

VILLAGE OF CAMPTON HILLS,  
ILLINOIS

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MANAGEMENT LETTER

FOR THE FISCAL YEAR ENDED  
APRIL 30, 2016



October 26, 2016

The Honorable Village President  
Members of the Board of Trustees  
Village of Campton Hills, Illinois

In planning and performing our audit of the financial statements of the Village of Campton Hills, Illinois, for the year ended April 30, 2016, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

We do not intend to imply that our audit failed to disclose commendable aspects of your system and structure. For your consideration we herein submit our comments and suggestions which are designed to assist in effecting improvements in internal controls and procedures. Those less-significant matters, if any, which arose during the course of the audit, were reviewed with management as the audit field work progressed.

The accompanying comments and recommendations are intended solely for the information and use of the Finance Committee, Board of Trustees, management, and others within the Village of Campton Hills, Illinois.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Village personnel. We would be pleased to discuss our comments and suggestions in further detail with you at your convenience, to perform any additional study of these matters, or to review the procedures necessary to bring about desirable changes.

We commend the finance department for the well prepared audit package and we appreciate the courtesy and assistance given to us by the entire Village staff.

*Lauterbach + Amen LLP*  
LAUTERBACH & AMEN, LLP

## **CURRENT RECOMMENDATIONS**

### 1. **INVESTMENT POLICY**

#### Comment

During our current year-end audit procedures, we noted that Village does not have a formal written investment policy. A well-written investment policy will provide the Board with a strong internal control for cash and investment related transactions as well as a benchmark for monitoring the success of its investment program.

#### Recommendation

We recommend that the Village create and adopt a formal investment policy. The policy should outline general investment objectives, authorized investments, safekeeping and custody requirements and any other information pertinent to the investment policy.

### 2. **FUND WITH DEFICIT FUND BALANCE**

#### Comment

During our current year-end audit procedures, we noted the following fund with deficit fund balance. See the April 30, 2015 fund balance compared to the April 30, 2016 fund balance:

<u>Fund</u>	<u>April 30, 2015</u>	<u>April 30, 2016</u>
Special Service Area #1	\$ (35,797)	(26,179)

#### Recommendation

We recommend the Village investigate the cause of the deficit and adopt appropriate future funding measures.

### 3. **FUND OVER BUDGET**

#### Comment

During our current year-end audit procedures, we noted that the following fund had an excess of actual expenditures over budget for the fiscal year:

<u>Fund</u>	<u>Excess</u>
Police Pension	\$ 4,806

#### Recommendation

We recommend the Village investigate the cause of the fund over budget and adopt appropriate future funding measures.

VILLAGE OF  
CAMPTON HILLS, ILLINOIS

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ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED  
APRIL 30, 2016

**VILLAGE OF CAMPTON HILLS, ILLINOIS**

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## **INTRODUCTORY SECTION**

**VILLAGE OF CAMPTON HILLS, ILLINOIS**

**List of Principal Officials  
April 30, 2016**

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**VILLAGE PRESIDENT**

Harry Blecker

**VILLAGE BOARD OF TRUSTEES**

Laura Andersen

Susan George

Jim McKelvie

Mike Millette

Michael O'Dwyer

Mike Tyrrell

**ADMINISTRATIVE**

Nick Girka, Village Clerk

Ron Searl, Village Administrator

Taunya Fischer, Village Treasurer

## **FINANCIAL SECTION**

## **INDEPENDENT AUDITORS' REPORT**

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



**INDEPENDENT AUDITORS' REPORT**

October 26, 2016

The Honorable Village President  
Members of the Board of Trustees  
Village of Campton Hills, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Campton Hills, Illinois, as of and for the year ended April 30, 2016, 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, each major fund, and the aggregate remaining fund information of the Village of Campton Hills, Illinois, as of April 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

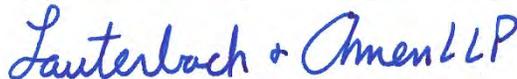
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement 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 Campton Hills, Illinois', basic financial statements. The introductory section, combining and individual fund financial statements and budgetary comparison schedules, and supplemental schedules 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 schedule 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 schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has 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 it.

  
LAUTERBACH & AMEN, LLP

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

# VILLAGE OF CAMPTON HILLS, ILLINOIS

## Management's Discussion and Analysis April 30, 2016

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Our discussion and analysis of the Village of Campton Hills' financial performance provides an overview of the Village's financial activities for the fiscal year ended April 30, 2016. Please read it in conjunction with the financial statements, which begin on page 3.

### FINANCIAL HIGHLIGHTS

- The Village decreased beginning net position \$408,185 due to the implementation of GASB Statement No. 68, which required governments to report the net pension liabilities and related deferred items on the financial statements for the IMRF and Police Pensions and due to an error in recognition of capital assets in the prior year.
- The Village's net position decreased \$262,919, or 1.1%, as a result of this year's operations.
- During the year, government-wide revenues totaled \$2,853,290, while expenses totaled \$3,116,209, resulting in a decrease to net position of \$262,919.
- The Village's net position totaled \$23,627,278 on April 30, 2016, which includes \$21,259,498 net investment in capital assets, \$561,608 subject to external restrictions, and \$1,806,172 unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.
- The General Fund reported a surplus this year of \$14,484, resulting in ending fund balance of \$1,897,807, an increase of less than percent.

### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 3-5) provide information about the activities of the Village of Campton Hills as a whole and present a longer-term view of the Village's finances. Fund financial statements begin on page 6. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds. The remaining statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside of the government.

### Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Village of Campton Hills' finances, in a matter similar to a private-sector business. The government wide financial statements can be found on pages 3-5 of this report.

The Statement of Net Position reports information on all of the Village's assets/deferred outflows and liabilities/deferred inflows, with the difference between the two 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. Consideration of other nonfinancial factors, such as changes in the Village's property tax base and the condition of the Village's infrastructure, is needed to assess the overall health of the Village.

# VILLAGE OF CAMPTON HILLS, ILLINOIS

## Management's Discussion and Analysis April 30, 2016

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### USING THIS ANNUAL REPORT – Continued

#### Government-Wide Financial Statements – Continued

The Statement of Activities presents information showing how the government'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 (e.g., uncollected taxes and earned but unused vacation leave).

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 Village only reports governmental activities, which include general government and public safety.

#### 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 of Campton Hills, like other 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 two categories: governmental 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, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Village'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 the comparison between governmental funds and governmental activities.

# VILLAGE OF CAMPTON HILLS, ILLINOIS

## Management's Discussion and Analysis April 30, 2016

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### USING THIS ANNUAL REPORT – Continued

#### Fund Financial Statements – Continued

##### Governmental Funds – Continued

The Village of Campton Hills maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Motor Fuel Tax Fund, the Road and Bridge Fund, and the Capital Projects Fund, all of which are considered major funds. Data from the other two 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 appropriated budget for all of the governmental funds. A budgetary comparison schedule for these funds has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 6-11 of this report.

##### Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside 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 basic fiduciary fund financial statements can be found on pages 12-13 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 14-44 of this report.

##### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's I.M.R.F. and police employee pension obligations and budgetary comparison schedules for the General Fund and major special revenue funds. Required supplementary information can be found on pages 45-52 of this report. The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 53-60 of this report.

# VILLAGE OF CAMPTON HILLS, ILLINOIS

## Management's Discussion and Analysis April 30, 2016

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### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Village of Campton Hills, assets/deferred outflows exceeded liabilities/deferred inflows by \$23,627,278.

	Net Position	
	Governmental	
	Activities	
	2016	2015
Current/Other Assets	\$ 3,748,273	3,527,860
Capital Assets	21,715,806	22,122,071
Deferred Outflows of Resources	115,698	24,393
Total Assets/Deferred Outflows	<u>25,579,777</u>	<u>25,674,324</u>
Long-Term Debt	1,261,200	504,741
Other Liabilities	200,359	386,364
Deferred Inflows of Resources	490,940	484,837
Total Liabilities/Deferred Inflows	<u>1,952,499</u>	<u>1,375,942</u>
Net Position		
Net Investment in Capital Assets	21,259,498	22,118,446
Restricted	561,608	1,819,367
Unrestricted (Deficit)	<u>1,806,172</u>	<u>360,569</u>
Total Net Position	<u>23,627,278</u>	<u>24,298,382</u>

A large portion of the Village's net position, \$21,259,498 or 90.0 percent, reflects its investment in capital assets (for example, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$561,608 or 2.4 percent, of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining 7.6 percent, or \$1,806,172, represents unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors.

# VILLAGE OF CAMPTON HILLS, ILLINOIS

## Management's Discussion and Analysis April 30, 2016

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### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

	Change in Net Position	
	Governmental Activities	
	2016	2015
Revenues		
Program Revenues		
Charges for Services	\$ 414,552	414,500
Operating Grants/Contrib.	305,044	10,512
Capital Grants/Contrib.	-	-
General Revenues		
Road and Bridge Taxes	486,638	469,092
State Shared Revenues	1,607,923	1,878,449
Other General Revenues	39,133	377,491
Total Revenues	<u>2,853,290</u>	<u>3,150,044</u>
Expenses		
General Government	1,786,323	1,738,991
Public Safety	1,311,159	964,042
Interest on Long-Term Debt	18,727	-
Total Expenses	<u>3,116,209</u>	<u>2,703,033</u>
Change in Net Position	(262,919)	447,011
Net Position - Beginning as Restated	<u>23,890,197</u>	<u>23,851,371</u>
Net Position - Ending	<u>23,627,278</u>	<u>24,298,382</u>

Net position decreased by 1.1 percent (\$23,627,278 in 2016 compared to a restated \$23,890,197 in 2015). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$1,806,172 at April 30, 2016.

# VILLAGE OF CAMPTON HILLS, ILLINOIS

## Management's Discussion and Analysis April 30, 2016

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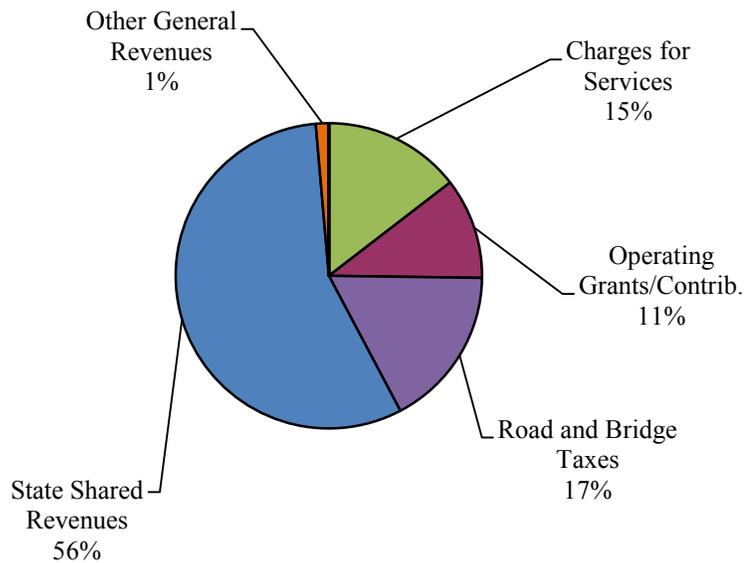
### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

#### Governmental Activities

Revenues for governmental activities totaled \$2,853,290, while the cost of all governmental functions totaled \$3,116,209. This results in a deficit of \$262,919. In 2015, revenues of \$3,150,044 exceeded expenses of \$2,703,033, resulting in a surplus of \$447,011. The deficit in 2016 was due in large part to the implementation of GASB Statement No. 68, which added \$250,044 in pension expense in the current year.

The following table graphically depicts the major revenue sources of the Village. It depicts very clearly the reliance of state shared revenues to fund governmental activities. It also clearly identifies the less significant percentage the Village receives from road and bridge taxes.

**Revenues by Source - Governmental Activities**



# VILLAGE OF CAMPTON HILLS, ILLINOIS

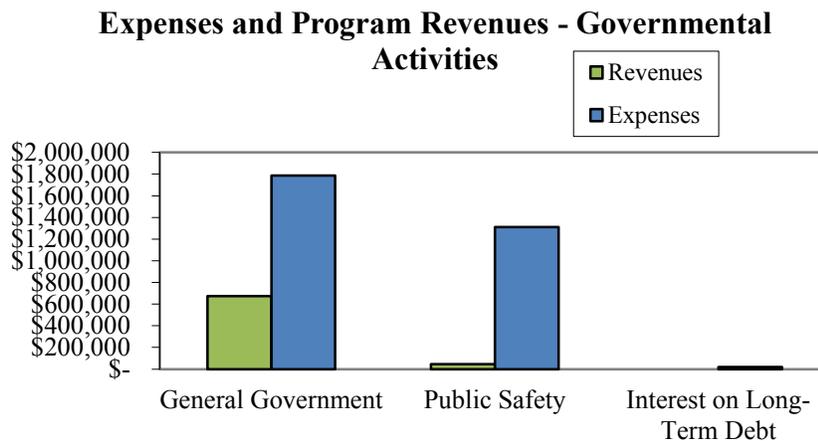
## Management's Discussion and Analysis April 30, 2016

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### GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

#### Governmental Activities – Continued

The 'Expenses and Program Revenues' Table identifies those governmental functions where program expenses greatly exceed revenues.



### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

#### Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, 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.

The Village's governmental funds reported combining ending fund balances of \$3,151,759, which is \$342,360, or 12.2 percent, higher than last year's total of \$2,809,399. Of the \$3,151,759 total, \$688,420, or approximately 21.8 percent, of the fund balance constitutes unassigned fund balance.

# VILLAGE OF CAMPTON HILLS, ILLINOIS

## Management's Discussion and Analysis April 30, 2016

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### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS – Continued

#### Governmental Funds – Continued

The General Fund is the chief operating fund of the Village. At April 30, 2016, unassigned fund balance in the General Fund was \$714,599, which represents 37.7 percent of the total fund balance of the General Fund. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance in the General Fund represents approximately 40.4 percent of total General Fund expenditures.

The General Fund reported a positive change in fund balance for the year of \$14,484, an increase of less than one percent. This was due in large part to revenues for licenses and permits and intergovernmental items being significantly higher than budgeted.

The Motor Fuel Tax Fund reported a surplus of \$28,352, or 7.9 percent, in the current year. This increase was due to state revenues being higher than anticipated.

The Road and Bridge Fund reported a surplus in the current year of \$17,648, or 11.4 percent. This increase was due primarily to County Tax revenues being higher than anticipated.

The Capital Projects Fund reported a surplus of \$271,872, or 60.9 percent in the current year, due to the transfer of funds from the General Fund to the Capital Projects Fund per Ordinance 16-04.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

The Village Board made no budget amendments to the General Fund during the year. General Fund actual revenues for the year totaled \$2,063,275, compared to budgeted revenues of \$1,866,435. The intergovernmental revenues and licenses and permits were over budget by \$137,440 and 77,580, respectively.

The General Fund actual expenditures for the year were \$6,430 lower than budgeted (\$1,767,761 actual compared to \$1,774,191 budgeted). The general government function actual expenditures were lower than budgeted expenditures by \$50,516, while the public safety and debt service functions were \$40,415 and \$3,671 over budget.

# VILLAGE OF CAMPTON HILLS, ILLINOIS

## Management's Discussion and Analysis April 30, 2016

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### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

The Village's investment in capital assets as of April 30, 2016 was \$21,715,806 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, vehicles, equipment, and infrastructure.

	Capital Assets - Net of Depreciation	
	2016	2015
Land	\$ 10,531,129	10,495,073
Infrastructure	10,297,816	10,684,970
Buildings	718,223	739,556
Land Improvements	114,353	141,134
Vehicles	34,970	55,544
Equipment	19,315	30,794
Total	<u>21,715,806</u>	<u>22,147,071</u>

There were no major additions to capital assets in the current year.

Additional information on the Village's capital assets can be found in note 3 on page 27 of this report.

#### Debt Administration

At year-end, the Village of Campton Hills had total outstanding debt of \$468,000 as compared to \$538,000 the previous year, a decrease of 13 percent. The following is a comparative statement of outstanding debt:

	Long-Term Debt Outstanding	
	2016	2015
Debt Certificates	<u>\$ 468,000</u>	<u>538,000</u>

State statutes limit the amount of general obligation debt a non-home rule governmental entity may issue to 8.625 percent of its total assessed valuation. The current debt limit for the Village is \$38,443,070.

Additional information on the Village's long-term debt can be found in Note 3 on pages 28-30 of this report.

## **VILLAGE OF CAMPTON HILLS, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2016**

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#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Village's elected and appointed officials considered many factors when setting the fiscal-year 2017 budget, including tax rates, and fees that will be charged for its various activities. One of those factors is the economy. The Village is faced with a similar economic environment as many of the other local municipalities are faced with, including inflation and unemployment rates.

#### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Village of Campton Hills' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Ron Searl, Village Administrator, Village of Campton Hills, Illinois at (630)584-5700.

## **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

Fiduciary Fund

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 CAMPTON HILLS, ILLINOIS**

**Statement of Net Position**

**April 30, 2016**

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**See Following Page**

VILLAGE OF CAMPTON HILLS, ILLINOIS

Statement of Net Position  
April 30, 2016

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	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current Assets	
Cash and Investments	\$ 2,632,369
Receivables - Net of Allowances	1,064,807
Prepays/Inventories	<u>51,097</u>
Total Current Assets	<u>3,748,273</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable Capital Assets	10,531,129
Depreciable Capital Assets	20,679,966
Accumulated Depreciation	<u>(9,495,289)</u>
Total Noncurrent Assets	<u>21,715,806</u>
Total Assets	<u>25,464,079</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Items - IMRF	79,942
Deferred Items - Police Pension	<u>35,756</u>
Total Deferred Outflows of Resources	<u>115,698</u>
Total Assets and Deferred Outflows of Resources	<u>25,579,777</u>

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

	<u>Governmental Activities</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	\$ 60,013
Accrued Payroll	32,757
Accrued Interest Payable	6,143
Deposits Payable	12,804
Current Portion of Long-Term Debt	88,642
Total Current Liabilities	<u>200,359</u>
Noncurrent Liabilities	
Compensated Absences Payable	66,566
Net Pension Liability - IMRF	101,928
Net Pension Liability - Police Pension	708,398
Debt Certificates Payable - Net	384,308
Total Noncurrent Liabilities	<u>1,261,200</u>
Total Liabilities	<u>1,461,559</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes	490,940
Total Liabilities and Deferred Inflows of Resources	<u>1,952,499</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	21,259,498
Restricted	
Motor Fuel Taxes	388,921
Road and Bridge	172,687
Unrestricted	<u>1,806,172</u>
Total Net Position	<u><u>23,627,278</u></u>

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

VILLAGE OF CAMPTON HILLS, ILLINOIS

Statement of Activities  
For the Fiscal Year Ended April 30, 2016

	Expenses	Program Revenues			Net (Expenses)/ Revenues and Change in Net Position
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	
Primary Government					
Governmental Activities					
General Government	\$ 1,786,323	369,760	303,377	-	(1,113,186)
Public Safety	1,311,159	44,792	1,667	-	(1,264,700)
Interest on Long-Term Debt	18,727	-	-	-	(18,727)
Total Primary Government	<u>3,116,209</u>	<u>414,552</u>	<u>305,044</u>	<u>-</u>	<u>(2,396,613)</u>
			General Revenues		
			Taxes		
			Road and Bridge Taxes		486,638
			Intergovernmental - Unrestricted		
			Income Taxes		1,128,193
			Local Use Taxes		252,968
			Sales Taxes		226,762
			Investment Income		5,178
			Miscellaneous		33,955
					<u>2,133,694</u>
			Change in Net Position		(262,919)
			Net Position - Beginning as Restated		<u>23,890,197</u>
			Net Position - Ending		<u><u>23,627,278</u></u>

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

VILLAGE OF CAMPTON HILLS, ILLINOIS

Governmental Funds - Balance Sheet

April 30, 2016

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	<u>General</u>
<b>ASSETS</b>	
Cash and Investments	\$ 1,386,626
Receivables - Net of Allowances	
Property Taxes	-
Other	31,900
Due from Other Governments	472,414
Due from Other Funds	26,179
Prepays/Inventories	<u>51,097</u>
Total Assets	<u><u>1,968,216</u></u>
<b>LIABILITIES</b>	
Accounts Payable	24,848
Accrued Payroll	32,757
Deposits Payable	12,804
Due to Other Funds	-
Total Liabilities	<u>70,409</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Property Taxes	-
Total Liabilities and Deferred Inflows of Resources	<u>70,409</u>
<b>FUND BALANCES</b>	
Nonspendable	51,097
Restricted	-
Committed	1,132,112
Unassigned	<u>714,598</u>
Total Fund Balances	<u><u>1,897,807</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>1,968,216</u></u>

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

Special Revenue				
Motor Fuel Tax	Road and Bridge	Capital Projects	Nonmajor	Totals
381,446	135,843	728,454	-	2,632,369
-	480,610	-	10,330	490,940
-	-	-	-	31,900
25,332	44,221	-	-	541,967
-	-	-	-	26,179
-	-	-	-	51,097
<u>406,778</u>	<u>660,674</u>	<u>728,454</u>	<u>10,330</u>	<u>3,774,452</u>
17,857	7,377	9,931	-	60,013
-	-	-	-	32,757
-	-	-	-	12,804
-	-	-	26,179	26,179
<u>17,857</u>	<u>7,377</u>	<u>9,931</u>	<u>26,179</u>	<u>131,753</u>
-	480,610	-	10,330	490,940
<u>17,857</u>	<u>487,987</u>	<u>9,931</u>	<u>36,509</u>	<u>622,693</u>
-	-	-	-	51,097
388,921	172,687	-	-	561,608
-	-	718,523	-	1,850,635
-	-	-	(26,179)	688,419
<u>388,921</u>	<u>172,687</u>	<u>718,523</u>	<u>(26,179)</u>	<u>3,151,759</u>
<u>406,778</u>	<u>660,674</u>	<u>728,454</u>	<u>10,330</u>	<u>3,774,452</u>

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

**VILLAGE OF CAMPTON HILLS, ILLINOIS**

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

**April 30, 2016**

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**Total Governmental Fund Balances** \$ 3,151,759

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. 21,715,806

Deferred outflows (inflows) of resources related to the pensions  
not reported in the funds.

    Deferred Items - IMRF 79,942

    Deferred Items - Police Pension 35,756

Long-term liabilities are not due and payable in the current  
period and therefore are not reported in the funds.

    Compensated Absences Payable (83,208)

    Net Pension Liability - IMRF (101,928)

    Net Pension Liability - Police Pension (708,398)

    Debt Certificates Payable - Net (456,308)

    Accrued Interest Payable (6,143)

**Net Position of Governmental Activities** 23,627,278

**VILLAGE OF CAMPTON HILLS, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended April 30, 2016**

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**See Following Page**

VILLAGE OF CAMPTON HILLS, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended April 30, 2016

	<u>General</u>
Revenues	
Taxes	\$ -
Intergovernmental	1,609,590
Licenses and Permits	369,760
Fines and Forfeits	44,792
Investment Income	5,178
Miscellaneous	<u>33,955</u>
Total Revenues	<u>2,063,275</u>
Expenditures	
Current	
General Government	565,681
Public Safety	1,109,579
Capital Outlay	-
Debt Service	
Principal Retirement	73,625
Interest and Fiscal Charges	<u>18,876</u>
Total Expenditures	<u>1,767,761</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>295,514</u>
Other Financing Sources (Uses)	
Transfers In	773
Transfers Out	<u>(281,803)</u>
	<u>(281,030)</u>
Net Change in Fund Balances	14,484
Fund Balances - Beginning as Restated	<u>1,883,323</u>
Fund Balances - Ending	<u><u>1,897,807</u></u>

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

Special Revenue				
Motor Fuel Tax	Road and Bridge	Capital Projects	Nonmajor	Totals
-	475,861	-	10,777	486,638
303,377	-	-	-	1,912,967
-	-	-	-	369,760
-	-	-	-	44,792
-	-	-	-	5,178
-	-	-	-	33,955
303,377	475,861	-	10,777	2,853,290
275,025	458,213	-	-	1,298,919
-	-	-	-	1,109,579
-	-	9,931	-	9,931
-	-	-	-	73,625
-	-	-	-	18,876
275,025	458,213	9,931	-	2,510,930
28,352	17,648	(9,931)	10,777	342,360
-	-	281,803	-	282,576
-	-	-	(773)	(282,576)
-	-	281,803	(773)	-
28,352	17,648	271,872	10,004	342,360
360,569	155,039	446,651	(36,183)	2,809,399
388,921	172,687	718,523	(26,179)	3,151,759

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

VILLAGE OF CAMPTON HILLS, 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 April 30, 2016

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 342,360</b>
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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 Outlay	36,056
Depreciation Expense	(462,321)

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

Change in Deferred Items - IMRF	26,812
Change in Deferred Items - Police Pension	(262,471)

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.

Additions to Compensated Absences	(2,744)
Additions to Net Pension Liability - IMRF	(75,276)
Deductions to Net Pension Liability - Police Pension	60,891
Retirement of Debt	73,625
Amortization of Bond Discount	(1,949)

Changes to accrued interest on long-term debt in the Statement of Activities  
does not require the use of current financial resources and, therefore, are not  
reported as expenditures in the governmental funds.

<u>2,098</u>
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**Changes in Net Position of Governmental Activities**

<u><u>(262,919)</u></u>
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The notes to the financial statements are an integral part of this statement.

**VILLAGE OF CAMPTON HILLS, ILLINOIS**

**Statement of Fiduciary Net Position  
April 30, 2016**

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	<u>Pension Trust Police Pension</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 305,212
Investments	
U.S. Government Obligations	682,009
U.S. Agency Obligations	235,157
Corporate Bonds	127,909
Mutual Funds	119,757
Accrued Interest	<u>6,289</u>
<b>NET POSITION</b>	
Net Position Restricted for Pensions	<u><u>1,476,333</u></u>

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

VILLAGE OF CAMPTON HILLS, ILLINOIS

Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended April 30, 2016

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	Pension Trust Police Pension
Additions	
Contributions - Employer	\$ 298,228
Contributions - Plan Members	38,610
Total Contributions	<u>336,838</u>
Investment Income	
Interest Earned	24,790
Net Change in Fair Value	<u>(4,850)</u>
	19,940
Less Investment Expenses	<u>(6,258)</u>
Net Investment Income	<u>13,682</u>
Total Additions	<u>350,520</u>
Deductions	
Administration	505
Benefits and Refunds	<u>5,543</u>
Total Deductions	<u>6,048</u>
Change in Fiduciary Net Position	344,472
Net Position Restricted for Pensions	
Beginning	<u>1,131,861</u>
Ending	<u><u>1,476,333</u></u>

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

# VILLAGE OF CAMPTON HILLS, ILLINOIS

## Notes to the Financial Statements April 30, 2016

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Campton Hills (Village), Illinois, is a municipal corporation governed by an elected president and six-member Board of Trustees. The Village's major operations include police protection, planning and zoning, economic development, and general administrative services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP), except as described in the Basis of Presentation below. 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 primary government, the Village of Campton Hills.

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 sworn 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 government because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS.

# VILLAGE OF CAMPTON HILLS, ILLINOIS

## Notes to the Financial Statements April 30, 2016

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### 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 only reports governmental activities, which include public safety services and general administrative services.

In the government-wide Statement of Net Position, the governmental 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 (general government, public safety, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function) are normally covered by general revenue (property tax, sales tax, interest income, etc.). The Village allocates indirect costs to the proprietary funds for personnel who perform administrative services for those funds, along with other indirect costs deemed necessary for their operations, but are paid through the General Fund. This government-wide focus concentrates 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 CAMPTON HILLS, ILLINOIS

## Notes to the Financial Statements

April 30, 2016

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### 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 comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into two major categories: governmental and fiduciary. The emphasis in fund financial statements is on the major funds in the governmental or activities category. Nonmajor funds by category are summarized into a single column. 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 had debt outstanding or 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 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 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:

**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.

## VILLAGE OF CAMPTON HILLS, ILLINOIS

### Notes to the Financial Statements

April 30, 2016

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

##### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements – Continued

##### Governmental Funds – Continued

**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 two major special revenue funds and two non-major special revenue funds. The Motor Fuel Tax Fund, a major fund, is used to account for the maintenance and construction of streets and roads as approved by the Illinois Department of Transportation. The Road and Bridge Fund, also a major fund, is used to account for the revenues and expenditures associated with the maintenance of local roads. Revenue is provided through a tax levy.

**Capital projects funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Capital Projects Fund, a major fund, is used to account for monies used to fund large Village capital projects.

##### Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity 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 for pension benefit payments. 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.

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

#### 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.

# VILLAGE OF CAMPTON HILLS, ILLINOIS

## Notes to the Financial Statements

April 30, 2016

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

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

##### Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental and activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the “current financial resources” measurement focus is used.

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 fiduciary 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. Pension trust fund equity is classified as net position.

##### Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental 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.

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 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, income taxes, and sales and user taxes. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

# VILLAGE OF CAMPTON HILLS, ILLINOIS

## Notes to the Financial Statements April 30, 2016

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

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

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

All pension trust 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.

#### **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.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

##### **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. Reimbursements occur 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.

##### **Prepays**

Prepays are valued at cost, which approximates market. The cost of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased. 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.

# VILLAGE OF CAMPTON HILLS, ILLINOIS

## Notes to the Financial Statements

April 30, 2016

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

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

##### Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market 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 is 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 basis 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:

Infrastructure	55 Years
Buildings	45 Years
Land Improvements	10 Years
Vehicles and Equipment	5 Years

##### 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 or resources (expense)/inflow of resources (revenue) until that future time.

##### Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the 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 reported as 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 expenditure.

# VILLAGE OF CAMPTON HILLS, ILLINOIS

## Notes to the Financial Statements April 30, 2016

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

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

##### 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 that do not meet the definition of “restricted” or “net investment in capital assets.”

### NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles. All departments of the Village submit requests for budgets so that a budget may be prepared. The budget is prepared by fund, function, and activity, 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 Village Board for review. The Village Board holds public hearings and may add to, subtract from, or change budgeted amounts, but may not change the form of the budget. The budget prepared by the Finance Committee and approved by the Village Board shall be the financial plan for conducting the affairs of the Village for the fiscal year but shall not replace the Annual Appropriation Ordinance which shall be the official document authorizing expenditures, pursuant to law. The figures presented in this document reflect the Village’s budgeted expenditures.

The Finance Director is authorized to transfer budgeted amounts within any fund; however, the Board of Trustees must approve any revisions that alter the total expenditures of any fund. State statutes establish that expenditures may not legally exceed budgeted appropriations at the fund level. Appropriations lapse at the end of the fiscal year. No supplemental appropriations were made during the year.

**VILLAGE OF CAMPTON HILLS, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2016**

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

**EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS**

The following fund had an excess of actual expenditures over budget for the fiscal year:

Fund	Excess
Police Pension	\$ 4,806

**DEFICIT FUND BALANCE**

The following fund reported deficit fund balance at year-end:

Fund	Deficit
Special Service Area #1	\$ 26,179

**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. 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/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds.

The 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. Although not registered with the SEC, Illinois Funds operates in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

## VILLAGE OF CAMPTON HILLS, ILLINOIS

### Notes to the Financial Statements

April 30, 2016

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

##### DEPOSITS AND INVESTMENTS – Continued

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

##### **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 activities totaled \$756,354 and the bank balances totaled \$770,499. The Village also has \$1,876,015 invested in the Illinois Funds.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy does not address interest rate risk. The Village's investment in the Illinois Funds has an average maturity of less than one year.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village's investment policy does not address credit risk. The Village's investment in the Illinois Funds was rated AAAM by Standard & Poor's.

# VILLAGE OF CAMPTON HILLS, ILLINOIS

## Notes to the Financial Statements

April 30, 2016

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

#### DEPOSITS AND INVESTMENTS – Continued

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

*Custodial Credit Risk.* 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 of bank balances in excess of federal depository insurance with the collateral held by a third party in the Village's name. At year-end the entire bank balance of the deposits not covered by federal depository or equivalent insurance.

For an investment, 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. The Village's investment policy does not mitigate custodial credit risk for investments. The Village's investment in the Illinois Funds is not subject to custodial credit risk.

*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 states that investments shall be diversified to the best of the Village's ability based on the type of funds invested and the cash flow needs of those funds. At year-end, the Village has over 5 percent of the total cash and investment portfolio (other than U.S. Government guaranteed obligations) invested in the Illinois Funds.

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

*Deposits.* At year-end, the carrying amount of the Fund's deposits totaled \$155,881 and the bank balances totaled \$155,881.

*Investments.* The Fund has the following investments at year-end:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1 to 5	6 to 10
U.S. Treasuries	\$ 682,009	91,053	459,568	131,388
U.S. Agencies	235,157	45,217	189,940	-
Corporate Bonds	127,909	45,248	82,661	-
Illinois Funds	149,331	149,331	-	-
	<u>1,194,406</u>	<u>330,849</u>	<u>732,169</u>	<u>131,388</u>

*Interest Rate Risk.* The Fund's investment policy states assets shall be sufficiently liquid (those securities that can be converted to cash within three days), defined as securities that can be transacted quickly and efficiently for the Fund, with minimal market impact.

# VILLAGE OF CAMPTON HILLS, ILLINOIS

## Notes to the Financial Statements

April 30, 2016

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

#### DEPOSITS AND INVESTMENTS – Continued

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

*Custodial Credit Risk – Deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the Fund’s deposits may not be returned to it. At April 30, 2016, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance.

*Custodial Credit Risk – Investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the Pension Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Money market mutual funds and equity mutual funds are not subject to custodial credit risk. At April 30, 2016, the U.S. Government Agencies and the corporate bonds are held by the counterparty in the trust department. The Pension Fund limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Pension Fund, to act as custodian for its securities and collateral. The Fund’s investment in the Illinois Funds is not subject to custodial credit risk.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Pension Fund helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Pension Fund’s investment policy establishes criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in the securities of U.S. Government Agencies were rated AA+, Corporate Bonds were rated BBB+ to A and the Illinois Funds was rated AAAM by Standard & Poor’s.

*Concentration Risk.* The Fund’s investment policy states that investments shall be undertaken in a manner that seeks to ensure the preservation of capital. Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturity date and as mentioned earlier are backed by the issuing organization. Additionally, at year-end the Fund had \$119,757 invested in mutual funds. Although unlike Treasuries, agency securities do not have the “full faith and credit” backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation.

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	7.5%	8.3%
International Equities	2.5%	2.3%
Fixed Income	9.0% - 81.0%	3.9% - 4.6%
Cash and Cash Equivalents	100.00%	0.00%

# VILLAGE OF CAMPTON HILLS, ILLINOIS

## Notes to the Financial Statements April 30, 2016

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

#### DEPOSITS AND INVESTMENTS – Continued

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

##### *Concentration Risk – Continued.*

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 10%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2016 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 April 30, 2016 are listed in the table above.

#### Rate of Return

For the year ended April 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.68%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

#### PROPERTY TAXES

Property taxes for 2015 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by County Collector and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically.

**VILLAGE OF CAMPTON HILLS, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2016**

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

**CAPITAL ASSETS**

**Governmental Activities**

Governmental capital asset activity for the year was as follows:

	Beginning Balances as Restated	Increases	Decreases	Ending Balances
<b>Nondepreciable Capital Assets</b>				
Right of Ways	\$ 10,495,073	36,056	-	10,531,129
<b>Depreciable Capital Assets</b>				
Infrastructure	19,357,741	-	-	19,357,741
Buildings	800,000	-	-	800,000
Land Improvements	267,812	-	-	267,812
Vehicles	171,717	-	-	171,717
Equipment	82,696	-	-	82,696
	<u>20,679,966</u>	-	-	<u>20,679,966</u>
<b>Less Accumulated Depreciation</b>				
Infrastructure	8,672,771	387,154	-	9,059,925
Buildings	60,444	21,333	-	81,777
Land Improvements	126,678	26,781	-	153,459
Vehicles	116,173	20,574	-	136,747
Equipment	56,902	6,479	-	63,381
	<u>9,032,968</u>	<u>462,321</u>	-	<u>9,495,289</u>
Total Net Depreciable Capital Assets	<u>11,646,998</u>	<u>(462,321)</u>	-	<u>11,184,677</u>
Total Net Capital Assets	<u>22,142,071</u>	<u>(426,265)</u>	-	<u>21,715,806</u>

Depreciation expense was charged to governmental activities as follows:

General Government	<u>\$ 462,321</u>
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**VILLAGE OF CAMPTON HILLS, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2016**

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

**INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

**Interfund Balances**

Interfund balances are advances in anticipation of receipts. The composition of interfund balances as of the date of this report is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Special Service Area #1	<u>\$ 26,179</u>

**Interfund Transfers**

Interfund transfers for the year consisted of the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Capital Projects	General	\$ 281,803
General	Special Service Areas #2 and #3	<u>773</u>
		<u>282,576</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**LONG-TERM DEBT**

**Capital Leases**

Previously, the Village had entered into a capital lease agreement for the acquisition of a vehicle used for police protection services. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, the asset and obligations have been recorded at the present value of the future minimum lease payments as of the inception date. The capital lease was paid in full as of April 30, 2016.

**VILLAGE OF CAMPTON HILLS, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2016**

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

**LONG-TERM DEBT**

**Debt Certificates**

The Village issued debt certificates for the acquisition of the building currently being used as Village Hall and the Police Station. Debt certificates currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Debt Certificates of 2012 - Due in annual installments of \$66,000 to \$85,000 plus interest of 3.50% through December 15, 2021.	General	\$ 538,000	-	70,000	468,000

**Long-Term Liability Activity**

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

Type of Debt	Beginning Balances as Restated	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 80,464	5,488	2,744	83,208	16,642
Net Pension Liability					
IMRF	26,652	75,276	-	101,928	-
Police Pension	769,289	-	60,891	708,398	-
Capital Leases Payable	3,625	-	3,625	-	-
Debt Certificates Payable	538,000	-	70,000	468,000	72,000
Unamortized Bond Discount	(13,641)	-	(1,949)	(11,692)	-
	<u>1,404,389</u>	<u>80,764</u>	<u>135,311</u>	<u>1,349,842</u>	<u>88,642</u>

For governmental activities, payments on the compensated absences, the net pension liabilities, the capital lease and the debt certificates are being made by the General Fund.

**VILLAGE OF CAMPTON HILLS, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2016**

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

**LONG-TERM DEBT – Continued**

**Debt Service Requirements to Maturity**

Fiscal Year	Governmental Activities	
	Debt Certificates	
	Principal	Interest
2017	\$ 72,000	16,380
2018	74,000	13,860
2019	76,000	11,270
2020	79,000	8,610
2021	82,000	5,846
2022	85,000	2,974
	<u>468,000</u>	<u>58,940</u>

**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 - 2015	<u>\$ 445,716,753</u>
Legal Debt Limit - 8.625% of Assessed Value	38,443,070
Amount of Debt Applicable to Limit	<u>-</u>
Legal Debt Margin	<u>38,443,070</u>

VILLAGE OF CAMPTON HILLS, ILLINOIS

Notes to the Financial Statements  
April 30, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of April 30, 2016:

Governmental Activities		
Capital Assets - Net of Accumulated Depreciation	\$	21,715,806
Less Capital Related Debt:		
Debt Certificates		(468,000)
Unamortized Discount		<u>11,692</u>
Net Investment in Capital Assets		<u><u>21,259,498</u></u>

NET POSITION/FUND BALANCE RESTATEMENTS

Beginning governmental activities net position was restated due to the implementation of GASB Statement No. 68 and to correct an error in recognition of capital assets. In addition, beginning fund balance in the Road and Bridge Fund was restated to correct an error in recognition of capital assets. The following is a summary of net position/fund balance as originally reported and as restated.

<u>Net Position/Fund Balance</u>	<u>As Reported</u>	<u>As Restated</u>	<u>Increase</u>
Governmental Activities	\$ 24,298,382	23,890,197	(408,185)
Road and Bridge	138,640	155,039	16,399

FUND BALANCE CLASSIFICATIONS

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.

**Minimum Fund Balance Policy.** The Villages policy manual states that the General Fund should maintain a minimum fund balance equal 50% of next year’s budgeted expenditures.

**Committed Fund Balance.** The Village reports committed fund balance in the General Fund and in the Capital Projects Fund, both major funds. Board approval through passing a resolution is required to establish, modify or rescind a fund balance commitment.

**VILLAGE OF CAMPTON HILLS, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2016**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – 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		Capital Projects	Nonmajor	Totals
		Motor Fuel Tax	Road and Bridge			
Fund Balances						
Nonspendable						
Prepays/Inventories	\$ 51,097	-	-	-	-	51,097
Restricted						
Motor Fuel Taxes	-	388,921	-	-	-	388,921
Road and Bridge	-	-	172,687	-	-	172,687
	-	388,921	172,687	-	-	561,608
Committed						
Stabilization Reserve	948,904	-	-	-	-	948,904
Police Pension	100,000	-	-	-	-	100,000
Compensated Absences	83,208	-	-	-	-	83,208
Capital Projects	-	-	-	718,523	-	718,523
	1,132,112	-	-	718,523	-	1,850,635
Unassigned	714,598	-	-	-	(26,179)	688,419
Total Fund Balances	1,897,807	388,921	172,687	718,523	(26,179)	3,151,759

**NOTE 4 – OTHER INFORMATION**

**RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village’s employees. The Village has purchased insurance from private insurance companies. Risks covered included certain types of liabilities and bonds. Premiums have been displayed as expenditures/expenses in appropriate funds. 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.

## VILLAGE OF CAMPTON HILLS, ILLINOIS

### Notes to the Financial Statements

April 30, 2016

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#### NOTE 4 – OTHER INFORMATION – Continued

##### CONTINGENT LIABILITIES

###### 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.

###### 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.

##### 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 Plan 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 234 South State Street, PO Box 457, Hampshire, Illinois 60140. 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 online at [www.imrf.org](http://www.imrf.org). The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

###### 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).

VILLAGE OF CAMPTON HILLS, ILLINOIS

Notes to the Financial Statements  
April 30, 2016

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

*Benefits Provided – Continued.* 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:

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

*Plan Membership.* As of December 31, 2015, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	3
Inactive Plan Members Entitled to but not yet Receiving Benefits	5
Active Plan Members	<u>4</u>
Total	<u><u>12</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. The Village’s annual contribution rate for calendar year 2015 was 8.83% of covered payroll.

# VILLAGE OF CAMPTON HILLS, ILLINOIS

## Notes to the Financial Statements

April 30, 2016

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### NOTE 4 – OTHER INFORMATION – Continued

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

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

##### Plan Descriptions – Continued

*Net Pension Liability.* The Village's net pension liability was measured as of December 31, 2015. 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, 2015, using the following actuarial methods and assumptions:

Actuarial Valuation Date	12/31/2015
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	4.40% to 16.00%
Cost of Living Adjustments	3.00%
Inflation	3.00%

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

**VILLAGE OF CAMPTON HILLS, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2016**

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**NOTE 4 – OTHER INFORMATION – Continued**

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

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

**Discount Rate**

A Single Discount Rate of 7.48% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.48%.

**Discount Rate Sensitivity**

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.48%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.48%)	Current Discount Rate (7.48%)	1% Increase (8.48%)
Net Pension Liability	\$ 149,270	101,928	62,581

**VILLAGE OF CAMPTON HILLS, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2016**

**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**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2014	\$ 174,357	147,705	26,652
Changes for the Year:			
Service Cost	23,288	-	23,288
Interest on the Total Pension Liability	13,799	-	13,799
Difference Between Expected and Actual Experience of the Total Pension Liability	59,832	-	59,832
Changes of Assumptions	878	-	878
Contributions - Employer	-	17,745	(17,745)
Contributions - Employees	-	13,574	(13,574)
Net Investment Income	-	807	(807)
Benefit Payments, including Refunds of Employee Contributions	(4,025)	(4,025)	-
Other (Net Transfer)	-	(9,605)	9,605
Net Changes	93,772	18,496	75,276
Balances at December 31, 2015	268,129	166,201	101,928

**VILLAGE OF CAMPTON HILLS, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2016**

**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**

For the year ended April 30, 2016, the Village recognized pension expense of \$48,464. At April 30, 2016, the Village reported deferred outflows or 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	\$ 59,899	-	59,899
Change in Assumptions	4,261	-	4,261
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	9,659	-	9,659
Pension Contributions Made Subsequent to the Measurement Date	6,123	-	6,123
Total Deferred Amounts Related to IMRF	<u>79,942</u>	<u>-</u>	<u>79,942</u>

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
2017	\$ 39,333
2018	24,866
2019	13,557
2020	2,186
2021	-
Thereafter	<u>-</u>
Total	<u>79,942</u>

VILLAGE OF CAMPTON HILLS, ILLINOIS

Notes to the Financial Statements  
April 30, 2016

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan

Plan Descriptions

*Plan Administration.* The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active police employees.

*Plan Membership.* At April 30, 2016, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	-
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>6</u>
Total	<u><u>6</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 ½ 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 CAMPTON HILLS, ILLINOIS

### Notes to the Financial Statements April 30, 2016

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#### NOTE 4 – OTHER INFORMATION – Continued

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

#### Police Pension Plan – Continued

#### Plan Descriptions – Continued

*Benefits Provided – Continued.* Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of ½ of the change in the Consumer Price Index for the 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 April 30, 2016, the Village's contribution was 71.51% of covered payroll.

*Concentrations.* At year end, the Pension Plan has no investments (other than U.S. Government and U.S. Government-guaranteed obligations) in any one organization that represent 5 percent or more of net position available for benefits.

# VILLAGE OF CAMPTON HILLS, ILLINOIS

## Notes to the Financial Statements

April 30, 2016

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### NOTE 4 – OTHER INFORMATION – Continued

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

##### Police Pension Plan – Continued

##### Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of April 30, 2016, using the following actuarial methods and assumptions:

Actuarial Valuation Date	4/30/16
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	4.50%
Salary Increases	4.00% - 9.17%
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates are based on the assumption study prepared by an independent actuary in 2016. The table combines observed experience of Illinois Police Officers with the RP-2014 mortality table for blue collar workers. Mortality improvements have been made to 5 years past the valuation date.

##### Discount Rate

The discount rate used to measure the total pension liability was 4.50%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

**VILLAGE OF CAMPTON HILLS, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2016**

**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 (3.50%)	Current Discount Rate (4.50%)	1% Increase (5.50%)
Net Pension Liability	\$ 1,123,664	708,398	374,386

**Changes in the Net Pension Liability**

	Liability (A)	Net Position (B)	Liability (A) - (B)
Balances at April 30, 2015	\$ 1,901,150	1,131,861	769,289
Changes for the Year:			
Service Cost	203,696	-	203,696
Interest on the Total Pension Liability	85,428	-	85,428
Difference Between Expected and Actual Experience of the Total Pension Liability	-	-	-
Changes of Assumptions	-	-	-
Contributions - Employer	-	298,228	(298,228)
Contributions - Employees	-	38,610	(38,610)
Net Investment Income	-	13,682	(13,682)
Benefit Payments, including Refunds of Employee Contributions	(5,543)	(5,543)	-
Administration Expenses	-	(505)	505
Net Changes	283,581	344,472	(60,891)
Balances at April 30, 2016	2,184,731	1,476,333	708,398

**VILLAGE OF CAMPTON HILLS, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2016**

**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 April 30, 2016, the Village recognized pension expense of \$201,580. At April 30, 2016, the Village reported deferred outflows or 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	\$ -	-	-
Change in Assumptions	-	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	35,756	-	35,756
Total Deferred Amounts Related to Police Pension	<u>35,756</u>	-	<u>35,756</u>

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
2017	\$ 8,939
2018	8,939
2019	8,939
2020	8,939
2021	-
Thereafter	-
Total	<u>35,756</u>

**VILLAGE OF CAMPTON HILLS, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2016**

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**NOTE 4 – OTHER INFORMATION – Continued**

**OTHER POST-EMPLOYMENT BENEFITS**

The Village has evaluated its potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the Village are required to pay 100% of the current premium. However, no former employees have chosen to stay in the Village's health insurance plan. Therefore, there has been 0% utilization and no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. Additionally, the Village had no former employees for which the Village was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the Village has not recorded any post-employment benefit liability as of April 30, 2016.

## **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
  
- Budgetary Comparison Schedule
  - General Fund
  - Motor Fuel Tax – Special Revenue Fund
  - Road and Bridge – Special Revenue Fund

Notes to the Required Supplementary Information

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

**VILLAGE OF CAMPTON HILLS, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information  
Schedule of Employer Contributions  
April 30, 2016**

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Calendar Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	\$ 17,745	\$ 17,745	\$ -	\$ 200,956	8.83%

Notes to the Required Supplementary Information:

Actuarial Valuation Date	December 31, 2014
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	28 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	3.00%
Salary Increases	4.40% - 16.00%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP-2000 Combined Healthy Mortality Table

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

**VILLAGE OF CAMPTON HILLS, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Employer Contributions  
April 30, 2016**

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Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2016	\$ 162,507	\$ 298,228	\$ 135,721	\$ 417,032	71.51%

Notes to the Required Supplementary Information:

Actuarial Valuation Date	April 30, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	26 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Salary Increases	4.00% - 9.17%
Investment Rate of Return	4.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	Independent Actuary 2016 Illinois Police Mortality Rates

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

# VILLAGE OF CAMPTON HILLS, ILLINOIS

## Illinois Municipal Retirement Fund

### Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability April 30, 2016

	<u>12/31/15</u>
Total Pension Liability	
Service Cost	\$ 23,288
Interest	13,799
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	59,832
Change of Assumptions	878
Benefit Payments, Including Refunds of Member Contributions	<u>(4,025)</u>
Net Change in Total Pension Liability	93,772
Total Pension Liability - Beginning	<u>174,357</u>
Total Pension Liability - Ending	<u><u>268,129</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 17,745
Contributions - Members	13,574
Net Investment Income	807
Benefit Payments, Including Refunds of Member Contributions	(4,025)
Administrative Expense	<u>(9,605)</u>
Net Change in Plan Fiduciary Net Position	18,496
Plan Net Position - Beginning	<u>147,705</u>
Plan Net Position - Ending	<u><u>166,201</u></u>
Employer's Net Pension Liability	<u><u>\$ 101,928</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.99%
Covered-Employee Payroll	\$ 200,956
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	50.72%

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

## VILLAGE OF CAMPTON HILLS, ILLINOIS

### Police Pension Fund

#### Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability April 30, 2016

	<u>4/30/16</u>
Total Pension Liability	
Service Cost	\$ 203,696
Interest	85,428
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	-
Change of Assumptions	-
Benefit Payments, Including Refunds of Member Contributions	<u>(5,543)</u>
Net Change in Total Pension Liability	283,581
Total Pension Liability - Beginning	<u>1,901,150</u>
Total Pension Liability - Ending	<u><u>2,184,731</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 298,228
Contributions - Members	38,610
Net Investment Income	13,682
Benefit Payments, Including Refunds of Member Contributions	(5,543)
Administrative Expense	<u>(505)</u>
Net Change in Plan Fiduciary Net Position	344,472
Plan Net Position - Beginning	<u>1,131,861</u>
Plan Net Position - Ending	<u><u>1,476,333</u></u>
Employer's Net Pension Liability	<u><u>\$ 708,398</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.58%
Covered-Employee Payroll	\$ 417,032
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	169.87%

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

**VILLAGE OF CAMPTON HILLS, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Investment Returns  
April 30, 2016**

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Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2016	1.16%

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

**VILLAGE OF CAMPTON HILLS, ILLINOIS**

**General Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental	\$ 1,472,150	1,472,150	1,609,590
Licenses and Permits	292,180	292,180	369,760
Fines and Forfeits	62,100	62,100	44,792
Investment Income	2,800	2,800	5,178
Miscellaneous Income	37,205	37,205	33,955
Total Revenues	<u>1,866,435</u>	<u>1,866,435</u>	<u>2,063,275</u>
Expenditures			
General Government	616,197	616,197	565,681
Public Safety	1,069,164	1,069,164	1,109,579
Debt Service			
Principal Retirement	70,000	70,000	73,625
Interest and Fiscal Charges	18,830	18,830	18,876
Total Expenditures	<u>1,774,191</u>	<u>1,774,191</u>	<u>1,767,761</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>92,244</u>	<u>92,244</u>	<u>295,514</u>
Other Financing Sources (Uses)			
Transfers In	-	-	773
Transfers Out	-	-	(281,803)
	<u>-</u>	<u>-</u>	<u>(281,030)</u>
Net Change in Fund Balance	<u>92,244</u>	<u>92,244</u>	14,484
Fund Balance - Beginning			<u>1,883,323</u>
Fund Balance - Ending			<u><u>1,897,807</u></u>

VILLAGE OF CAMPTON HILLS, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Taxes	\$ 270,315	270,315	303,377
Expenditures			
General Government			
Contractual Services	454,516	454,516	157,128
Capital Outlay	150,000	150,000	117,897
Total Expenditures	604,516	604,516	275,025
Net Change in Fund Balance	<u>(334,201)</u>	<u>(334,201)</u>	28,352
Fund Balance - Beginning			<u>360,569</u>
Fund Balance - Ending			<u>388,921</u>

**VILLAGE OF CAMPTON HILLS, ILLINOIS**

**Road and Bridge - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

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	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Road and Bridge	\$ 476,564	476,564	475,861
Expenditures			
General Government			
Contractual Services	458,843	458,843	458,213
Net Change in Fund Balance	<u>17,721</u>	<u>17,721</u>	17,648
Fund Balance - Beginning as Restated			<u>155,039</u>
Fund Balance - Ending			<u>172,687</u>

## **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 – Police Pension – Pension Trust Fund

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

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## **GENERAL FUND**

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

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## **SPECIAL REVENUE FUNDS**

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

### **Motor Fuel Tax Fund**

The Motor Fuel Tax Fund is used to account for the maintenance and construction of streets and roads as approved by the Illinois Department of Transportation.

### **Road and Bridge Fund**

The Road and Bridge Fund is used to account for the revenues and expenditures associated with the maintenance of local roads. Revenue is provided through a tax levy.

### **Special Service Area #1 Fund**

The Special Service Area #1 Fund is used to account for the revenues and expenditures used in the maintenance of Special Service Area #1 in the Village.

### **Special Service Areas #2 and #3 Fund**

The Special Service Areas #2 and #3 Fund is used to account for the revenues and expenditures used in the maintenance of Special Service Areas #2 and #3 in the Village.

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## **CAPITAL PROJECTS FUND**

Capital Projects Funds are created to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by Proprietary Funds.

### **Capital Projects Fund**

The Capital Projects Fund is used to account for monies used to fund large Village capital projects.

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

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**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.

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VILLAGE OF CAMPTON HILLS, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual  
For the Fiscal Year Ended April 30, 2016

	Budget		Actual
	Original	Final	
Intergovernmental			
Income Taxes	\$ 1,046,871	1,046,871	1,128,193
Local Use Taxes	205,144	205,144	252,968
Sales Taxes	219,000	219,000	226,762
Grants	1,135	1,135	1,667
Total Intergovernmental	1,472,150	1,472,150	1,609,590
Licenses and Permits	292,180	292,180	369,760
Fines and Forfeits	62,100	62,100	44,792
Investment Income	2,800	2,800	5,178
Miscellaneous Income	37,205	37,205	33,955
Total Revenues	1,866,435	1,866,435	2,063,275

**VILLAGE OF CAMPTON HILLS, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
General Government			
Administration			
Personnel	\$ 278,694	278,694	243,544
Contractual	210,470	210,470	198,286
Commodities	7,500	7,500	4,583
Other Expenditures	13,511	13,511	3,664
Capital Outlay	2,000	2,000	1,470
Total Administration	512,175	512,175	451,547
Building and Zoning			
Personnel	59,242	59,242	56,681
Contractual	41,600	41,600	57,228
Commodities	2,930	2,930	225
Other Expenditures	250	250	-
Total Building and Zoning	104,022	104,022	114,134
Total General Government	616,197	616,197	565,681
Public Safety			
Police Protection			
Personnel	861,638	861,638	948,178
Contractual	157,370	157,370	141,751
Commodities	39,850	39,850	18,190
Other Expenditures	2,135	2,135	1,064
Capital Outlay	6,671	6,671	396
Total Police Protection\	1,067,664	1,067,664	1,109,579
Fire and Police Commission			
Contractual	1,500	1,500	-
Total Public Safety	1,069,164	1,069,164	1,109,579
Debt Service			
Principal Retirement	70,000	70,000	73,625
Interest and Fiscal Charges	18,830	18,830	18,876
Total Debt Service	88,830	88,830	92,501
Total Expenditures	1,774,191	1,774,191	1,767,761

VILLAGE OF CAMPTON HILLS, ILLINOIS

Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental Grants	\$ 35,000	35,000	-
Expenditures			
Capital Outlay	115,800	115,800	9,931
Excess (Deficiency) of Revenues Over (Under) Expenditures	(80,800)	(80,800)	(9,931)
Other Financing Sources			
Transfers In	-	-	281,803
Net Change in Fund Balance	<u>(80,800)</u>	<u>(80,800)</u>	271,872
Fund Balance - Beginning			<u>446,651</u>
Fund Balance - Ending			<u>718,523</u>

**VILLAGE OF CAMPTON HILLS, ILLINOIS**

**Nonmajor Governmental Funds**

**Combining Balance Sheet  
April 30, 2016**

	Special Revenue		
	Special Service Area #1	Special Service Areas #2 and #3	Totals
<b>ASSETS</b>			
Receivables - Net of Allowances Property Taxes	\$ 9,217	1,113	10,330
<b>LIABILITIES</b>			
Due to Other Funds	26,179	-	26,179
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	9,217	1,113	10,330
Total Liabilities and Deferred Inflows of Resources	35,396	1,113	36,509
<b>FUND BALANCES</b>			
Unassigned	(26,179)	-	(26,179)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	9,217	1,113	10,330

**VILLAGE OF CAMPTON HILLS, ILLINOIS**

**Nonmajor Governmental Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended April 30, 2016**

	Special Revenue		Totals
	Special Service Area #1	Special Service Areas #2 and #3	
Revenues			
Taxes	\$ 9,618	1,159	10,777
Expenditures			
General Government	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,618	1,159	10,777
Other Financing (Uses)			
Transfers Out	-	(773)	(773)
Net Change in Fund Balances	9,618	386	10,004
Fund Balances - Beginning	(35,797)	(386)	(36,183)
Fund Balances - Ending	(26,179)	-	(26,179)

VILLAGE OF CAMPTON HILLS, ILLINOIS

Special Service Area #1 - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016

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	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 9,617	9,617	9,618
Expenditures			
General Government	-	-	-
Net Change in Fund Balance	<u>9,617</u>	<u>9,617</u>	9,618
Fund Balance - Beginning			<u>(35,797)</u>
Fund Balance - Ending			<u>(26,179)</u>

**VILLAGE OF CAMPTON HILLS, ILLINOIS**

**Special Service Areas #2 and #3 - Special Revenue Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,159	1,159	1,159
Expenditures			
General Government	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,159	1,159	1,159
Other Financing (Uses)			
Transfers Out	-	-	(773)
Net Change in Fund Balance	<u>1,159</u>	<u>1,159</u>	386
Fund Balance - Beginning			<u>(386)</u>
Fund Balance - Ending			<u>-</u>

VILLAGE OF CAMPTON HILLS, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in Fiduciary Net Position - Budget and Actual  
For the Fiscal Year Ended April 30, 2016

	Budget		Actual
	Original	Final	
<b>Additions</b>			
Contributions - Employer	\$ 196,000	196,000	298,228
Contributions - Plan Members	36,000	36,000	38,610
Total Contributions	232,000	232,000	336,838
<b>Investment Income</b>			
Interest Earned	15,000	15,000	24,790
Net Change in Fair Value	5,000	5,000	(4,850)
	20,000	20,000	19,940
Less Investment Expenses	-	-	(6,258)
Net Investment Income	20,000	20,000	13,682
Total Additions	252,000	252,000	350,520
<b>Deductions</b>			
Administration	7,500	7,500	505
Benefits and Refunds	-	-	5,543
Total Deductions	7,500	7,500	6,048
Change in Fiduciary Net Position	244,500	244,500	344,472
<b>Net Position Restricted for Pensions</b>			
Beginning			1,131,861
Ending			1,476,333

**SUPPLEMENTAL SCHEDULE**

**VILLAGE OF CAMPTON HILLS, ILLINOIS**

**Long-Term Debt Requirements**

**Debt Certificates of 2012**

**April 30, 2016**

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Date of Issue	June 5, 2012
Date of Maturity	December 15, 2021
Authorized Issue	\$672,000
Denomination of Bonds	\$5,000
Interest Rate	3.50%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Amalgamated Bank of Chicago, IL

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2017	\$ 72,000	16,380	88,380
2018	74,000	13,860	87,860
2019	76,000	11,270	87,270
2020	79,000	8,610	87,610
2021	82,000	5,846	87,846
2022	85,000	2,974	87,974
	<u>468,000</u>	<u>58,940</u>	<u>526,940</u>