Village of Carol Stream, Illinois

Annual Comprehensive Financial Report

For the Fiscal Year Ended April 30, 2025

VILLAGE OF CAROL STREAM, ILLINOIS

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

For the Year Ended
April 30, 2025

Prepared by Finance Department

Jon Batek
Finance Director

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VILLAGE OF CAROL STREAM, ILLINOIS

PRINCIPAL OFFICIALS

APRIL 30, 2025

LEGISLATIVE

VILLAGE BOARD OF TRUSTEES

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ADMINISTRATION

William Holmer, Village Manager

FINANCE DEPARTMENT

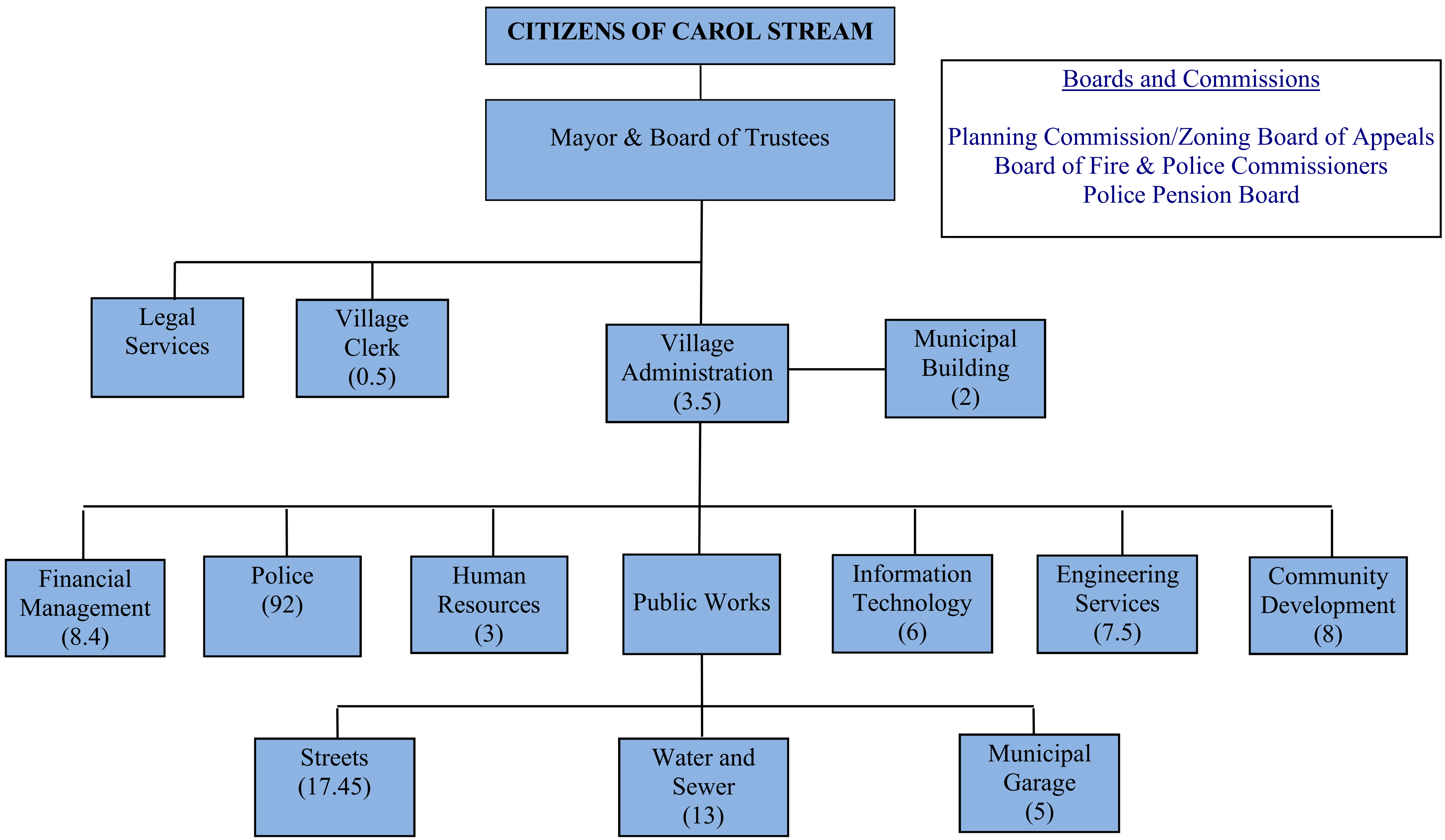
Jon Batek, Finance Director

Barbara Wydra, Assistant Finance Director

Village of Carol Stream

ORGANIZATION CHART

May 1, 2024



Village of Carol Stream
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September 30, 2025

The Honorable Mayor Saverino
Members of the Village Board
Citizens of the Village of Carol Stream

The Annual Comprehensive Financial Report (ACFR) of the Village of Carol Stream (Village) for the year ended April 30, 2025, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the Village issue annually a report on its financial position and activity presented in conformance with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent firm of certified public accountants.

Management of the Village assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements.

The Village's financial statements have been audited by Sikich LLC, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village of Carol Stream for the fiscal year ended April 30, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Village's financial statements for the fiscal year ended April 30, 2025, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Village of Carol Stream

The Village of Carol Stream, a home rule community as defined by the Illinois Constitution, was incorporated in 1959 and is located approximately 35 miles west of the City of Chicago in DuPage County. The Village currently has a land area of 10.0 square miles and a population of 39,854. The Village also has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the Village Board.

The Village operates under the Board/Administrator form of government. Policymaking and legislative authority are vested in the Village Board, which consists of a Mayor and a six-member Board of Trustees. The Village Board is responsible for, among other things, passing ordinances and resolutions, adopting the budget, appointing committees and hiring the Village Manager and Village Attorney. The Village Manager is responsible for carrying out the policies and ordinances of the Village Board, for overseeing the day-to-day operations of the Village, and for appointing the heads of the Village's departments. The Board is elected on a non-partisan basis. Board members are elected to four-year staggered terms with three Board members elected every two years. The Mayor is elected to a four-year term. The Mayor and Village Trustees are elected at large.

The Village provides a full range of services, including police protection, the construction and maintenance of streets and other infrastructure and the operating of the water and wastewater facilities.

The annual budget serves as the foundation for the Village's financial planning and control. The Village operates under the Municipal Budget Act rather than adopting an annual appropriations ordinance.

All departments of the Village are required to submit budget requests to the Village Manager on or before December 31st of each year. The Village Manager uses these requests as the starting point for developing a proposed budget. The Village Manager then presents this proposed budget to the Village Board on or before March 31st of each year. The Village Board is required to hold a public hearing on the proposed budget and to adopt a final budget no later than April 30th. The appropriated budget is prepared by fund and department. The Village Manager may make transfers of appropriations within a department. Budget transfers between departments over $5,000 require approval of the Village Board. Budget-to-actual comparisons are provided for each individual fund for which an appropriated annual budget has been adopted. For the Village's three major governmental funds, the General Corporate Fund, Capital Projects Fund, and Motor Fuel Tax Fund, these comparisons are presented on pages 64-65 and 75-103 of this report. The Village's major enterprise fund (Water and Sewer Fund) comparisons are presented on pages 111-118.

Major Initiatives and Accomplishments

The Village staff, following specific directives of the Village Board and the Village Manager, has been involved in a variety of projects and initiatives throughout FY2025 which reflect the Village's commitment to ensuring that its citizens are able to live and work in an enviable environment. A number of significant projects or accomplishments include:

- Secured nearly $1.3 million in grant assistance to fund various community priorities including streambank rehabilitation and erosion control projects, construction of bicycle and multi-use paths, rehabilitations to various Village facilities, and on-going traffic safety initiatives.

- Hosted a full schedule of events at the Ross Ferraro Town Center including a weekly summer concert series, Movie in the Park, Fall Fest / Car Show, and holiday tree lighting.

- Implemented an on-line liquor license application process.

- Completed the 2024 Flexible Pavement project, continuing the Village's commitment to maintaining its public infrastructure assets, resulting in the rehabilitation of 3.14 miles of roadways.

- Completed a comprehensive computer model of the Village's water distribution system which will provide insights into operational and potential capital improvement projects that can address low chlorine levels in various locations within the system.

- Completed the replacement of the dewatering systems at the Wastewater Reclamation Center.

- Updated the 10-year Capital Improvement Program for the Water and Sewer Fund to program anticipated future capital infrastructure replacement as the system continues to age. Investments in water metering technology, water and sewer main replacements and continued investment in Wastewater Reclamation Center critical infrastructure have been identified and programmed.

- Significant development projects included a 90,000 square-foot data center on Kehoe Boulevard, a 200,000 square-foot addition to the Frain Industries building on North Avenue and a 150,000 square-foot addition to the Blackhawk Corrugated facility on Kimberly Drive.

- Administered the development process for the Villas of Fair Oaks, a 32-unit duplex development at the northeast corner of Fair Oaks and Lies Roads which will begin construction during FY25.

- The Village received its second Tree City USA designation in 2024.

- Completed the multi-year Public Works Center Improvement Project which modernized and enhanced internal and external building facilities to meet the needs of the community into the future.

Factors Affecting Financial Condition

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

Local economy. The region has a varied light manufacturing and industrial base, which adds to the relative stability of local employment when compared to the state and national unemployment rates.

State shared sales tax revenue is the Village's largest single revenue source which supports governmental activities. Knowing this, the Village is vigilant in protecting and promoting its sales tax base. The Village is also very diligent in following and opposing any legislation that would diminish these revenues which are critical to supporting the delivery of basic government services. The Village has a business retention program in place and has offered incentives in the form of sales tax rebates and tax increment financing districts where appropriate to assist in attracting new businesses.

The Village's financial policies and programs related to strengthening and diversifying its revenue base have resulted in the attraction, retention and expansion of a number of businesses in the community.

Long-term financial planning. The Village prepares a detailed multi-year Capital Improvement Program (CIP). The CIP covers a 5 year planning horizon. As part of the budget preparation process, the CIP is reviewed and modified annually.

General Fund cash reserve policies require the maintenance of reserves no less than 25% of net annual budgeted expenditures. Amounts in excess of 25% may be transferred to the Capital Projects Fund for the ongoing maintenance and replacement of the Village's governmental infrastructure assets or any other use as the Village Board may designate.

Acknowledgments.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation especially to Barbara Wydra, Assistant Finance Director and Alyssa McHugh, Accounting Supervisor, and all other members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and Board of Trustees for their support and commitment to maintaining the highest standards of professionalism in the management and responsible stewardship of the community's resources.

Respectfully submitted,

Jon D. Batek
Finance Director

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
Members of the Board of Trustees
Village of Carol Stream, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Carol Stream, Carol Stream, Illinois (the Village), as of and for the year ended April 30, 2025, and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Village of Carol Stream, Carol Stream, Illinois as of April 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 14 to the financial statements, the Village adopted the Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended April 30, 2025. The implementation of this guidance resulted in changes to the accrual of compensated absence balances and a restatement of beginning net position. Our opinion was not modified with respect to this matter.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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 and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual fund financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

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

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Village's basic financial statements for the year ended April 30, 2024, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements as a whole. The schedules of revenues, expenditures and changes in fund balances - budget and actual and schedule of net position related to the 2024 financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2024 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2024 actual comparative data are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2025 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Sikich CPA LLC

Naperville, Illinois
September 30, 2025

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Mayor
Members of the Board of Trustees
Village of Carol Stream, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Carol Stream, Illinois (the Village), as of and for the year ended April 30, 2025, and the related notes to financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated September 30, 2025.

Report On Internal Control over Financial Reporting

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

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

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

Report On Compliance and Other Matters

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

Purpose of this Report

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

Sikich CPA LLC

Naperville, Illinois
September 30, 2025

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

As the management of the Village of Carol Stream (the "Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the Village's financial activities for the fiscal year ended April 30, 2025. This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activities, (3) identify changes in the Village's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

We encourage readers to consider information presented here in conjunction with additional information presented in our letter of transmittal found on pages iii to vi and the Village's financial statements which begin on page 7.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT

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

Government-Wide Financial Statements

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

The *Statement of Net Position* presents information on the Village's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. This statement combines and consolidates governmental fund's current financial resources (short-term, spendable resources) with capital assets and long-term obligations using the accrual basis of accounting which maintains its measurement focus on economic resources rather than spendable financial resources. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The *Statement of Activities* presents information on how the Village's net position has 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 cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g. earned but unused employee leave time). The *Statement of Activities* also reports the extent to which various expenses for governmental or business-type functions are dependent upon user-charges, grant sources, or general tax and other revenues.

Both of the government-wide financial statements distinguish functions of the Village which are principally supported by taxes and intergovernmental revenues (governmental activities) from those functions which are intended to recover all or a significant portion of their costs through user-fees and charges (business-type activities). The governmental activities of the Village include general government, public safety and highways and streets. The business-type activities of the Village include the purchase and distribution of Lake Michigan water and sanitary sewage collection and treatment systems, which are accounted for within a single enterprise fund.

Excluded from the government-wide financial statements are fiduciary funds (e.g. Carol Stream Police Pension Fund). Fiduciary funds are used to report net assets held in a trustee or agency capacity for others (e.g. retired police officers) and therefore cannot be used to support the Village's programs.

The government-wide financial statements can be found on pages 7 through 10 of this report.

Fund Financial Statements

The Fund Financial Statements maintain a focus of presentation on major funds rather than fund types. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains three (3) major 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, Motor Fuel Tax Fund, and Capital Projects Fund. The Village also maintains three (3) non-major governmental funds including the State Asset Seizure Fund, Federal Asset Seizure Fund and the North Avenue/Schmale Road TIF Fund which are reported in aggregate in the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances.

The Village adopts an annual budget for each of its governmental funds. A budgetary comparison statement has been provided in the required supplementary information section or the combining and individual fund financial statements section of this report to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 11 through 15.

Proprietary Funds. The Village maintains two proprietary funds which include one enterprise fund that accounts for water and sanitary sewer utility operations and one internal service fund that accounts for the replacement of Village vehicles and heavy equipment. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements and use the economic resources measurement focus and accrual basis of accounting, similar to private-sector businesses. Internal service funds are an accounting tool used to accumulate and allocate costs internally among the Village's various functions.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 16 through 20.

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 programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Village maintains one fiduciary fund which accounts for the resources of the Carol Stream Police Pension Fund.

The basic fiduciary fund financial statements can be found on pages 21 through 22 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 23 through 63 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including the Village's progress in funding its obligation to employee retirement and other postemployment benefit plans. Required supplementary information can be found on pages 64 through 74 of this report.

The combining statements referred to earlier in connection with major and non-major governmental funds, the proprietary funds and fiduciary fund are presented immediately following the required supplementary information on employee retirement plans. Combining and individual fund statements can be found on pages 75 through 120 of this report.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Net Position

Table 1 presents a condensed Statement of Net Position as of April 30, 2025 compared to the prior year ended April 30, 2024.

Table 1
Statement of Net Position (in Millions)

	Governmental Activities		*Business-Type Activities*		*Total Primary Government*	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Assets						
Current and Other Assets	$ 63.7	$ 61.0	$ 26.0	$ 18.7	$ 89.7	$ 79.7
Capital Assets	87.4	83.4	25.2	26.3	112.6	109.7
Total Assets	151.1	144.4	51.2	45.0	202.3	189.4
Deferred Outflows	14.5	16.1	0.6	0.7	15.1	16.8
Total Assets and Deferred Outflows	**$ 165.6**	**$ 160.5**	**$ 51.8**	**$ 45.7**	**$ 217.4**	**$ 206.2**
Liabilities						
Current Liabilities	3.4	5.2	0.7	1.2	4.1	6.4
Long-Term Liabilities	49.7	46.4	1.4	1.4	51.1	47.8
Total Liabilities	53.1	51.6	2.1	2.6	55.2	54.2
Deferred Inflows	7.6	8.3	2.1	1.1	9.7	9.4
Total Liabilities and Deferred Inflows	**$ 60.7**	**$ 59.9**	**$ 4.2**	**$ 3.7**	**$ 64.9**	**$ 63.6**
Net Position						
Net Investment in Capital Assets	84.8	81.9	25.1	26.1	109.9	108.0
Restricted	9.0	7.0	-	-	9.0	7.0
Unrestricted	11.1	11.7	22.5	15.9	33.6	27.6
Total Net Position	**$ 104.9**	**$ 100.6**	**$ 47.6**	**$ 42.0**	**$ 152.5**	**$ 142.6**

The Village's combined total net position increased from $142.6 million to $152.5 million during FY2025, an increase of $9.9 million or 6.9%. Of this increase, net position from governmental activities increased by $4.3 million or 4.3% and net position from business-type activities increased by $5.6 million or 13.3%.

Statement of Activities (Changes in Net Position)

Table 2 summarizes the revenue and expenses of the Village's activities for FY2025 compared to the prior FY2024.

Table 2
Changes in Net Position (in millions)

	Governmental Activities		*Business-Type Activities*		*Total Primary Government*	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
REVENUES						
Program Revenues						
Charges for Services	$ 3.8	$ 3.2	$ 14.3	$ 13.7	$ 18.1	$ 16.9
Operating Grants	2.2	2.4	0.4	0.3	2.6	2.7
Capital Grants	1.7	1.7	-	-	1.7	1.7
General Revenues						
Taxes	29.0	26.0	-	-	29.0	26.0
Other Revenues	10.0	10.0	1.4	1.3	11.4	11.3
Total Revenues	**$ 46.7**	**$ 43.3**	**$ 16.1**	**$ 15.3**	**$ 62.8**	**$ 58.6**
EXPENSES						
General Government	$ 8.9	$ 10.7	$ -	$ -	$ 8.9	$ 10.7
Public Safety	19.2	18.9	-	-	19.2	18.9
Highways and Streets	9.4	6.8	-	-	9.4	6.8
Water and Sanitary Sewer	-	-	14.8	14.5	14.8	14.5
Interest	0.1	0.1	-	-	0.1	0.1
Total Expenses	**$ 37.6**	**$ 36.5**	**$ 14.8**	**$ 14.5**	**$ 52.4**	**$ 51.0**
TRANSFERS	(4.3)	(0.3)	4.3	0.3	-	-
Change in Net Position	**$ 4.8**	**$ 6.5**	**$ 5.6**	**$ 1.1**	**$ 10.4**	**$ 7.6**
Net Position, May 1, as Reported	**$ 100.6**	**$ 94.1**	**$ 42.0**	**$ 40.9**	**$ 142.6**	**$ 135.0**
Change in Accounting Principle	**$ (0.5)**	**$ -**	**$ -**	**$ -**	**$ (0.5)**	**$ -**
Net Position, May 1, as Restated	**$ 100.1**	**$ 94.1**	**$ 42.0**	**$ 40.9**	**$ 142.1**	**$ 135.0**
Net Position, April 30	**$ 104.9**	**$ 100.6**	**$ 47.6**	**$ 42.0**	**$ 152.5**	**$ 142.6**

GOVERNMENT-WIDE REVENUES

Total combined revenues for FY2025 totaled $62.8 million, an increase of $4.2 million or 7.2% from the prior fiscal year. Total revenues from governmental activities increased by $3.4 million or 7.9% and total revenues from business-type activities increased by $0.8 million or 5.2%. A summary of these revenues by source is listed in Table 3 below:

Table 3
Government-Wide Revenues
(in Millions)

	Governmental Activities		*Business-Type Activities*		*Total Primary Government*	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Revenue Source						
Water and Sewer Fees	$ -	$ -	$ 14.3	$ 13.7	$ 14.3	$ 13.7
Sales Taxes	10.3	8.6	-	-	10.3	8.6
Home Rule Sales Taxes	7.5	6.2	-	-	7.5	6.2
State Income Taxes	6.9	6.5	-	-	6.9	6.5
Other Taxes	4.0	4.0	-	-	4.0	4.0
Grants	3.9	4.2	0.4	0.3	4.3	4.5
Property Taxes	3.8	3.8	-	-	3.8	3.8
Charges for Services	3.8	3.2	-	-	3.8	3.2
Utility Taxes	2.9	2.9	-	-	2.9	2.9
Investment Income	1.9	2.0	1.1	1.0	3.0	3.0
Local Motor Fuel Taxes	0.7	0.7	-	-	0.7	0.7
All Other Revenues	1.0	1.2	0.3	0.3	1.3	1.5
Total Revenues	**$ 46.7**	**$ 43.3**	**$ 16.1**	**$ 15.3**	**$ 62.8**	**$ 58.6**

Revenues from the Village's largest single revenue source, **water and sewer fees**, totaled $14.3 million in FY2025, increasing by 4.4% from the prior year. Combined water and sewer rates charged to Carol Stream customers were adjusted by 2.9% on May 1, 2024, the main contributor to the overall revenue increase. Carol Stream water and sewer rates continue to be among the lowest of area communities that purchase Lake Michigan water through the DuPage Water Commission.

The Village receives a share of the state sales tax equal to 1% of retail sales generated within Carol Stream. **Sales taxes** received in FY2025 increased by 21.0% compared to the prior fiscal year as illustrated on the following page. The attraction of new businesses and the expansion of other existing businesses in combination with an expansion of the 2021 "Leveling the Playing Field for Illinois Retail Act" effective January 1, 2025 were the most significant contributors to the significant increase in sales tax revenues. The new legislation broadened the Village's sales tax base by adding destination-based sales taxes from various remote retailers as well as the commencement of sales taxes on rentals of tangible personal property.

In addition to the 1% local sales tax, the Village imposes a 1% **home rule sales tax**. Total home rule sales taxes recorded in FY2025 increased by 21.0% from FY2024. As with the 1% local sales tax, this growth directly correlates with the increases experienced in the Village's base 1% general sales tax.

Sales tax revenues from all sources represented 38.1% of total Governmental Fund revenues for FY2025. The past 10 years of base 1% sales tax revenues is shown below:

1% Sales Tax Revenues

Fiscal Year	Amount	% Change
FY25	$10,335,549	21.0%
FY24	8,543,186	-7.0%
FY23	9,181,287	7.4%
FY22	8,551,736	22.3%
FY21	6,990,947	1.5%
FY20	6,888,692	0.6%
FY19	6,849,570	-5.9%
FY18	7,275,930	-5.4%
FY17	7,688,493	4.7%
FY16	7,342,518	11.6%

The Village receives a share of **State income tax** collections which are distributed to Illinois municipalities on a per capita basis and are a key revenue that supports governmental activities. Income tax receipts experienced positive growth of 6.2% during FY2025.

The Village continues to apply for and receive significant **operating and capital grants** to reduce the local taxpayer-funded cost of financing capital improvements or other operating initiatives. Grant revenues recognized in FY2025 totaled $3.9 million.

Property tax revenues have not been increased since this revenue source was first reintroduced to the Village's budget plan in FY2021 as a means to add some stability to operating funds while reassigning other general fund revenues to the Capital Projects Fund, ensuring the Village is able to continue meet its long-term goal of maintaining its investment in public infrastructure assets.

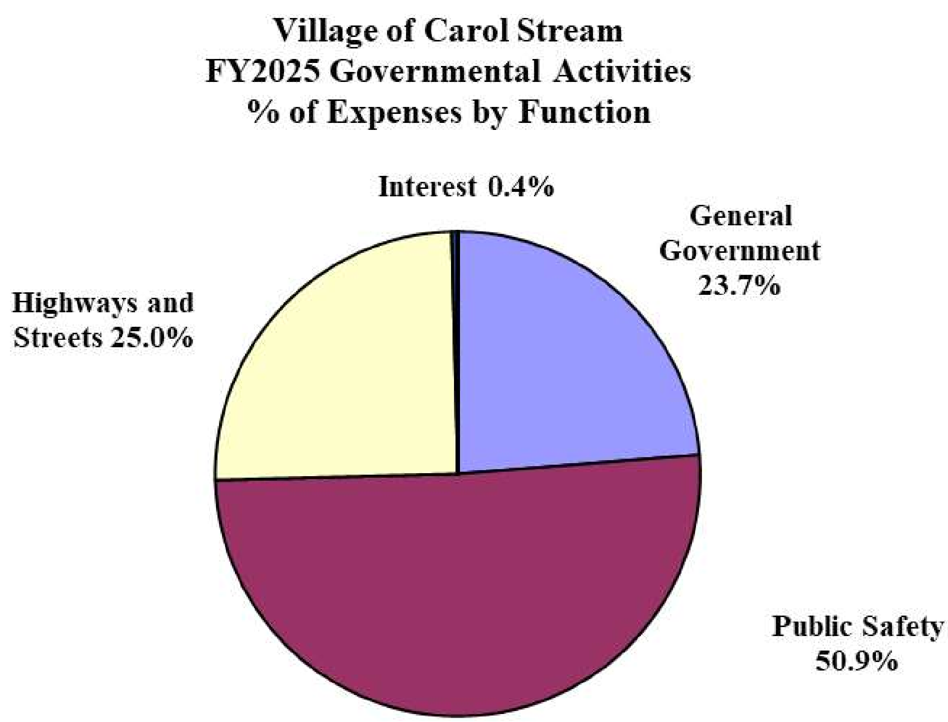
GOVERNMENT-WIDE EXPENSES

Total government-wide expenses for FY2025 totaled $52.4 million, an increase of $1.4 million or 2.7% from the prior year.

Expenses - Governmental Activities

FY2025 expenses for governmental activities totaled $37.6 million, representing an increase of $1.1 million or 3.0% compared to FY2024 expenses.

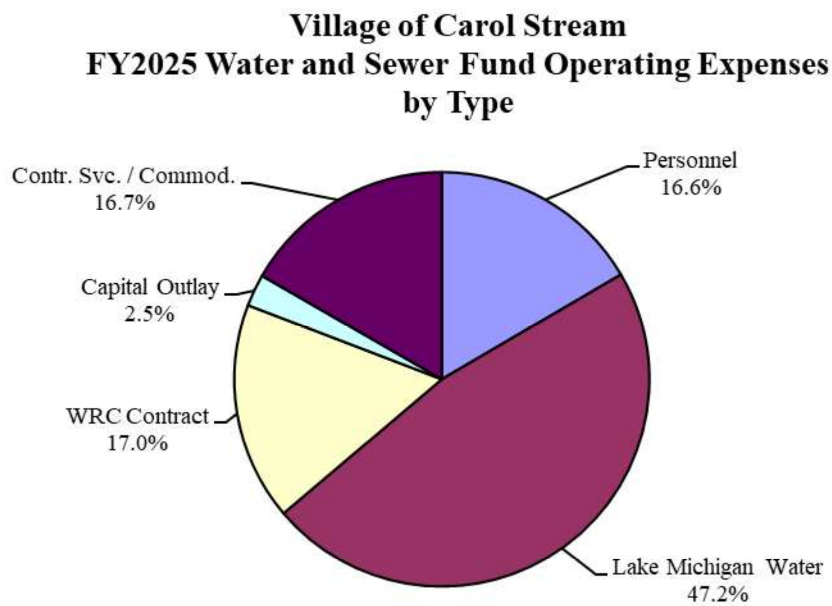
Carol Stream's largest share of costs allocated to governmental activities was in the area of **Public Safety** (law enforcement), accounting for 50.9% of total governmental expenses. **Highways and Streets** activities made up 25.0% of total expenses which includes Public Works operating and maintenance activities as well as the Village's infrastructure rehabilitation and replacement program. **General Government** activities and **interest expense** round out total governmental activities, making up 24.1% of total governmental spending. This includes legislative boards and commissions, general administration, legal services, information technology, financial management, community development, engineering services, human resources, building maintenance, special events and economic development activities.



Expenses – Business-Type Activities

Carol Stream's total business-type activities are limited to the activities of its sole enterprise fund, the Water and Sewer Fund. Total expenses for water and sewer activities for FY2025 totaled $14.8 million, an increase of $0.3 million or 2.1% from FY2024.

Water and sewer activities include the purchase of Lake Michigan water though the Village's participation in the DuPage Water Commission, maintaining the Village's water distribution systems including mains, pumps, reservoirs, metering and billing as well as the maintenance of the Village's sanitary sewage collection system and its treatment at the Water Reclamation Center. Total system operating expenses can be categorized in the following manner:



FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

At April 30, 2025, the **governmental funds** had a combined total fund balance of $50.6 million, increasing by $3.7 million or 7.9% from April 30, 2024 (see page 14).

Net position of the Village's **enterprise fund** (Water and Sewer Fund) totaled $47.6 million at April 30, 2025, an increase of $5.6 million or 13.3% from April 30, 2024 (see page 18).

General Fund - The Village's General Fund is the primary governmental operations fund and provides for police services, public works activities such as street maintenance and snow removal, building permit reviews, code enforcement activities, storm water management, financial management and general administrative services.
During FY2025, General Fund operations resulted in an excess of revenues over expenditures of $5,276,039 before other financing sources and uses. After completion of net transfers out of $2,232,653 General Fund fund balance increased by $3,043,386 for the year ended April 30, 2025.

As illustrated in Table 4 below, FY2025 General Fund revenues increased by $3,641,201 or 10.7% and expenditures increased by $1,487,528 or 4.8% when compared to the prior FY2024.

Table 4
General Fund Budgetary Highlights
For the Fiscal Year Ended April 30, 2025

	Original Budget	Final Budget	FY2025 Actual	FY2024 Actual	% Change
Revenues					
Taxes	$23,211,600	$23,211,600	$24,689,647	$22,019,325	12.1%
Licenses and Permits	1,024,600	1,024,600	1,359,365	1,021,682	33.1%
Intergovernmental	7,297,000	7,297,000	7,518,864	7,029,662	7.0%
Charges for Services	883,000	883,000	984,472	1,081,295	-9.0%
Fines and Forfeits	1,568,000	1,568,000	1,473,870	1,534,817	-4.0%
Investment Income	450,000	450,000	683,946	674,760	1.4%
Miscellaneous	300,800	300,800	1,046,872	754,294	38.8%
Total Revenues	$34,735,000	$34,735,000	$37,757,036	$34,115,835	10.7%
Expenditures					
General Government	$ 7,698,870	$ 7,698,870	$ 7,510,531	$ 7,384,964	1.7%
Public Safety	19,667,753	19,667,753	19,616,733	18,324,310	7.1%
Highways and Streets	5,488,377	5,488,377	4,840,447	5,162,122	-6.2%
Debt Service	-	-	513,286	122,073	320.5%
Subtotal Expenditures	32,855,000	32,855,000	32,480,997	30,993,469	4.8%
Excess (Deficiency) of Revenues Over Expenditures	1,880,000	1,880,000	5,276,039	3,122,366	
Other Financing Sournces (Uses)					
SBITA Issuance	-	-	720,337	51,564	
Installment Contract Issuance	-	-	1,318,035	-	
Transfers In	-	-	147,000	-	
Transfers (Out)	(130,000)	(130,000)	(4,418,025)	(3,330,891)	
Total Expenditures and Other Financing Sources (Uses)	$32,985,000	$32,985,000	$34,713,650	$34,272,796	1.3%
Change in Fund Balance	$ 1,750,000	$ 1,750,000	$ 3,043,386	$ (156,961)	

General Fund *tax revenues* (which includes items such as the property tax, sales tax, home rule sales tax, natural gas utility tax, hotel tax, and video gaming tax) increased by $2,670,322 or 12.1% compared to the prior fiscal year.

Sales taxes and home rule sales taxes in combination accounted for the entirety of the increase in total General Fund tax revenues during FY2025. As previously discussed, the January 1, 2025 expansion in the "Leveling the Playing Field for Illinois Retail Act" was the primary driver of sales tax revenue enhancement along with robust local sales activity during the period. Because a significant component of the new legislative change resulted in the recategorization of Local Use Tax (distributed on a per capita basis) to Retailers Occupation Tax (sales taxes) distributed to the jurisdiction to where goods are ultimately delivered, it is not surprising that Local Use Taxes during FY2025 declined by $461,639 or 30.7% compared to FY2024.

Total revenues in the *licenses and permits* category increased by $337,683 or 33.1% during FY2025 stemming from numerous significant building and development projects including the Oppidan data center, Villas of Fair Oaks, Main Freight headquarters construction, and Frain Industries expansion project.

Total *charges for services* revenues decreased by $96,823 or 9.0% compared to the prior fiscal year. Reduced engineering and development plan reviews compared to FY2024 and predicted declines in cable franchise fees were the primary drivers in reduced revenue performance in this category.

Yields on short-term investments in local government investment pools remained high throughout FY2025 and were approximately 4.4% at April 30, 2025. *Investment income* for FY2025 was on par with the previous year.

Miscellaneous revenues increased by $292,578 or 38.8% in FY2025 over FY2024. Increases in reserve balances in both the Village's risk management and health benefits insurance pools were the primary component of the miscellaneous revenue category.

On the expenditure side of the budget, total General Fund expenditures showed an overall increase from the prior fiscal year of $1,487,528 or 4.8%.

Total payroll and benefit costs, which make up 70.0% of all FY2025 General Fund expenditures, decreased by $564,414 or 2.4% compared to FY2024. Gross base salary costs declined by 2.7% and required contributions to various retirement systems (Social Security, Illinois Municipal Retirement Fund (IMRF) and Police Pension Fund) decreased in aggregate by 1.5%. Aggregate health and dental benefit costs via the Village's membership in the Intergovernmental Personnel Benefit Cooperative (IPBC) increased by 1.0%. Payroll and benefit cost reductions were largely influenced by turnover of a number of key positions in the prior fiscal year and a number of position vacancies that have continued into FY2025.

Public Safety expenditures increased by $1,292,423 or 7.1% during F2025 primarily due to a significant technology investment by the Police Department in body-worn cameras, in-car camera systems, tasers and LPR (license plate reader) technology.

Highways and Streets expenditures decreased by $321,675 or 6.2% when compared to the prior year. Total payroll and benefit expenditures decreased slightly by 0.6% which was due to a greater allocation of Public Works Department staff resources toward enterprise fund operations (Water and Sewer Fund) compared to general government functions (General Fund). Additionally, total large equipment purchases decreased in FY2025 by $258,162 or 64.7% when compared to FY2024.

Debt Service expenditures increased by $391,213 during FY2025 due to additional Subscription-Based Information Technology Agreements (SBITA) and Installment Contracts related to Police Department technology investments.

Before Other Financing Sources and Uses, total FY2025 revenues exceeded expenditures by $5,276,039. A number of operating transfers were made during the year resulting in net transfers to other funds of $4,271,025. Other Financing Sources included SBITA and Installment Contract issuances which totaled $2,038,372. After Other Financing Sources and Uses, total fund balance of the General Fund increased by $3,043,375 for the year ended April 30, 2025.

Capital Projects Fund - The Village's Capital Projects Fund is designated as a "major fund" and is used to account for capital projects relating to the maintenance and replacement of existing infrastructure as well as the development of new facilities to accommodate future growth. Those capital improvements related to the Water and Sewer Fund are accounted for in that fund.

The Capital Projects Fund receives collections of the electricity utility tax, telecommunications tax, real estate transfer tax and 4 cent-per-gallon local motor fuel tax as ongoing revenue sources to secure the long-term financing of critical infrastructure projects identified in the Village's Capital Improvement Program (CIP). These revenues, combined with various federal, state and regional grants, have provided $5.7 million in available revenues during FY2025, a decrease of $0.7 million or 10.9% over FY2024. A decrease in intergovernmental grant revenues compared to FY2024 accounted for most of the fund's overall revenue decline for the year.

A total of $7.1 million in capital improvement projects were completed or in process at the conclusion of FY2025. Total fund balance of the Capital Projects Fund decreased by $1.4 million during FY2025. With total reserve balances at $20.0 million at April 30, 2025, the Village continues to be on sound financial footing with respect to its long-range CIP which includes a detailed project itinerary for the next five-year planning horizon.

Motor Fuel Tax Fund (MFT) - The Village uses the MFT Fund as a companion to the Capital Projects Fund to finance major capital infrastructure improvement programs in the CIP. State distributed motor fuel tax revenues are accumulated in the fund until sufficient reserves are on hand to complete the Village's annual roadway improvement program in addition to annual roadway maintenance activities. During FY2025, the major annual roadway program was funded from the Capital Projects Fund, thus total fund balance in the Motor Fuel Tax Fund as of April 30, 2025 grew by $2.0 million to an ending balance of just under $6.3 million so that the roadway program can be completed by the MFT Fund in FY2026. The Village has historically not utilized debt financing to fund capital improvement projects.

Water and Sewer Fund - Total operating revenues of the Village's combined water and sanitary sewer utility increased by $648,878 or 4.7% compared to FY2024. Combined water and sewer rates were adjusted by 2.9% effective May 1, 2024 resulting in an increase of $318,499 or 2.4% in billed water and sewer consumption, accounting for 49.1% of the total increase in operating revenues. System expansion fees and water meter sales connected with key development projects made up the balance of the increase in operating revenues.

Total Water and Sewer Fund operating expenses (adjusted by capitalized fixed assets) increased by $297,220 or 2.3% compared to the prior year.

After incorporating other non-operating revenues, expenses and depreciation, and a $4,290,000 transfer in from the General Fund, Water and Sewer Fund activities resulted in an increase in April 30, 2025 net position of $5,644,722.

Table 5
Capital Assets
(in Millions)

	Governmental Activities		*Business-Type Activities*		*Total Primary Government*	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Land and Land Right of Way	$ 41.0	$ 40.7	$ 1.2	$ 1.2	$ 42.2	$ 41.9
Buildings	34.0	34.0	27.2	27.2	61.2	61.2
Vehicles and Equipment	10.2	7.8	7.9	5.5	18.1	13.3
Infrastructure	84.0	82.1	-	-	84.0	82.1
Intangible Capital Assets	1.3	0.6	-	-	1.3	0.6
Water and Sanitary Sewer System	-	-	50.1	49.7	50.1	49.7
Construction in Progress	8.3	6.8	0.3	2.5	8.6	9.3
Subtotal	$ 178.8	$ 172.0	$ 86.7	$ 86.1	$ 265.5	$ 258.1
Less: Accumulated Depreciation	(91.4)	(88.6)	(61.5)	(59.8)	(152.9)	(148.4)
Total	**$ 87.4**	**$ 83.4**	**$ 25.2**	**$ 26.3**	**$ 112.6**	**$ 109.7**

At April 30, 2025, the Village's investment in capital assets for both governmental and business-type activities totaled $112.6 million net of accumulated depreciation. This balance increased by $2.9 million or 2.6% compared to April 30, 2024. See note 4 beginning on page 33 for additional information on changes in capital asset balances.

Major capital asset activities completed or in-process during FY2025 included the following:

- Completion of the 2024 Flexible Pavement Program.
- Morton Road reconstruction.
- Pump station generator replacements.
- Replacement of various light and heavy-duty vehicular fleet vehicles.
- Public Works Center renovations.
- Design services for WRC Headworks Replacement Project.
- Southeast Bike Path extension.
- Lies Road Bike Path extension.
- Klein Creek Pedestrian Bridge replacement.
- Klein Creek Stream Bank Stabilization Project (Sections I, II, and III).

Long-Term Debt

At the end of the current fiscal year, the Village of Carol Stream had no outstanding general obligation bonded indebtedness.

Included in governmental debt obligations is a $3,500,000 note issued to the developer of the North Avenue/Schmale Road TIF to facilitate site acquisition and development costs. Payments on the note will come solely from incremental property taxes and sales taxes generated by the developer on the redevelopment site. As of April 30, 2025, the outstanding principal balance on the note was $2,272,129.

Debt related to business-type activities consists of an installment contract with the DuPage Water Commission (DWC) to finance the extension of the Village's water system to residents located in unincorporated Carol Stream due to contaminated wells. At April 30, 2025, this installment contract had an outstanding balance of $49,043 and a final maturity of September 1, 2025. The Village receives reimbursement of all principal and interest costs related to this obligation from DuPage County, which initiated a Special Service Area imposing a special property tax on benefitted property owners.

The Village is also party to a number of installment contracts and Subscription-Based Information Technology Arrangements (SBITA) ranging in term from six to ten years. Additional information on these obligations can be found in note 5 on pages 35-39 of this report.

As an Illinois home-rule community, the Village is not subject to any debt limitations imposed by Illinois statutes.

Economic Factors

Carol Stream continues to enjoy a diversified commercial and retail sales base with major retail centers along the Schmale Road, Gary Avenue, North Avenue, and Army Trail Road corridors. The generation of sales tax revenues, which represent 47.2% of total FY2025 General Fund revenues, continues to play a vital role in sustaining service delivery into the future.

The outlook moving into FY2026 and beyond continues to be guarded, primarily fueled by economic uncertainty with respect to future growth, inflation and the cost of living, market volatility, and global conflict. While we have certainly reaped the benefits of the past economic rally, concerns over a slowing economy have the potential to unwind some of the progress made.

As we have done in the past, we are prepared to take any and all actions necessary to ensure we are able to continue to operate within our means while meeting the service needs of the community.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for public resources. Questions concerning this report or requests for additional financial information should be directed to Jon Batek, Finance Director, Village of Carol Stream, 500 N. Gary Avenue, Carol Stream, Illinois 60188 or jbatek@carolstream.org.

BASIC FINANCIAL STATEMENTS

VILLAGE OF CAROL STREAM, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	$ 43,395,872	$ 21,385,868	$ 64,781,740
Restricted Cash and Investments	546,445	8,897	555,342
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	4,419,919	-	4,419,919
Other Taxes	6,509,613	-	6,509,613
Library Loan	92,235	-	92,235
Interest	1,130	-	1,130
Accounts	99,609	2,159,824	2,259,433
Lease	-	2,143,083	2,143,083
IRMA Excess Surplus	2,535,366	-	2,535,366
IPBC Terminal Reserve	3,278,679	-	3,278,679
Other	50,855	-	50,855
Prepaid Expenses	411,469	78,225	489,694
Deposits	1,000	-	1,000
Inventories	80,967	-	80,967
Internal Balances	(6,508)	6,508	-
Due From Other Governments	2,022,563	250,000	2,272,563
Tangible and Intangible Capital Assets			
Not Depreciated	49,287,566	1,540,011	50,827,577
Depreciated and Amortized (Net of of Accumulated Depreciation and Amortization)	38,073,606	23,662,277	61,735,883
Land Held for Resale	305,000	-	305,000
Total Assets	151,105,386	51,234,693	202,340,079
DEFERRED OUTFLOWS OF RESOURCES			
Pension Items - IMRF	2,704,742	457,785	3,162,527
Pension Items - Police Pension	11,177,287	-	11,177,287
OPEB Items	628,623	47,315	675,938
Asset Retirement Obligation Items	-	89,998	89,998
Total Deferred Outflows of Resources	14,510,652	595,098	15,105,750
Total Assets and Deferred Outflows of Resources	165,616,038	51,829,791	217,445,829

(This page is continued on the following page.)

VILLAGE OF CAROL STREAM, ILLINOIS

STATEMENT OF NET POSITION (Continued)

April 30, 2025

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts Payable	$ 522,113	$ 602,708	$ 1,124,821
Contracts Payable	512,304	-	512,304
Interest Payable	84,299	654	84,953
Accrued Salaries	924,132	79,330	1,003,462
Deposits Payable	546,445	8,897	555,342
Unearned Revenue	851,315	-	851,315
Noncurrent Liabilities			
Due Within One Year	704,435	64,953	769,388
Due in More than One Year	48,945,503	1,375,737	50,321,240
Total Liabilities	53,090,546	2,132,279	55,222,825
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue	4,419,919	-	4,419,919
Pension Items - IMRF	8,343	1,413	9,756
Pension Items - OPEB	1,103,078	83,027	1,186,105
Pension Items - Police Pension	2,101,745	-	2,101,745
Deferred Lease Revenue	-	2,010,056	2,010,056
Total Deferred Inflows of Resources	7,633,085	2,094,496	9,727,581
Total Liabilities and Deferred Inflows of Resources	60,723,631	4,226,775	64,950,406
NET POSITION			
Net Investment in Capital Assets	84,757,007	25,153,245	109,910,252
Restricted for			
Public Safety	792,269	-	792,269
Economic Development	1,979,214	-	1,979,214
Maintenance of Roadways	6,279,540	-	6,279,540
Unrestricted	11,084,377	22,449,771	33,534,148
TOTAL NET POSITION	$ 104,892,407	$ 47,603,016	$ 152,495,423

See accompanying notes to financial statements.

VILLAGE OF CAROL STREAM, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2025

		Program Revenues		
FUNCTIONS/PROGRAMS	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	$ 8,942,971	$ 2,028,838	$ -	$ -
Public Safety	19,159,286	1,788,869	303,105	182,641
Highways and Streets	9,414,812	-	1,847,113	1,539,227
Interest	152,878	-	-	-
Total Governmental Activities	37,669,947	3,817,707	2,150,218	1,721,868
Business-Type Activities				
Water and Sewer	14,748,251	14,321,128	-	392,530
Total Business-Type Activities	14,748,251	14,321,128	-	392,530
TOTAL PRIMARY GOVERNMENT	$ 52,418,198	$ 18,138,835	$ 2,150,218	$ 2,114,398

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	$ (6,914,133)	$ -	$ (6,914,133)
	(16,884,671)	-	(16,884,671)
	(6,028,472)	-	(6,028,472)
	(152,878)	-	(152,878)
	(29,980,154)	-	(29,980,154)
	-	(34,593)	(34,593)
	-	(34,593)	(34,593)
	(29,980,154)	(34,593)	(30,014,747)
General Revenues			
Taxes			
Property	4,321,053	-	4,321,053
Road and Bridge	97,051	-	97,051
Sales	10,335,549	-	10,335,549
Local Use and Auto Rental	1,080,553	-	1,080,553
Home Rule Sales	7,482,731	-	7,482,731
Utility	2,894,305	-	2,894,305
Real Estate Transfer	811,990	-	811,990
Hotel/Motel	317,861	-	317,861
Local Motor Fuel Tax	673,921	-	673,921
Gaming	660,823	-	660,823
Local Alcohol Tax	279,054	-	279,054
Cannabis Tax	62,448	-	62,448
Intergovernmental - Unrestricted			
Income Tax	6,926,800	-	6,926,800
Replacement Tax	139,291	-	139,291
Investment Income	1,908,174	1,098,616	3,006,790
Miscellaneous	1,046,872	264,699	1,311,571
Sale of Capital Assets	-	26,000	26,000
Transfers In (Out)	(4,290,000)	4,290,000	-
Total	34,748,476	5,679,315	40,427,791
CHANGE IN NET POSITION	4,768,322	5,644,722	10,413,044
NET POSITION, MAY 1, AS REPORTED	100,580,416	41,974,487	142,554,903
Change in Accounting Principle	(456,331)	(16,193)	(472,524)
NET POSITION, MAY 1, AS RESTATED	100,124,085	41,958,294	142,082,379
NET POSITION, APRIL 30	$ 104,892,407	$ 47,603,016	$ 152,495,423

See accompanying notes to financial statements.

VILLAGE OF CAROL STREAM, ILLINOIS

GOVERNMENTAL FUNDS

BALANCE SHEET

April 30, 2025

	General Corporate	Special Revenue Motor Fuel Tax	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments	$ 11,080,432	$ 6,134,994	$ 18,164,016	$ 2,473,225	$ 37,852,667
Restricted Cash and Investments	546,445	-	-	-	546,445
Receivables					
Road and Bridge and Property Taxes	3,835,905	-	-	584,014	4,419,919
Other Taxes	6,170,089	-	339,524	-	6,509,613
Accounts	99,609	-	-	-	99,609
IRMA Excess Surplus	2,535,366	-	-	-	2,535,366
IPBC Terminal Reserve	3,278,679	-	-	-	3,278,679
Library Loan	92,235	-	-	-	92,235
Interest	1,130	-	-	-	1,130
Other	50,855	-	-	-	50,855
Prepaid Items	395,486	-	-	15,983	411,469
Deposits	-	500	500	-	1,000
Inventories	80,967	-	-	-	80,967
Due from Other Funds	3,194	-	-	29,784	32,978
Due from Other Governments	196,989	144,046	1,681,528	-	2,022,563
Land Held for Resale	-	-	305,000	-	305,000
TOTAL ASSETS	$ 28,367,381	$ 6,279,540	$ 20,490,568	$ 3,103,006	$ 58,240,495

(This statement is continued on the following page.)

VILLAGE OF CAROL STREAM, ILLINOIS

GOVERNMENTAL FUNDS

BALANCE SHEET (Continued)

April 30, 2025

	General Corporate	Special Revenue Motor Fuel Tax	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	$ 350,514	$ -	$ -	$ 28,049	$ 378,563
Contracts Payable	-	-	512,304	-	512,304
Accrued Salaries	924,132	-	-	-	924,132
Deposits Payable	546,445	-	-	-	546,445
Unearned Revenue	851,315	-	-	-	851,315
Due to Other Funds	39,486	-	-	-	39,486
Total Liabilities	2,711,892	-	512,304	28,049	3,252,245
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	3,835,905	-	-	584,014	4,419,919
FUND BALANCES					
Nonspendable					
Prepaid Items	395,486	-	-	15,983	411,469
Inventory	80,967	-	-	-	80,967
Loan Receivable	92,235	-	-	-	92,235
Restricted					
Public Safety	296,523	-	-	495,746	792,269
Debt Service - Economic Development	-	-	-	1,979,214	1,979,214
Maintenance of Roadways	-	6,279,540	-	-	6,279,540
Assigned					
Capital Improvement Program	-	-	19,978,264	-	19,978,264
Liability Insurance	2,535,366	-	-	-	2,535,366
Unassigned					
General Fund	18,419,007	-	-	-	18,419,007
Total Fund Balances	21,819,584	6,279,540	19,978,264	2,490,943	50,568,331
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 28,367,381	$ 6,279,540	$ 20,490,568	$ 3,103,006	$ 58,240,495

See accompanying notes to financial statements.

VILLAGE OF CAROL STREAM, ILLINOIS

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

April 30, 2025

FUND BALANCES OF GOVERNMENTAL FUNDS	$ 50,568,331
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	87,361,172
Less amount reported in internal service funds below	(2,786,531)
Net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position	(5,982,462)
Net pension liability for the Police Pension Fund is shown as a liability on the statement of net position	(34,363,878)
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position	2,696,399
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings for the Police Pension Fund are recognized as deferred outflows and inflows of resources on the statement of net position	9,075,542
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings for the OPEB liability are recognized as deferred outflows and inflows of resources on the statement of net position	(474,455)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
TIF notes payable	(2,272,129)
SBITA payable	(952,714)
Installment contracts payable	(1,071,021)
Compensated absences payable	(1,888,143)
OPEB liability	(3,119,591)
Interest payable	(84,299)
The net position of the Internal Service Fund is included in the governmental activities in the statement of net position	8,186,186
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 104,892,407

See accompanying notes to financial statements.

VILLAGE OF CAROL STREAM, ILLINOIS

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the Year Ended April 30, 2025

	General Corporate	Special Revenue Motor Fuel Tax	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 24,689,647	$ -	$ 3,807,655	$ 520,037	$ 29,017,339
Licenses and Permits	1,359,365	-	-	-	1,359,365
Intergovernmental	7,518,864	1,801,346	1,035,681	67,174	10,423,065
Charges for Services	984,472	-	-	-	984,472
Fines and Forfeits	1,473,870	-	-	-	1,473,870
Investment Income	683,946	253,142	892,963	78,123	1,908,174
Miscellaneous	1,046,872	-	-	-	1,046,872
Total Revenues	37,757,036	2,054,488	5,736,299	665,334	46,213,157
EXPENDITURES					
Current					
General Government	7,510,531	-	-	792	7,511,323
Public Safety	19,616,733	-	-	62,438	19,679,171
Highways and Streets	4,840,447	78,988	-	-	4,919,435
Capital Outlay	-	20,425	7,135,140	165,934	7,321,499
Debt Service					
Principal Retirement	501,445	-	-	254,465	755,910
Interest and Fiscal Charges	11,841	-	-	98,398	110,239
Total Expenditures	32,480,997	99,413	7,135,140	582,027	40,297,577
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,276,039	1,955,075	(1,398,841)	83,307	5,915,580
OTHER FINANCING SOURCES (USES)					
Transfers In	147,000	-	-	128,025	275,025
Transfers (Out)	(4,418,025)	-	-	(147,000)	(4,565,025)
SBITA Issuance	720,337	-	-	27,197	747,534
Installment Contract Issuance	1,318,035	-	-	41,941	1,359,976
Total Other Financing Sources (Uses)	(2,232,653)	-	-	50,163	(2,182,490)
NET CHANGE IN FUND BALANCES	3,043,386	1,955,075	(1,398,841)	133,470	3,733,090
FUND BALANCES, MAY 1	18,776,198	4,324,465	21,377,105	2,357,473	46,835,241
FUND BALANCES, APRIL 30	$ 21,819,584	$ 6,279,540	$ 19,978,264	$ 2,490,943	$ 50,568,331

See accompanying notes to financial statements.

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2025

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ 3,733,090
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, they are capitalized and depreciated in the statement of activities	5,439,146
Capital contributions are not reported in governmental funds	515,112
The issuance of long-term debt is reported as an other financing source in governmental funds, but as an increase in debt outstanding on the statement of activities	
SBITAs	(747,534)
Installment contracts	(1,359,976)
The repayment of the long-term debt principal is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	
TIF Note principal	246,914
SBTIA principal	220,041
Installment contract principal	288,955
The change in compensated absences payable is shown as an expense on the statement of activities	(2,757)
The change in the accrual of interest and amortization of deferred charges is reported as interest expense on the statement of activities	(42,639)
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation	(2,384,172)
Amortization	(177,909)
The change in the net pension liability and deferred inflows and outflows for the Illinois Municipal Retirement Fund is reported only in the statement of activities	(966,685)
The change in the Police Pension Fund net pension liability and deferred inflows and outflows of resources is not a source or use of financial resources	(1,186,581)
The change in the OPEB liability and deferred outflows of resources for the OPEB liability is not a source or use of financial resources	(141,146)
The change in net position of internal service funds is reported in governmental activities	1,334,463
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 4,768,322

See accompanying notes to financial statements.

VILLAGE OF CAROL STREAM, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

April 30, 2025

	Business-Type Activities - Enterprise	Governmental Activities - Internal Service
	Water and Sewer	**Equipment Replacement**
CURRENT ASSETS		
Cash and Investments	$ 21,385,868	$ 5,543,205
Restricted Cash and Investments	8,897	-
Receivables		
Accounts	2,159,824	-
Lease	2,143,083	-
Due from Other Governments	250,000	-
Due from Other Funds	9,702	-
Prepaid Expenses	78,225	-
Total Current Assets	26,035,599	5,543,205
NONCURRENT ASSETS		
Tangible and Intangible Capital Assets		
Not Being Depreciated or Amortized	1,540,011	-
Being Depreciated or Amortized	85,178,414	4,076,276
Accumulated Depreciation and Amortization	(61,516,137)	(1,289,745)
Net Capital Assets	25,202,288	2,786,531
Total Noncurrent Assets	25,202,288	2,786,531
Total Assets	51,237,887	8,329,736
DEFERRED OUTFLOWS OF RESOURCES		
Pension Items - IMRF	457,785	-
OPEB Items	47,315	-
Asset Retirement Obligation Items	89,998	-
Total Deferred Outflows of Resources	595,098	-
Total Assets and Deferred Outflows of Resources	51,832,985	8,329,736

(This statement is continued on the following page.)

PROPRIETARY FUNDS

STATEMENT OF NET POSITION (Continued)

April 30, 2025

	Business-Type Activities - Enterprise Water and Sewer	Governmental Activities - Internal Service Equipment Replacement
CURRENT LIABILITIES		
Accounts Payable	$ 602,708	$ 143,550
Interest Payable	654	-
Accrued Salaries	79,330	-
Deposits Payable	8,897	-
Due to Other Funds	3,194	-
Compensated Absences Payable	6,644	-
Total OPEB Liability	9,266	-
Installment Contract Payable	49,043	-
Total Current Liabilities	759,736	143,550
NONCURRENT LIABILITIES		
Compensated Absences Payable	37,648	-
Total OPEB Liability	225,543	-
Net Pension Liability - IMRF	1,012,546	-
Asset Retirement Obligations	100,000	-
Total Noncurrent Liabilities	1,375,737	-
Total Liabilities	2,135,473	143,550
DEFERRED INFLOWS OF RESOURCES		
Pension Items - IMRF	1,413	-
Pension Items - OPEB	83,027	-
Deferred Lease Revenue	2,010,056	-
Total Deferred Inflows of Resources	2,094,496	-
Total Liabilities and Deferred Inflows of Resources	4,229,969	143,550
NET POSITION		
Net Investment in Capital Assets	25,153,245	2,642,981
Unrestricted	22,449,771	5,543,205
TOTAL NET POSITION	$ 47,603,016	$ 8,186,186

See accompanying notes to financial statements.

VILLAGE OF CAROL STREAM, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

For the Year Ended April 30, 2025

	Business-Type Activities - Enterprise	Governmental Activities - Internal Service
	Water and Sewer	**Equipment Replacement**
OPERATING REVENUES		
Charges for Services	$ 14,321,128	$ 1,885,342
Total Operating Revenues	14,321,128	1,885,342
OPERATING EXPENSES		
Operations	12,974,757	26,365
Depreciation	1,770,519	524,514
Total Operating Expenses	14,745,276	550,879
OPERATING INCOME (LOSS)	(424,148)	1,334,463
NON-OPERATING REVENUES (EXPENSES)		
Investment Income	1,098,616	-
Miscellaneous Revenue	264,699	-
Sale of Capital Assets	26,000	-
Interest Expense	(2,975)	-
Total Non-Operating Revenues (Expenses)	1,386,340	-
INCOME BEFORE TRANSFERS AND CAPITAL GRANTS AND CONTRIBUTIONS	962,192	1,334,463
TRANSFERS AND CAPITAL GRANTS AND CONTRIBUTIONS		
Transfers In	4,290,000	-
Capital Grants and Contributions	392,530	-
Total Transfers and Capital Grants and Contributions	4,682,530	-
CHANGE IN NET POSITION	5,644,722	1,334,463
NET POSITION, MAY 1, AS REPORTED	41,974,487	6,851,723
Change in Accounting Principle	(16,193)	-
NET POSITION, MAY 1, AS RESTATED	41,958,294	6,851,723
NET POSITION, APRIL 30	$ 47,603,016	$ 8,186,186

See accompanying notes to financial statements.

VILLAGE OF CAROL STREAM, ILLINOIS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

For the Year Ended April 30, 2025

	Business-Type Activities - Enterprise	Governmental Activities - Internal Service
	Water and Sewer	**Equipment Replacement**
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers and Users	$ 14,051,215	$ 1,885,342
Payments to Suppliers	(10,547,126)	(26,365)
Payments to Employees	(2,019,766)	-
Payments to Other Funds	(608,079)	-
Miscellaneous	264,699	-
Net Cash from Operating Activities	1,140,943	1,858,977
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfer In	4,290,000	-
Interfund Receivable/Payable	(10,047)	-
Net Cash from Noncapital Financing Activities	4,279,953	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal Payments - Installment Contract	(49,044)	-
Capital Assets Purchased	(377,910)	(940,488)
Capital Assets Sold	26,000	-
Interest Paid	(3,626)	-
Net Cash from Capital and Related Financing Activities	(404,580)	(940,488)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	1,098,616	-
Net Cash from Investing Activities	1,098,616	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,114,932	918,489
CASH AND CASH EQUIVALENTS, MAY 1	15,279,833	4,624,716
CASH AND CASH EQUIVALENTS, APRIL 30	$ 21,394,765	$ 5,543,205

(This statement is continued on the following page.)

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS (Continued)

For the Year Ended April 30, 2025

	Business-Type Activities - Enterprise	Governmental Activities - Internal Service
	Water and Sewer	**Equipment Replacement**
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Income (Loss)	$ (424,148)	$ 1,334,463
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities		
Depreciation	1,770,519	524,514
Miscellaneous Income	264,699	-
Changes in Assets and Liabilities		
Accounts Receivable	(211,649)	-
Lease Receivable	(1,031,430)	-
Prepaid Expenses	(1,557)	-
Deferred Outflows - IMRF	90,686	-
Deferred Outflows - OPEB	(5,140)	-
Deferred Outflows - ARO	1,667	-
Accounts Payable	(374,168)	-
Accrued Salaries	9,922	-
Deposits Payable	2,252	-
Compensated Absences	(12,569)	-
Net Pension Liability - IMRF	84,149	-
Total OPEB Liability	13,298	-
Deferred Inflows - OPEB	2,467	-
Deferred Inflows - IMRF	(11,221)	-
Deferred Lease Revenue	973,166	-
NET CASH FROM OPERATING ACTIVITIES	$ 1,140,943	$ 1,858,977
CASH AND INVESTMENTS		
Cash and Cash Equivalents	$ 21,385,868	$ 5,543,205
Restricted Cash and Cash Equivalents	8,897	-
TOTAL CASH AND INVESTMENTS	$ 21,394,765	$ 5,543,205
NONCASH AND RELATED FINANCING ACTIVITIES TRANSACTIONS		
Capital Assets Acquired through Accounts and Contracts Payable	$ -	$ 143,550
Capital Contributions	392,530	-
TOTAL NONCASH TRANSACTIONS	$ 392,530	$ 143,550

See accompanying notes to financial statements.

VILLAGE OF CAROL STREAM, ILLINOIS

POLICE PENSION TRUST FUND

STATEMENT OF FIDUCIARY NET POSITION

April 30, 2025

ASSETS	
Cash and Short-Term Investments	$ 1,726,012
Investments	
Pooled Investments	78,506,603
Total Assets	80,232,615
LIABILITIES	
Accounts Payable	3,145
Total Liabilities	3,145
NET POSITION RESTRICTED FOR PENSIONS	$ 80,229,470

See accompanying notes to financial statements.

VILLAGE OF CAROL STREAM, ILLINOIS

POLICE PENSION TRUST FUND

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended April 30, 2025

ADDITIONS	
Contributions	
Employer	$ 3,333,473
Employee	677,620
Total Contributions	4,011,093
Investment Income	
Net Appreciation in Fair Value of Investments	6,547,602
Interest	530,656
Total Investment Income	7,078,258
Less Investment Expense	(50,029)
Net Investment Income	7,028,229
Total Additions	11,039,322
DEDUCTIONS	
Benefits and Refunds	
Retirement Benefits	4,956,033
Disability Benefits	39,733
Contribution Refunds	1,257
Transfer to Other Pension	67,678
Operations	
Other	60,658
Total Deductions	5,125,359
NET INCREASE	5,913,963
NET POSITION RESTRICTED FOR PENSIONS	
May 1	74,315,507
April 30	$ 80,229,470

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Carol Stream, Illinois (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

A. Reporting Entity

The Village is a municipal corporation governed by an elected Mayor and six-member board. As required by GAAP, these financial statements present the Village (the primary government). The Police Pension Fund has been included as a fiduciary component unit reported as a Pension Trust Fund. The Police Pension Fund functions for the benefit of the Village's sworn police employees and is governed by a five-member pension board. Two members appointed by the Mayor, two elected police officers, and one elected beneficiary constitute the pension board. The Village and the Police Pension Fund participants are obligated to fund all the Police Pension Fund costs based upon actuarial valuations, including administrative costs. 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 the contribution levels. Accordingly, the Police Pension Fund is fiscally dependent on the Village. Separate financial statements are not available for the Police Pension Fund.

B. Fund Accounting

The accounts of the Village are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

Governmental funds are used to account for all or most of a village's general activities and includes the collection and disbursement of restricted, committed or assigned monies (special revenue funds) and the funds restricted, committed or assigned for the acquisition or construction of capital assets (capital projects funds) and the funds restricted, committed or assigned for the servicing of long-term debt (debt service funds). The General Corporate Fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the Village (internal service funds).

Fiduciary funds are used to account for fiduciary activities (e.g., assets held on behalf of outside parties, including other governments). The Village utilizes a pension trust fund which is generally used to account for assets that the Village holds in a fiduciary capacity.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these statements. Interfund services provided and used are not eliminated on these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The Village reports the following major governmental funds:

The General Corporate Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The Motor Fuel Tax Fund, a special revenue fund accounts for the operation of street maintenance and capital projects as authorized by the Illinois Department of Transportation. Financing is provided from the Village's share of gasoline taxes.

The Capital Projects Fund accounts for resources restricted, committed or assigned to maintenance and replacement of existing infrastructure as well as the development of new facilities to accommodate future growth.

The Village reports the following major enterprise fund:

The Water and Sewer Fund accounts for the activities of the water and sewerage operations. The Village operates the sewerage treatment plant, sewerage pumping stations and collection systems and the water distribution system.

Additionally, the Village reports the following internal service fund:

The Equipment Replacement Fund is used to account for the accumulation of funds to replace large equipment. Departments are charged for the use of the equipment.

The Village reports the following fiduciary fund:

The Village reports a pension trust fund as a fiduciary fund to account for the Police Pension Fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing water and sewer services. Incidental revenues/expenses are reported as non-operating.

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

Property taxes, sales taxes, franchise taxes, licenses, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Village.

The Village reports unearned/unavailable/deferred revenue on its financial statements. Unavailable/deferred revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned revenues arise when resources are received by the Village before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the unearned/unavailable/deferred revenue is removed from the financial statements and revenue is recognized.

E. Cash and Investments

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Village's proprietary funds consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Investments (Continued)

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

F. Fund Balance/Net Position

Governmental funds equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned or unassigned. Nonspendable fund balance is reported for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. Committed fund balance is constrained by formal actions of the Village Board of Trustees, which is considered the Village's highest level of decision-making authority. Formal actions include ordinances approved by the Village Board of Trustees. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The Village has established a fund balance reserve policy in its General Corporate Fund at a minimum of 25% of net annual budgeted expenditures. The authority to assign fund balance has been delegated to the Village Manager through the approved fund balance policy of the Village. Any residual fund balance of the General Corporate Fund and any deficits in other funds, if any, is reported as unassigned.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Fund Balance/Net Position (Continued)

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

In the government-wide and proprietary fund financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. None of the restricted net position or restricted fund balance results from enabling legislation adopted by the Village. Net investment in capital assets represents the Village's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset. Unrestricted net position consists of net positions that do not meet the definition of restricted or net investment in capital assets.

G. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

H. Interfund Transactions

Interfund transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except interfund services transactions and reimbursements, are reported as transfers.

I. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental inventories, if any, are recorded as expenditures when consumed rather than when purchased.

J. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses using the consumption method.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than $20,000 (amounts not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Assets	Years
Buildings	50
Infrastructure	30-50
Water and Sewer System	30-50
Vehicles, Machinery and Equipment	3-10

Intangible assets represent the Village's right-to-use a leased asset. These intangible assets, as defined by GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, are for contracts of nonfinancial assets including software.

L. Compensated Absences

The Village implemented GASB Statement No. 101, *Compensated Absences*, for fiscal year ended April 30, 2025. Vested or accumulated vacation, compensatory, and sick leave that is due to employees who have retired or terminated by the end of the year is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation, compensatory, and sick leave of proprietary funds and governmental activities is recorded as an expense and liability of those funds as the benefits accrue to employees. The entire balance of vacation and compensatory leave is recognized as a liability at year end. A liability is recognized for the portion of accumulating sick leave benefits that is estimated to be more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

As a result of the implementation of GASB Statement No. 101, *Compensated Absences*, beginning net position was restated. See Note 14 for additional information.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village reports deferred outflows of resources related to pensions, other postemployment benefits and asset retirement obligations. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Village reports unavailable/deferred property taxes in this category. The Village also reports deferred inflows related to pensions and leases.

O. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

The Village and pension funds categorize the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Village held no investments subject to fair value at April 30, 2025.

The Village maintains a cash and investment pool that is available for use by all funds, except the pension trust fund. Each fund'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 fund are held separately from those of other funds.

Permitted Deposits and Investments - The Village's investment policy allows for deposits/investments in any type of security allowed for in Illinois statutes, including insured commercial banks, obligations of the U.S. Treasury and U.S. agencies, short-term obligations of corporations organized in the United States subject to various limitations, The Illinois Funds and Illinois Metropolitan Investment Fund (IMET).

A. Deposits

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. To guard against custodial credit risk for deposits with financial institutions, the Village's investment policy requires that deposits with financial institutions in excess of FDIC be collateralized with collateral in an amount of 105% of the uninsured deposits with the collateral held by a third party acting as the agent of the Village.

B. Investments

Interest rate risk is the risk that a change in interest rates will adversely affect the fair market value of an investment. In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a one-year period.

The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in securities issued by agencies of the United States Government that are implicitly guaranteed by the United States Government.

2. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Concentration of credit risk is the risk that the Village has a high percentage of their investments invested in one type of investment. In order to limit its exposure to concentration of credit risk, the Village's Investment Policy limits the investment in any one financial institution to 40% of the Village's investment portfolio (excluding third party safe keeping institutions and the Illinois Public Treasurer's Investment Pool (The Illinois Funds). Monies deposited at a financial institution shall not exceed 75% of the capital stock and surplus of that institution. Commercial paper shall not exceed 10% and brokered certificates of deposit shall not exceed 33% of the Village's investment portfolio.

For an investment, custodial risk 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 limits its exposure to custodial credit risk by utilizing an independent, third party institution, selected by the Village, to act as custodian for its securities and collateral.

3. RECEIVABLES

The County Assessors are responsible for assessment of all taxable real property, except for certain railroad property which is assessed directly by the state.

Property taxes are levied in DuPage County by the last Tuesday in December, on the assessed valuation as of January 1. The tax levy becomes an enforceable lien against the property on January 1 of the year following the tax levy year. These taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to the Village units their respective share of the collections. Taxes levied in one year become due and payable in two installments during the following year. The DuPage County installments are due June 1 and September 1.

The 2024 property tax levy is recorded as a receivable, net of estimated uncollectibles. Based upon collection histories, the Village has provided at April 30, 2025 an allowance for uncollectible real property taxes. All uncollected taxes relating to prior years' levies have been written off. For governmental funds, only property taxes which are intended to finance the current fiscal year and collected within 60 days subsequent to year end, if any, are recorded as revenue.

The 2024 taxes are intended to finance the 2026 fiscal year and are not considered available for current operations and, therefore, are shown as deferred/unavailable revenue. The 2025 tax levy has not been recorded as a receivable at April 30, 2025, as the tax has attached as a lien on property as of January 1, 2025; however, the tax will not be levied until December 2025 and, accordingly, is not measurable at April 30, 2025.

4. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2025 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Tangible Capital Assets Not Being Depreciated				
Land	$ 12,582,948	$ -	$ -	$ 12,582,948
Land Right of Way	28,097,778	329,831	-	28,427,609
Construction in Progress	6,842,898	2,099,885	665,774	8,277,009
Total Tangible Capital Assets Not Being Depreciated	47,523,624	2,429,716	665,774	49,287,566
Tangible Capital Assets Being Depreciated				
Buildings	34,049,021	-	-	34,049,021
Vehicles and Equipment	7,785,410	2,616,192	231,803	10,169,799
Infrastructure	82,123,803	1,910,627	-	84,034,430
Total Tangible Capital Assets Being Depreciated	123,958,234	4,526,819	231,803	128,253,250
Intangible Capital Assets Being Amortized				
Software	542,731	747,535	-	1,290,266
Total Intangible Capital Assets Being Amortized	542,731	747,535	-	1,290,266
Less Accumulated Depreciation for Tangible Capital Assets				
Buildings	9,711,930	805,464	-	10,517,394
Vehicles and Equipment	4,545,059	891,114	231,803	5,204,370
Infrastructure	74,241,101	1,212,108	-	75,453,209
Total Accumulated Depreciation	88,498,090	2,908,686	231,803	91,174,973
Less Accumulated Amortization for Intangible Capital Assets				
Software	117,028	177,909	-	294,937
Total Accumulated Amortization	117,028	177,909	-	294,937
Total Tangible and Intangible Capital Assets Being Depreciated and Amortized, Net	35,885,847	2,187,759	-	38,073,606
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	$ 83,409,471	$ 4,617,475	$ 665,774	$ 87,361,172

4. CAPITAL ASSETS (Continued)

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES	
General Government	$ 827,172
Public Safety	408,091
Highways and Streets, including Depreciation of General Infrastructure Assets	1,673,423
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	$ 2,908,686
GOVERNMENTAL ACTIVITIES	
General Government	$ 177,909
TOTAL AMORTIZATION EXPENSE - GOVERNMENTAL ACTIVITIES	$ 177,909

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES				
Capital Assets Not Being Depreciated				
Land	$ 1,179,915	$ -	$ -	$ 1,179,915
Land Right of Way	63,854	-	-	63,854
Construction in Progress	2,474,322	205,972	2,384,052	296,242
Total Capital Assets Not Being Depreciated	3,718,091	205,972	2,384,052	1,540,011
Capital Assets Being Depreciated				
Buildings	27,192,437	-	-	27,192,437
Machinery and Equipment	5,537,047	2,429,134	84,017	7,882,164
Water and Sewer System	49,711,283	392,530	-	50,103,813
Total Capital Assets Being Depreciated	82,440,767	2,821,664	84,017	85,178,414
Less Accumulated Depreciation for				
Buildings	15,118,280	601,983	-	15,720,263
Machinery and Equipment	3,766,329	289,898	84,017	3,972,210
Water and Sewer System	40,945,026	878,638	-	41,823,664
Total Accumulated Depreciation	59,829,635	1,770,519	84,017	61,516,137
Total Capital Assets Being Depreciated, Net	22,611,132	1,051,145	-	23,662,277
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	$ 26,329,223	$ 1,257,117	$ 2,384,052	$ 25,202,288

4. CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the business-type activities as follows:

BUSINESS-TYPE ACTIVITIES	
Water and Sewer	$ 1,770,519
TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES	$ 1,770,519

Construction Contracts

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

	Project Authorizations	Expended to Date	Commitment
Drainage Improvements	$ 162,378	$ 153,178	$ 9,200
Public Works Center Improvements	1,513,800	1,270,701	243,099
Lies Road Bike Trail Engineering	111,000	108,455	2,545
Southwest Bike Trail Engineering	553,896	537,387	16,509
Fullerton Avenue Improvements Phase I & 2	185,035	153,104	31,931
Old Gary Avenue Improvements	184,630	117,117	67,513
Schmale Road Watermain Project	149,266	100,584	48,682
Klein Creek Streambank Stabilization Section I	3,649,394	3,498,539	150,855
Klein Creek Streambank Stabilization Section III	2,533,957	2,522,221	11,736
Klein Creek Streambank Stabilization Section II	89,310	51,184	38,126
TOTAL	$ 9,132,666	$ 8,512,470	$ 620,196

5. LONG-TERM DEBT

A. Tax Increment Financing Note

Governmental Activities

The Village issues bonds and notes where the Village pledges incremental tax income derived from separately created tax increment financing districts. These bonds and notes are not general obligations of the Village and are secured only by the incremental revenues generated by the districts and are recorded in the governmental activities.

5. LONG-TERM DEBT (Continued)

A. Tax Increment Financing Note (Continued)

Governmental Activities (Continued)

Tax increment financing notes currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances May 1	Additions	Refundings/ Reductions	Balances April 30	Current Portion
$3,500,000 Tax Increment Revenue Note, dated October 28, 2014 that bears interest at 4%.	North Avenue/ Schmale Road TIF	$ 2,519,043	$ -	$ 246,914	$ 2,272,129	$ -
TOTAL		$ 2,519,043	$ -	$ 246,914	$ 2,272,129	$ -

During the fiscal year ended April 30, 2015, the Village issued a redevelopment note of $3,500,000. The note bears interest at 4% and is paid solely from available incremental taxes generated by the redevelopment area. Therefore, no set debt service schedule is available.

B. Installment Contracts Payable

Governmental Activities

As of April 30, 2025, the Village had three installment contracts for police tasers, drones and cameras. The installment contracts last for six to ten years and have annual payments that range from $5,124 to $235,917. The interest rates range from 3.190% to 3.694%. The principal and interest are typically paid from the General Fund. The installment contracts payable currently outstanding are as follows:

Fiscal Year Ending April 30,	Governmental Activities Installment Contracts Principal	Interest
2026	$ 114,121	$ 38,450
2027	118,157	34,444
2028	122,307	30,294
2029	126,602	25,999
2030	147,830	21,552
2031-2035	442,004	41,559
TOTAL	$ 1,071,021	$ 192,298

5. LONG-TERM DEBT (Continued)

B. Installment Contracts Payable (Continued)

Business-Type Activities

On September 1, 2007, the Village entered into a $637,569 installment contract to provide funds for the acquisition/construction of water and sewer related capital assets. The installment contract bears interest of 2% and is due through September 2026. The principal and interest are typically paid from the Water and Sewer Fund. The installment contracts payable currently outstanding are as follows:

Fiscal Year Ending April 30,	Business-Type Activities Installment Contract Principal	Business-Type Activities Installment Contract Interest
2026	$ 49,043	$ 981
TOTAL	$ 49,043	$ 981

C. Subscription-Based Information Technology Arrangements (SBITA) Payable

Governmental Activities

As of April 30, 2025, the Village had nine active subscriptions. The subscriptions have payments that range from $988 to $88,836 and interest rates that range from 2.814% to 3.764%. As of April 30, 2025, the total combined value of the subscription liability is $952,714. As of April 30, 2025, the combined value of the right to use asset is $1,290,266 with accumulated amortization of $294,937. Obligations of governmental activities under leases payable, typically paid from the General Fund and Capital Projects Fund, including future interest payments at April 30, 2025, were as follows:

Fiscal Year Ending April 30,	Governmental Activities SBITA Payable Principal	Governmental Activities SBITA Payable Interest
2026	$ 183,985	$ 33,093
2027	183,740	27,333
2028	109,690	21,523
2029	61,621	17,858
2030	76,748	15,543
2031-2035	336,930	32,231
TOTAL	$ 952,714	$ 147,581

5. LONG-TERM DEBT (Continued)

D. Changes in Governmental Activities Long-Term Liabilities During the Fiscal Year

	Balances May 1, Restated***	Additions	Reductions	Balances April 30	Current Portion
Tax Increment Financing Note Payable	$ 2,519,043	$ -	$ 246,914	$ 2,272,129	$ -
SBITAs Payable	425,221	747,534	220,041	952,714	183,985
Installment Contracts Payable	-	1,359,976	288,955	1,071,021	114,121
Compensated Absences Payable**/***	1,885,386	2,757	-	1,888,143	283,221
Net Pension Liability - IMRF*	5,485,283	497,179	-	5,982,462	-
Net Pension Liability - Police Pension*	33,598,542	765,336	-	34,363,878	-
Total OPEB Liability*	2,942,927	176,664	-	3,119,591	123,108
TOTAL GOVERNMENTAL ACTIVITIES	$ 46,856,402	$ 3,549,446	$ 755,910	$ 49,649,938	$ 704,435

*The General Corporate Fund has typically been used in prior years to liquidate the total OPEB liability and net pension liability.

**The amount displayed as additions or reductions represents the net change in the liability.

***The compensated absences beginning balances were restated for the implementation of GASB Statement No. 101, *Compensated Absences*. See Note 14 for additional information.

E. Changes in Business-Type Activities Long-Term Liabilities During the Fiscal Year

	Balances May 1, Restated***	Additions	Reductions	Balances April 30	Current Portion
Installment Contract Payable	$ 98,087	$ -	$ 49,044	$ 49,043	$ 49,043
Asset Retirement Obligation	100,000	-	-	100,000	-
Compensated Absences Payable**/***	56,861	-	12,569	44,292	6,644
Net Pension Liability - IMRF*	928,397	84,149	-	1,012,546	-
Total OPEB Liability*	221,511	13,298	-	234,809	9,266
TOTAL BUSINESS-TYPE ACTIVITIES	$ 1,404,856	$ 97,447	$ 61,613	$ 1,440,690	$ 64,953

5. LONG-TERM DEBT (Continued)

E. Changes in Business-Type Activities Long-Term Liabilities During the Fiscal Year (Continued)

*The Water and Sewer Fund has typically been used in prior years to liquidate the total OPEB liability and net pension liability.

**The amount displayed as additions or reductions represents the net change in the liability.

***The compensated absences beginning balances were restated for the implementation of GASB Statement No. 101, *Compensated Absences*. See Note 14 for additional information.

F. Legal Debt Margin

The Village is a home rule municipality.

Chapter 65, Section 5/8-5-1 Illinois Compiled Statutes governs computation of the legal debt margin.

> "The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent:...indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing amounts."

To date the General Assembly has set no limits for home rule municipalities.

G. Asset Retirement Obligation

The Village has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon various water wells at the end of their estimated useful lives in accordance with federal, state and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The estimated useful lives of the water wells is 60 years.

6. INDIVIDUAL FUND DISCLOSURES

The composition of interfund balances as of April 30, 2025 is as follows:

Receivable Fund	Payable Fund	Amount
General Corporate	Water and Sewer	$ 3,194
North Avenue/Schmale TIF	General Corporate	29,784
Water and Sewer	General Corporate	9,702
TOTAL		$ 42,680

Significant interfund receivable/payables are as follows:

- $3,194 due from the Water and Sewer Fund to the General Corporate Fund is for Water and Sewer expenses paid for by the General Corporate Fund Fund.
- $29,784 due from the General Corporate Fund to the North Avenue/Schmale TIF Fund is for anticipated sales tax recorded in the General Corporate Fund.
- $9,702 due from the General Corporate Fund to the Water and Sewer Fund is for General Corporate Fund expenses paid for by the Water and Sewer Fund.

The following transfers were recorded during the fiscal year ended April 30, 2025:

Transfer To	Transfer From	Amount
General Corporate	North Avenue/Schmale Road TIF	$ 147,000
North Avenue/Schmale Road TIF	General Corporate	128,025
Water and Sewer	General Corporate	4,290,000
TOTAL		$ 4,565,025

Significant interfund transfers are as follows:

- $147,000 transferred from the North Avenue/Schmale TIF Fund to the General Corporate Fund for prior year TIF expenditure reimbursements.
- $128,025 transferred from the General Corporate Fund to the North Avenue/Schmale TIF Fund for 50% of sales tax received for the property in the TIF.
- $4,290,000 transferred from the General Corporate Fund to the Water and Sewer Fund to provide funding for capital infrastructure replacement.

7. COMMITMENTS - DUPAGE WATER COMMISSION

The Village is a customer of the DuPage Water Commission (the Commission), and has executed a water supply contract (the Contract) with the Commission for a term ending in 2064. The Contract provides that the Village pays only the cost of the water actually purchased and delivered beginning May 1, 2015. These variable water costs are subject to adjustment on a continuing basis.

8. RISK MANAGEMENT

A. Intergovernmental Personnel Benefit Cooperative

The Village participates in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain other governmental, quasi governmental and nonprofit public service entities.

IPBC maintains specific reinsurance coverage for claims in excess of $50,000 per individual employee participant. The Village pays premiums to IPBC based upon current employee participation and its prior experience factor with the pool. Current year overages or underages for participation in the pool are adjusted into the subsequent years' experience factor for premiums.

IPBC receives, processes and pays such claims as may come within the benefit program of each member. Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers: a Benefit Administrator and a Treasurer. The Village does not exercise any control over the activities of IPBC beyond its representation on the Board of Directors.

B. Intergovernmental Risk Management Agency

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an insurance pool whose members are Illinois municipalities. IRMA manages and funds first party property losses, third party liability claims, workers' compensation claims and public officials' liability claims of its member municipalities. The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds.

Each member assumes the first $10,000 of each occurrence and IRMA has self-insurance retentions at various amounts above that level. There have been no significant changes from the prior year and settlements have not exceeded coverage in any of the prior three years.

8. RISK MANAGEMENT (Continued)

B. Intergovernmental Risk Management Agency (Continued)

Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there is one officer, a Treasurer. The Village does not exercise any control over the activities of IRMA beyond its representation on the Board of Directors.

Initial contributions are determined in advance of each membership year based on the individual member's eligible revenue as defined in the by-laws of IRMA and assessment factors based on past member experience and the funding need for the membership year. The Board of Directors may require that supplemental contributions be made by members to ensure adequate funds are available to meet the obligations applicable to the membership year. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. The Village is not aware of any additional amounts owed to IRMA at April 30, 2025 for the current or prior claim years.

9. CONTINGENT LIABILITIES

A. Litigation

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

B. 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.

C. DuPage Water Commission

The Village's water supply agreement with the Commission provides that each customer is liable for its proportionate share of any costs arising from defaults in payment obligations by other customers.

10. DEFINED BENEFIT PENSION PLANS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan. Although IMRF is an agent multiple-employer defined benefit plan, the Village's participation is considered to be that of a cost-sharing multiple-employer pension plan due to the Carol Stream Public Library's (the Library) participation in the plan. The benefits, benefit levels, employee contributions and employer contributions for both plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. Neither of the pension plans issue separate reports on the pension plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at www.imrf.org.

The table below is a summary for all pension plans as of and for the year ended April 30, 2025:

	IMRF (Village Share)	Police Pension	Total
Net Pension Liability	$ 6,995,008	$ 34,363,878	$ 41,358,886
Deferred Outflows of Resources	3,162,527	11,177,287	14,339,814
Deferred Inflows of Resources	9,756	2,101,745	2,111,501
Pension Expense	2,002,733	4,520,054	6,522,787

A. Plan Descriptions

Illinois Municipal Retirement Fund

Plan Administration

All employees 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.

10. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Membership

At December 31, 2024, IMRF membership consisted of:

Inactive Employees or Their Beneficiaries Currently Receiving Benefits	192
Inactive Employees Entitled to but not yet Receiving Benefits	97
Active Employees	117
TOTAL	406

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

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Contributions

Participating members are required to contribute 4.50% of their annual covered salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The blended employer contribution rate for the fiscal year ended April 30, 2025 was 10.25% of covered payroll.

10. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

<u>Illinois Municipal Retirement Fund</u> (Continued)

Actuarial Assumptions

The Village's net pension liability was measured as of December 31, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial Valuation Date	December 31, 2024
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.25%
Salary Increases	2.75% to 13.75%
Interest Rate	7.25%
Cost of Living Adjustments	3.00%
Asset Valuation Method	Fair Value

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

Discount Rate

The discount rate used to measure the total pension liability at December 31, 2024 and 2023 was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

10. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Long-Term Expected Rate of Return

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

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	33.50%	4.35%
International Equity	18.00%	5.40%
Fixed Income	24.50%	5.20%
Real Estate	10.50%	6.40%
Alternative Investments	12.50%	4.85% to 6.25%
Cash Equivalents	1.00%	3.60%
TOTAL	100.00%	

10. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability

	(A) Total Pension Liability	(B) Plan Fiduciary Net Position	(A) - (B) Net Pension Liability
BALANCES AT JANUARY 1, 2024	$ 73,719,869	$ 65,983,220	$ 7,736,649
Changes for the Period			
Service Cost	922,195	-	922,195
Interest	5,219,863	-	5,219,863
Difference Between Expected and Actual Experience	2,008,675	-	2,008,675
Changes in Assumptions	-	-	-
Employer Contributions	-	1,033,805	(1,033,805)
Employee Contributions	-	461,467	(461,467)
Net Investment Income	-	6,475,251	(6,475,251)
Benefit Payments and Refunds	(4,365,700)	(4,365,700)	-
Other (Net Transfer)	-	(521,030)	521,030
Net Changes	3,785,033	3,083,793	701,240
BALANCES AT DECEMBER 31, 2024	$ 77,504,902	$ 69,067,013	$ 8,437,889

The table presented above includes amounts for both the Village and the Library. The Village's proportionate share of the net pension liability at January 1, 2024, the employer contributions and the net pension liability at December 31, 2024 was $6,413,680, $857,024 and $6,995,008, respectively. The Library's proportionate share of the net pension liability at January 1, 2024, the employer contributions and the net pension liability at December 31, 2024 was $1,322,969, $176,781 and $1,442,881, respectively.

10. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended April 30, 2025, the Village recognized pension expense of $2,002,733. At April 30, 2025, the Village and Library reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 1,867,798	$ -
Changes in Assumption	-	11,769
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,599,105	-
Employer Contributions after the Measurement Date	347,966	-
TOTAL	$ 3,814,869	$ 11,769

The deferred outflows presented in the table above include amounts for both the Village and the Library. The Village's proportionate share of the deferred outflows of resources and deferred inflows of resources at April 30, 2025 was $3,162,527 and $9,756, respectively. The Library's proportionate share of the deferred outflows of resources and deferred inflows of resources at April 30, 2025 was $652,342 and $2,013, respectively.

10. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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

$347,966 reported as deferred outflows of resources related to pensions resulting from the Village and Library contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending April 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense for the Village as follows:

Year Ending April 30,	Village	Library	Total
2026	$ 1,487,461	$ 306,823	$ 1,794,284
2027	2,355,317	485,838	2,841,155
2028	(677,645)	(139,780)	(817,425)
2029	(300,826)	(62,054)	(362,880)
2030	-	-	-
Thereafter	-	-	-
TOTAL	$ 2,864,307	$ 590,827	$ 3,455,134

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability (asset) of the Village calculated using the discount rate of 7.25% as well as what the Village's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability (Village)	$ 14,117,160	$ 6,995,008	$ 1,159,494
Net Pension Liability (Library)	2,911,983	1,442,881	239,172
Net Pension Liability (Total)	$ 17,029,143	$ 8,437,889	$ 1,398,666

10. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan

Plan Administration

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the Village's Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At April 30, 2025, the Police Pension Plan membership consisted of:

Inactive Plan Members Receiving Benefits	56
Inactive Plan Members Entitled to Benefits but not yet Receiving Benefits	11
Active Plan Members	60
TOTAL	127

10. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive 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% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at $106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year. Benefits and refunds are recorded when due in accordance with the terms of the plan.

10. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. Contributions are recorded when due in accordance with statutory requirements. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. Benefits and refunds are recognized when due and payable in accordance with the terms of the Police Pension Plan. The costs of administering the Police Pension Plan are financed through investment earnings. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. The Village has chosen a policy to fund 100% of the past service costs by 2040. For the year ended April 30, 2025, the Village's contribution was 48.75% of covered payroll.

Illinois Police Officers' Pension Investment Fund

The Illinois Police Officers' Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610 and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds as defined in 40 ILCS 5/22B-105. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory.

Deposits with Financial Institutions

The plan retains all of its available cash with three financial institutions. Available cash is determined to be that amount which is required for the current expenditures of the plan. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the plan.

10. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Deposits with Financial Institutions (Continued)

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the plan's deposits may not be returned to it. The plan's investment policy requires pledging of collateral for all bank balances held in the plan's name in excess of federal depository insurance, at amounts ranging from 110% to 115% of the fair market value of the funds secured, with the collateral held by an independent third party or the Federal Reserve Bank.

Investments

Investments of the plan are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, please refer to their annual report. A copy of that report can be obtained from IPOPIF at 456 Fulton Street, Suite 402, Peoria, Illinois 61602 or at www.ipopif.org.

Fair Value Measurement

The plan categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The plan held no investments subject to fair value measurement at April 30, 2025.

Net Asset Value

The net asset value (NAV) of the plan's pooled investment in IPOPIF was $78,506,603 at April 30, 2025. The pooled investments consist of the investments as noted in the target allocation table available at www.ipopif.org. Investments in IPOPIF are valued at IPOPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at April 30, 2025. The plan may redeem shares with a seven calendar day notice. IPOPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF.

10. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy

IPOPIF's investment policy was originally adopted by the Board of Trustees on December 17, 2021. IPOPIF has the authority to invest trust fund assets in any type of security subject to the requirements and restrictions set forth in the Illinois Pension Code and is not restricted by the Pension Code sections that pertain exclusively to the Article 3 participating police pension funds. IPOPIF shall be subject to the provisions of the Illinois Pension Code including, but not limited to, utilization of emerging investment managers and utilization of businesses owned by minorities, women and persons with disabilities.

Investment Rate of Return

For the year ended April 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.51%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed as of April 30, 2025 using the following actuarial methods and assumptions.

Actuarial Valuation Date	April 30, 2025
Actuarial Cost Method	Entry-Age Normal
Asset Valuation Method	Fair Value
Assumptions	
Inflation	2.50%
Salary Increases	4.00% to 9.87%
Investment Rate of Return	6.50%
Cost of Living Adjustments	2.50%

10. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions (Continued)

Active Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2021 using MP-2021 Improvement Rates. These rates are then improved generationally using MP-2021 Improvement Rates.

Discount Rate

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Police Pension Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 6.50% was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 6.50% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net Pension Liability	$ 51,376,833	$ 34,363,878	$ 20,573,314

10. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Changes in the Net Pension Liability

	(A) Total Pension Liability	(B) Plan Fiduciary Net Position	(A) - (B) Net Pension Liability
BALANCES AT MAY 1, 2024	$ 107,914,049	$ 74,315,507	$ 33,598,542
Changes for the Period			
Service Cost	1,647,394	-	1,647,394
Interest	6,849,810	-	6,849,810
Difference Between Expected and Actual Experience	2,824,754	-	2,824,754
Changes in Assumptions	422,042	-	422,042
Changes in Benefit Terms	-	-	-
Employer Contributions	-	3,333,473	(3,333,473)
Employee Contributions	-	677,620	(677,620)
Other Contributions	-	-	-
Net Investment Income	-	7,028,229	(7,028,229)
Benefit Payments and Refunds	(5,064,701)	(5,064,701)	-
Other	-	(60,658)	60,658
Net Changes	6,679,299	5,913,963	765,336
BALANCES AT APRIL 30, 2025	$ 114,593,348	$ 80,229,470	$ 34,363,878

Changes of assumptions related to the inflation rate, individual pay increases, mortality rates and other demographics.

The Police Pension Plan's fiduciary net position as a percentage of the total pension liability was 70.01% at April 30, 2025.

10. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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

For the year ended April 30, 2025, the Village recognized pension expense of $4,520,054. At April 30, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to the Police Pension Fund from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 6,339,349	$ 1,253,595
Changes in Assumption	4,837,938	757,033
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	91,117
TOTAL	$ 11,177,287	$ 2,101,745

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

Year Ending April 30,	
2026	$ 3,249,451
2027	1,808,789
2028	938,060
2029	1,313,962
2030	1,439,146
Thereafter	326,134
TOTAL	$ 9,075,542

11. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

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

B. Benefits Provided

The Village provides OPEB to its retirees and certain disabled employees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans or meet COBRA requirements. All health care benefits are provided through the Village's insured health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; vision care; dental care; and prescriptions. Once reaching Medicare age, retirees are covered by a Medicare supplement plan as opposed to the Village's active employee health plan. For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the Village is required to pay 100% of the cost of basic health insurance for the employee and their dependents for their lifetime. All retirees contribute 100% of the actuarially determined premium to the plan to cover the cost of providing the benefits to the current members via the insured plan (pay-as-you-go) which results in an implicit subsidy to the Village.

C. Membership

At April 30, 2025, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	23
Inactive Members Entitled to Benefits by not yet Receiving Them	-
Active Plan Members	147
TOTAL	170
Participating Employers	1

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

D. Total OPEB Liability

The Village's total OPEB liability of $3,354,400 was measured as of April 30, 2025 and was determined by an actuarial valuation as of May 1, 2025.

E. Actuarial Assumptions and Other Inputs

The total OPEB liability at April 30, 2025, as determined by an actuarial valuation as of May 1, 2025, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Actuarial Cost Method	Entry-Age Normal
Actuarial Value of Assets	Not Applicable
Salary Increases	2.75%
Discount Rate	5.24%
Healthcare Cost Trend Rates	7.80% Initial to 5.00% Ultimate

The discount rate was based on The Bond Buyer 20-Bond GO Index, which is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

The actuarial assumptions used in the April 30, 2025 valuation are based on 60% participation assumed and 50% are assumed to elect spousal coverage.