,008	-	949,008
Total Deferred Inflows of Resources	5,213,296	132,810	5,346,106
Total Liabilities and Deferred Inflows of Resources	26,799,010	6,655,735	33,454,745
NET POSITION			
Net Investment in Capital Assets	88,427,188	20,927,587	109,354,775
Restricted			
DUI Enforcement	52,464	-	52,464
Highways and Streets	960,625	-	960,625
Economic Development	1,543,663	-	1,543,663
Subdivision Improvements	120,889	-	120,889
Roads, Infrastructure and Capital Projects	44,277	-	44,277
Debt Service	280,510	-	280,510
Unrestricted	2,769,907	4,081,482	6,851,389
Total Net Position	94,199,523	25,009,069	119,208,592

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, 2018

		Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
	Expenses			
Governmental Activities				
General Government	\$ 3,167,235	894,698	-	-
Public Safety	6,054,957	210,158	-	-
Public Works	4,668,722	-	473,490	840,642
Sanitation	418,347	213,784	-	-
Interest on Long-Term Debt	233,328	-	-	-
Total Governmental Activities	14,542,589	1,318,640	473,490	840,642
Business-Type Activities				
Waterworks	2,621,550	2,606,783	-	-
Total Primary Government	17,164,139	3,925,423	473,490	840,642

General Revenues

Taxes

Property Taxes

Non Home-Rule Sales Taxes

Utility Taxes

Other Taxes

Intergovernmental

Sales Taxes

Income Tax

Use Tax

Replacement Tax

Interest Income

Miscellaneous

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Net (Expenses)/Revenues		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
(2,272,537)	-	(2,272,537)
(5,844,799)	-	(5,844,799)
(3,354,590)	-	(3,354,590)
(204,563)	-	(204,563)
(233,328)	-	(233,328)
(11,909,817)	-	(11,909,817)
-	(14,767)	(14,767)
(11,909,817)	(14,767)	(11,924,584)
3,421,482	-	3,421,482
1,050,266	-	1,050,266
760,264	-	760,264
223,643	-	223,643
4,711,465	-	4,711,465
1,587,027	-	1,587,027
466,689	-	466,689
35,301	-	35,301
179,922	82,620	262,542
341,411	210,282	551,693
12,777,470	292,902	13,070,372
867,653	278,135	1,145,788
93,331,870	24,730,934	118,062,804
94,199,523	25,009,069	119,208,592

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

VILLAGE OF NORTH AURORA, ILLINOIS

**Balance Sheet - Governmental Funds
May 31, 2018**

	<u>General</u>
ASSETS	
Cash and Investments	\$ 6,715,559
Receivables - Net of Allowances	
Property Taxes	2,194,149
Other Taxes	1,364,568
Accounts	12,943
Accrued Interest	16,487
Due from Other Governments	7,759
Prepays	<u>6,104</u>
Total Assets	<u><u>10,317,569</u></u>
LIABILITIES	
Accounts Payable	751,650
Accrued Payroll	162,382
Other Payables	-
Total Liabilities	<u>914,032</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	<u>2,278,573</u>
Total Liabilities and Deferred Inflows of Resources	<u><u>3,192,605</u></u>
FUND BALANCES	
Nonspendable	6,104
Restricted	52,464
Committeed	-
Assigned	-
Unassigned	<u>7,066,396</u>
Total Fund Balances	<u><u>7,124,964</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u><u>10,317,569</u></u></u>

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

Special Revenue			
Route 31 TIF	Capital Projects	Nonmajor	Totals
1,528,321	2,925,776	3,534,756	14,704,412
493,419	-	824,546	3,512,114
-	332,003	41,784	1,738,355
17,004	-	28,286	58,233
-	-	3,062	19,549
-	-	-	7,759
-	-	11,500	17,604
2,038,744	3,257,779	4,443,934	20,058,026
32,750	32,899	155,554	972,853
-	-	-	162,382
11,836	245,980	-	257,816
44,586	278,879	155,554	1,393,051
493,723	-	854,222	3,626,518
538,309	278,879	1,009,776	5,019,569
-	-	11,500	17,604
1,500,435	44,277	1,492,893	3,090,069
-	702,562	-	702,562
-	2,232,061	1,929,765	4,161,826
-	-	-	7,066,396
1,500,435	2,978,900	3,434,158	15,038,457
2,038,744	3,257,779	4,443,934	20,058,026

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, 2018

Total Governmental Fund Balances	\$ 15,038,457
 Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital Assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	95,687,981
Less: Internal Service Funds	(1,480,542)
 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 assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.	 3,173,522
 Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	(152,970)
Deferred Items - Police Pension	1,339,021
 Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Net Pension Liability - IMRF	(785,661)
Net Pension Liability - Police Pension	(10,912,722)
Net Other Post-Employment Benefit Obligation Payable	(359,129)
General Obligation Bonds - Net	(7,515,198)
Unamortized Refunding Loss	254,405
Accrued Interest Payable	(87,641)
	<hr/>
Net Position of Governmental Activities	<u>94,199,523</u>

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, 2018**

See Following Page

VILLAGE OF NORTH AURORA, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended May 31, 2018**

	<u>General</u>
Revenues	
Taxes	\$ 2,440,246
Intergovernmental	6,800,482
Licenses and Permits	510,849
Charges for Services	371,969
Fines and Forfeitures	182,038
Interest	71,076
Miscellaneous	51,562
Total Revenues	<u>10,428,222</u>
Expenditures	
Current	
General Government	2,389,214
Public Safety	5,228,745
Public Works	1,897,812
Sanitation	-
Capital Outlay	121,945
Debt Service	
Principal Retirement	-
Interest and Fiscal Charges	-
Total Expenditures	<u>9,637,716</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>790,506</u>
Other Financing Sources (Uses)	
Disposal of Capital Asset	108
Insurance Claim Reimbursement	7,239
Transfers In	-
Transfers Out	(622,875)
	<u>(615,528)</u>
Net Change in Fund Balances	174,978
Fund Balances - Beginning	<u>6,949,986</u>
Fund Balances - Ending	<u><u>7,124,964</u></u>

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

Special Revenue			
Route 31 TIF	Capital Projects	Nonmajor	Totals
385,131	1,752,829	877,449	5,455,655
-	-	473,490	7,273,972
-	-	36,243	547,092
-	-	217,541	589,510
-	-	-	182,038
18,202	30,249	40,618	160,145
-	137,254	89,099	277,915
403,333	1,920,332	1,734,440	14,486,327
132,391	-	226,082	2,747,687
-	-	207,725	5,436,470
-	-	454,337	2,352,149
-	-	81,121	81,121
189,831	1,006,343	305,197	1,623,316
-	-	920,000	920,000
-	-	237,825	237,825
322,222	1,006,343	2,432,287	13,398,568
81,111	913,989	(697,847)	1,087,759
197,037	-	-	197,145
-	-	13,099	20,338
-	-	622,875	622,875
-	-	-	(622,875)
197,037	-	635,974	217,483
278,148	913,989	(61,873)	1,305,242
1,222,287	2,064,911	3,496,031	13,733,215
1,500,435	2,978,900	3,434,158	15,038,457

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, 2018

Net Change in Fund Balances - Total Governmental Funds	\$ 1,305,242
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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	1,319,140
Capital Contribution	840,642
Depreciation Expense	(3,258,433)
Disposals - Cost	(1,130,242)
Disposals - Accumulated Depreciation	1,130,242

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.	147,102
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The net effect of deferred outflows (inflows) of resources related
to the pensions not reported in the funds.

Change in Deferred Items - IMRF	(347,462)
Change in Deferred Items - Police Pension	1,223,871

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.

Decrease in Net Pension Liability - IMRF	346,670
(Increase) in Net Pension Liability - Police Pension	(1,591,087)
(Increase) in Net Other Post-Employment Benefit Obligation Payable	(42,529)
Retirement of Debt	920,000
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.

	<hr/> 11,057
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Changes in Net Position of Governmental Activities

	<hr/> <hr/> 867,653
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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, 2018**

See Following Page

VILLAGE OF NORTH AURORA, ILLINOIS

**Statement of Net Position - Proprietary Funds
May 31, 2018**

	Business-Type Activities Waterworks	Governmental Activities Internal Service
ASSETS		
Current Assets		
Cash and Investments	\$ 9,045,608	2,200,618
Receivables - Net of Allowances		
Accounts	372,253	-
Accrued Interest	4,271	5,782
Prepays	5,069	-
Inventories	-	18,892
Total Current Assets	9,427,201	2,225,292
Noncurrent Assets		
Capital Assets		
Nondepreciable	602,046	15,800
Depreciable	35,766,727	3,005,758
Accumulated Depreciation	(14,232,125)	(1,541,016)
Total Noncurrent Assets	22,136,648	1,480,542
Total Assets	31,563,849	3,705,834
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Items - IMRF	100,955	-
Total Assets and Deferred Outflows of Resources	31,664,804	3,705,834

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

	Business-Type Activities Waterworks	Governmental Activities Internal Service
LIABILITIES		
Current Liabilities		
Accounts Payable	241,951	159,267
Accrued Payroll	12,450	-
Accrued Interest Payable	77,989	-
Other Payables	13,628	-
Current Portion of Long-Term Debt	434,881	93,261
Total Current Liabilities	780,899	252,528
Noncurrent Liabilities		
Compensated Absences Payable	13,137	279,784
Net Pension Liability - IMRF	163,608	-
Net Other Post-Employment Benefit Obligation Payable	26,282	-
General Obligation Bonds Payable - Net	5,303,139	-
Kane County Loan Payable	235,860	-
Total Noncurrent Liabilities	5,742,026	279,784
Total Liabilities	6,522,925	532,312
DEFERRED INFLOWS OF RESOURCES		
Deferred Items - IMRF	132,810	-
Total Liabilities and Deferred Inflows of Resources	6,655,735	532,312
NET POSITION		
Net Investment in Capital Assets	20,927,587	1,480,542
Unrestricted	4,081,482	1,692,980
Total Net Position	25,009,069	3,173,522

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, 2018

	Business-Type Activities <u>Waterworks</u>	Governmental Activities <u>Internal Service</u>
Operating Revenues		
Charges for Services		
Water Sales	\$ 2,340,798	-
Water Meters	40,839	-
Water Permits	187,950	-
Meter Reads	18,245	-
Building Permits	3,551	-
Hydrant Meter Rental	75	-
Reimburse Turn On/Turn Off Fees	15,325	-
Internal Service - Charges for Services	-	387,438
Total Operating Revenues	<u>2,606,783</u>	<u>387,438</u>
Operating Expenses		
Operations and Capital	1,570,619	132,224
Depreciation	868,908	171,047
Total Operating Expenses	<u>2,439,527</u>	<u>303,271</u>
Operating Income (Loss)	<u>167,256</u>	<u>84,167</u>
Nonoperating Revenue (Expenses)		
Interest Income	82,620	19,777
Other Income	209,724	-
Disposal of Capital Asset	558	39,846
Interest Expense	(182,023)	-
	<u>110,879</u>	<u>59,623</u>
Income (Loss) Before Contributions	278,135	143,790
Contributions	<u>-</u>	<u>3,312</u>
Change in Net Position	278,135	147,102
Net Position - Beginning	<u>24,730,934</u>	<u>3,026,420</u>
Net Position - Ending	<u><u>25,009,069</u></u>	<u><u>3,173,522</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, 2018

	Business-Type Activities Waterworks	Governmental Activities Internal Service
Cash Flows from Operating Activities		
Receipts from Customers and Users	\$ 2,761,029	-
Interfund Services Provided	-	382,636
Payments to Employees	(363,307)	-
Payments to Suppliers	(1,238,083)	37,501
	1,159,639	420,137
Cash Flows from Capital and Related Financing Activities		
Proceeds from Public Works Escrow	-	3,312
Disposal of Capital Assets	558	39,846
Purchase of Capital Assets	(125,343)	(470,361)
Payment of Principal	(473,976)	-
Interest Expense	(182,023)	-
	(780,784)	(427,203)
Cash Flows from Investing Activities		
Interest Received	82,620	19,777
Net Change in Cash and Cash Equivalents	461,475	12,711
Cash and Cash Equivalents		
Beginning	8,584,133	2,187,907
Ending	9,045,608	2,200,618
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	167,256	84,167
Adjustments to Reconcile Operating Income to Net Income to Net Cash		
Provided by (Used in) Operating Activities:		
Depreciation Expense	868,908	171,047
Other Income	209,724	-
(Increase) Decrease in Current Assets	(55,478)	(4,802)
Increase (Decrease) in Current Liabilities	(30,771)	169,725
Net Cash Provided by Operating Activities	1,159,639	420,137

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, 2018**

	Pension Trust	
	Police Pension	Agency Funds
ASSETS		
Cash and Cash Equivalents	\$ 544,809	959,339
Investments		
U.S. Government Obligations	34,873	-
U.S. Agency Obligations	3,871,548	-
Municipal Bonds	708,367	-
Corporate Bonds	3,070,918	-
Equities	1,041,246	-
Mutual Funds	7,890,332	-
Receivables - Net of Allowances		
Accrued Interest	100,686	-
Total Assets	17,262,779	959,339
LIABILITIES		
Due to Others	-	959,339
NET POSITION		
Net Position Restricted for Pensions	17,262,779	

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, 2018**

	<u>Pension Trust Police Pension</u>
Additions	
Contributions - Employer	\$ 956,000
Contributions - Plan Members	252,169
Total Contributions	<u>1,208,169</u>
Investment Income	
Interest Earned	639,239
Net Change in Fair Value	379,379
	<u>1,018,618</u>
Less Investment Expenses	(25,297)
Net Investment Income	<u>993,321</u>
Total Additions	<u>2,201,490</u>
Deductions	
Administration	9,559
Benefits and Refunds	838,041
Total Deductions	<u>847,600</u>
Change in Fiduciary Net Position	1,353,890
Net Position Restricted for Pensions	
Beginning	<u>15,908,889</u>
Ending	<u><u>17,262,779</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, 2018

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
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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, 2018

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 transfer 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, 2018

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, 2018

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, 2018

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, 2018

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, 2018

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, 2018

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, 2018

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, 2018

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 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, 2018

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, one budget amendment was 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 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 Funds Investment Pool and the Illinois Metropolitan Investment Fund.

VILLAGE OF NORTH AURORA, ILLINOIS

Notes to the Financial Statements May 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS – Continued

The deposits and investments of the Pension Funds 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.

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.

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.

VILLAGE OF NORTH AURORA, ILLINOIS

Notes to the Financial Statements May 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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 \$2,495,732 and the bank balances totaled \$2,622,676.

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	\$ 1,836,101	293,593	1,542,508	-	-
Municipal Bonds	231,272	231,272	-	-	-
Negotiable CDs	6,565,696	3,135,484	3,430,212	-	-
Illinois Funds	7,154,131	7,154,131	-	-	-
IMET	7,667,706	7,667,706	-	-	-
Totals	23,454,906	18,482,186	4,972,720	-	-

The Village has the following recurring fair value measurements as of May 31, 2018:

Investments by Fair Value Level	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U. S. Agency Obligations	\$ 1,836,101	-	1,836,101	-
Municipal Bonds	231,272	-	231,272	-
Negotiable CDs	6,565,696	-	6,565,696	-
Total Investments by Fair Value Level	8,633,069	-	8,633,069	-
Investments Measured at the Net Asset Value (NAV)				
Illinois Funds	7,154,131			
IMET	7,667,706			
	23,454,906			

VILLAGE OF NORTH AURORA, ILLINOIS

Notes to the Financial Statements May 31, 2018

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. 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.

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 three years from date of purchase. Purchases greater than three but less than five years require written justification. Investments of reserved funds longer than five years may be purchased with maturities to match future projects or liability requirements funded by the reserves, if separately approved by the Village Administrator.

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, 2018, U.S. Agency Obligations are rated AA+, the Illinois Funds are rated AAAm, and the investment in IMET is rated AA Af by Standard & Poor's. The investments in the municipal bonds are rated A2 by Moody'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 75% of the portfolio can be with one financial institution, no more than 50% in United States Government agencies (and no more than 25% in one agency), no more than 65% in Illinois Funds, no more than 30% in IMET (1 to 3 year portion), no more than 35% in brokered certificates of deposit, no more than 25% in bonds of counties, states and villages and no more than 10% in commercial paper. The Village's investment policy allows the Village to invest in derivatives, upon written. 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, 2018

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 and IMET 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 \$544,809 and the bank balances totaled \$544,809.

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. Government Obligations	\$ 34,873	34,873	-	-	-
U. S. Agency Obligations	3,871,548	337,882	2,211,149	1,322,517	-
Municipal Bonds	708,367	80,658	498,605	26,190	102,914
Corporate Bonds	3,070,918	288,270	2,389,613	393,035	-
Totals	7,685,706	741,683	5,099,367	1,741,742	102,914

VILLAGE OF NORTH AURORA, ILLINOIS

Notes to the Financial Statements May 31, 2018

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:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level	Total			
Debt Securities				
U.S. Treasuries	\$ 34,873	34,873	-	-
U.S. Agencies	3,871,548	-	3,871,548	-
Municipal Bonds	708,367	-	708,367	-
Corporate Bonds	3,070,918	-	3,070,918	-
Equity Securities				
Equities	1,041,246	1,041,246	-	-
Mutual Funds	7,890,332	7,890,332	-	-
Total Investments by Fair Value Level	16,617,284	8,966,451	7,650,833	-

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, 2018

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 investments ratings are not available. The municipal bonds ratings range from AA- to AAA. The corporate bonds are rated BBB to A3 by Moody's.

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 \$7,890,332 invested in mutual funds, and \$1,041,246 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 Expected Real Rate of Return
Domestic Equities	41.25%	5.00% - 5.30%
International Equities	13.75%	5.30%
Fixed Income	45.00%	1.80% - 4.00%
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, 2018

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 July 2018 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, 2018 are listed in the table above.

Rate of Return

For the year ended May 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.10%. 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 2017 levy was adopted on December 4, 2017 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 2018 tax levy, which attached as an enforceable lien on property as of January 1, 2018, has not been recorded as a receivable as of May 31, 2018 as the tax has not yet been levied by the Village and will not be levied until December 2018 and, therefore, the levy is not measurable at May 31, 2018.

VILLAGE OF NORTH AURORA, ILLINOIS

Notes to the Financial Statements May 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 5,178,947	108,500	-	5,287,447
Land Right of Way	22,249,790	-	-	22,249,790
Construction in Progress	1,641,006	-	1,641,006	-
	<u>29,069,743</u>	<u>108,500</u>	<u>1,641,006</u>	<u>27,537,237</u>
Depreciable Capital Assets				
Buildings	18,042,153	-	-	18,042,153
Vehicles and Equipment	3,676,486	540,361	203,587	4,013,260
Infrastructure	60,443,598	3,545,287	1,130,242	62,858,643
Infrastructure - Sewer Lines	24,835,126	77,001	-	24,912,127
	<u>106,997,363</u>	<u>4,162,649</u>	<u>1,333,829</u>	<u>109,826,183</u>
Less Accumulated Depreciation				
Buildings	4,544,884	452,997	-	4,997,881
Vehicles and Equipment	2,204,539	235,902	203,587	2,236,854
Infrastructure	23,801,072	2,171,692	1,130,242	24,842,522
Infrastructure - Sewer Lines	9,029,293	568,889	-	9,598,182
	<u>39,579,788</u>	<u>3,429,480</u>	<u>1,333,829</u>	<u>41,675,439</u>
Total Net Depreciable Capital Assets	<u>67,417,575</u>	<u>733,169</u>	<u>-</u>	<u>68,150,744</u>
Total Net Capital Assets	<u>96,487,318</u>	<u>841,669</u>	<u>1,641,006</u>	<u>95,687,981</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 235,698
Public Safety	539,643
Public Works	2,300,037
Sanitation	<u>354,102</u>
	<u>3,429,480</u>

VILLAGE OF NORTH AURORA, ILLINOIS

Notes to the Financial Statements May 31, 2018

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 Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 476,703	-	-	476,703
Construction in Progress	-	125,343	-	125,343
	<u>476,703</u>	<u>125,343</u>	<u>-</u>	<u>602,046</u>
Depreciable Capital Assets				
Equipment	53,100	-	-	53,100
Vehicles	19,100	-	-	19,100
Water System - Treatment and Facilities	7,008,259	-	-	7,008,259
Water System - Towers and Wells	4,875,441	-	-	4,875,441
Water System - Lines	23,810,827	-	-	23,810,827
	<u>35,766,727</u>	<u>-</u>	<u>-</u>	<u>35,766,727</u>
Less Accumulated Depreciation				
Equipment	53,100	-	-	53,100
Vehicles	19,100	-	-	19,100
Water System - Treatment and Facilities	1,616,870	186,884	-	1,803,754
Water System - Towers and Wells	2,345,945	127,360	-	2,473,305
Water System - Lines	9,328,202	554,664	-	9,882,866
	<u>13,363,217</u>	<u>868,908</u>	<u>-</u>	<u>14,232,125</u>
Total Net Depreciable Capital Assets	<u>22,403,510</u>	<u>(868,908)</u>	<u>-</u>	<u>21,534,602</u>
Total Net Capital Assets	<u>22,880,213</u>	<u>(743,565)</u>	<u>-</u>	<u>22,136,648</u>

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

Waterworks	<u>\$ 868,908</u>
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VILLAGE OF NORTH AURORA, ILLINOIS

**Notes to the Financial Statements
May 31, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Nonmajor Governmental	General	<u>\$ 622,875</u>

The Village made a transfer from the General Fund to the nonmajor governmental funds for future debt service payments and this amount will not be repaid to the General Fund.

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 Retired by	Beginning Balances	Issuances	Retirements	Ending 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>\$ 452,614</u>	<u>-</u>	<u>106,252</u>	<u>346,362</u>

VILLAGE OF NORTH AURORA, ILLINOIS

**Notes to the Financial Statements
May 31, 2018**

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 Retired by	Beginning Balances	Issuances	Retirements	Ending 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	\$ 1,850,000	-	465,000	1,385,000
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	6,380,000	-	455,000	5,925,000
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	5,800,000	-	355,000	5,445,000
		14,030,000	-	1,275,000	12,755,000

VILLAGE OF NORTH AURORA, ILLINOIS

Notes to the Financial Statements May 31, 2018

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	Beginning Balances	Additions	Deductions	Ending Balances	Due within One Year
Governmental Activities					
Compensated Absences	\$ 359,737	26,616	13,308	373,045	93,261
Net Pension Liability					
IMRF	1,132,331	-	346,670	785,661	-
Police Pension	9,321,635	1,591,087	-	10,912,722	-
Net Other Post-Employment					
Benefit Obligation Payable	316,600	42,529	-	359,129	-
General Obligation Bonds Payable	8,230,000	-	920,000	7,310,000	950,000
Plus: Premium on Bonds Payable	227,983	-	22,785	205,198	-
	<u>19,588,286</u>	<u>1,660,232</u>	<u>1,302,763</u>	<u>19,945,755</u>	<u>1,043,261</u>
Business-Type Activities					
Compensated Absences	18,582	1,066	2,132	17,516	4,379
Net Pension Liability - IMRF	235,797	-	72,189	163,608	-
Net Other Post-Employment					
Benefit Obligation Payable	22,983	3,299	-	26,282	-
General Obligation Bonds Payable	5,800,000	-	355,000	5,445,000	320,000
Plus: Premium on Bonds Payable	190,863	-	12,724	178,139	
Kane County Loan Payable	452,614	-	106,252	346,362	110,502
	<u>6,720,839</u>	<u>4,365</u>	<u>548,297</u>	<u>6,176,907</u>	<u>434,881</u>

For the governmental activities, the compensated absences, the net pension liability and the net other post-employment benefit obligation payable 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 net other post-employment benefit obligation payable, on the general obligation bonds, and on the Kane County Loan Payable.

VILLAGE OF NORTH AURORA, ILLINOIS

Notes to the Financial Statements May 31, 2018

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 Year	Governmental Activities		Business-Type Activities			
	General		General		Kane County	
	Obligation		Obligation		Loan Payable	
	Bonds Payable		Bonds Payable		Loan Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 950,000	210,338	320,000	175,825	110,502	10,138
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	7,310,000	1,171,652	5,445,000	1,465,213	346,362	20,902

VILLAGE OF NORTH AURORA, ILLINOIS

Notes to the Financial Statements May 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

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 - 2017	<u>\$ 504,256,743</u>
Bonded Debt Limit - 8.625% of Assessed Value	43,492,144
Amount of Debt Applicable to Limit	
General Obligation Bonds	<u>1,385,000</u>
Legal Debt Margin	<u>42,107,144</u>

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 \$6,910,213, with the bonds maturing January 1, 2032. During the current fiscal year, the pledge of \$493,302 was approximately 47.61% of net operations (excluding depreciation) of \$1,036,164.

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 \$6,996,150 and the bonds maturing January 1, 2029. During the current fiscal year, the pledge of sales tax and use tax of \$622,500 was approximately 12.02% of total sales and use tax of \$5,178,154.

VILLAGE OF NORTH AURORA, ILLINOIS

Notes to the Financial Statements May 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

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. \$4,551,514 has been paid or accrued as accounts payable as of May 31, 2018.

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. \$3,213,355 has been paid or accrued as accounts payable as of May 31, 2018.

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. No payments were made during the current fiscal year.

VILLAGE OF NORTH AURORA, ILLINOIS

Notes to the Financial Statements May 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

COMMITMENTS

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

Purpose	Expended To Date	Remaining Commitment
2018 Street/Infrastructure Improvements	\$ -	2,508,000
Well #8 Drilling	-	769,662
Well #9 Drilling	125,343	654,763

NET POSITION/FUND BALANCES

Net Position Classifications

Net investment in capital assets was comprised of the following as of May 31, 2018:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 95,687,981
Add: Unamortized Refunding Loss	254,405
Less Capital Related Debt:	
General Obligation Refunding Library Bonds of 2009	(1,385,000)
General Obligation Alternate Revenue Source Refunding Bonds of 2014	(5,925,000)
Premium on Bonds Payable	(205,198)
	<u>88,427,188</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	22,136,648
Add: Unspent Bond Proceeds	4,760,440
Less Capital Related Debt:	
Taxable General Obligation (Alternate Revenue Source)	
General Obligation Alternate Revenue Source Bonds of 2017	(5,445,000)
Premium on Bonds Payable	(178,139)
Kane County Loan Payable	(346,362)
	<u>20,927,587</u>

VILLAGE OF NORTH AURORA, ILLINOIS

Notes to the Financial Statements May 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCES – Continued

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.

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.

VILLAGE OF NORTH AURORA, ILLINOIS

**Notes to the Financial Statements
May 31, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCES – Continued

Fund Balance Classifications – Continued

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

	General	Special Revenue Route 31 TIF	Capital Projects	Nonmajor	Totals
Fund Balances					
Nonspendable					
Prepays	\$ 6,104	-	-	11,500	17,604
Restricted					
DUI Enforcement	52,464	-	-	-	52,464
Highways and Streets	-	-	-	960,625	960,625
Economic Development	-	1,500,435	-	43,228	1,543,663
Subdivision Improvements	-	-	-	120,889	120,889
Roads, Infrastructure, and Capital Projects	-	-	44,277	-	44,277
Debt Service	-	-	-	368,151	368,151
	52,464	1,500,435	44,277	1,492,893	3,090,069
Committed					
Roads, Infrastructure, and Capital Projects	-	-	702,562	-	702,562
Assigned					
Roads, Infrastructure, and Capital Projects	-	-	2,232,061	-	2,232,061
Buffer Repair/Replacement	-	-	-	35,440	35,440
Tort	-	-	-	289,400	289,400
Sanitary Sewers	-	-	-	1,557,159	1,557,159
Tourism	-	-	-	47,766	47,766
	-	-	2,232,061	1,929,765	4,161,826
Unassigned	7,066,396	-	-	-	7,066,396
Total Fund Balances	7,124,964	1,500,435	2,978,900	3,434,158	15,038,457

VILLAGE OF NORTH AURORA, ILLINOIS

Notes to the Financial Statements May 31, 2018

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, 2018, for the current or prior claim years. In addition, the Village provides health insurance to its employees through a third-party indemnity policy. The Village pays monthly premiums to the insurance company for its coverage. Settled claims have not exceeded coverage in the current or prior two fiscal years.

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, 2018

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. 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.

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.

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:

VILLAGE OF NORTH AURORA, ILLINOIS

Notes to the Financial Statements May 31, 2018

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.

- 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 May 31, 2018, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	28
Inactive Plan Members Entitled to but not yet Receiving Benefits	38
Active Plan Members	<u>49</u>
Total	<u><u>115</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, 2018, the Village and Library's contribution was 11.42% of covered payroll.

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2017, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	3.39% to 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

VILLAGE OF NORTH AURORA, ILLINOIS

Notes to the Financial Statements May 31, 2018

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. 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:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	28.00%	3.00%
Domestic Equities	37.00%	6.85%
International Equities	18.00%	6.75%
Real Estate	9.00%	5.75%
Blended	7.00%	2.65% - 7.35%
Cash and Cash Equivalents	1.00%	2.25%

VILLAGE OF NORTH AURORA, ILLINOIS

**Notes to the Financial Statements
May 31, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.50%, 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.

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 (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Village	\$ 2,121,623	949,269	(6,667)
Library	671,824	300,591	(2,111)
Net Pension Liability	2,793,447	1,249,860	(8,778)

VILLAGE OF NORTH AURORA, ILLINOIS

Notes to the Financial Statements May 31, 2018

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	\$ 208,534	66,033	274,567
Interest	564,129	178,634	742,763
Differences Between Expected and Actual Experience	366,808	116,152	482,960
Change of Assumptions	(271,193)	(85,875)	(357,068)
Benefit Payments, Including Refunds of Member Contributions	(289,181)	(91,571)	(380,752)
Net Change in Total Pension Liability	579,097	183,373	762,470
Total Pension Liability - Beginning	7,562,039	2,394,565	9,956,604
Total Pension Liability - Ending	8,141,136	2,577,938	10,719,074
Plan Fiduciary Net Position			
Contributions - Employer	240,535	76,167	316,702
Contributions - Members	92,277	29,220	121,497
Net Investment Income	1,017,569	322,219	1,339,788
Benefit Payments, Including Refunds of Member Contributions	(289,181)	(91,571)	(380,752)
Other (Net Transfer)	(63,244)	(20,027)	(83,271)
Net Change in Plan Fiduciary Net Position	997,956	316,008	1,313,964
Plan Net Position - Beginning	6,193,911	1,961,339	8,155,250
Plan Net Position - Ending	7,191,867	2,277,347	9,469,214
Employer's Net Pension Liability	949,269	300,591	1,249,860

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

For the year ended May 31, 2018, the Village recognized pension expense of \$241,714 and the Library recognized a pension expense of \$82,131. At May 31, 2018, 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, 2018

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	\$ 309,361	(104,963)	97,961	(33,237)	269,122
Change in Assumptions	-	(222,609)	-	(70,490)	(293,099)
Net Difference Between Projected and Actual	176,446	(443,009)	55,872	(140,281)	(350,972)
Total Pension Expense to be Recognized in Future Periods	485,807	(770,581)	153,833	(244,008)	(374,949)
Pension Contributions Made Subsequent to the Measurement Date	99,948	-	31,649	-	131,597
Total Deferred Amounts Related to IMRF	585,755	(770,581)	185,482	(244,008)	(243,352)

\$131,597 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, 2019.

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/(Inflows) of Resources		
	Village	Library	Totals
2019	\$ (34,525)	(10,933)	(45,458)
2020	(43,960)	(13,920)	(57,880)
2021	(106,362)	(33,680)	(140,042)
2022	(99,927)	(31,642)	(131,569)
2023	-	-	-
Thereafter	-	-	-
Totals	(284,774)	(90,175)	(374,949)

VILLAGE OF NORTH AURORA, ILLINOIS

Notes to the Financial Statements May 31, 2018

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, 2018, 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, 2018

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 1st 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 or ½ of the change in the Consumer Price Index for the preceding 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, 2018, the Village's contribution was 37.01% 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, 2018

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, 2018, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	6.50%
Salary Increases	Service based
Cost of Living Adjustments	3.00%
Inflation	2.50%

Mortality rates were based on the RP-2000 Combined Healthy Mortality with a blue collar adjustment, projected to the valuation date with Scale BB.

Discount Rate

The discount rate used to measure the total pension liability was 6.50% and the prior valuation used 7.00%. 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, 2018

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 (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net Pension Liability	\$ 15,600,682	10,912,722	7,131,633

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Net (B)	Net Pension Liability (A) - (B)
Balances at May 31, 2017	\$ 25,230,524	15,908,889	9,321,635
Changes for the Year:			
Service Cost	619,311	-	619,311
Interest on the Total Pension	1,780,157	-	1,780,157
Changes of Benefit Terms	-	-	-
Difference Between Expected Experience of the Total	(105,189)	-	(105,189)
Changes of Assumptions	1,488,739	-	1,488,739
Contributions - Employer	-	956,000	(956,000)
Contributions - Employees	-	252,169	(252,169)
Net Investment Income	-	993,321	(993,321)
Benefit Payments, including of Employee Contributions	(838,041)	(838,041)	-
Administrative Expense		(9,559)	9,559
Net Changes	2,944,977	1,353,890	1,591,087
Balances at May 31, 2018	28,175,501	17,262,779	10,912,722

VILLAGE OF NORTH AURORA, ILLINOIS

Notes to the Financial Statements May 31, 2018

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, 2018, the Village recognized pension expense of \$1,323,216. At May 31, 2018, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 149,515	(443,678)	(294,163)
Change in Assumptions	1,858,584	(505,330)	1,353,254
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	279,930	-	279,930
Total Deferred Amounts Related to Police Pension	2,288,029	(949,008)	1,339,021

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
2019	\$ 292,594
2020	292,594
2021	96,081
2022	169,225
2023	142,641
Thereafter	345,886
Total	1,339,021

VILLAGE OF NORTH AURORA, ILLINOIS

Notes to the Financial Statements May 31, 2018

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions, Provisions and Funding Policies

In addition to providing the pension benefits described, the Village provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual, except for the implicit subsidy which is governed by the State Legislature and ILCS. The Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Village's governmental activities and business-type activities.

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending May 31, 2018, retirees contributed \$46,742 to the plan. Active employees do not contribute to the plan until retirement.

At May 31, 2016, the date of the latest actuarial valuation, membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.	9
Active Employees	<u>54</u>
Total	<u><u>63</u></u>
Participating Employers	1

The Village does not currently have a funding policy.

VILLAGE OF NORTH AURORA, ILLINOIS

Notes to the Financial Statements May 31, 2018

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of May 31, 2018, was calculated as follows:

Annual Required Contribution	\$ 72,113
Interest on the NOPEBO	13,583
Adjustment to the ARC	<u>(11,319)</u>
Annual OPEB Cost	74,377
Actual Contribution	<u>28,549</u>
Change in the NPO	45,828
NOPEBO - Beginning	<u>339,583</u>
NOPEBO - Ending	<u><u>385,411</u></u>

Trend Information

The Village's annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2016	\$ 68,957	\$ 28,008	40.62%	\$ 298,763
2017	69,368	28,549	41.16%	339,583
2018	74,377	28,549	38.38%	385,411

VILLAGE OF NORTH AURORA, ILLINOIS

Notes to the Financial Statements May 31, 2018

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Funded Status and Funding Progress – Continued

The funded status of the plan as of May 31, 2016, the date of the latest actuarial, was as follows:

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

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the May 31, 2016 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses and an annual healthcare cost trend rate of 8.0% initially, reduced to an ultimate rate of 4.5% after five years. Both rates include a 3.0% inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at May 31, 2018, was 30 years.

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 Funding Progress and Employer Contributions
 - Other Post-Employment Benefit 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, 2018

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	Village	244,336	244,336	-	2,138,728	11.42%
	Library	77,371	77,371	-	677,241	11.42%
		<u>321,707</u>	<u>321,707</u>	<u>-</u>	<u>2,815,969</u>	<u>11.42%</u>

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	26 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, 2018**

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%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	Service based
Investment Rate of Return	6.50%
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, 2018**

See Following Page

VILLAGE OF NORTH AURORA, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
May 31, 2018**

	<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		Totals
	Village	Library	
256,245	208,534	66,033	274,567
713,181	564,129	178,634	742,763
(249,580)	366,808	116,152	482,960
(27,435)	(271,193)	(85,875)	(357,068)
(284,368)	(289,181)	(91,571)	(380,752)
408,043	579,097	183,373	762,470
9,548,561	7,562,039	2,394,565	9,956,604
9,956,604	8,141,136	2,577,938	10,719,074
314,036	240,535	76,167	316,702
114,892	92,277	29,220	121,497
532,178	1,017,569	322,219	1,339,788
(284,368)	(289,181)	(91,571)	(380,752)
(108,115)	(63,244)	(20,027)	(83,271)
568,623	997,956	316,008	1,313,964
7,586,627	6,193,911	1,961,339	8,155,250
8,155,250	7,191,867	2,277,347	9,469,214
1,801,354	949,269	300,591	1,249,860
81.91%	88.34%	88.34%	88.34%
2,553,148	2,050,598	649,333	2,699,931
70.55%	46.29%	46.29%	46.29%

VILLAGE OF NORTH AURORA, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
May 31, 2018**

	<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
593,355	649,659	619,311
1,575,395	1,706,540	1,780,157
-	-	-
(562,619)	209,323	(105,189)
889,503	(707,460)	1,488,739
(642,831)	(714,048)	(838,041)
1,852,803	1,144,014	2,944,977
22,233,707	24,086,510	25,230,524
24,086,510	25,230,524	28,175,501
747,000	925,000	956,000
242,060	253,704	252,169
-	-	-
(7,923)	1,367,627	993,321
(642,831)	(714,048)	(838,041)
(7,925)	(8,094)	(9,559)
330,381	1,824,189	1,353,890
13,754,319	14,084,700	15,908,889
14,084,700	15,908,889	17,262,779
10,001,810	9,321,635	10,912,722
58.48%	63.05%	61.27%
2,545,665	2,454,099	2,582,783
392.90%	379.84%	422.52%

VILLAGE OF NORTH AURORA, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Investment Returns
May 31, 2018**

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	6.10%
2016	(0.05%)
2017	9.46%
2018	6.10%

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

Other Post-Employment Benefit Plan

Required Supplementary Information Schedule of Funding Progress and Employer Contributions May 31, 2018

Funding Progress

Actuarial Valuation Date May 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2013	\$ -	\$ 698,905	0.00%	\$ 698,905	\$ 4,240,778	16.48%
2014	-	634,617	0.00%	634,617	4,295,601	14.77%
2015	N/A	N/A	N/A	N/A	N/A	N/A
2016	-	664,637	0.00%	664,637	4,372,665	15.20%
2017	N/A	N/A	N/A	N/A	N/A	N/A
2018	N/A	N/A	N/A	N/A	N/A	N/A

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2013	\$ 16,284	\$ 64,918	25.08%
2014	16,284	64,918	25.08%
2015	16,352	55,592	29.41%
2016	28,008	67,238	41.66%
2017	28,549	67,376	42.37%
2018	28,549	72,113	39.59%

N/A - Not Available

The Village is required to have the actuarial valuation performed triennially.

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, 2018

	Budget		Actual	Variance Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 2,456,000	2,456,000	2,440,246	(15,754)
Intergovernmental	6,915,000	6,915,000	6,800,482	(114,518)
Licenses and Permits	420,800	420,800	510,849	90,049
Charges for Services	390,350	390,350	371,969	(18,381)
Fines and Forfeitures	182,500	182,500	182,038	(462)
Interest	120,000	120,000	71,076	(48,924)
Miscellaneous	50,000	50,000	51,562	1,562
Total Revenues	10,534,650	10,534,650	10,428,222	(106,428)
Expenditures				
General Government	2,538,785	2,568,785	2,389,214	(179,571)
Public Safety	5,480,285	5,480,285	5,228,745	(251,540)
Public Works	1,915,552	2,015,552	1,897,812	(117,740)
Capital Outlay	-	122,000	121,945	(55)
Total Expenditures	9,934,622	10,186,622	9,637,716	(548,906)
Excess (Deficiency) of Revenues Over (Under) Expenditures	600,028	348,028	790,506	442,478
Other Financing Sources (Uses)				
Insurance Claim Reimbursement	25,000	25,000	7,239	(17,761)
Disposal of Capital Assets	2,500	2,500	108	(2,392)
Transfers In	-	-	-	-
Transfers Out	(622,875)	(622,875)	(622,875)	-
	(595,375)	(595,375)	(615,528)	(20,153)
Net Change in Fund Balance	4,653	(247,347)	174,978	422,325
Fund Balance - Beginning			6,949,986	
Fund Balance - Ending			7,124,964	

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, 2018

	Budget			Variance
	Original	Final	Actual	Over (Under)
Revenues				
Taxes				
Property Taxes	\$ 385,159	385,159	385,131	(28)
Interest	12,000	12,000	18,202	6,202
Total Revenues	397,159	397,159	403,333	6,174
Expenditures				
General Government				
Engineering	115,000	115,000	81,346	(33,654)
Legal	3,500	3,500	3,072	(428)
Audit Services	2,153	2,253	2,218	(35)
Professional/Consulting Fees	45,000	43,700	13,282	(30,418)
TIF Reimbursements/Grants	100,000	100,000	31,413	(68,587)
Miscellaneous	-	1,200	1,060	(140)
Capital Outlay	350,000	350,000	189,831	(160,169)
Total Expenditures	615,653	615,653	322,222	(293,431)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(218,494)	(218,494)	81,111	299,605
Other Financing Sources				
Disposal of Capital Assets	-	-	197,037	197,037
Net Change in Fund Balance	(218,494)	(218,494)	278,148	496,642
Fund Balance - Beginning			1,222,287	
Fund Balance - Ending			1,500,435	

VILLAGE OF NORTH AURORA, ILLINOIS

Notes to the Required Supplementary Information

**Required Supplementary Information
Budgetary Information
May 31, 2018**

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

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
- Budgetary Comparison Schedule – Pension Trust Fund
- Combining Statement – Agency Funds

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

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

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.

Route 31 TIF Fund

The Route 31 TIF Fund is used to account for the operations of the Village's Tax Increment Financing District #1 funded by restricted incremental revenues.

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.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

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

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.

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

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.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

ENTERPRISE FUND – Continued

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.

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.

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

General Fund

Schedule of Revenues - Budget and Actual For the Fiscal Year Ended May 31, 2018

	Budget		Actual	Variance Over (Under)
	Original	Final		
Taxes				
Property Taxes	\$ 2,070,000	2,070,000	2,053,091	(16,909)
Property Tax - Road & Bridge	160,000	160,000	154,945	(5,055)
Auto Rental Taxes	3,000	3,000	6,170	3,170
Telecommunication Taxes	66,000	66,000	57,701	(8,299)
Video Gaming Taxes	85,000	85,000	91,083	6,083
OTB Handle	-	-	3,081	3,081
Amusement Taxes	72,000	72,000	74,175	2,175
Total Taxes	2,456,000	2,456,000	2,440,246	(15,754)
Intergovernmental				
Sales Taxes	4,715,000	4,715,000	4,711,465	(3,535)
Use Taxes	450,000	450,000	466,689	16,689
Illinois Income Taxes	1,685,000	1,685,000	1,587,027	(97,973)
Replacement Taxes	40,000	40,000	35,301	(4,699)
Grants	25,000	25,000	-	(25,000)
Total Intergovernmental	6,915,000	6,915,000	6,800,482	(114,518)
Licenses and Permits				
Business Licenses	35,000	35,000	33,699	(1,301)
Liquor Licenses	61,000	61,000	65,640	4,640
Antenna/Tower License Fee	4,000	4,000	-	(4,000)
Business Registration	15,000	15,000	16,050	1,050
Building Permits	225,000	225,000	273,757	48,757
Plumbing Permits	13,000	13,000	35,946	22,946
Contractor Licenses	40,000	40,000	52,122	12,122
Temporary Occupancy Fee	4,000	4,000	8,000	4,000
Storm Drain Fees	4,000	4,000	5,810	1,810
Zoning/Annex/Sp. Use Fees	3,500	3,500	2,000	(1,500)
Solicitor's Permit	1,000	1,000	1,925	925
Overweight Truck Permits	15,000	15,000	15,525	525
Towing Licenses	300	300	375	75
Total Licenses and Permits	420,800	420,800	510,849	90,049

VILLAGE OF NORTH AURORA, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued For the Fiscal Year Ended May 31, 2018

	Budget		Actual	Variance Over (Under)
	Original	Final		
Charges for Services				
Cable Franchise Fee	\$ 305,000	305,000	282,176	(22,824)
Accident Reports	1,200	1,200	1,545	345
Services Fees	25,000	25,000	14,578	(10,422)
Fingerprinting	1,800	1,800	1,635	(165)
Printed Materials	50	50	69	19
BRC/Variance Review Fees	500	500	731	231
Administration Fees	14,000	14,000	9,275	(4,725)
Rents	35,000	35,000	35,000	-
School Reimbursement	7,800	7,800	2,020	(5,780)
Other	-	-	24,940	24,940
Total Charges for Services	390,350	390,350	371,969	(18,381)
Fines and Forfeitures				
Ordinance Violations	10,000	10,000	24,085	14,085
Police Towing Admin Fees	60,000	60,000	47,999	(12,001)
Circuit Court Fines	100,000	100,000	84,763	(15,237)
Circuit Court Dui Fines	8,000	8,000	21,384	13,384
Drug Fund Revenue	1,000	1,000	107	(893)
Alarm System Fines and Fees	3,500	3,500	3,700	200
Total Fines and Forfeitures	182,500	182,500	182,038	(462)
Interest	120,000	120,000	71,076	(48,924)
Miscellaneous				
Miscellaneous	50,000	50,000	51,562	1,562
Total Revenues	10,534,650	10,534,650	10,428,222	(106,428)

VILLAGE OF NORTH AURORA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual For the Fiscal Year Ended May 31, 2018

	Budget			Variance Over (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	700	(800)
Per Diem - Plan Commission	5,000	4,950	2,050	(2,900)
Employers FICA Social Security and Medicare	4,753	4,803	4,774	(29)
Contractual Services				
Legal	5,000	5,000	3,429	(1,571)
Professional Consulting	10,000	10,000	4,388	(5,612)
Conferences and Travel	1,750	1,750	127	(1,623)
Dues and Meetings	11,235	11,235	10,252	(983)
Commodities				
Office Supplies	1,350	1,350	644	(706)
Miscellaneous	3,750	3,750	1,637	(2,113)
Capital Outlay				
Equipment	2,000	2,000	-	(2,000)
	108,738	108,738	90,401	(18,337)
Administration/Finance				
Personnel Services				
Salaries - Regular	549,452	555,452	554,783	(669)
Salaries - Part Time	62,832	62,832	31,183	(31,649)
Overtime	1,000	1,000	351	(649)
Employers FICA Social Security and Medicare	46,841	46,841	41,257	(5,584)
IMRF	67,424	67,424	65,939	(1,485)
Health Insurance	84,061	84,061	81,405	(2,656)
Life Insurance	226	226	204	(22)
Dental Insurance	3,039	3,039	2,982	(57)

VILLAGE OF NORTH AURORA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued For the Fiscal Year Ended May 31, 2018

	Budget			Variance Over (Under)
	Original	Final	Actual	
General Government - Continued				
Administration/Finance - Continued				
Contractual Services				
Legal	\$ 30,000	30,000	28,315	(1,685)
Audit Services	27,109	27,109	23,359	(3,750)
Finance Services	40,100	40,100	26,979	(13,121)
Professional/Consulting Fees	48,500	32,400	17,553	(14,847)
Conferences and Travel	6,900	6,900	2,214	(4,686)
Training and Testing	7,900	7,900	6,874	(1,026)
Dues and Meetings	3,770	3,770	3,458	(312)
Postage	2,500	2,500	218	(2,282)
Publishing/Advertising	4,180	4,180	1,593	(2,587)
Printing	13,150	13,150	12,430	(720)
Equipment/IT Maintenance	69,400	69,400	54,287	(15,113)
Website Maintenance	3,300	3,300	2,820	(480)
Banking Services/Fees	10,800	10,800	9,582	(1,218)
Telephone	5,500	5,500	3,627	(1,873)
Communications	10,850	10,850	8,859	(1,991)
Commodities				
Office Supplies	4,300	4,400	4,354	(46)
IT Supplies	5,000	5,000	1,270	(3,730)
Miscellaneous	9,500	9,500	7,857	(1,643)
Capital Outlay				
Vehicle Equipment Fund Charges	15,376	15,376	15,376	-
Equipment	2,000	12,000	10,810	(1,190)
	1,135,010	1,135,010	1,019,939	(115,071)
Community Development				
Personnel Services				
Salaries - Regular	317,996	322,996	322,758	(238)
Salaries - Part Time	16,937	18,937	18,401	(536)
Salaries - Overtime	2,500	2,500	709	(1,791)
Employers FICA Social Security and Medicare	25,815	25,815	25,490	(325)
IMRF	36,633	36,733	36,715	(18)
Health Insurance	37,929	37,929	31,064	(6,865)

VILLAGE OF NORTH AURORA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued For the Fiscal Year Ended May 31, 2018

	Budget		Actual	Variance Over (Under)
	Original	Final		
General Government - Continued				
Community Development - Continued				
Personnel Services - Continued				
Life Insurance	\$ 181	181	154	(27)
Dental Insurance	1,128	1,128	963	(165)
Contractual Services				
Engineering	30,000	20,200	18,266	(1,934)
Legal	20,000	20,000	12,654	(7,346)
Planning	8,000	8,000	2,687	(5,313)
Inspection Services	18,000	50,000	49,549	(451)
Consulting Fees	15,000	15,000	8,635	(6,365)
Conferences and Travel	4,900	4,900	3,387	(1,513)
Training	2,000	2,000	210	(1,790)
Dues and Meetings	5,400	5,400	4,697	(703)
Postage	1,800	1,800	184	(1,616)
Publishing	4,000	4,000	3,386	(614)
Printing	1,000	1,500	1,449	(51)
Equipment/IT Maintenance	700	700	202	(498)
Vehicle Repair and Maintenance	1,000	1,000	63	(937)
Grass Cutting	10,000	10,000	1,904	(8,096)
Telephone	3,500	3,500	1,754	(1,746)
Communications	1,850	1,850	1,005	(845)
Commodities				
Office Supplies	4,000	4,200	4,094	(106)
Gas and Oil	4,000	4,000	1,869	(2,131)
Uniform Allowance	500	500	-	(500)
Miscellaneous	1,000	1,000	210	(790)
Capital Outlay				
Vehicle Equipment Fund Charges	20,938	20,938	20,938	-
Equipment	500	500	-	(500)
	597,207	627,207	573,397	(53,810)
Other Departments				
Contractual Services				
Beautification Committee	5,000	5,000	8,868	3,868
Sales Tax Rebates	760,000	760,000	755,896	(4,104)
Public Access Cable	89,000	89,000	93,602	4,602

VILLAGE OF NORTH AURORA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued For the Fiscal Year Ended May 31, 2018

	Budget		Actual	Variance Over (Under)
	Original	Final		
General Government - Continued				
Other Departments - Continued				
Commodities				
Fireworks	\$ 25,000	25,000	25,000	-
Miscellaneous	-	-	3,281	3,281
	879,000	879,000	886,647	7,647
Less Reimbursements from Other Funds	(181,170)	(181,170)	(181,170)	-
Total General Government	2,538,785	2,568,785	2,389,214	(179,571)
Public Safety				
Police Commission				
Personnel Services				
Police Meetings - per Diem	1,500	1,550	1,550	-
Contractual Services				
Legal	800	50	-	(50)
Recruit Testing	4,000	4,700	4,671	(29)
Dues and Meetings	375	375	375	-
	6,675	6,675	6,596	(79)
Police Department				
Personnel Services				
Salaries - Regular	2,841,513	2,795,413	2,756,741	(38,672)
Salaries - Part Time	62,392	84,392	83,311	(1,081)
Salaries - Overtime	160,000	160,000	126,505	(33,495)
Salaries - Court Time	18,000	18,000	12,522	(5,478)
Service Pay	25,000	25,000	9,053	(15,947)
On-Call Pay	24,000	30,000	29,884	(116)
Employers FICA Social				
Security and Medicare	242,546	242,546	224,187	(18,359)
IMRF	13,734	13,734	12,599	(1,135)
Health Insurance	424,481	424,481	385,636	(38,845)
Life Insurance	1,401	1,401	1,257	(144)
Dental Insurance	9,805	9,805	9,043	(762)
Police Pension	956,000	956,000	956,000	-

VILLAGE OF NORTH AURORA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued For the Fiscal Year Ended May 31, 2018

	Budget		Actual	Variance
	Original	Final		Over (Under)
Public Safety - Continued				
Police Department - Continued				
Contractual Services				
Legal	\$ 35,000	35,000	28,013	(6,987)
Conferences and Travel	8,450	11,450	11,288	(162)
Training	27,231	31,031	30,815	(216)
Firearm Training	20,000	20,000	18,521	(1,479)
Dues and Meetings	13,139	13,139	11,161	(1,978)
Postage	2,100	2,100	1,937	(163)
Equipment/IT Maintenance	24,065	25,065	24,811	(254)
Vehicle Repair and Maintenance	47,700	47,700	39,264	(8,436)
Animal Control	1,500	1,500	1,275	(225)
Investigations	6,300	9,800	9,357	(443)
Licensing	300	300	-	(300)
Evidence Processing	2,500	3,000	2,989	(11)
Emergency Management	12,350	12,350	11,381	(969)
Telephone	11,000	13,500	13,037	(463)
Communications	185,590	185,590	184,046	(1,544)
Commodities				
Office Supplies	11,250	11,250	8,941	(2,309)
Gas and Oil	65,000	65,000	50,138	(14,862)
Prisoner Maintenance and Supplies	1,000	2,300	1,235	(1,065)
Too Good for Drugs Expenses	-	500	339	(161)
Drug Fund - Other Expenditures	16,000	16,000	509	(15,491)
DUI Prevention (DUI Fines)	16,000	16,000	-	(16,000)
Community Service	13,600	13,600	10,373	(3,227)
Uniform Allowance	25,850	25,850	23,919	(1,931)
Miscellaneous	11,050	13,050	12,973	(77)
Capital Outlay				
Vehicle Equipment Fund Charges	115,113	115,113	115,113	-
Equipment	22,650	22,650	3,976	(18,674)
	5,473,610	5,473,610	5,222,149	(251,461)
Total Public Safety	5,480,285	5,480,285	5,228,745	(251,540)

VILLAGE OF NORTH AURORA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued For the Fiscal Year Ended May 31, 2018

	Budget		Actual	Variance Over (Under)
	Original	Final		
Public Works				
Personnel Services				
Salaries - Regular	\$ 671,884	685,884	685,056	(828)
Salaries - Part Time	13,000	13,000	4,533	(8,467)
Salaries - Overtime	30,000	48,000	47,358	(642)
On-Call Pay	18,000	18,000	12,398	(5,602)
Employers FICA Social Security and Medicare	56,067	56,067	55,172	(895)
IMRF	82,660	84,160	84,042	(118)
Health Insurance	117,086	117,086	112,980	(4,106)
Life Insurance	452	452	418	(34)
Dental Insurance	2,310	2,510	2,442	(68)
Contractual Services				
Engineering	10,000	10,000	6,987	(3,013)
Legal	2,500	9,000	8,821	(179)
Conferences and Travel	3,000	3,000	573	(2,427)
Training	1,000	3,800	3,634	(166)
Dues and Meetings	2,300	2,300	1,143	(1,157)
Postage	2,000	2,000	251	(1,749)
Publishing	1,800	1,800	689	(1,111)
Printing	500	2,300	2,108	(192)
Equipment/IT Maintenance	10,000	10,000	6,265	(3,735)
Vehicle Repair and Maintenance	45,000	49,000	48,631	(369)
Public Buildings Repair and Maintenance	72,500	172,500	171,293	(1,207)
Mosquito Control	55,000	55,500	55,188	(312)
Public Grounds/Parks Maintenance	10,000	20,000	19,913	(87)
Grass Cutting	47,000	47,000	36,852	(10,148)
Tree Service	109,000	79,000	73,257	(5,743)
Snow Removal	160,000	130,000	127,895	(2,105)
Streets and Alleys Repair and Maintenance	30,000	30,000	20,460	(9,540)
Sidewalks Repair and Maintenance	40,000	34,700	22,361	(12,339)
Storm Drain Maintenance	15,000	15,000	3,614	(11,386)
Traffic Signs and Signals	30,000	30,000	15,828	(14,172)

VILLAGE OF NORTH AURORA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended May 31, 2018

	Budget		Actual	Variance Over (Under)
	Original	Final		
Public Works - Continued				
Contractual Services - Continued				
Telephone	\$ 7,000	7,000	4,697	(2,303)
Communications	10,800	10,800	10,018	(782)
Street Lighting	-	500	359	(141)
Utility	10,000	10,000	832	(9,168)
Commodities				
Office Supplies	3,100	3,300	3,288	(12)
Custodial Supplies	13,500	13,800	13,769	(31)
Salt	2,750	2,750	140	(2,610)
Gas and Oil	25,000	25,000	24,575	(425)
Uniform Allowance	3,300	3,600	3,545	(55)
Miscellaneous	3,000	3,500	3,284	(216)
Capital Outlay				
Vehicle Equipment Fund Charges	195,043	195,043	195,043	-
Equipment	4,000	8,200	8,100	(100)
Total Public Works	1,915,552	2,015,552	1,897,812	(117,740)
Capital Outlay	-	122,000	121,945	(55)
Total Expenditures	9,934,622	10,186,622	9,637,716	(548,906)

VILLAGE OF NORTH AURORA, ILLINOIS

Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance For the Fiscal Year Ended May 31, 2018

	Budget			Variance
	Original	Final	Actual	Over (Under)
Revenues				
Taxes				
Non-Home Rule Sales Tax	\$ 1,015,000	1,015,000	1,050,266	35,266
Utility Tax - Electric	385,000	385,000	394,491	9,491
Utility Tax - Gas	115,000	115,000	134,968	19,968
Telecommunication Tax	200,000	200,000	173,104	(26,896)
Interest	27,000	27,000	30,249	3,249
Miscellaneous				
Contributions and Donations	50,000	50,000	355	(49,645)
Impact Fees	20,000	20,000	121,721	101,721
Capital Fees	15,000	15,000	15,178	178
Total Revenues	<u>1,827,000</u>	<u>1,827,000</u>	<u>1,920,332</u>	<u>93,332</u>
Expenditures				
Capital Outlay				
Annual Road Program	1,649,000	1,647,800	933,068	(714,732)
Village Facilities	25,000	25,000	-	(25,000)
Sidewalk/ROW Improvements	75,000	75,200	72,920	(2,280)
Public Improvements	50,000	51,000	355	(50,645)
Total Expenditures	<u>1,799,000</u>	<u>1,799,000</u>	<u>1,006,343</u>	<u>(792,657)</u>
Net Change in Fund Balance	<u>28,000</u>	<u>28,000</u>	913,989	<u>885,989</u>
Fund Balance - Beginning			<u>2,064,911</u>	
Fund Balance - Ending			<u>2,978,900</u>	

VILLAGE OF NORTH AURORA, ILLINOIS

Combining Balance Sheet

**Nonmajor Governmental Funds
May 31, 2018**

See Following Page

VILLAGE OF NORTH AURORA, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet May 31, 2018

	Motor Fuel Tax	Sperry TIF	North Lincolnway TIF	Special Special Service Areas
ASSETS				
Cash and Investments	\$ 1,064,933	7,950	35,278	156,558
Receivables - Net of Allowances				
Property Taxes	-	5,873	17,130	22,571
Other Taxes	36,758	-	-	-
Accounts	-	-	-	-
Accrued Interest	-	-	-	-
Prepays	-	-	-	-
Total Assets	<u>1,101,691</u>	<u>13,823</u>	<u>52,408</u>	<u>179,129</u>
LIABILITIES				
Accounts Payable	141,066	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	-	5,873	17,130	22,800
Total Liabilities and Deferred Inflows of Resources	<u>141,066</u>	<u>5,873</u>	<u>17,130</u>	<u>22,800</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	960,625	7,950	35,278	120,889
Assigned			-	35,440
Total Fund Balances	<u>960,625</u>	<u>7,950</u>	<u>35,278</u>	<u>156,329</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>1,101,691</u>	<u>13,823</u>	<u>52,408</u>	<u>179,129</u>

Revenue					
Insurance	Sanitary Sewer	Tourism	Debt Service		Totals
			Library	Police Station	
307,162	1,526,576	48,394	123,106	264,799	3,534,756
256,418	-	-	522,554	-	824,546
-	-	5,026	-	-	41,784
-	28,286	-	-	-	28,286
-	3,062	-	-	-	3,062
-	-	11,500	-	-	11,500
563,580	1,557,924	64,920	645,660	264,799	4,443,934
8,069	765	5,654	-	-	155,554
266,111	-	-	542,308	-	854,222
274,180	765	5,654	542,308	-	1,009,776
-	-	11,500	-	-	11,500
-	-	-	103,352	264,799	1,492,893
289,400	1,557,159	47,766	-	-	1,929,765
289,400	1,557,159	59,266	103,352	264,799	3,434,158
563,580	1,557,924	64,920	645,660	264,799	4,443,934

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, 2018

	Motor Fuel Tax	Sperry TIF	North Lincolnway TIF	Special Service Areas
Revenues				
Taxes	\$ -	4,367	12,223	24,783
Intergovernmental	473,490	-	-	-
Licenses and Permits	-	-	-	-
Charges for Services	-	-	-	-
Interest	14,239	-	364	1,219
Miscellaneous	-	-	-	-
Total Revenues	487,729	4,367	12,587	26,002
Expenditures				
General Government	-	-	6,356	31,017
Public Safety	-	-	-	-
Public Works	389,423	-	-	-
Sanitation	-	-	-	-
Capital Outlay	305,197	-	-	-
Debt Service				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	694,620	-	6,356	31,017
Excess (Deficiency) of Revenues Over (Under) Expenditures	(206,891)	4,367	6,231	(5,015)
Other Financing Sources				
Insurance Claim Reimbursement	-	-	-	-
Transfers In	-	-	-	-
	-	-	-	-
Net Change in Fund Balances	(206,891)	4,367	6,231	(5,015)
Fund Balances - Beginning	1,167,516	3,583	29,047	161,344
Fund Balances - Ending	960,625	7,950	35,278	156,329

Revenue					
Insurance	Sanitary Sewer	Tourism	Debt Service		Totals
			Library	Police Station	
252,570	-	49,134	534,372	-	877,449
-	-	-	-	-	473,490
-	36,243	-	-	-	36,243
40,000	177,541	-	-	-	217,541
4,282	11,668	578	4,399	3,869	40,618
-	-	89,099	-	-	89,099
296,852	225,452	138,811	538,771	3,869	1,734,440
35,703	-	152,946	30	30	226,082
207,725	-	-	-	-	207,725
64,914	-	-	-	-	454,337
16,229	64,892	-	-	-	81,121
-	-	-	-	-	305,197
-	-	-	465,000	455,000	920,000
-	-	-	69,850	167,975	237,825
324,571	64,892	152,946	534,880	623,005	2,432,287
(27,719)	160,560	(14,135)	3,891	(619,136)	(697,847)
13,099	-	-	-	-	13,099
-	-	-	-	622,875	622,875
13,099	-	-	-	622,875	635,974
(14,620)	160,560	(14,135)	3,891	3,739	(61,873)
304,020	1,396,599	73,401	99,461	261,060	3,496,031
289,400	1,557,159	59,266	103,352	264,799	3,434,158

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, 2018**

	Budget		Actual	Variance Over (Under)
	Original	Final		
Revenues				
Intergovernmental				
Motor Fuel Tax Allotments	\$ 460,000	460,000	473,490	13,490
Interest	10,000	10,000	14,239	4,239
Total Revenues	470,000	470,000	487,729	17,729
Expenditures				
Public Works				
Engineering	5,000	5,000	-	(5,000)
Salt	160,000	160,000	134,275	(25,725)
Streets and Alleys Repair and Maintenance	120,000	120,000	-	(120,000)
Bank Services/Fees	500	500	27	(473)
Street Lighting and Poles	110,000	110,000	100,270	(9,730)
Street Light Repair/Maintenance	199,840	199,140	154,208	(44,932)
Miscellaneous	-	700	643	(57)
Capital Outlay	400,000	400,000	305,197	(94,803)
Total Expenditures	995,340	995,340	694,620	(300,720)
Net Change in Fund Balance	<u>(525,340)</u>	<u>(525,340)</u>	(206,891)	<u>318,449</u>
Fund Balance - Beginning			<u>1,167,516</u>	
Fund Balance - Ending			<u>960,625</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, 2018**

	Budget		Actual	Variance
	Original	Final		Over (Under)
Revenues				
Taxes				
Property Taxes	\$ 4,367	4,367	4,367	-
Expenditures				
General Government				
Contractual Services	2,000	2,000	-	(2,000)
Net Change in Fund Balance	<u>2,367</u>	<u>2,367</u>	4,367	<u>(2,000)</u>
Fund Balance - Beginning			<u>3,583</u>	
Fund Balance - Ending			<u>7,950</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, 2018**

	Budget		Actual	Variance Over (Under)
	Original	Final		
Revenues				
Taxes				
Property Taxes	\$ 12,224	12,224	12,223	(1)
Interest	-	-	364	364
Total Revenues	12,224	12,224	12,587	363
Expenditures				
General Government				
Engineering	-	6,500	6,356	(144)
Capital Outlay	41,000	34,500	-	(34,500)
Total Expenditures	41,000	41,000	6,356	(34,644)
Net Change in Fund Balance	<u>(28,776)</u>	<u>(28,776)</u>	6,231	<u>35,007</u>
Fund Balance - Beginning			<u>29,047</u>	
Fund Balance - Ending			<u>35,278</u>	

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, 2018**

	Budget		Actual	Variance Over (Under)
	Original	Final		
Revenues				
Taxes				
Property Taxes	\$ 24,810	24,810	24,783	(27)
Interest	500	500	1,219	719
Total Revenues	25,310	25,310	26,002	692
Expenditures				
General Government				
Maintenance	36,970	36,970	27,847	(9,123)
Administrative Fee	3,170	3,170	3,170	-
Total Expenditures	40,140	40,140	31,017	(9,123)
Net Change in Fund Balance	(14,830)	(14,830)	(5,015)	9,815
Fund Balance - Beginning			161,344	
Fund Balance - Ending			156,329	

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, 2018

	Budget		Actual	Variance Over (Under)
	Original	Final		
Revenues				
Taxes				
Property Taxes	\$ 255,000	255,000	252,570	(2,430)
Charges for Services	40,000	40,000	40,000	-
Interest	3,000	3,000	4,282	1,282
Total Revenues	298,000	298,000	296,852	(1,148)
Expenditures				
General Government	36,960	36,960	35,703	(1,257)
Public Safety	215,040	215,040	207,725	(7,315)
Public Works	67,200	67,200	64,914	(2,286)
Sanitation	16,800	16,800	16,229	(571)
Total Expenditures	336,000	336,000	324,571	(11,429)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(38,000)	(38,000)	(27,719)	10,281
Other Financing Sources (Uses)				
Insurance Claim Reimbursement	40,000	40,000	13,099	(26,901)
Net Change in Fund Balance	2,000	2,000	(14,620)	(16,620)
Fund Balance - Beginning			304,020	
Fund Balance - Ending			289,400	

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, 2018

	Budget			Variance
	Original	Final	Actual	Over (Under)
Revenues				
Licenses and Permits				
Sanitary Sewer Permits	\$ 20,000	20,000	36,243	16,243
Charges for Services				
Sewer Sales	175,000	175,000	177,541	2,541
Interest	25,000	25,000	11,668	(13,332)
Total Revenues	220,000	220,000	225,452	5,452
Expenditures				
Sanitation				
Engineering	25,000	25,000	367	(24,633)
Equipment/IT Maintenance	3,000	3,000	1,607	(1,393)
Sewers Repair and Maintenance	208,000	207,000	5,314	(201,686)
Administrative Fee	35,000	35,000	35,000	-
Equipment	60,000	60,000	-	(60,000)
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	352,875	352,875	64,892	(287,983)
Net Change in Fund Balance	(132,875)	(132,875)	160,560	293,435
Fund Balance - Beginning			1,396,599	
Fund Balance - Ending			1,557,159	

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, 2018**

	Budget		Actual	Variance Over (Under)
	Original	Final		
Revenues				
Taxes				
Hotel Taxes	\$ 45,000	45,000	49,134	4,134
Interest	300	300	578	278
Miscellaneous				
North Aurora Days	115,000	115,000	89,099	(25,901)
Total Revenues	160,300	160,300	138,811	(21,489)
Expenditures				
General Government				
Tourism	40,500	41,500	41,467	(33)
North Aurora Days	105,000	114,000	101,479	(12,521)
Fireworks	12,000	12,000	10,000	(2,000)
Total Expenditures	157,500	167,500	152,946	(14,554)
Net Change in Fund Balance	2,800	(7,200)	(14,135)	(6,935)
Fund Balance - Beginning			73,401	
Fund Balance - Ending			59,266	

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, 2018**

	Budget		Actual	Variance Over (Under)
	Original	Final		
Revenues				
Taxes				
Property Taxes	\$ 539,719	539,719	534,372	(5,347)
Interest	1,200	1,200	4,399	3,199
Total Revenues	540,919	540,919	538,771	(2,148)
Expenditures				
General Government				
Miscellaneous	50	50	30	(20)
Debt Service				
Principal Retirement	465,000	465,000	465,000	-
Interest and Fiscal Charges	69,926	69,926	69,850	(76)
Total Expenditures	534,976	534,976	534,880	(96)
Net Change in Fund Balance	5,943	5,943	3,891	(2,052)
Fund Balance - Beginning			99,461	
Fund Balance - Ending			103,352	

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, 2018**

	Budget		Actual	Variance Over (Under)
	Original	Final		
Revenues				
Interest	\$ 2,000	2,000	3,869	1,869
Expenditures				
General Government				
Miscellaneous	-	-	30	30
Debt Service				
Principal Retirement	455,000	455,000	455,000	-
Interest and Fiscal Charges	168,200	168,200	167,975	(225)
Total Expenditures	623,200	623,200	623,005	(195)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(621,200)	(621,200)	(619,136)	2,064
Other Financing Sources				
Transfers In	622,875	622,875	622,875	-
Net Change in Fund Balance	1,675	1,675	3,739	2,064
Fund Balance - Beginning			261,060	
Fund Balance - Ending			264,799	

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, 2018

	Budget		Actual	Variance Over (Under)
	Original	Final		
Operating Revenues				
Charges for Services				
Water Sales	\$ 2,320,000	2,320,000	2,340,798	20,798
Water Meters	20,000	20,000	40,839	20,839
Water Permits	75,000	75,000	187,950	112,950
Meter Reads	18,500	18,500	18,245	(255)
Impact Fees	500	500	-	(500)
Building Permits	1,500	1,500	3,551	2,051
Hydrant Meter Rental	1,500	1,500	75	(1,425)
Reimburse Turn On/Turn Off Fees	9,500	9,500	15,325	5,825
Total Operating Revenues	<u>2,446,500</u>	<u>2,446,500</u>	<u>2,606,783</u>	<u>160,283</u>
Operating Expenses				
Operations	6,978,794	6,978,794	1,570,619	(5,408,175)
Depreciation	-	-	868,908	868,908
Total Operating Expenses	<u>6,978,794</u>	<u>6,978,794</u>	<u>2,439,527</u>	<u>(4,539,267)</u>
Operating Income (Loss)	<u>(4,532,294)</u>	<u>(4,532,294)</u>	<u>167,256</u>	<u>4,699,550</u>
Nonoperating Revenue (Expenses)				
Interest Income	70,000	70,000	82,620	12,620
Tower Rent	197,000	197,000	201,535	4,535
Capacity Curtailment Payments	-	-	2,257	2,257
Miscellaneous	5,000	5,000	360	(4,640)
Insurance Claim Reimbursement	-	-	5,572	5,572
Disposal of Capital Asset	-	-	558	558
Interest Expense	(151,710)	(151,710)	(182,023)	(30,313)
	<u>120,290</u>	<u>120,290</u>	<u>110,879</u>	<u>(9,411)</u>
Change in Net Position	<u>(4,412,004)</u>	<u>(4,412,004)</u>	<u>278,135</u>	<u>4,690,139</u>
Net Position - Beginning			<u>24,730,934</u>	
Net Position - Ending			<u>25,009,069</u>	

VILLAGE OF NORTH AURORA, ILLINOIS

Waterworks - Enterprise Fund

Schedule of Expenses - Budget and Actual For the Fiscal Year Ended May 31, 2018

	Budget		Actual	Variance Over (Under)
	Original	Final		
Operations				
Personal Services				
Salaries - Regular	\$ 338,723	338,723	335,043	(3,680)
Salaries - Overtime	18,000	20,000	19,484	(516)
On-Call Pay	10,000	10,000	8,980	(1,020)
Employer's FICA Social Security and Medicare	28,055	28,055	27,000	(1,055)
IMRF	42,104	42,104	41,461	(643)
Health Insurance	92,410	92,410	87,403	(5,007)
Life Insurance	226	226	199	(27)
Dental Insurance	2,359	2,359	1,788	(571)
	531,877	533,877	521,358	(12,519)
Contractual Services				
Engineering	307,800	307,800	83,359	(224,441)
Legal	5,000	5,000	251	(4,749)
Conferences and Travel	1,750	1,750	52	(1,698)
Training	2,700	2,700	2,579	(121)
Dues and Meetings	1,625	1,625	1,055	(570)
Chlorine	33,000	33,000	25,965	(7,035)
Salt - Treatment	12,500	13,500	13,431	(69)
New Meters, Repairs and Replacements	89,300	89,300	44,757	(44,543)
Postage	21,200	21,200	18,277	(2,923)
Publishing	1,500	1,500	962	(538)
Printing	20,425	20,425	16,863	(3,562)
Equipment/IT Maintenance	20,950	20,950	18,047	(2,903)
Vehicle Repair and Maintenance	6,000	6,000	2,611	(3,389)
Water Studies	10,500	10,500	10,304	(196)
Testing (Water)	15,850	15,850	5,644	(10,206)
Fire Hydrant Repair/Maintenance	15,500	15,500	10,797	(4,703)
Water Well Repair and Maintenance	21,000	21,000	10,149	(10,851)
Treatment Plant Repair/Maintenance	151,600	151,600	51,418	(100,182)
Watermain Repairs and Replacements	65,700	65,700	22,928	(42,772)
Water Tower Repair and Maintenance	11,700	78,700	77,620	(1,080)

VILLAGE OF NORTH AURORA, ILLINOIS

Waterworks - Enterprise Fund

Schedule of Expenses - Budget and Actual - Continued For the Fiscal Year Ended May 31, 2018

	Budget		Actual	Variance Over (Under)
	Original	Final		
Operations - Continued				
Contractual Services - Continued				
Banking Services/Fees	\$ 28,000	28,000	22,757	(5,243)
Collection Fee	100	100	-	(100)
Telephone	4,000	4,000	2,197	(1,803)
Communications	14,125	14,125	11,308	(2,817)
Utility	340,000	340,000	328,006	(11,994)
Office Rental	35,000	35,000	35,000	-
Administrative Fee	143,000	143,000	143,000	-
Miscellaneous	8,500	10,500	10,447	(53)
Liability Insurance	35,000	35,000	35,000	-
Water Pension	-	-	3,464	3,464
	1,423,325	1,493,325	1,008,248	(485,077)
Commodities				
Uniform Allowance	1,650	2,450	2,229	(221)
Office Supplies	3,500	3,500	3,391	(109)
Gas and Oil	11,000	11,000	9,497	(1,503)
Equipment	32,000	32,000	9,152	(22,848)
Vehicle and Equipment Charges	10,785	10,785	10,785	-
	58,935	59,735	35,054	(24,681)
Capital Outlay				
Annual Watermain Replacement	-	6,000	5,959	(41)
Plant Improvements	5,090,000	5,011,200	125,343	(4,885,857)
	5,090,000	5,017,200	131,302	(4,885,898)
Less Capital Assets Capitalized	(125,343)	(125,343)	(125,343)	-
	4,964,657	4,891,857	5,959	(4,885,898)
Total Operations	6,978,794	6,978,794	1,570,619	(5,408,175)
Depreciation	-	-	868,908	868,908
Total Operating Expenses	6,978,794	6,978,794	2,439,527	(4,539,267)

VILLAGE OF NORTH AURORA, ILLINOIS

Waterworks - Enterprise Fund

Schedule of Expenses - Budget and Actual - Continued
For the Fiscal Year Ended May 31, 2018

	Budget		Actual	Variance Over (Under)
	Original	Final		
Debt Service				
Principal Retirement	\$ 461,252	461,252	461,252	-
Interest and Fiscal Charges	151,710	151,710	182,023	30,313
	612,962	612,962	643,275	30,313
Less Principal Retirement	(461,252)	(461,252)	(461,252)	-
Total Debt Service	151,710	151,710	182,023	30,313

VILLAGE OF NORTH AURORA, ILLINOIS

**Combining Statement of Net Position - Internal Service Funds
May 31, 2018**

	Vehicle and Equipment	Employee Compensated Absences	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 1,827,573	373,045	2,200,618
Receivables - Net of Allowances			
Accrued Interest	5,782	-	5,782
Inventories	18,892	-	18,892
Total Current Assets	1,852,247	373,045	2,225,292
Noncurrent Assets			
Capital Assets			
Nondepreciable	15,800	-	15,800
Depreciable	3,005,758	-	3,005,758
Accumulated Depreciation	(1,541,016)	-	(1,541,016)
Total Noncurrent Assets	1,480,542	-	1,480,542
Total Assets	3,332,789	373,045	3,705,834
LIABILITIES			
Current Liabilities			
Accounts Payable	159,267	-	159,267
Compensated Absences Payable	-	93,261	93,261
Total Current Liabilities	159,267	93,261	252,528
Long-Term Liabilities			
Compensated Absences Payable	-	279,784	279,784
Total Liabilities	159,267	373,045	532,312
NET POSITION			
Investment in Capital Assets	1,480,542	-	1,480,542
Unrestricted	1,692,980	-	1,692,980
Total Net Position	3,173,522	-	3,173,522

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, 2018

	Vehicle and Equipment	Employee Compensated Absences	Totals
Operating Revenues			
Charges for Services	\$ 374,130	13,308	387,438
Operating Expenses			
Operations and Capital	118,916	13,308	132,224
Depreciation	171,047	-	171,047
Total Operating Expenses	289,963	13,308	303,271
Operating Income (Loss)	84,167	-	84,167
Nonoperating Revenues (Expenses)			
Interest Income	19,777	-	19,777
Disposal of Capital Assets	39,846	-	39,846
	59,623	-	59,623
Income (Loss) Before Contributions	143,790	-	143,790
Contributions	3,312	-	3,312
Change in Net Position	147,102	-	147,102
Net Position - Beginning	3,026,420	-	3,026,420
Net Position - Ending	3,173,522	-	3,173,522

VILLAGE OF NORTH AURORA, ILLINOIS

Combining Statement of Cash Flows - Internal Service Funds For the Fiscal Year Ended May 31, 2018

	Vehicle and Equipment	Employee Compensated Absences	Totals
Cash Flows from Operating Activities			
Interfund Services Provided	\$ 369,328	13,308	382,636
Payment to Suppliers	37,501	-	37,501
	<u>406,829</u>	<u>13,308</u>	<u>420,137</u>
Cash Flows from Capital and Related Financing Activities			
Proceeds from Public Works Escrow	3,312	-	3,312
Disposal of Capital Assets	39,846	-	39,846
Purchase of Capital Assets	(470,361)	-	(470,361)
	<u>(427,203)</u>	<u>-</u>	<u>(427,203)</u>
Cash Flows from Investing Activities			
Interest Received	19,777	-	19,777
Net Change in Cash and Cash Equivalents	(597)	13,308	12,711
Cash and Cash Equivalents - Beginning	1,828,170	359,737	2,187,907
Cash and Cash Equivalents - Ending	<u>1,827,573</u>	<u>373,045</u>	<u>2,200,618</u>
Reconciliation of Operating Income to Net Cash			
Provided (Used) by Operating Activities			
Operating Income (Loss)	84,167	-	84,167
Adjustments to Reconcile Operating Income			
to Net Cash Provided by (Used in)			
Operating Activities			
Depreciation	171,047	-	171,047
(Increase) Decrease in Current Assets	(4,802)	-	(4,802)
Increase (Decrease) in Current Liabilities	156,417	13,308	169,725
Net Cash Provided by Operating Activities	<u>406,829</u>	<u>13,308</u>	<u>420,137</u>

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, 2018

	Budget			Variance
	Original	Final	Actual	Over (Under)
Operating Revenues				
Charges for Services	\$ 374,130	374,130	374,130	-
Operating Expenses				
Operations and Capital	610,400	610,400	589,277	(21,123)
Operating Income (Loss)	(236,270)	(236,270)	(215,147)	(21,123)
Nonoperating Revenues (Expenses)				
Interest Income	23,000	23,000	19,777	(3,223)
Disposal of Capital Assets	25,000	25,000	39,846	14,846
	48,000	48,000	59,623	11,623
Income (Loss) Before Contributions	(188,270)	(188,270)	(155,524)	(32,746)
Contributions	-	-	3,312	3,312
Non-GAAP Basis Change in Net Position	(188,270)	(188,270)	(152,212)	(36,058)
Adjustments to GAAP Basis				
Capital Assets Capitalized			470,361	
Depreciation			(171,047)	
Change in Net Position			147,102	
Net Position - Beginning			3,026,420	
Net Position - Ending			3,173,522	

VILLAGE OF NORTH AURORA, ILLINOIS

Police Pension Fund

Schedule of Changes in Fiduciary Net Position For the Fiscal Year Ended May 31, 2018

	Budget			Variance
	Original	Final	Actual	Over (Under)
Additions				
Contributions - Employer	\$ 956,000	956,000	956,000	-
Contributions - Plan Members	258,000	258,000	252,169	(5,831)
Total Contributions	1,214,000	1,214,000	1,208,169	(5,831)
Investment Income				
Interest Earned	730,300	730,300	639,239	(91,061)
Net Change in Fair Value	500,000	500,000	379,379	(120,621)
	1,230,300	1,230,300	1,018,618	(211,682)
Less Investment Expenses	(25,925)	(25,925)	(25,297)	628
Net Investment Income	1,204,375	1,204,375	993,321	(211,054)
Total Additions	2,418,375	2,418,375	2,201,490	(216,885)
Deductions				
Administration	13,600	13,600	9,559	(4,041)
Benefits and Refunds	901,997	901,997	838,041	(63,956)
Total Deductions	915,597	915,597	847,600	(67,997)
Change in Fiduciary Net Position	1,502,778	1,502,778	1,353,890	(148,888)
Net Position Restricted for Pensions				
Beginning			15,908,889	
Ending			17,262,779	

VILLAGE OF NORTH AURORA, ILLINOIS

Agency Funds

**Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended May 31, 2018**

	Beginning Balances	Additions	Deductions	Ending Balances
All Funds				
ASSETS				
Cash and Investments	\$ 879,663	798,243	718,567	959,339
LIABILITIES				
Due to Others	879,663	798,243	718,567	959,339
Developer's and Building Escrow Fund				
ASSETS				
Cash and Investments	286,496	432,280	247,152	471,624
LIABILITIES				
Due to Others	286,496	432,280	247,152	471,624
Land Cash Escrows Fund				
ASSETS				
Cash and Investments	593,167	365,963	471,415	487,715
LIABILITIES				
Due to Others	593,167	365,963	471,415	487,715

SUPPLEMENTAL SCHEDULES

VILLAGE OF NORTH AURORA, ILLINOIS

**Schedule of General Long-Term Debt Payable from Governmental Activities
May 31, 2018**

Amount Available and to be Provided for the Retirement of General Long-Term Debt	
Amount Available for Debt Service	\$ 280,510
Amount to be Provided for Retirement of General Long-Term Debt	<u>19,460,047</u>
Total Amount Available and to be Provided for the Retirement of General Long-Term Debt	<u>19,740,557</u>
General Long-Term Debt Payable	
Compensated Absences	373,045
Net Pension Liabilities	11,698,383
Net Other Post-Employment Benefit Obligation	359,129
General Obligation Bonds Payable	<u>7,310,000</u>
Total General Long-Term Debt Payable	<u>19,740,557</u>

VILLAGE OF NORTH AURORA, ILLINOIS

Schedule of Long-Term Debt Requirements

**General Obligation Refunding Library Bonds of 2009
May 31, 2018**

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 Levy Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2017	629-725	\$ 485,000	51,938	536,938	2018	25,969	2019	25,969
2018	726-826	505,000	33,750	538,750	2019	16,875	2020	16,875
2019	827-905	395,000	14,814	409,814	2020	7,407	2021	7,407
		<u>1,385,000</u>	<u>100,502</u>	<u>1,485,502</u>			<u>50,251</u>	<u>50,251</u>

VILLAGE OF NORTH AURORA, ILLINOIS

Schedule of Long-Term Debt Requirements

**General Obligation Alternate Revenue Source Refunding Bonds of 2014
May 31, 2018**

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 Levy Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2017	193-285	\$ 465,000	158,400	623,400	2018	79,200	2019	79,200
2018	286-380	475,000	149,100	624,100	2019	74,550	2020	74,550
2019	381-478	490,000	139,600	629,600	2020	69,800	2021	69,800
2020	479-579	505,000	129,800	634,800	2021	64,900	2022	64,900
2021	580-682	515,000	119,700	634,700	2022	59,850	2023	59,850
2022	683-789	535,000	104,250	639,250	2023	52,125	2024	52,125
2023	790-899	550,000	88,200	638,200	2024	44,100	2025	44,100
2024	900-1013	570,000	71,700	641,700	2025	35,850	2026	35,850
2025	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>5,925,000</u>	<u>1,071,150</u>	<u>6,996,150</u>			<u>535,575</u>	<u>535,575</u>

VILLAGE OF NORTH AURORA, ILLINOIS

Schedule of Long-Term Debt Requirements

General Obligation Alternate Revenue Source Bonds of 2017 May 31, 2018

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 Levy Year	Bond Numbers	Requirements			Interest Due on			
		Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2017	72-135	\$ 320,000	175,825	495,825	2018	87,913	2019	87,912
2018	136-200	325,000	166,225	491,225	2019	83,113	2020	83,112
2019	201-267	335,000	156,475	491,475	2020	78,238	2021	78,237
2020	268-336	345,000	146,425	491,425	2021	73,213	2022	73,212
2021	337-408	360,000	136,075	496,075	2022	68,038	2023	68,037
2022	409-482	370,000	125,275	495,275	2023	62,638	2024	62,637
2023	483-558	380,000	114,175	494,175	2024	57,088	2025	57,087
2024	559-636	390,000	102,775	492,775	2025	51,388	2026	51,387
2025	637-717	405,000	91,075	496,075	2026	45,538	2027	45,537
2026	718-800	415,000	78,925	493,925	2027	39,463	2028	39,462
2027	801-886	430,000	65,438	495,438	2028	32,719	2029	32,719
2028	887-974	440,000	51,464	491,464	2029	25,732	2030	25,732
2029	975-1065	455,000	36,062	491,062	2030	18,031	2031	18,031
2030	1066-1160	475,000	18,999	493,999	2031	9,500	2032	9,499
		<u>5,445,000</u>	<u>1,465,213</u>	<u>6,910,213</u>			<u>732,612</u>	<u>732,601</u>

VILLAGE OF NORTH AURORA, ILLINOIS

Schedule of Long-Term Debt Requirements

**Kane County Loan Payable of 2010
May 31, 2018**

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 Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 15	Amount	Dec. 15	Amount
2017	\$ 110,502	10,138	120,640	2018	5,069	2018	5,069
2018	115,309	7,062	122,371	2019	3,531	2019	3,531
2019	120,551	3,702	124,253	2020	1,851	2020	1,851
	<u>346,362</u>	<u>20,902</u>	<u>367,264</u>		<u>10,451</u>		<u>10,451</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, 2018 (Unaudited)

	2009	2010	2011
Governmental Activities			
Net Investment in Capital Assets	\$ 47,004,982	52,220,638	73,654,427
Restricted	3,469,442	3,557,460	4,108,032
Unrestricted	5,375,448	6,800,528	7,919,304
Total Governmental Activities Net Position	55,849,872	62,578,626	85,681,763
Business-Type Activities			
Net Investment in Capital Assets	17,646,735	18,198,621	20,103,711
Unrestricted	917,151	761,323	1,043,388
Total Business-Type Activities Net Position	18,563,886	18,959,944	21,147,099
Primary Government			
Net Investment in Capital Assets	64,651,717	70,419,259	93,758,138
Restricted	3,469,442	3,557,460	4,108,032
Unrestricted	6,292,599	7,561,851	8,962,692
Total Primary Government Net Position	74,413,758	81,538,570	106,828,862

* Accrual Basis of Accounting

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

Data Source: Audited Financial Statements

2012	2013	2014	2015	2016 **	2017	2018
81,798,254	83,248,697	85,083,399	86,384,283	87,966,627	88,313,085	88,427,188
3,572,015	3,906,679	3,748,762	4,049,089	3,293,677	2,940,679	3,002,428
7,482,489	8,883,752	10,404,995	10,519,121	1,979,304	2,078,106	2,769,907
92,852,758	96,039,128	99,237,156	100,952,493	93,239,608	93,331,870	94,199,523
20,760,990	20,995,758	20,966,641	22,099,689	22,191,726	21,830,789	20,927,587
1,493,850	2,306,779	2,893,770	2,406,255	2,744,852	2,900,145	4,081,482
22,254,840	23,302,537	23,860,411	24,505,944	24,936,578	24,730,934	25,009,069
102,559,244	104,244,455	106,050,040	108,483,972	110,158,353	110,143,874	109,354,775
3,572,015	3,906,679	3,748,762	4,049,089	3,293,677	2,940,679	3,002,428
8,976,339	11,190,531	13,298,765	12,925,376	4,724,156	4,978,251	6,851,389
115,107,598	119,341,665	123,097,567	125,458,437	118,176,186	118,062,804	119,208,592

VILLAGE OF NORTH AURORA, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years*
May 31, 2018 (Unaudited)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities										
General Government	\$ 2,741,380	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
Public Safety	4,548,047	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
Public Works	3,198,892	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
Sanitation	578,730	421,496	359,733	510,422	370,834	558,586	577,795	487,802	704,175	418,347
Health and Welfare	88,768	66,978	72,277	65,094	-	-	-	-	-	-
Interest	426,940	510,332	537,322	512,987	487,719	465,671	459,862	287,892	259,260	233,328
Total Governmental Activities Expenses	11,582,757	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
Business-Type Activities										
Waterworks	2,245,452	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
Total Primary Government Expenses	13,828,209	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
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	672,395	546,116	647,884	631,909	797,812	1,104,559	1,295,616	1,210,730	869,123	894,698
Public Works	31,268	44,884	40,208	50,790	29,758	-	-	-	-	-
Other	707,396	601,625	617,152	614,929	610,725	630,640	436,583	533,199	353,591	423,942
Operating Grants/Contributions	494,958	494,575	598,055	526,517	513,589	609,785	547,447	477,516	466,331	473,490
Capital Grants/Contributions	10,036,690	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
Total Governmental Activities Program Revenues	11,942,707	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
Business-Type Activities										
Charges for Services										
Waterworks	2,329,638	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
Capital Gains and Contributions	920,752	230,238	1,882,337	754,260	207,500	174,062	418,913	10,597	-	-
Total Business-Type Activities Program Revenues	3,250,390	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
Total Primary Government Program Revenues	15,193,097	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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (Expense) Revenue										
Governmental Activities	\$ 359,950	(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)
Business-Type Activities	1,004,938	354,494	2,168,926	1,094,199	1,074,490	546,964	630,512	586,921	(241,325)	(14,767)
Total Primary Government Net (Expense) Revenue	1,364,888	(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)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property and Replacement	2,798,676	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
Sales	4,160,089	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
Telecommunications	254,250	383,446	374,926	363,748	346,743	329,355	304,778	278,444	258,746	230,805
Utility	321,939	513,988	537,432	497,232	532,587	568,148	527,221	487,721	531,002	529,459
Amusement	73,592	66,300	67,359	76,438	75,669	84,050	80,155	88,845	82,489	74,175
Other	325,188	280,784	320,504	328,803	355,255	401,734	484,048	535,140	550,330	616,157
Shared Income Taxes	1,399,626	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
Investment Income	351,622	155,009	56,265	54,747	48,281	95,274	(180,909)	92,804	102,993	179,922
Miscellaneous	154,940	90,885	43,387	63,382	24,979	64,025	88,672	28,252	64,980	341,411
Gain on Disposal of Capital Assets	-	-	-	-	34,654	-	-	-	-	-
Total Governmental Activities General Revenues	9,839,922	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
Business-Type Activities										
Investment Income	18,604	4,734	1,981	1,189	3,770	6,777	7,087	6,626	21,607	82,620
Miscellaneous	-	36,830	16,248	12,353	9,356	4,133	7,934	24,019	14,074	210,282
Total Business-Type Activities General Revenues	18,604	41,564	18,229	13,542	13,126	10,910	15,021	30,645	35,681	292,902
Total Primary Government General Revenues	9,858,526	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
Changes in Net Position										
Governmental Activities	10,199,872	7,194,585	23,103,137	7,170,995	3,266,260	3,198,028	1,715,337	659,866	92,262	867,653
Business-Type Activities	1,023,542	396,058	2,187,155	1,107,741	1,087,616	557,874	645,533	617,566	(205,644)	278,135
Total Primary Government Changes in Net Position	11,223,414	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

* 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, 2018 (Unaudited)

	2009	2010	2011
General Fund			
Reserved	\$ 39,542	34,047	28,325
Unreserved	4,593,025	4,671,774	5,124,435
Nonspendable	-	-	-
Restricted	-	-	-
Unrestricted			
Unassigned	-	-	-
Total General Fund	4,632,567	4,705,821	5,152,760
All Other Governmental Funds			
Reserved	11,673,398	5,044,911	4,249,421
Unreserved			
Capital Projects	1,268,483	2,049,659	1,961,817
Nonspendable	-	-	-
Restricted	-	-	-
Unrestricted			
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total All Other Governmental Funds	12,941,881	7,094,570	6,211,238
Total Governmental Funds	17,574,448	11,800,391	11,363,998

* Modified Accrual Basis of Accounting

Data Source: Audited Financial Statements

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

2012	2013	2014	2015	2016	2017	2018
-	-	-	-	-	-	-
-	-	-	-	-	-	-
45,382	28,122	5,866	18,743	19,129	19,765	6,104
20,047	19,559	19,070	16,535	23,493	31,821	52,464
5,358,408	5,801,289	6,152,602	6,364,785	6,605,504	6,898,400	7,066,396
5,423,837	5,848,970	6,177,538	6,400,063	6,648,126	6,949,986	7,124,964
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,400	-	-	972	-	5,325	11,500
3,551,968	4,833,771	3,729,692	4,032,554	3,270,184	2,908,858	3,037,605
-	-	641,896	294,517	-	-	702,562
2,314,949	2,468,350	3,849,499	3,788,586	3,924,404	3,869,046	4,161,826
(2,496)	-	-	-	-	-	-
5,866,821	7,302,121	8,221,087	8,116,629	7,194,588	6,783,229	7,913,493
11,290,658	13,151,091	14,398,625	14,516,692	13,842,714	13,733,215	15,038,457

VILLAGE OF NORTH AURORA, ILLINOIS

Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years* May 31, 2018 (Unaudited)

	2009	2010	2011	2012
Revenues				
Taxes	\$ 7,933,736	8,342,948	8,885,058	9,225,769
Licenses and Permits	419,591	274,749	355,582	426,556
Intergovernmental	2,004,584	1,770,352	2,169,201	2,062,401
Charges for Services	779,315	683,158	668,021	689,479
Fines and Forfeits	326,941	277,722	301,113	291,247
Developer Contributions	1,741,648	577,373	65,614	198,563
Investment Income	351,622	155,009	56,265	54,747
Miscellaneous	40,150	47,880	23,916	35,060
Total Revenues	13,597,587	12,129,191	12,524,770	12,983,822
Expenditures				
Current				
General Government	2,366,401	2,391,451	2,163,355	2,250,381
Public Safety	3,864,954	3,984,649	4,154,945	4,611,054
Public Works	2,011,129	1,617,841	1,523,924	1,586,926
Sanitation	67,018	76,971	57,858	63,329
Health and Welfare	88,768	66,978	72,277	65,094
Capital Outlay	5,547,491	8,499,948	3,727,818	3,330,335
Debt Service				
Principal	405,000	635,000	750,000	665,000
Interest and Fiscal Charges	317,327	722,609	548,852	506,989
Total Expenditures	14,668,088	17,995,447	12,999,029	13,079,108
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,070,501)	(5,866,256)	(474,259)	(95,286)
Other Financing Sources (Uses)				
Transfers In	1,097,290	681,642	706,012	805,635
Transfers Out	(1,097,290)	(681,642)	(706,012)	(805,635)
Bonds Issued	9,000,000	4,525,000	-	-
Payment to Refunded Bonds Escrow	-	(4,500,954)	-	-
Discount on Bonds Issued	(90,000)	-	-	-
Premium on Bonds Issued	-	68,153	-	-
Disposal of Capital Assets	-	-	-	-
Insurance Claim Reimbursement	-	-	37,866	21,946
Total Other Financing Sources (Uses)	8,910,000	92,199	37,866	21,946
Net Change in Fund Balances	7,839,499	(5,774,057)	(436,393)	(73,340)
Debt Service as a Percentage of Noncapital Expenditures	6.26%	9.87%	14.16%	11.43%

* Modified Accrual Basis of Accounting

Data Source: Audited Financial Statements

2013	2014	2015	2016	2017	2018
9,317,485	9,775,359	9,997,628	10,135,609	10,413,105	5,455,655
555,008	828,380	987,674	980,051	479,890	547,092
2,175,060	2,303,622	2,296,559	2,216,295	2,093,264	7,273,972
652,786	650,364	637,452	571,260	585,900	589,510
217,966	177,756	142,274	125,525	127,720	182,038
73,753	904,416	228,474	307,130	42,490	-
48,281	95,274	(180,909)	92,804	102,993	160,145
34,856	27,626	53,471	95,343	94,185	277,915
13,075,195	14,762,797	14,162,623	14,524,017	13,939,547	14,486,327
2,258,771	2,309,967	2,567,418	2,536,799	2,489,554	2,747,687
4,605,621	4,804,652	5,190,232	5,202,837	5,439,089	5,436,470
1,876,107	2,563,622	2,314,769	2,505,027	2,491,077	2,352,149
57,004	243,504	230,131	145,104	314,133	81,121
-	-	-	-	-	-
1,267,564	2,559,030	2,718,904	3,667,311	2,218,724	1,623,316
695,000	725,000	760,000	850,000	890,000	920,000
489,349	468,261	516,082	294,165	263,325	237,825
11,249,416	13,674,036	14,297,536	15,201,243	14,105,902	13,398,568
1,825,779	1,088,761	(134,913)	(677,226)	(166,355)	1,087,759
781,434	1,016,068	995,706	1,088,769	962,769	622,875
(781,434)	(1,016,068)	(995,706)	(1,088,769)	(962,769)	(622,875)
-	-	6,885,000	-	-	-
-	-	(6,952,658)	-	-	-
-	-	-	-	-	-
-	-	256,582	-	-	-
-	-	-	-	-	197,145
34,654	146,453	64,056	3,248	56,856	20,338
34,654	146,453	252,980	3,248	56,856	217,483
1,860,433	1,235,214	118,067	(673,978)	(109,499)	1,305,242
11.45%	10.36%	9.60%	9.16%	9.55%	9.59%

VILLAGE OF NORTH AURORA, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years May 31, 2018 (Unaudited)

Tax Levy Year	Residential Property	Commercial Property	Industrial Property	Railroad Property
2008	\$ 455,105,924	\$ 73,362,075	\$ 40,855,140	\$ 169,537
2009	455,869,473	77,510,259	40,660,653	205,003
2010	430,166,785	74,268,198	37,777,327	224,708
2011	396,460,429	64,212,904	34,967,983	268,280
2012	358,899,978	66,774,379	35,772,199	286,904
2013	337,016,726	58,444,313	31,023,446	312,020
2014	339,111,156	59,859,375	31,341,315	316,153
2015	359,301,370	67,329,121	33,018,080	330,034
2016	384,212,041	67,873,407	34,089,473	374,889
2017	397,846,748	71,244,763	34,513,524	362,886

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

Farm Property	Total Taxable Assessed Value	Estimated Actual Taxable Value	Total Direct Tax Rate
\$ 268,650	\$ 569,761,326	\$ 1,709,283,978	\$ 0.4619
337,496	574,582,884	1,723,748,652	0.3808
378,796	542,815,814	1,628,447,442	0.4574
385,110	496,294,706	1,488,884,118	0.5106
338,753	462,072,213	1,386,216,639	0.5647
336,302	427,132,807	1,281,398,421	0.6265
244,838	430,872,837	1,292,618,511	0.6377
248,169	460,226,774	1,380,680,322	0.6129
275,248	486,825,058	1,460,475,174	0.5892
288,822	504,256,743	1,512,770,229	0.5811

VILLAGE OF NORTH AURORA, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years May 31, 2018 (Unaudited)

	2008	2009	2010
Village Direct Rates			
Village of North Aurora	0.373998	0.294611	0.367100
General Obligation Library Debt Service	0.087901	0.086180	0.090252
Total Direct Rates	0.461899	0.380791	0.457352
Overlapping Rates			
Messenger Public Library	0.242000	0.242730	0.266280
North Arora Fire District	0.698169	0.696580	0.764120
Kane County	0.333610	0.339794	0.372975
Kane County Forest Preserve	0.193217	0.199732	0.220104
Aurora Township (1)	0.214057	0.218958	0.242825
College District 516	0.399526	0.404276	0.406952
Fox Valley Park District	0.401363	0.412193	0.480263
West Aurora Schools 129	4.122511	4.183454	4.273974
Total Overlapping Rates	6.604453	6.697717	7.027493
Total All Rates (Representative)	7.066352	7.078508	7.484845

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

2011	2012	2013	2014	2015	2016	2017
0.409270	0.454490	0.505010	0.515680	0.497450	0.478350	0.473600
0.101378	0.110170	0.121440	0.122027	0.115407	0.110865	0.107546
0.510648	0.564660	0.626450	0.637707	0.612857	0.589215	0.581146
0.296870	0.329670	0.366550	0.374060	0.360840	0.347020	0.343292
0.834119	0.916086	1.024067	1.046502	1.016720	0.978261	0.967609
0.398980	0.433559	0.462292	0.468360	0.447884	0.420062	0.402498
0.260923	0.271015	0.303868	0.312630	0.294354	0.225322	0.165841
0.274235	0.314060	0.362063	0.374280	0.247795	0.326488	0.312400
0.470953	0.531163	0.580694	0.595432	0.587468	0.560691	0.553304
0.528582	0.586301	0.627967	0.630680	0.599925	0.558975	0.532249
5.160256	5.889589	6.666744	6.857788	6.589755	6.147832	5.988207
8.224918	9.271443	10.394245	10.659732	10.144741	9.564651	9.265400
8.735566	9.836103	11.020695	11.297439	10.757598	10.153866	9.846546

VILLAGE OF NORTH AURORA, ILLINOIS

Principal Property Tax Payers - Current Levy Year and Nine Levy Years Ago May 31, 2018 (Unaudited)

Taxpayer	Levy Year 2017			Levy Year 2008		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
SVF Orchard North Aurora LLC	\$ 8,062,993	1	1.60%			
Star Randall Highlands LLC	7,267,651	2	1.44%			
Dart Container Corp	5,708,138	3	1.13%	\$ 5,885,679	1	1.03%
Liberty Illinois LP	4,294,240	4	0.85%			
Woodman's Food Market	4,021,765	5	0.80%	4,628,722	2	0.81%
Summitt Enterprises of Illinois, Ltd.	3,598,210	6	0.71%	4,593,794	3	0.81%
Preferred Real Estate LLC	3,071,017	7	0.61%	3,157,289	5	0.55%
Courtyards Village West Apartment	2,910,263	8	0.58%	3,802,322	4	0.67%
JC Penney Properties	2,580,481	9	0.51%	2,473,372	8	0.43%
Metropolitan Bank & Trust	2,502,644	10	0.50%	3,086,693	6	0.54%
Target Corporation				2,848,169	7	0.50%
Fox River Corporate Center				2,293,063	9	0.40%
Liberty Illinois LLP				2,097,189	10	0.37%
	<u>44,017,402</u>		<u>8.73%</u>	<u>34,866,292</u>		<u>6.12%</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, 2018 (Unaudited)

Tax Levy Year	Taxes Levied for the Fiscal Year		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$	2,772,836	\$ 92,708	3.34%	\$ 2,674,961	\$ 2,767,669	99.81%
2009		2,324,453	153,746	6.61%	2,169,231	2,322,977	99.94%
2010		2,621,370	294,925	11.25%	2,318,996	2,613,921	99.72%
2011		2,672,466	164,801	6.17%	2,498,760	2,663,561	99.67%
2012		2,756,055	202,084	7.33%	2,545,541	2,747,625	99.69%
2013		2,821,826	377,214	13.37%	2,436,618	2,813,832	99.72%
2014		2,899,425	229,838	7.93%	2,658,804	2,888,642	99.63%
2015		2,977,524	206,837	6.95%	2,730,626	2,937,463	98.65%
2016		3,024,971	65,570	2.17%	2,929,409	2,994,979	99.01%
2017		3,088,135	113,872	3.69%	1,573,097	1,686,969	54.63%

(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, 2018 (Unaudited)

	2008	2009	2010	2011
General Merchandise	486,771	467,325	493,607	505,924
Food	902,814	909,306	977,589	1,106,414
Drinking and Eating Places	260,481	241,546	262,390	289,233
Apparel	47,052	55,847	60,937	73,069
Furniture & H.H. & Radio	146,079	255,162	263,781	254,383
Lumber, Building Hardware	121,685	63,057	60,859	71,572
Automobile and Filling Stations	1,660,857	1,323,237	1,474,027	1,776,042
Drugs and Miscellaneous Retail	263,922	267,408	288,566	286,046
Agriculture and All Others	302,435	239,617	152,316	149,743
Manufacturers	161,536	135,394	138,919	166,620
Unclassified	-	-	-	-
Total	4,353,632	3,957,899	4,172,991	4,679,046
Village Direct Sales Tax Rate	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.

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

2012	2013	2014	2015	2016	2017
527,890	494,442	457,535	463,033	500,240	500,629
1,163,388	1,190,519	1,178,048	1,157,147	1,142,081	1,226,793
322,069	340,590	367,727	413,909	409,591	426,812
73,461	30,135	57,975	58,354	N/A	N/A
253,578	246,541	246,357	249,324	249,758	225,232
-	65,982	99,887	59,456	72,789	60,878
1,868,562	1,863,590	2,040,342	1,975,673	1,906,527	- 1,885,391
285,473	434,255	505,026	582,353	760,865	833,664
118,245	135,272	130,118	130,883	181,407	226,076
196,487	192,288	188,201	198,126	288,261	305,950
7,293	-	-	-	-	-
4,816,446	4,993,614	5,271,216	5,288,258	5,511,518	5,691,425
1.50%	1.50%	1.50%	1.50%	1.50%	1.50%

VILLAGE OF NORTH AURORA, ILLINOIS

Direct and Overlapping Sales Tax Rates (1)
May 31, 2018 (Unaudited)

Fiscal Year	General Merchandise Village Direct Rate	General Merchandise State and Other Rates	General Merchandise Total Rate Within Village
2009	1.50%	6.00%	7.50%
2010	1.50%	6.00%	7.50%
2011	1.50%	6.00%	7.50%
2012	1.50%	6.00%	7.50%
2013	1.50%	6.00%	7.50%
2014	1.50%	6.00%	7.50%
2015	1.50%	6.00%	7.50%
2016	1.50%	6.00%	7.50%
2017	1.50%	6.00%	7.50%
2018	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, 2018 (Unaudited)

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income *	Per Capita *
	General Obligation Bonds		General Obligation Bonds	Kane County Loan Payable			
2009	\$ 14,045,000		\$ 3,635,000	\$ -	\$ 17,680,000	3.85%	\$ 1,112
2010	13,385,000		3,140,000	-	16,525,000	3.59%	1,040
2011	12,614,653		2,630,000	1,033,785	16,278,438	3.35%	971
2012	11,948,258		2,100,000	940,032	14,988,290	3.03%	894
2013	11,251,865		1,555,000	846,520	13,653,385	2.76%	815
2014	10,525,471		1,190,000	751,605	12,467,076	2.52%	744
2015	10,243,553		810,000	654,650	11,708,203	2.37%	699
2016	9,370,768		415,000	555,174	10,340,942	1.88%	617
2017	8,457,983		5,990,863	452,614	14,901,460	2.72%	854
2018	7,515,198		5,623,139	346,362	13,484,699	2.46%	773

* 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, 2018 (Unaudited)

Fiscal Year	Governmental Activities General Obligation Bonds	Business-Type Activities General Obligation Bonds	Less: Amounts Restricted for Principal Repayment	Net Total	Percentage of Estimated Actual Taxable Value of Property *	Per Capita
2009	\$ 14,045,000	\$ 3,635,000	\$ 351,559	\$ 17,328,441	3.04%	\$ 1,090
2010	13,385,000	3,140,000	367,103	16,157,897	2.81%	1,017
2011	12,614,653	2,630,000	369,512	14,875,141	2.74%	888
2012	11,948,258	2,100,000	284,726	13,763,532	2.77%	821
2013	11,251,865	1,555,000	285,942	12,520,923	2.71%	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

* 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, 2018 (Unaudited)

Governmental Unit	Gross Debt	Percentage of Debt Applicable to Village (1)	Village's Share of Debt
Village of North Aurora	\$ 7,515,198	100.00%	\$ 7,515,198
Overlapping Debt			
Kane County	33,945,000	3.69%	1,252,571
Kane County Forest Preserve	154,575,000	3.69%	5,703,818
Fox Valley Park District	34,385,000	9.00%	3,094,650
Batavia Park District	678,865	4.06%	27,562
Batavia Library 1998 Bond District	705,000	7.65%	53,933
Schools			
School District #101	59,810,000	0.58%	346,898
School District #129	142,803,000	29.27%	41,798,438
School District #302	83,459,430	0.35%	292,108
Community College District #516	58,005,000	5.48%	3,178,674
Total Other Governments	568,366,295		55,748,651
Total Overlapping Bonded Debt	575,881,493		63,263,849

(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, 2018 (Unaudited)**

	2009	2010	2011	2012
Legal Debt Limit	\$ 49,141,914	49,557,774	46,817,864	42,805,418
Total Net Debt Applicable to Limit	4,825,000	4,525,000	4,200,000	3,855,000
Legal Debt Margin	44,316,914	45,032,774	42,617,864	38,950,418
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	9.82%	9.13%	8.97%	9.01%

Data Source: Village Records

2013	2014	2015	2016	2017	2018
39,853,728	36,840,205	37,162,782	39,694,559	41,988,661	43,492,144
3,490,000	3,110,000	2,710,000	2,290,000	1,850,000	1,385,000
36,363,728	33,730,205	34,452,782	37,404,559	40,138,661	42,107,144
8.76%	8.44%	7.29%	5.77%	4.41%	3.18%

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed Value	<u>\$ 504,256,743</u>
Bonded Debt Limit - 8.625% of Assessed Value	43,492,144
Amount of Debt Applicable to Limit	<u>1,385,000</u>
Legal Debt Margin	<u>42,107,144</u>

VILLAGE OF NORTH AURORA, ILLINOIS

Pledged-Revenue Coverage - Last Ten Fiscal Years May 31, 2018 (Unaudited)

Fiscal Year	General Obligation Alternate Revenue Source Waterworks Bonds of 2017					
	Water Charges and Others (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2009	\$ 2,294,418	\$ 1,435,195	\$ 859,223	\$ 480,000	\$ 147,436	\$ 1.37
2010	2,269,443	1,286,390	983,053	495,000	130,636	1.57
2011	2,443,696	1,416,878	1,026,818	495,000	125,390	1.66
2012	2,546,187	1,332,923	1,213,264	530,000	119,454	1.87
2013	3,122,509	2,168,411	954,098	375,000	71,410	2.14
2014	2,643,669	1,522,880	1,120,789	365,000	57,535	2.65
2015	2,396,868	1,470,951	925,917	380,000	44,030	2.18
2016	2,679,453	1,444,706	1,234,747	395,000	29,970	2.91
2017	2,386,804	1,809,580	577,224	415,000	15,355	1.34
2018	2,689,403	1,570,619	1,118,784	355,000	138,302	2.27

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

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

Data Source: Village Records

General Obligation Alternate Revenue Source Refunding Bonds of 2014								
Beginning Fund Balance	Sales Tax, Use Tax And Other	Total Available Funds	Less Non-Debt Expenditures	Net Available Funds	Debt Service		Coverage	
					Principal	Interest		
\$ -	\$ 280,785	\$ 280,785	\$ -	\$ 280,785	\$ -	\$ -	N/A	
280,785	661,884	942,669	-	942,669	255,000	401,413	1.44	
285,717	868,272	971,989	-	971,989	310,000	376,044	1.42	
285,430	685,740	971,170	-	971,170	320,000	365,969	1.42	
284,726	686,925	971,651	-	971,651	330,000	355,169	1.42	
285,942	689,299	975,241	-	975,241	345,000	343,206	1.42	
286,470	691,188	977,658	-	977,658	360,000	203,289	1.74	
288,413	596,247	884,660	-	884,660	430,000	192,600	1.42	
261,456	626,639	888,095	-	888,095	450,000	176,500	1.42	
261,060	626,744	887,804	-	887,804	455,000	157,500	1.45	

VILLAGE OF NORTH AURORA, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years May 31, 2018 (Unaudited)

Fiscal Year	(1) Population	Personal Income	(2) Per Capita Personal Income	(3) Unemployment Rate
2009	15,893	\$ 459,752,704	\$ 28,928	6.30%
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%

(1) Population of 17,441 based on 2016 partial, special census.
Population of 16,760 based on 2010 census.
Population of 15,893 based on 2007 partial, special census.

(2) Per Capita Personal Income Based on 2010 census.
Per Capita Income of \$28,928 based on 2004 census and EASI Analytics.
2011 Year based on Kane County 2010 census.

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

VILLAGE OF NORTH AURORA, ILLINOIS

Principal Employers - Current Year and Nine Years Ago May 31, 2018 (Unaudited)

Employer	2018			2009		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Dart Container Corporation	370	1	2.12%	150	1	0.94%
Aurora Packing Company, Inc.	300	2	1.72%	180	9	1.13%
West Aurora School District	250	3	1.43%	190	4	1.20%
Oberweis Dairy, Inc.	225	4	1.29%	125	2	0.79%
Pentair Aurora Pump	165	5	0.95%	200	3	1.26%
Woodman's Food Market	160	6	0.92%	150	5	0.94%
One Source Industries	159	7	0.91%			
Euclid Beverage Ltd.	140	8	0.80%	135	7	0.85%
Dovenmuehle Mortgage	125	9	0.72%			
Target	105	10	0.60%	95	10	0.60%
Reliant Data Processing				65	6	0.41%
Daco, Inc.				99	8	0.62%
	<u>1,999</u>		<u>11.46%</u>	<u>1,389</u>		<u>8.74%</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, 2018 (Unaudited)**

	2009	2010	2011	2012
General Government				
Admin/Finance	5.75	4.75	4.60	4.60
Community Development	4.35	3.80	3.80	4.11
Public Safety				
Police				
Sworn Officers	29.00	29.00	28.00	28.00
Civilians/Other	4.10	4.10	4.10	4.10
Public Works				
Administration	2.00	2.00	2.00	2.00
Street Maintenance	8.30	8.30	7.25	7.45
Water Operations/Billing	4.00	4.00	4.00	4.00
Total	57.50	55.95	53.75	54.26

Data Source: Village Finance Office

2013	2014	2015	2016	2017	2018
4.67	5.67	5.67	5.67	6.36	6.36
4.17	4.17	4.17	4.17	4.25	4.25
28.00	28.00	28.00	29.00	29.00	29.00
4.10	3.35	3.35	3.35	3.35	3.35
2.00	2.00	2.00	2.00	3.00	3.00
7.45	7.45	7.45	8.45	7.45	7.45
4.00	4.00	4.00	5.00	5.00	5.00
54.39	54.64	54.64	57.64	58.41	58.41

VILLAGE OF NORTH AURORA, ILLINOIS

Operating Indicators by Function/Program - Last Ten Fiscal Years May 31, 2018 (Unaudited)

	2009	2010	2011
Community Development			
New Home Permits	25	19	18
New Commercial Permits	26	18	10
Misc Permits	555	524	603
Police			
Physical Arrests	640	421	381
Ordinance Violations	200	163	143
Traffic Violations	7,234	6,205	8,555
Public Works			
Street Resurfacing (Miles)	0.35	-	0.15
Street Reconstruction (Miles)	1.50	0.80	0.40
Water and Sewer			
New Connections	25	34	20
Water Mains Breaks	13	10	10
Average Daily Consumption	1,596,992	1,831,441	1,783,000
Peak Daily Consumption	3,200,000	3,027,000	2,800,000

Data Source: Various Village departments

2012	2013	2014	2015	2016	2017	2018
22	147	27	21	332	13	30
16	14	24	13	21	39	15
542	500	1,464	2,260	535	591	535
456	289	246	235	248	216	275
182	97	107	124	105	122	273
7,758	4,510	5,565	4,597	2,258	3,731	5,028
0.58	-	0.36	2.19	-	-	-
0.54	0.98	1.62	0.97	1.70	1.60	4.20
23	52	185	30	140	15	70
9	22	16	12	8	7	8
1,819,873	1,918,847	1,852,400	1,739,000	1,770,000	1,770,547	1,833,600
3,240,000	3,552,000	3,266,000	3,224,000	2,882,000	3,498,000	3,200,000

VILLAGE OF NORTH AURORA, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Fiscal Years May 31, 2018 (Unaudited)

	2009	2010	2011	2012
Public Safety				
Police				
Stations	1	1	1	1
Area Patrols	3	3	3	3
Patrol Units	17	17	17	17
Public Works				
Streets (Miles)	72	74	74	76
Streetlights	575	849	849	849
Traffic Signals	8	8	8	8
Water				
Water Mains (Miles)	72	73	73	76
Fire Hydrants	950	960	960	980
Storage Capacity (Gallons)	1,500,000	1,500,000	1,500,000	1,500,000

Data Source: Various Village Departments

2013	2014	2015	2016	2017	2018
1	1	1	1	1	1
3	3	3	3	3	3
17	17	17	18	18	18
76	76	77	77	77	77
849	849	849	849	849	849
8	8	8	8	8	8
92	92	94	94	95	95
1,150	1,150	1,150	1,200	1,250	1,270
1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000