

Comprehensive Annual Financial Report

CITY OF ST. CHARLES, ILLINOIS

For the Year Ended April 30, 2014



On the cover:

The view looking southeast across the Fox River from
Mt. St. Mary Park in St. Charles.

Besides its love of vistas from any angle, Mt. St. Mary
Park also is the venue for the free Sculpture in the
Park exhibit, which runs from May through September
each year, and features original and unique outdoor
sculptures on display.

Photo Credit: Carylie Forte

CITY OF ST. CHARLES, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
April 30, 2014

Prepared by the Finance Department

Christopher A. Minick
Director of Finance

Mark Koenen
City Administrator

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INTRODUCTORY SECTION

Officers and Officials

Mayor

Raymond P. Rogina

City Administrator

Mark W. Koenen

City Council

Dan P. Stellato	Ward 1	William Turner	Ward 3
Robert Silkaitis	Ward 1	Jo K. Krieger	Ward 4
Arthur Lemke	Ward 2	James E. Martin	Ward 4
Rita Ann Payleitner	Ward 2	Maureen Lewis	Ward 5
Todd Bancroft	Ward 3	Ed Bessner	Ward 5

City Treasurer

Warren J. Drewes

City Clerk

Nancy Garrison

City Attorney

John McGuirk

Department Heads

Christopher A. Minick
Director of Finance

Peter Suhr
Director of Public Works

Rita Tungare
Director of Community & Economic Development

Joseph R. Schelstreet
Fire Chief

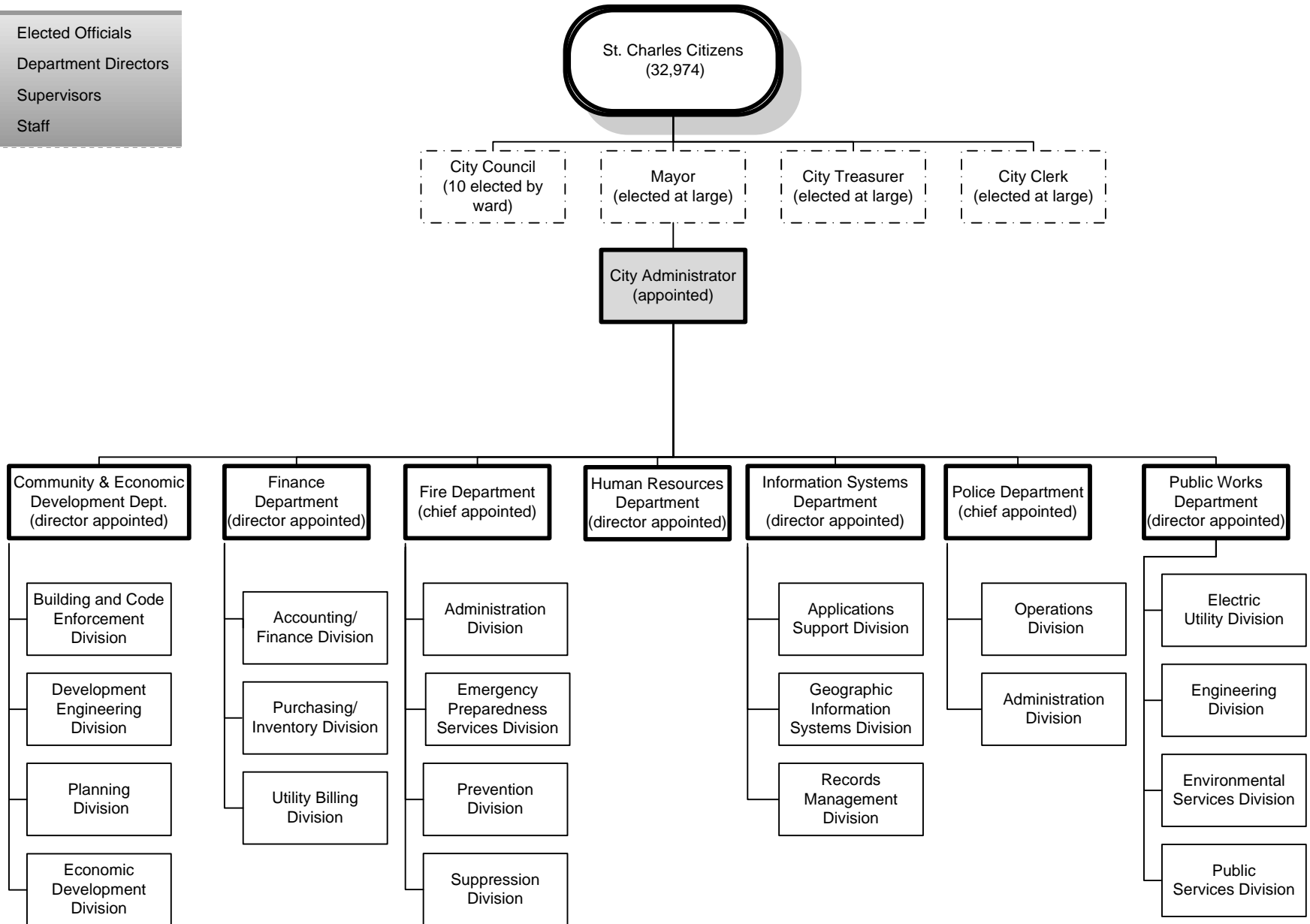
Margaret A. Forster
Director of Information Systems

Steven Huffman
Interim Police Chief

Kathy A. Lamkin
Director of Human Resources

Key

- Elected Officials
- Department Directors
- Supervisors
- Staff





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of St. Charles
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2013



Executive Director/CEO



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October 1, 2014

To: The Mayor, Members of the City Council and the Citizens of the City of St. Charles:

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the City of St. Charles, for the fiscal year ended April 30, 2014 is submitted herewith. This report is prepared by the City's Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly set forth the financial position and changes in financial position of the City, as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

The financial statements included in this report depict the financial position and changes in financial position presented in conformance with Generally Accepted Accounting Principles (GAAP) and have been audited in accordance with generally accepted auditing standards by an independent firm of certified public accountants. Sikich LLP, a firm of licensed certified public accountants, has audited the City's basic financial statements and has issued an unmodified opinion on the basic financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended April 30, 2014 are free of material misstatement. The audit process includes examination, on a test basis, of evidence supporting the amounts and disclosures reported in the financial statements. The independent auditors also assess the accounting principles used and include their report as the first component of the financial section of the City's Comprehensive Annual Financial 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 City's MD&A can be found immediately following the report of the Independent Auditors.

RAYMOND P. ROGINA *Mayor*

MARK KOENEN, P.E. *City Administrator*

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act as amended and U.S. Office of Management and Budget Circular A-133, Audits of State and Local Government and Non-Profit Organizations. Information related to this Single Audit, including the schedule of expenditures of federal awards, findings and questioned costs and independent auditors' reports on internal controls and compliance with applicable laws and regulations, is available as a separate document.

The City participates in the Tri-City Ambulance Agency, which is a cooperative agency of several separate taxing bodies, administered by a board made up of representatives from those taxing bodies, and is in an agent capacity autonomous from the City's governing council. The City provides administrative support for this agency and also for the North Central Narcotics Grant Program.

Profile of the City

The City, incorporated as a town in 1853 and as a City in 1874, is located approximately thirty four miles west of Chicago with a land area of approximately 16.4 square miles. St. Charles' city government is divided into five wards, with two Alderpersons elected from each ward and a Mayor elected at large to a four-year term. The internal operations of St. Charles are led by a City Administrator and divided among seven departments, including Finance, Human Resources, Information Systems, Community and Economic Development, Public Works, Police, and Fire. The City became a Home Rule community in 1995 due to a special census count conducted in 1994, which resulted in a population count of 25,282. As a result of its Home Rule status, the City has greater local authority to regulate and finance its operations. The recently completed 2010 census resulted in the City of St. Charles' population of 32,974. Additional demographic information about the City may be found in the Statistical Section of this report.

The City's budgetary operations are governed by the Budget Act as provided for in the Illinois Compiled Statutes and administered by the Director of Finance. Under the Budget Act, no appropriation is required to be passed, and an annual budget must be adopted prior to the beginning of the fiscal year the funds will be expended. The City's fiscal year begins May 1.

The budget process begins in late autumn, with the City Council establishing the goals for the upcoming fiscal year. The Finance Department then distributes instructions and work papers to the departments. Each department annually submits a four-year budget request by January. In February, department heads, the Director of Finance, City Administrator, and Mayor meet to review and finalize budget requests. In April, the City Council formally approves the final budget.

The City adopts annual budgets for the General, Special Revenue (except the Foreign Fire Insurance Fund and TIF #6 Fund), Debt Service, Enterprise Funds and Capital Projects Funds.

Long-Term Financial Planning

The City uses a number of processes and documents to address its long-term financial planning goals. The backbone of this process is the City's 5-year Strategic Plan. This document, which was developed in 2009, specifies a mission statement, guiding principles, vision areas, and goals and objectives for the City and acts as a roadmap for the future. The Strategic Plan is scheduled to be updated during FY 14-15.

Another key process is the development of the City's annual budget. The City historically has prepared a budget that includes the upcoming fiscal year as well as projections for the following three years. These projections include revenues and operating expenses as well as capital projects and applicable funding sources, such as local, state and federal grants and long-term debt. In addition, during FY 13-14, City staff, including representatives from Finance, Public Services, Public Works Engineering and Environmental Services worked together to complete a 10-Year Capital Improvement Plan (CIP) which includes all capital projects with a value of over \$20,000. This CIP will assist us in identifying priorities and establishing funding sources in order to maintain our fiscal responsibility. It will be a vital tool as we begin the development of the FY 15-16 budget later this year.

Factors Affecting Financial Condition

Local Economy – Within the City of St. Charles, over 2,100 businesses employ approximately 18,000 people, consisting of a balanced mix of retailers, restaurants, and manufacturing facilities. Also within the City are 2,402 hotel rooms in 12 lodging and training centers, including a full-service resort, a world-class corporate conference center, a boutique hotel and nine select service properties; several distinct shopping areas in its riverfront downtown; and four performance venues. There are two new business parks currently under construction within the City. On the east side of the City is the 36-acre Legacy Business Park with vacant pads available for retail, office, and light industrial development. The Corporate Reserve of St. Charles is a 50-acre business park located on the west side of the City. Two of the ten proposed buildings for this site have been completed with a third building anticipated to begin construction in the near future.

Historically, the City of St. Charles has enjoyed a healthy and growing economy. Over the last several years, the City has experienced a decline in sales tax revenue as a result of the global economic downturn that began in 2008. However, sales taxes have rebounded over the past few years and are approaching pre-2008 levels. In response to declining EAV's experienced during the economic downturn, the City Council directed that the amount of taxes levied be consistent each year. This methodology has continued over the years, including in the development of the FY 14-15 tax levy. Despite the decline in EAV, there are some bright spots in the City's current and future economic picture. Examples include:

Charlestowne Mall – In the Fall of 2013, a Chicago-based property developer purchased the Charlestowne Mall property, a currently underutilized regional shopping center. Also in the Fall of 2013, the new owner submitted applications to amend the Planned Unit Development of the Mall. The new site layout and redevelopment plans were approved in May of 2014 for the renamed property now known as The Quad. Re-grading and site work began in late summer of 2014. The developer is anticipating a grand opening of the project in the Spring of 2016. City Staff and the developer believe that by revitalizing the mall property, combined with the opening

of the newly reconstructed IL Rte 64 on which it is centrally located, the City's East Main Street commercial corridor is well-positioned to realize an economic resurgence.

Lexington Homes Tax Increment Financing District and Redevelopment – In January, 2013, the City Council established a new tax increment financing district to assist in the environmental clean-up and redevelopment of a former industrial property. In doing so, the City also approved a residential subdivision that, when built out, will be comprised of 102 townhomes and 28 single-family, detached homes. The developer has submitted final engineering plans for review by City Staff. Once approved, the developer will submit permit applications to the IEPA for the construction of the sanitary sewer and water main. This property redevelopment will likely increase area property values and increase the buying power for the City's retail, restaurant and service sectors.

R.R. Donnelly – In 2010, R.R. Donnelly purchased the former Pier One Imports 513,973 square foot distribution center. Thus far, Donnelly has completed the first of three planned occupancy and construction phases. Phase I included the company installing four state-of-the art printing presses and creating approximately 180 new jobs for the City. The City worked in concert with R.R. Donnelly in upgrading the electric utility infrastructure serving both the subject building as well as its surrounding area. Both the company and the City will benefit from the enhanced efficiencies associated with this infrastructure.

Bema, Inc. (d.b.a. Elite Extrusions)– Bema has completed its initial occupancy and build-out of its St. Charles facility located at 3620 Ohio Ave., immediately east of the Armour-Eckrich plant. The Elmhurst-based manufacturer produces customized plastic packaging for mass market food products, and specifically, is producing plastic film at its St. Charles plant. Having completed its 30-foot high building addition, the company set six new steel silos to the rear of its building to store plastic resins, and installed the first of its planned four plastic extruders. Elite Extrusion is well-positioned to meet its projections of producing 40 million pounds of plastic film annually.

Dukane Corp. – Dukane is planning to construct a 37,000 square-foot expansion to their facility. This additional space would be used as storage for Carton Craft, a tenant of Dukane's current building. The planned addition is to serve DuKane's tenant, Carton Craft, a national manufacturer of paper containers.

Economic Incentives – Over the last fiscal year, the City has approved two significant economic incentive agreements. In early FY 13-14, City Council approved a "Knowledge Based Employment Incentive Pilot Program" to facilitate the relocation of The Clarke Group's headquarters and research and development facilities. The relocation will result in 71 new jobs and 15 additional positions created in the first five years of occupancy. Under the agreement, The Clarke Group will receive annual incentive payments based on employee count as well as a bonus payment for employees residing in or near St. Charles. The second economic incentive agreement approved at the end of the fiscal year includes a sales tax sharing incentive agreement with the developers of the Quad. The 20-year agreement calls for a 50/50 sharing of sales tax earned above a minimum sales tax base.

Major Initiatives

There were a number of major initiatives that began, were continuing, or were completed during Fiscal 2013-2014, including:

- Construction continued on the new bio-solids treatment removal facility. This \$9.0 million project is funded from an IEPA loan from the State of Illinois. This project, which will improve the quality of water discharged to the Fox River, is slated to be completed in early Fall 2014.
- The reconstruction and widening of approximately 5 miles of East Main Street/Illinois Route 64 was completed in November 2013. In addition to the roadwork, street lighting, retaining walls, and sidewalks were installed. This project was administered and funded by IDOT with the City contributing a local share.
- A new traffic signal was constructed at the intersection of Red Gate Road and St. Charles North High School/River Ridge Drive. This project was partially funded by a contribution by the St. Charles School District.

Upcoming projects that will take place in Fiscal 2014-2015 include the following:

- Construction of phase 1 of the Municipal Complex Parking Lot Improvements began in July 2014. This project includes the removal and replacement of the existing asphalt parking lot. The new parking lot will provide a park like setting along the Fox River with increased green space and enhanced landscaping improvements. The new parking lot will also provide “source” treatment for storm water runoff utilizing various best management practices (BMP’s). Construction is estimated to be completed in October 2014.
- Initiate construction of a third water tower on the northeast side of the City at the intersection of IL 25 and Red Gate Road. This project is slated to be funded with an IEPA loan from the State of Illinois.
- Construct electrical circuit improvements at Kirk Rd. and IL 64 and initiate site preparations for the Legacy electrical substation.

Financial Policies

Management of the City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Cash Management. Cash temporarily idle during the year was invested in demand deposits, time deposits, U.S. Treasury Bills, Notes, U.S. Agency Obligations, the Illinois Metropolitan Investment Fund, various municipal bonds and the Illinois State Treasurer's Pool. The City's Finance department records both Police Pension Fund and Fire Pension Fund investments and

maintains accounting records for both funds. However, the respective Pension Board of Trustees maintains control of these monies independent of the City Council. Both the Fire Pension Fund and the Police Pension Fund investments are under a money manager and are governed by the individual Boards of Trustees.

The City has a formal investment policy, which includes requirements regarding the amount it will invest in various types of securities and the types of collateral it will accept. U.S. government securities and government agencies account for 6.6% of the City's portfolio. This calculation excludes Police or Fire Pension and restricted investments. Approximately 65.3% of the portfolio matures in less than 1 year and the remaining 34.7% matures in less than 3 years. The current rate of return on City investments is 0.1902% as of April 30, 2014. The City investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 102% of the fair market value of the funds secured, with the collateral held by the City, an independent third party, or the Federal Reserve Bank of New York, in the City's name. In addition, the City's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis, with the underlying investments held by a third party acting as the City's agent, separate from where the investment was purchased, or by the trust department of the bank where purchased, in the City's name. This is the lowest custodial credit risk, as defined by the Governmental Accounting Standards Board. For further information on the City's investments please see the notes to the financial statements.

Risk Management. The City built upon its previously established safety committees by developing more focused committees, including an Administrative Safety Committee and division-wide committees in Public Works. In addition, the City routinely provides safety and accident investigations training for personnel. To further address employee safety and well-being, the City has created a city-wide Wellness Team. This team was created to improve employees' physical, mental, and financial health, as well as to promote safe work practices.

The City self-insures for property, casualty, and workers compensation claims. State statutes limit maximum exposure for workers compensation. A detailed listing of the City's insurance coverage is shown in the statistical section.

Other Information

Independent Audit. The State of Illinois and City policy dictate that an annual audit be performed of the financial statements of the City. The City engaged the independent accounting firm of Sikich LLP to render an opinion on the financial statements. All requirements have been completed relative to the audit, and the report of independent public accountant's opinion has been included in the financial section of the report.

Awards. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended April 30, 2013. This was the 28th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City satisfied both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. In particular, I would like to acknowledge the work of the following Finance Department staff members:

Julie A. Herr, Assistant Finance Director
Jill A. Ghiotto, Senior Accountant
Terry L. Barth, Junior Accountant
Alpa V. Patel, Accounting Specialist
Pat A. Matejovsky, Accounting Specialist
Kim M. Diehl, Sr. Accounts Payable Representative
Lynn C. D'Avico, Accounts Payable Representative
Carylie C. Forte, Sr. Administrative Assistant

In closing, I would also like to thank the Mayor and City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Christopher A. Minick". The signature is stylized with a large initial "C" and a long, sweeping underline.

Christopher A. Minick
Finance Director



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

630.566.8400 // www.sikich.com

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Members of American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
Members of the City Council
City of St. Charles, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of St. Charles, Illinois (the City), as of and for the year ended April 30, 2014, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of St. Charles, Illinois, as of April 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, supplemental financial information and statistical section as listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules and the supplemental financial information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City's basic financial statements for the year ended April 30, 2013, 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 City's basic financial statement as a whole. The nonmajor fund financial statements for the year ended April 30, 2013, 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 2013 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 2013 schedule of revenues, expenditures and changes in fund balances - budget versus actual, are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2014 on our consideration of the City'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 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 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 City's internal control over financial reporting and compliance.

Naperville, Illinois
September 17, 2014

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**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

City of St. Charles, Illinois

Management's Discussion and Analysis

April 30, 2014

As management of the City of St. Charles (the "City"), we offer readers of the Comprehensive Annual Financial Report (CAFR) this narrative overview and analysis of the financial activities of the City for the fiscal year ended April 30, 2014. Since the Management's Discussion and Analysis (MD & A) is designed to focus on the City's current year activities, changes in the City's financial position, and to identify any material deviations from approved budget and financial plans, it should be read in conjunction with the Transmittal Letter and the City's financial statements.

Financial Highlights

- The City's total assets and deferred outflows for the year ending April 30, 2014 increased \$17.9 million or 4.6%. The governmental activities, total assets and deferred outflows increased \$9.9 million (4.1%), while business-type activities, total assets and deferred outflows increased \$8.0 million (5.6%).
- The City's total liabilities and deferred inflows increased \$1.6 million, or 1.0% for the fiscal year ending April 30, 2014. Governmental activities total liabilities and deferred inflows decreased \$3.5 million (2.9%), while business-type activities total liabilities and deferred inflows increased \$5.1 million (11.1%).
- The City's total net position increased by \$16.4 million (7.4%), compared to fiscal year 2013. Governmental activities net position increased by \$13.4 million (10.8%), while net position for business-type activities increased \$3.0 million (3.0%).
- The City's total revenues were \$19.5 million (17.8%) greater than the prior fiscal year. Governmental activities revenue increased by \$12.3 million (27.6%) while business-type activities revenue increased by \$7.2 million (11.1%).
- Total expenses of the City increased by \$5.3 million (4.9%), with governmental activities expenses increasing \$1.4 million (3.2%), and business-type activities expenses increasing by \$3.9 million (6.1%).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of St. Charles financial section of the CAFR. The approach to our financial statements is to accommodate the current reporting requirements. The Financial Statements' focus is on both the City as a whole (government-wide), and on the major individual fund level. Both perspectives (government-wide and major fund) are intended to provide the reader various views of the City and to provide a broader basis for comparison and enhance the City's accountability. The City's basic financial statements are comprised of three components: government-wide

City of St. Charles, Illinois
Management's Discussion and Analysis (Continued)

statements, fund financial statements, and notes to the financial statements. This report contains other supplementary information, in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to emulate the private sector financial statements in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government.

The *Statement of Net Position* presents information on all of the City's assets and deferred outflows of resources, and its liabilities and deferred inflows of resources, with the difference between the two reported as net position. This statement combines and consolidates its governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus. This statement may serve as a useful indicator of the financial position of the City.

The *Statement of Activities* presents information showing how the City's net position has changed during the current fiscal year. The focus of this statement is on both the gross and net cost of governmental and business-type activities, which are supported by the City's general taxes and other revenue sources. This statement is intended to summarize and simplify the analysis of the cost of various governmental services and/or subsidy to various business-type activities.

The Governmental Activities reflect the City's basic services, including public works, police, fire, streets, community development and general administration. Various tax revenues such as property taxes, State sales taxes, State income taxes, home rule sales taxes and telecommunications taxes are the primary funding sources for these activities. The business-type activities are reflective of private sector-type operations, and include electric, water, sewer, and refuse utilities. User fees for these services typically cover all or most of the cost of these operations.

Fund Financial Statements

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

Governmental Funds - The Governmental Funds are used to account for essentially the same functions as are reported in the governmental activities and government-wide financial statements. The major distinction is that governmental funds provide a focus on near-term inflows and outflows of spendable resources as well as resources available at the end of the fiscal year. This information may be useful in the evaluation of the City's financing requirements.

City of St. Charles, Illinois
Management's Discussion and Analysis (Continued)

The focus of the governmental funds is narrower than that of the government-wide financial statements; it may be useful to compare the information presented for the governmental funds with similar information presented in the governmental activities and government-wide statements. By comparing statements, users may better understand the long-term impact of the government's near-term financing decisions.

Proprietary Funds - Proprietary funds account for City services, such as electric, water, sewer, and refuse utilities, that are generally supported by user fees charged to customers. Proprietary (Enterprise) funds are used to report the same information presented in business-type activities in the government-wide financial statements, only in more detail.

Electric, water and sewer funds are considered major enterprise (proprietary) funds of the City and are presented in a separate column in the fund financial statements. The refuse/yard waste fund is the only non-major enterprise (proprietary) fund. Proprietary funds statements, like government-wide, provide both long and short-term financial information.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside of the government, whereby the City's role is that of trustee (i.e., Police and Fire Pension) or agent. Fiduciary funds are not reflected in the government-wide financial statements. Their assets are restricted in purpose and do not represent discretionary assets of the government. These assets are not available to support the City's own programs.

Notes to the Financial Statements - The Notes to the Financial Statements provide additional information that is essential to obtain a full understanding of the data presented in the government-wide and fund financial statements.

Other Information - In addition to the basic financial statements and accompanying Notes to the Financial Statements, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits and post-employment benefits to its employees. The City complies with State law to make health insurance available to retirees. Payment of all related premiums is the responsibility of the retiree.

Infrastructure Assets - Historically, a government's largest group of assets (infrastructure – streets, storm sewers, etc.) have not been reported nor depreciated in governmental financial statements. GASB Statement 34 now requires that these assets be valued and reported within the governmental column of the government-wide statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful life or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. The City has elected to depreciate assets over their useful life. If a project is considered maintenance – a recurring cost that does not extend the asset's original useful life or expand its capacity – the cost of the project will be expensed in the current fiscal year. An "overlay" of a street will be considered maintenance whereas a "rebuild" of a street will be capitalized. The City has reported its infrastructure in accordance with GASB Statement Number 34 since the fiscal year ended April 30, 2006.

City of St. Charles, Illinois
Management's Discussion and Analysis (Continued)

Financial Analysis of the City as a Whole

Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City of St. Charles, assets exceeded liabilities by \$238.0 million as of April 30, 2014. The following table reflects the condensed Statement of Net Position:

Statement of Net Position
As of April 30, 2014 and 2013
(In Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Assets						
Current & Other Assets	\$66.4	\$68.8	\$15.5	\$15.0	\$81.9	\$83.8
Capital Assets	184.6	171.9	135.0	127.6	319.6	299.4
Deferred outflows of Resources	3.4	3.8	0.1	0.0	3.5	3.9
Total Assets and Deferred Outflows	254.4	244.5	150.6	142.6	405.0	387.1
Liabilities						
Current & Other Liabilities	18.8	21.0	10.7	10.2	29.5	31.2
Long-Term Liabilities	83.6	84.9	39.7	35.2	123.3	120.0
Deferred Inflows of Resources	14.2	14.2	0.0	0.0	14.2	14.3
Total Liabilities and Deferred Inflows	116.6	120.1	50.4	45.4	167.0	165.5
Net Position						
Net Investment in Capital Assets	122.9	111.5	97.8	95.0	220.7	206.5
Restricted	4.4	5.0	0.0	0.0	4.4	5.0
Unrestricted	10.5	7.9	2.4	2.2	12.9	10.1
Total of Net Position	\$137.8	\$124.4	\$100.2	\$97.2	\$238.0	\$221.6

City of St. Charles, Illinois
Management's Discussion and Analysis (Continued)

The City has several outstanding bonds that were issued for the purpose of funding Tax Increment Financing (TIF) activities. These issues include:

- \$10,000,000 G.O. Bond Series 2006 (\$1,190,000 as of April 30, 2014)
- \$4,470,000 G.O. Bond Series 2007A (\$590,000 as of April 30, 2014)
- \$3,530,000 G.O. Bond Series 2007C (\$245,000 as of April 30, 2014)
- \$10,810,000 G.O. Bond Series 2008A (\$905,000 as of April 30, 2014)
- \$2,325,000 G.O. Refunding Bonds Series 2009 (\$1,230,000 as of April 30, 2014)
- \$1,920,000 G.O. Refunding Bonds Series 2010C (\$1,615,000 as of April 30, 2014)
- \$3,090,000 G.O. Refunding Bonds Series 2011D (\$2,660,000 as of April 30, 2014)
- \$1,190,000 G.O. Refunding Bonds Series 2012C (\$1,160,000 as of April 30, 2014)
- \$22,355,000 G.O. Refunding Bonds Series 2013A (\$22,355,000 as of April 30, 2014)

Of these bond issues, approximately \$30.9 million was used to fund capital assets related to the First Street Redevelopment Project. The remaining debt was not used to produce a capital asset that is owned by the City, and the City is generally obligated for the retirement of the debt, therefore, the bonds are required to be reported as a liability of the City and a corresponding reduction of unrestricted net position results from this treatment.

As part of an economic incentive plan to facilitate the construction of a national membership warehouse club within the City, the City issued \$8,935,000 in Senior Lien Limited Incremental Sales Tax Revenue Bonds. These bonds did not produce a capital asset that is owned by the City and the bonds are required to be reported as a liability of the City. A portion of the sales tax revenues collected from the warehouse club is pledged to pay for the debt service on the bonds. As of April 30, 2014, \$7,930,000 remains outstanding on these bonds.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of St. Charles, assets exceeded liabilities by \$238.0 million as of April 30, 2014. At \$220.7 million, the largest portion of the City's net position is its investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The next portion of the City's net position are restricted assets in the amount of \$4.4 million. Restricted net assets represent resources that are subject to restrictions, as shown below:

Net assets restricted for:	
Mental Health	\$ 530
Highways and Streets	2,166,783
Fire Department	215,875
Debt Service	2,045,188
Total	\$4,428,376

City of St. Charles, Illinois
Management's Discussion and Analysis (Continued)

The final portion of the City's net position is unrestricted net position in the amount of \$10.5 million, which can be used to finance the City's day-to-day operations.

Normal Impacts – Statement of Net Position - There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation.

Net Results of Activities – which will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for Capital – which will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital – which will reduce current assets and increase capital assets. There is a second impact, an increase in invested capital assets and an increase in related net debt, which will not impact the net investment in capital assets.

Spending of Non-borrowed Current Assets on New Capital – which will (a) reduce current assets and increase capital asset and (b) will reduce unrestricted net position and increase net investment in capital assets.

Principal Payment on Debt – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase net investment in capital assets.

Reduction of Capital Assets through Depreciation – which will reduce capital assets and net investment in capital assets.

Current Year Impacts – Net Position

The City's combined net position increased from \$221.6 million to \$238.0 million. Net position of the City's governmental activities increased by \$13.5 million during the year and ended the year at \$137.8 million.

The net position of business-type activities increased by \$2.9 million during the year and ended the year at \$100.2 million. Unrestricted net position—available to finance the continuing operations of its business-type activities—were \$2.4 million. Business-type activities include electric, water, sewer, and refuse utilities. The annual operating cost of these services for fiscal year 2014 was approximately \$68.7 million. Operating costs were offset by direct charges for Utility Services of \$69.7 million.

The increase in the net position of the governmental activities in the amount of \$13.5 million was the result of a combination of an increase in total assets and deferred outflows of \$10.0 million plus a decrease in total liabilities and deferred inflows of \$3.5 million.

The increase in the net position of the business-type activities of \$2.9 million was the result of an increase in total assets and deferred outflows of \$8.0 million as well as an increase in total liabilities and deferred inflows of \$5.1 million.

City of St. Charles, Illinois
Management's Discussion and Analysis (Continued)

Changes in Net Position - Statement of Changes in Net Position

The following chart shows the revenue and expenses of the City's activities:

Changes in Net Position
For the Fiscal Year Ended April 30, 2014
(In Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues						
Program Revenues						
Charges for Service	\$1.5	\$1.7	\$69.7	\$64.3	\$71.2	\$65.9
Operating Grants/Contributions	1.2	1.1	0.0	0.0	1.2	1.1
Capital Grants/Contributions	13.1	1.4	1.8	0.1	14.9	1.5
General Revenues						
Property Tax/Replacement Tax	14.3	14.2	0.0	0.0	14.3	14.2
Other Taxes	23.2	22.4	0.0	0.0	23.2	22.4
Other	3.5	3.8	0.6	0.5	4.1	4.3
Total Revenues	56.8	44.6	72.1	64.9	128.9	109.4
Expenses						
General Government	3.8	3.5	0.0	0.0	3.8	3.5
Public Health/Safety	20.4	19.8	0.0	0.0	20.4	19.8
Public Works	14.2	13.7	0.0	0.0	14.2	13.7
Comm. Develop	2.4	2.4	0.0	0.0	2.4	2.4
Interest	3.1	3.2	0.0	0.0	3.1	3.2
Electric	0.0	0.0	55.6	51.9	55.6	51.9
Water	0.0	0.0	5.3	4.5	5.3	4.5
Sewer	0.0	0.0	7.3	7.8	7.3	7.8
Refuse	0.0	0.0	0.5	0.6	0.5	0.6
Total Expenses	43.9	42.5	68.7	64.8	112.5	107.3
Excess Before Transfers	13.0	2.1	3.4	0.1	16.4	2.1
Transfers	0.5	0.3	(0.5)	(0.3)	0.0	0.0
Change in Net Position	13.5	2.4	2.9	(0.2)	16.4	2.1
Prior Period Adjustment	0.0	(1.2)	0.0	(0.2)	0.0	(1.4)
Ending Net Position	\$137.8	\$124.4	\$100.2	\$97.2	\$238.0	\$221.6

City of St. Charles, Illinois
Management's Discussion and Analysis (Continued)

Normal Impacts - Changes In Net Position - There are eight basic impacts on revenues and expenses as reflected below.

Revenues:

Economic Condition – which can reflect a declining, stable, or growing economic environment and has a substantial impact on property, state income, and sales tax revenues as well as public spending habits for building permits, elective user fees, and volumes of consumption of utility services.

Increase/Decrease in City-Approved Rates – while certain tax rates are set by statute, the City Council has significant authority to impose and periodically increase/decrease rates (property taxes, charges for electric, water and sewer utility services, building fees, home rule sales tax, telecommunications tax, etc.)

Changing Patterns in Intergovernmental and Grant Revenue (both recurring and nonrecurring) – certain recurring revenues (State-shared revenues, etc.) may experience significant changes periodically while nonrecurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons, unless the corresponding expenditure is also one-time in nature.

Market Impacts on Investment Income - the City's investment portfolio is managed using a similar average maturity to most governments. Market and current economic conditions may cause investment income to fluctuate.

Expenses:

Introduction of New Programs – within the functional expense categories (General Government, Public Health & Safety, etc.) individual programs may be added or deleted to meet changing community needs.

Increase in Authorized Personnel – changes in service demand may cause the City Council to increase/decrease authorized staffing.

Salary Increases – the ability to attract and retain human and intellectual resources requires the City to strive to maintain a competitive compensation and benefits package relative to the marketplace. Pension eligibility and benefits rules are governed by state statute for all City employees eligible for pension benefits.

Inflation – while overall inflation appears to be reasonably modest, the City is a major consumer of certain commodities such as supplies, fuels, and parts. Some functions may experience unusual commodity-specific increase, compared to the overall inflation rate.

City of St. Charles, Illinois
Management's Discussion and Analysis (Continued)

Governmental Activities

Revenues:

Total revenues increased \$12.2 million, from \$44.6 million to \$56.8 million. The governmental activities program revenues increased \$11.6 million from \$4.2 to \$15.8 million due to the recognition of contributed capital for the portion of the Red Gate Bridge funded by State and Federal grants and constructed by the State. The governmental activities general revenues increased \$0.6 million from \$40.4 to \$41.0 million. Other taxes under General revenues increased \$0.8 million from FY 12-13. Examples of other taxes include sales and use taxes and electric franchise fees. Other general revenues decreased from FY 12-13 to FY 13-14 by \$0.3 million.

Expenses:

Total expenses of governmental activities increased \$1.4 million from \$42.5 million in FY 12-13 to \$43.9 million in FY 13-14. The \$43.9 million consists of actual expenditures for the general fund and other governmental funds (\$49.5 million), the amount of the capital assets subtracted out (\$4.2 million), the amount of depreciation added (\$4.3 million), less the net gain of the internal service funds (\$1.5 million), plus the change in the OPEB liability (\$0.4 million) less the change in long-term debt and compensated absences (\$4.6 million).

Business Type Activities

Revenues:

Operating revenues from business-type activities increased to \$69.7 million, a total increase of \$5.4 million or 8.4% from the previous fiscal year. This was primarily due to utility rate increases during FY 13-14 for all four utilities as well as the implementation of a Power Cost Adjustment Factor (PCAF) in October 2013. The PCAF represents a billing adjustment applied to electric bills that was put in place to reduce the City's risk associated with fluctuations in wholesale power costs. Total PCAF revenue billed in FY 13-14 was approximately \$1.7 million.

Expenses:

Operating expenses from all business-type activities increased by \$3.9 million from \$64.8 to \$68.7 million; a 6.0% increase from the prior fiscal year. This increase is mainly attributable to an increase in wholesale power costs due to higher than anticipated demand costs. .

Financial Analysis of the Funds

Governmental Funds – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Specifically, unrestricted fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year. For the fiscal year ended April 30, 2014, the Governmental Funds reported a combined ending fund balance of \$30.1 million. This represents a decrease of \$1.4 million over the prior year. This decrease is primarily due to the use of cash on hand to finance the repayment of debt for the First Street TIF project.

City of St. Charles, Illinois
Management's Discussion and Analysis (Continued)

General Fund - The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unrestricted fund balance of the General Fund was \$18.6 million, of which \$3.0 million is assigned for debt service. Total fund balance was \$24.3 million. It may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures (including transfers out). Unrestricted fund balance represents 47.4 percent of the total General Fund expenditures, while total fund balance represents 62.1 percent of that same amount. This compares to prior year results of 47.3 percent and 62.6 percent, respectively.

As an additional measure of fiscal conservatism, the City has established a policy of maintaining a minimum of 25% of the amount of General Fund expenditures and Transfers Out in Unassigned Fund Balance. For the year ended April 30, 2014, the level of Unassigned Fund Balance in the City's General Fund amounted to \$15.6 million which equates to a level of 39.8%. In FY 2013, the amounts were \$15.0 million and 39% respectively.

General Fund Budgetary Highlights
For the Fiscal Year Ended April 30, 2014

	Original Budget	Final Budget	Actual
Revenues and Other Financing Sources:			
Taxes	\$36,497,482	\$36,497,482	\$34,688,886
Licenses & Permits	479,576	479,576	483,624
Charges for Services	594,533	606,347	436,035
Illinois State Income Tax	2,969,293	2,969,293	3,213,190
Allotments			
Other	683,196	703,421	885,449
Transfers	0	90,000	0
Total	\$41,224,080	\$41,346,119	\$39,707,184
Expenditures/Transfers:			
General Government	\$3,117,600	\$3,651,007	\$3,033,568
Public Health/Safety	21,076,372	21,308,015	20,330,779
Public Works	8,027,176	8,550,371	7,101,046,
Comm. Develop	2,485,635	2,791,667	2,401,410
Debt Service	4,585	4,585	4,586
Transfers	6,512,712	6,575,443	6,331,843
Total	\$41,224,080	\$42,881,088	\$39,203,232
Change in Fund Balance	\$0	(\$1,534,969)	\$503,952

City of St. Charles, Illinois
Management's Discussion and Analysis (Continued)

The General Fund results were due to the combination of General Fund revenues being below expectations by \$1,638,935 while expenditures were less than the final amended budget by \$3,677,856.

General Fund Revenues - Actual taxes received were less than budget by \$1,808,596 mainly due to Municipal Sales and Use tax collections being below budgeted expectations by \$1,158,142, a result of the on-going state of the national and local economy. Other actual General Fund revenues had slight increases and decreases when compared with budget.

General Fund Expenditures - The majority of the positive budget variance is mainly attributable to timing differences in capital projects as well as actual contractual services expenses being less than anticipated. In addition, personal services had a positive budget variance primarily due to several vacant positions that were budgeted, but not yet filled, prior to the end of the fiscal year. There were also positive variances in materials and supplies and capital outlay purchases.

Budgetary Controls and Revisions. The City's budgetary operations are governed by the Budget Law as provided for in the Illinois Compiled Statutes and are administered by the Director of Finance. Under the Budget Law, no appropriation is required to be passed, and an annual budget must be adopted prior to the beginning of the fiscal year funds to be expended.

Budgets are based upon anticipated cash needs for specifically identified projects and ongoing activities. Budget amendments require the approval by a two-thirds vote of the City Council; however, no revision of the budget shall be made increasing the budget in the event funds are not available to effectuate the purpose of the revision.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management. The City's accounting practices, internal controls, and budgetary planning are affirmed by the continual review of the Government Operations Committee and City Council. The Finance Director reviews monthly financial operating results and provides a quarterly review of financial results during public Committee meetings to assist in this review and monitor any negative trends to financial operations.

Capital Assets

The City's total capital assets for its Governmental and Business-Type Activities as of April 30, 2014 amounts to \$319,652,914 (net of accumulated depreciation). The capital assets include land, buildings, equipment, and improvements other than buildings, underground systems, infrastructure, intangibles and construction in progress. This amount represents a net increase (including additions and deductions) of \$20,224,947.

City of St. Charles, Illinois
Management's Discussion and Analysis (Continued)

Capital Assets
As of April 30, 2014

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land & Right of Way	\$59.6	\$58.8	\$2.2	\$2.2	\$61.8	\$60.9
Construction in Progress	0.0	15.3	10.2	5.2	10.2	20.5
Intangible Assets.	2.9	2.8	0.4	0.4	3.3	3.2
Buildings and Improvements	65.0	63.5	55.9	55.0	121.0	118.5
Infrastructure	139.4	109.8	164.5	156.8	303.9	266.6
Machinery, Vehicles and Equipment	13.8	13.5	10.2	10.1	24.1	23.7
Accumulated Depreciation	(96.1)	(91.8)	(108.4)	(102.2)	(204.6)	(194.0)
Total:	\$184.6	\$171.9	\$135.0	\$127.6	\$319.7	\$299.4

Major capital asset events during FY 2013-2014 included the following:

- Acceptance of the Red Gate Bridge, constructed by the State at a cost of \$27,264,000.
- The construction of the Wastewater Biosolids Building continued into FY 13-14. It is anticipated that construction will be completed during the fall of 2014. Cumulative project costs as reported in Construction in Progress were approximately \$9.0 million.
- The design for the Red Gate Water tower construction is well under way. (Approximately \$253,162 has been reported in Construction in Progress.) The project is scheduled to be completed in early fall of 2014.
- Purchase of the former VFW building located in the heart of downtown. The building was demolished and the space was converted into a much needed downtown parking lot.
- The exterior of the Municipal Center Building was rehabilitated and weather proofed during the fiscal year.
- Tyler Road drainage improvements were constructed during FY 13-14.
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- The City continued its efforts to remove and replace existing trees damaged by the Emerald Ash Borer.

For further information regarding the City's capital assets, see note 5 in the notes to the financial statements.

City of St. Charles, Illinois
Management's Discussion and Analysis (Continued)

Debt Outstanding

At the end of the fiscal year, the City had total debt outstanding of \$121,769,002 (excluding compensated absences and net pension obligations). Of this amount, \$89,135,000 comprises general obligation bonds backed by the full faith and credit of the City of St. Charles. The City also issues general obligation bonds and notes where it pledges incremental tax income derived from separately created tax increment financing (TIF) districts in addition to the general obligation pledge. This TIF district debt represents \$31,950,000 of the total debt outstanding. In addition, the City has \$24,053,028 in IEPA loans and \$79,865 in installment contracts. Additionally, the City entered into an agreement to provide School Resource Officer services free of charge to St. Charles Community School District 303 through June 2019 in return for a piece of land. This land will be the site for the City's third water tower scheduled for construction in FY 14-15. For more information regarding all of the City's debt, see note 6 in the notes to the financial statements.

Economic Factors and Next Year's Budget and Rates

The City's composition is primarily residential with a smaller commercial and industrial component. The property tax revenue derived from the residential, commercial, and industrial properties has been historically stable over the last five years. In fact, through the 2008 tax levy year, which was collected during FY 09-10, the City's Equalized Assessed Valuation had increased every year. For FY 13-14, property tax revenue increased \$53,087 or 0.4% from the prior year. Sales tax revenue also increased by \$264,367 (1.7%). State shared income tax revenues also increased from the prior year as the economy began to rebound. Hotel Occupation and Telecommunications tax revenues declined during the fiscal year.

The City has a demonstrated history of reducing expenditures to match the revenue streams that the City receives. In FY 07-08 the City's actual expenditures and transfers out in the General Fund amounted to \$42.7 million. In two years this amount had been reduced to \$37.7 million for the City's FY 2009-2010, an 11.7% reduction from the FY 07-08 total. The General Fund's expenditures and transfers out total \$39.2 million for FY 13-14, compared with 39.7 million in revenues. Current expenditures remain approximately 8.2% below the 2007-2008 level and demonstrate the City's commitment to continue matching expenditure levels to anticipated revenue streams.

The FY 14-15 budget includes a slight increase in property tax revenues due to anticipated increased revenue from the City's TIF and Special Service Area districts. The City has held the amount of its operating property tax levy consistent for 6 consecutive years. The City is anticipating approximately 2.9% total growth in its General Fund revenue streams for FY 14-15.

In April of 2011, the City accepted an external rate study report on all of its utilities. The rate study outlines a multi-year plan to bring the City's utility rate structure in line with its expenses. The City is performing an annual analysis of the revenues, expenses, and reserve levels of the individual utilities and adjusting user rates accordingly in conjunction with the results of the rate study. As a result of the rate study, rates have been adjusted each year since

City of St. Charles, Illinois
Management's Discussion and Analysis (Continued)

the study was adopted. The changes to the rate structure have resulted in a positive Change in Net Position of \$3,095,618 in the Electric Fund and \$19,885 in the Water Fund. The Sewer Fund had a change in net position of (\$176,925) for FY 13-14. The City Council has committed to continuing to adjust rates to provide positive reserve levels and sustainable rate structures in the City's utility funds in future fiscal years.

The City continued its practice of matching revenues and expenditure streams for fiscal year 14-15. Previously accumulated reserves related to the First Street Development were anticipated to offset a small operating deficit for FY 14-15. Timing differences related to projects and aggressive expenditure management have resulted in a significant positive Net Change in Fund Balance in the General Fund for FY 13-14. These resources have been re-budgeted in the current fiscal year and are resulting in an anticipated negative Net Change in Fund Balance for FY 13-14. However, we are anticipating that the negative Net Change in Fund Balance for FY 14-15 will be smaller than the positive Net Change in Fund Balance for FY's 12-13 and 13-14, providing a positive financial result for the General Fund for the three fiscal years combined, once the effects of the timing differences have cleared.

Continued vigilance and management of expenditures will be required in future years to maintain the City's fiscal good health. The City's budget projections beyond FY 2014-2015 reflect deficit General Fund operations in the event that revenues do not increase. Additionally, the utility funds will require future rate adjustments to provide adequate operational and capital resources. The City will continue to monitor the situation and make fiscally appropriate adjustments to assure the continued financial health and adequate reserve levels of the City.

Contacting the City's Financial Management

This financial report is designed to provide residents, customers, and creditors with a general overview of the City of St. Charles' finances and to demonstrate the accountability of the money it receives. Questions concerning this report or requests for additional financial information should be directed to Christopher Minick, Director of Finance, City of St. Charles, 2 E. Main St., St. Charles, Illinois 60174, 630-377-4478, cminick@stcharlesil.gov.

CITY OF ST. CHARLES, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$38,894,034	\$9,253,463	\$48,147,497
Restricted Cash and Investments	-	3,433,642	3,433,642
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	14,169,981	30,670	14,200,651
Accounts Receivable	7,671	6,671,813	6,679,484
Accrued Interest on Investments	11,855	15,044	26,899
Miscellaneous	522,303	156,893	679,196
Prepaid Items	412,045	152,107	564,152
Internal Balances	4,218,336	(4,218,336)	-
Due from Other Governments	4,664,883	-	4,664,883
Due from Fiduciary Funds	5,077	-	5,077
Inventory	3,418,506	-	3,418,506
Net Pension Asset	119,010	-	119,010
Capital Assets Not Being Depreciated	60,101,922	12,328,884	72,430,806
Capital Assets (Net of Accumulated Depreciation)	124,506,963	122,715,145	247,222,108
Total Assets	251,052,586	150,539,325	401,591,911
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges on Refunding	3,406,637	51,989	3,458,626
Total Deferred Outflows of Resources	3,406,637	51,989	3,458,626
Total Assets and Deferred Outflows of Resources	254,459,223	150,591,314	405,050,537
LIABILITIES			
Accounts Payable	4,264,030	4,765,964	9,029,994
Claims Payable	1,333,393	171,917	1,505,310
Contracts Payable	1,100,910	1,606,952	2,707,862
Accrued Salaries	932,069	226,636	1,158,705
Accrued Interest Payable	1,287,847	367,162	1,655,009
Escrows and Refundable Deposits	1,122,974	501,064	1,624,038
Unearned Revenue	197,980	-	197,980
Long-Term Liabilities			
Due Within One Year	8,561,581	3,073,408	11,634,989
Due in More than One Year	83,646,024	39,684,034	123,330,058
Total Liabilities	102,446,808	50,397,137	152,843,945
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Property Taxes	14,169,981	30,670	14,200,651
Total Deferred Inflows of Resources	14,169,981	30,670	14,200,651
Total Liabilities and Deferred Inflows of Resources	116,616,789	50,427,807	167,044,596
NET POSITION			
Net Investment in Capital Assets	122,912,679	97,764,596	220,677,275
Restricted			
Mental Health	530	-	530
Highway and Street Maintenance	2,166,783	-	2,166,783
Fire Department	215,875	-	215,875
Debt Service	2,045,188	-	2,045,188
Unrestricted	10,501,379	2,398,911	12,900,290
TOTAL NET POSITION	\$137,842,434	\$100,163,507	\$238,005,941

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2014

<u>FUNCTIONS/PROGRAMS</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants & Contributions</u>	<u>Capital Grants & Contributions</u>
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 3,802,373	\$ 228,902	\$ -	\$ -
Public Health and Safety	20,381,206	717,112	155,954	-
Public Works	14,154,683	241,604	1,016,319	13,121,556
Community Development	2,394,814	302,459	-	-
Interest	3,119,201	-	-	-
Total Governmental Activities	43,852,277	1,490,077	1,172,273	13,121,556
Business-Type Activities				
Electric	55,605,730	57,488,550	-	1,091,616
Water	5,254,578	4,612,261	-	600,928
Sewer	7,299,203	7,173,530	-	118,125
Refuse	503,038	400,203	-	-
Total Business-Type Activities	68,662,549	69,674,544	-	1,810,669
TOTAL PRIMARY GOVERNMENT	\$ 112,514,826	\$ 71,164,621	\$ 1,172,273	\$ 14,932,225

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS
STATEMENT OF ACTIVITIES (Continued)
For the Year Ended April 30, 2014

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (3,573,471)	\$ -	\$ (3,573,471)
	(19,508,140)	-	(19,508,140)
	224,796	-	224,796
	(2,092,355)	-	(2,092,355)
	(3,119,201)	-	(3,119,201)
	(28,068,371)	-	(28,068,371)
	-	2,974,436	2,974,436
	-	(41,389)	(41,389)
	-	(7,548)	(7,548)
	-	(102,835)	(102,835)
	-	2,822,664	2,822,664
	(28,068,371)	2,822,664	(25,245,707)
General Revenues			
Taxes			
Property	14,155,111	-	14,155,111
Personal Property Replacement	103,019	-	103,019
Municipal Sales and Use	16,049,054	-	16,049,054
Franchise Fees	3,400,525	-	3,400,525
Liquor	995,618	-	995,618
Hotel Occupation	1,685,830	-	1,685,830
Telecommunications Fee	1,040,496	-	1,040,496
Other	73,962	-	73,962
State Income Tax	3,213,190	-	3,213,190
Investment Income	113,570	30,470	144,040
Connection Charges	-	246,124	246,124
Miscellaneous	126,586	323,363	449,949
Gain (Loss) on Sale of Capital Assets	101,692	-	101,692
Transfers In (Out)	483,250	(483,250)	-
Total	41,541,903	116,707	41,658,610
CHANGE IN NET POSITION	13,473,532	2,939,371	16,412,903
NET POSITION, MAY 1	124,368,902	97,224,136	221,593,038
NET POSITION, APRIL 30	\$ 137,842,434	\$ 100,163,507	\$ 238,005,941

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS

BALANCE SHEET

GOVERNMENTAL FUNDS

APRIL 30, 2014

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
ASSETS			
Cash and Investments	\$13,778,299	\$13,293,985	\$27,072,284
Receivables			
Property Taxes	12,504,339	1,665,642	14,169,981
Accounts Receivable	-	7,671	7,671
Accrued Interest on Investments	11,476	-	11,476
Miscellaneous, net	479,343	-	479,343
Prepaid Items	132,401	-	132,401
Due from Other Funds	3,745,448	595,784	4,341,232
Due from Fiduciary Funds	5,077	-	5,077
Due from Other Governments	4,604,094	60,789	4,664,883
Advances to Other Funds	5,620,524	-	5,620,524
Total Assets	40,881,001	15,623,871	56,504,872
DEFERRED OUTFLOWS OF RESOURCES			
None	-	-	-
Total Deferred Outflows of Resources	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$40,881,001	\$15,623,871	\$56,504,872
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 1,231,434	\$ 2,947,077	\$ 4,178,511
Contracts Payable	-	1,100,910	1,100,910
Accrued Salaries	896,879	-	896,879
Escrows and Refundable Deposits	1,122,974	-	1,122,974
Due to Other Funds	595,784	288,832	884,616
Advances From Other Funds	-	3,810,524	3,810,524
Unearned Revenue	197,980	-	197,980
Total Liabilities	4,045,051	8,147,343	12,192,394
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Property Tax	12,504,339	1,665,642	14,169,981
Total Deferred Inflows of Resources	12,504,339	1,665,642	14,169,981
Total Liabilities and Deferred Inflows of Resources	16,549,390	9,812,985	26,362,375

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS

BALANCE SHEET (Continued)

GOVERNMENTAL FUNDS

APRIL 30, 2014

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
FUND BALANCES			
Nonspendable			
Prepaid Items	\$ 132,401	\$ -	\$ 132,401
Advances to Other Funds	5,620,524	-	5,620,524
Restricted			
Mental Health	530	-	530
Capital Outlay	-	2,118,032	2,118,032
Community Development	-	1,603,969	1,603,969
Highway and Street Maintenance	-	2,166,783	2,166,783
Fire Department	-	215,875	215,875
Debt Service	-	2,045,188	2,045,188
Assigned			
Capital Improvement Projects	-	1,302,026	1,302,026
Debt Service	3,000,000	-	3,000,000
Unassigned			
General Fund	15,578,156	-	15,578,156
Special Revenue Funds (Deficit)	-	(3,640,987)	(3,640,987)
Total Fund Balances	<u>24,331,611</u>	<u>5,810,886</u>	<u>30,142,497</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	 <u><u>\$40,881,001</u></u>	 <u><u>\$15,623,871</u></u>	 <u><u>\$56,504,872</u></u>

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS

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

April 30, 2014

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 30,142,497
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	180,038,959
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the governmental funds	
Bonds Payable and Installment Contracts Payable	(80,677,942)
Premium on Bonds Payable	(2,797,651)
Discount on Bonds Payable	55,749
Compensated Absences Payable	(3,370,379)
Interest Payable	(1,287,847)
Other Post Employment Benefits	(4,732,866)
Developer Agreement Payable	(348,040)
Net Pension Obligation	(5,127)
Gains and losses on debt refundings are capitalized and amortized at the government-wide level	3,406,637
The net position of the internal service funds are included in the governmental activities in the statement of net assets	17,299,434
The net pension asset is not a current financial resource and is therefore not reported in the governmental funds	<u>119,010</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 137,842,434</u>

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended April 30, 2014

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Property Taxes	\$12,463,916	\$ 1,691,195	\$14,155,111
Personal Property Replacement Taxes	103,019	-	103,019
Municipal Sales and Use Taxes	14,982,790	1,066,264	16,049,054
Franchise Fees	3,400,525	-	3,400,525
Liquor Tax	995,618	-	995,618
Hotel Occupations Tax	1,630,810	55,020	1,685,830
Telecommunications Fee	1,040,496	-	1,040,496
Admissions Tax	71,712	-	71,712
Licenses and Permits	483,624	-	483,624
Fines and Court Fees	414,253	-	414,253
Grants	133,252	96,279	229,531
Illinois State Income Tax Allotments	3,213,190	-	3,213,190
Motor Fuel Tax Allotments	-	986,830	986,830
Charges for Current Services	436,035	95,033	531,068
Investment Income	82,084	31,487	113,571
Contributions	-	230,884	230,884
Miscellaneous	91,850	156,316	248,166
Total Revenues	39,543,174	4,409,308	43,952,482
EXPENDITURES			
Current-			
General Government	3,033,568	8,639	3,042,207
Public Health and Safety	20,330,779	32,419	20,363,198
Public Works	7,101,046	1,481,581	8,582,627
Community Development	2,401,410	2,213	2,403,623
Debt Service-			
Principal	4,586	5,133,325	5,137,911
Interest and Fiscal Charges	-	3,197,224	3,197,224
Capital Outlay	-	6,745,179	6,745,179
Total Expenditures	32,871,389	16,600,580	49,471,969
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,671,785	(12,191,272)	(5,519,487)
OTHER FINANCING SOURCES (USES)			
Issuance of Bonds	-	3,710,428	3,710,428
Discount on Bonds	-	(19,767)	(19,767)
Proceeds from the Sale of Capital Assets	164,010	-	164,010
Transfers In	-	9,238,154	9,238,154
Transfers (Out)	(6,331,843)	(2,601,940)	(8,933,783)
Total Other Financing Sources (Uses)	(6,167,833)	10,326,875	4,159,042
NET CHANGE IN FUND BALANCE	503,952	(1,864,397)	(1,360,445)
FUND BALANCE, MAY 1	23,827,659	7,675,283	31,502,942
FUND BALANCE, APRIL 30	\$24,331,611	\$ 5,810,886	\$30,142,497

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS

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

For the Year Ended April 30, 2014

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (1,360,445)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	4,194,230
Contributions of capital assets are reported only in the statement of activities	12,788,386
Proceeds from the disposal of capital assets is reported in the governmental funds, but gain or loss on the disposal of capital assets is calculated and reported in the statement of activities	(62,318)
The issuance of long-term debt and related costs are shown on the fund financial statements as other financing sources (uses) and current expenditures, but are recorded as long-term liabilities and deferred outflows of resources on the government-wide statements	
Issuance of bonds	(3,710,428)
Discount on issuance of bonds	19,767
The repayment of the principal portion long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	5,137,911
The change in net pension asset is not a current financial resource and therefore is not reported in the governmental funds	(7,737)
The change in accrued interest payable is reported as interest expense on the statement of activities	(141,072)
The change in compensated absences is an increase of expenses on the statement of activities	(161,262)
The change in other post employment benefit payable is reported as an expense on the statement of activities	(349,418)
The change in payable for development expenses is an increase of expenses on the statement of activities	(36,596)
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	(4,264,314)
Amortization of bond premiums or discounts	219,095
Amortization of gain or loss on refunding	(405,549)
The change in net position of internal service funds is reported with governmental activities	<u>1,613,282</u>
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 13,473,532</u>

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

April 30, 2014

	Business-Type Activities					Governmental Activities
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Fund (Refuse)	Total	Internal Service Funds
CURRENT ASSETS						
Cash and Investments	\$ 175,714	\$ 4,294,700	\$ 4,340,895	\$ 442,154	\$ 9,253,463	\$ 11,821,750
Restricted Cash and Investments	503,764	1,925,729	1,004,149	-	3,433,642	-
Receivables-						
Property Tax	30,670	-	-	-	30,670	-
Billed	1,218,004	196,137	848,278	26,217	2,288,636	-
Unbilled	3,620,282	279,336	499,277	24,040	4,422,935	-
Allowance for Doubtful Accounts	(33,758)	(2,000)	(3,000)	(1,000)	(39,758)	-
Accrued Interest on Investments	-	15,044	-	-	15,044	379
Miscellaneous, net	156,893	-	-	-	156,893	42,960
Prepaid Items	83,338	27,971	40,798	-	152,107	279,644
Inventory	-	-	-	-	-	3,418,506
Total Current Assets	5,754,907	6,736,917	6,730,397	491,411	19,713,632	15,563,239
NONCURRENT ASSETS						
Advance To Other Funds	1,048,280	-	-	-	1,048,280	-
Capital Assets						
Capital Assets Not Being Depreciated	1,557,258	1,484,629	9,286,997	-	12,328,884	-
Capital Assets Being Depreciated	108,344,332	44,707,907	78,012,809	97,908	231,162,956	9,992,521
Accumulated Depreciation	(49,143,376)	(19,777,417)	(39,429,110)	(97,908)	(108,447,811)	(5,422,595)
Net Capital Assets	60,758,214	26,415,119	47,870,696	-	135,044,029	4,569,926
Total Assets	67,561,401	33,152,036	54,601,093	491,411	155,805,941	20,133,165
DEFERRED OUTFLOWS OF RESOURCES						
Unamortized Loss on Refunding	51,989	-	-	-	51,989	-
Total Deferred Outflows of Resources	51,989	-	-	-	51,989	-
Total Assets and Deferred Outflows of Resources	67,613,390	33,152,036	54,601,093	491,411	155,857,930	20,133,165
CURRENT LIABILITIES						
Accounts Payable	3,228,694	760,611	758,659	18,000	4,765,964	85,519
Claims Payable	107,439	-	64,478	-	171,917	1,333,393
Contracts Payable	2,257	904,047	700,648	-	1,606,952	-
Accrued Salaries	125,961	43,398	57,277	-	226,636	35,190
Accrued Interest Payable	122,404	84,965	159,793	-	367,162	-
Escrows and Customer Deposits	305,710	36,690	158,664	-	501,064	-
Due to Other Funds	3,456,616	-	-	-	3,456,616	-
Accrued Compensated Absences	283,598	131,448	149,482	-	564,528	120,527
Due to Other Governments	-	114,222	-	-	114,222	-
General Obligation Bonds Payable	732,367	197,971	196,613	-	1,126,951	-
IEPA Loan Payable	-	282,787	984,920	-	1,267,707	-
Total Current Liabilities	8,365,046	2,556,139	3,230,534	18,000	14,169,719	1,574,629
LONG-TERM LIABILITIES						
Due to Other Governments	-	456,888	-	-	456,888	-
General Obligation Bonds Payable	7,448,962	4,264,230	3,871,893	-	15,585,085	-
IEPA Loan Payable	-	5,038,435	17,746,886	-	22,785,321	-
Advances from Other Funds	1,047,895	238,158	523,947	-	1,810,000	1,048,280
Net OPEB Obligation	298,368	273,390	284,982	-	856,740	210,822
Total Long-Term Liabilities	8,795,225	10,271,101	22,427,708	-	41,494,034	1,259,102
Total Liabilities	17,160,271	12,827,240	25,658,242	18,000	55,663,753	2,833,731
DEFERRED INFLOWS OF RESOURCES						
Deferred Revenue - Property Tax	30,670	-	-	-	30,670	-
Total Deferred Inflows of Resources	30,670	-	-	-	30,670	-
Total Liabilities and Deferred Inflows of Resources	17,190,941	12,827,240	25,658,242	18,000	55,694,423	2,833,731
NET POSITION						
Net Investment in Capital Assets	53,132,638	18,557,425	26,074,533	-	97,764,596	4,569,926
Unrestricted	(2,710,189)	1,767,371	2,868,318	473,411	2,398,911	12,729,508
TOTAL NET POSITION	\$50,422,449	\$20,324,796	\$28,942,851	\$ 473,411	\$100,163,507	\$17,299,434

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

For the Year Ended April 30, 2014

	Business-Type Activities					Governmental Activities
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Fund (Refuse)	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES						
Charges for Services, net	\$57,003,635	\$4,586,895	\$7,123,296	\$ 396,032	\$69,109,858	\$1,657,715
Insurance Premiums	-	-	-	-	-	5,850,302
Rental Income	-	-	-	-	-	949,190
Sale of Inventory	-	-	-	-	-	2,511,682
Miscellaneous Revenues	484,915	25,366	50,234	4,171	564,686	894,351
Total Operating Revenues	57,488,550	4,612,261	7,173,530	400,203	69,674,544	11,863,240
OPERATING EXPENSES						
Administration	2,508,133	1,094,192	1,537,594	89,124	5,229,043	1,140,663
Operations	49,071,326	2,713,591	3,561,526	419,223	55,765,666	8,795,246
Provision for Depreciation	3,239,694	1,227,212	1,803,449	-	6,270,355	637,033
Total Operating Expenses	54,819,153	5,034,995	6,902,569	508,347	67,265,064	10,572,942
OPERATING INCOME (LOSS)	2,669,397	(422,734)	270,961	(108,144)	2,409,480	1,290,298
NON-OPERATING REVENUES (EXPENSES)						
Gain (Loss) on Sale of Property	(475,529)	25,257	2,005	5,309	(442,958)	72,837
Pole Rental	44,496	-	-	-	44,496	-
Investment Income	(1,481)	21,161	10,278	512	30,470	21,268
Connection Charges	103,993	52,620	89,511	-	246,124	-
Rental Income	-	99,692	3,060	6,600	109,352	-
Interest Expense	(311,048)	(244,840)	(398,639)	-	(954,527)	-
Other Income	125,370	37,550	2,079	4,516	169,515	-
Non-Operating Revenues, net	(514,199)	(8,560)	(291,706)	16,937	(797,528)	94,105
NET INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	2,155,198	(431,294)	(20,745)	(91,207)	1,611,952	1,384,403
TRANSFERS						
Transfers In	274,943	-	-	92,000	366,943	178,879
Transfers Out	(426,139)	(149,749)	(274,305)	-	(850,193)	-
Total Transfers	(151,196)	(149,749)	(274,305)	92,000	(483,250)	178,879
CAPITAL GRANTS & CONTRIBUTIONS	1,091,616	600,928	118,125	-	1,810,669	50,000
CHANGE IN NET POSITION	3,095,618	19,885	(176,925)	793	2,939,371	1,613,282
NET POSITION, MAY 1	47,326,831	20,304,911	29,119,776	472,618	97,224,136	15,686,152
NET POSITION, APRIL 30	\$50,422,449	\$20,324,796	\$28,942,851	\$ 473,411	\$100,163,507	\$17,299,434

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended April 30, 2014

	Business-Type Activities				Governmental Activities
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Funds (Refuse)	Internal Service Funds
				Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers and Users	\$ 54,940,770	\$ 3,881,622	\$ 6,996,973	\$ 399,333	\$ 66,218,698
Receipts from Interfund Users	1,800,858	80,325	82,799	-	1,963,982
Receipts from Miscellaneous Revenues	571,251	137,986	1,212,127	11,116	1,932,480
Payments to Suppliers	(47,391,515)	(2,516,355)	(2,573,855)	(431,313)	(52,913,038)
Payments to Employees	(1,962,301)	(1,243,101)	(1,551,596)	-	(4,756,998)
Payments to Other Funds	(2,177,167)	(1,025,368)	(1,490,924)	(89,124)	(4,782,583)
Net Cash from Operating Activities	5,781,896	(684,891)	2,675,525	(109,988)	7,662,542
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Due to (from) Other Funds	(2,343,384)	-	-	-	(2,343,384)
Advances received from (paid to) Other Funds	9,559	(11,842)	(26,053)	-	(28,336)
Connection Charges	103,993	52,620	89,511	-	246,124
Property Taxes	29,278	-	-	-	29,278
Transfers In	274,943	-	-	92,000	366,943
Transfers (Out)	(426,139)	(149,749)	(274,305)	-	(850,193)
Net Cash From Noncapital Financing Activities	(2,351,750)	(108,971)	(210,847)	92,000	(2,579,568)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital Assets Purchased	(4,212,801)	523,871	(6,860,357)	-	(10,549,287)
Proceeds on Sale of Capital Assets	44,624	25,257	2,005	5,309	77,195
Grant Received	-	-	118,125	-	118,125
Proceeds of Long-Term Debt	638,270	109,432	6,262,188	-	7,009,890
Principal Payments on Long-Term Debt	(792,984)	(461,250)	(1,134,747)	-	(2,388,981)
Interest Payments on Long-Term Debt	(326,188)	(252,930)	(406,382)	-	(985,500)
Net Cash from Capital and Related Financing Activities	(4,649,079)	(55,620)	(2,019,168)	5,309	(6,718,558)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Investment Securities	(337,114)	(1,235,444)	(15,419)	-	(1,587,977)
Proceeds from Sale and Maturities of Investment Securities	1,653,925	848,152	302,904	-	2,804,981
Interest Received	(1,481)	23,359	13,932	512	36,322
Net Cash from Investing Activities	1,315,330	(363,933)	301,417	512	1,253,326
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	96,397	(1,213,415)	746,927	(12,167)	(382,258)
CASH AND CASH EQUIVALENTS, MAY 1	34,480	1,819,087	1,323,023	454,321	3,630,911
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 130,877	\$ 605,672	\$ 2,069,950	\$ 442,154	\$ 3,248,653

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS
STATEMENT OF CASH FLOWS (Continued)

PROPRIETARY FUNDS

For the Year Ended April 30, 2014

	Business-Type Activities				Governmental Activities	
	Electric Fund	Water Fund	Sewer Fund	Other Nonmajor Enterprise Funds (Refuse)	Total	Internal Service Funds
CASH AND INVESTMENTS						
Cash and Cash Equivalents	\$ 130,877	\$ 605,672	\$ 2,069,950	\$ 442,154	\$ 3,248,653	\$ 6,194,205
Investments	44,837	3,689,028	2,270,945	-	6,004,810	5,627,544
Restricted cash and investments	503,764	1,925,729	1,004,149	-	3,433,642	-
TOTAL CASH AND INVESTMENTS	\$ 679,478	\$ 6,220,429	\$ 5,345,044	\$ 442,154	\$ 12,687,105	\$ 11,821,749
NONCASH TRANSACTIONS						
Contributions of Capital Assets	\$ 1,091,616	\$ 600,928	\$ -	\$ -	\$ 1,692,544	\$ 50,000
TOTAL NONCASH TRANSACTIONS	\$ 1,091,616	\$ 600,928	\$ -	\$ -	\$ 1,692,544	\$ 50,000
CASH FLOWS FROM OPERATING ACTIVITIES						
Operating Income (Loss)	\$ 2,669,397	\$ (422,734)	\$ 270,961	\$ (108,144)	\$ 2,409,480	\$ 1,290,298
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities						
Depreciation	3,239,694	1,227,212	1,803,449	-	6,270,355	637,033
Other Non-Operating Revenues	86,339	137,986	1,161,893	11,116	1,397,334	-
Changes in Assets and Liabilities						
Receivables	(248,169)	(49,582)	(43,688)	(870)	(342,309)	(23,711)
Inventory	-	-	-	-	-	639,281
Prepays	(3,961)	1,283	(1,352)	-	(4,030)	(36,141)
Accounts and Claims Payable	(23,412)	(974,893)	(525,107)	(12,090)	(1,535,502)	(361,184)
Accrued Salaries	23,033	(2,338)	(4,206)	-	16,489	(2,645)
Accrued Compensated Absences	25,152	(18,432)	(4,295)	-	2,425	(27,705)
Due to Other Governments	-	-	-	-	-	-
Net OPEB Obligation	27,664	17,339	17,706	-	62,709	12,041
Customer Deposits	(13,841)	(600,732)	164	-	(614,409)	-
NET CASH FROM OPERATING ACTIVITIES	\$ 5,781,896	\$ (684,891)	\$ 2,675,525	\$ (109,988)	\$ 7,662,542	\$ 2,127,267

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS

STATEMENT OF NET POSITION

FIDUCIARY FUNDS

April 30, 2014

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and Short-Term Investments	\$1,806,997	\$1,841,537
Investments, at Fair Value		
Certificates of Deposit	2,086,839	-
U.S. Treasury and U.S. Agency Securities	10,775,233	-
Corporate Bonds	6,214,392	-
Preferred Securities	2,461,067	-
Mutual Funds	14,531,725	-
Equity Securities	22,939,986	-
Receivables		
Accounts Receivable	-	410,134
Accrued Interest on Investments	120,402	-
Prepaid Items	64,647	-
TOTAL ASSETS	61,001,288	\$2,251,671
LIABILITIES		
Accounts Payable	4,076	\$ 44,145
Due to Other Funds	-	5,077
Due to Other Governments	-	1,808,655
Due to Bondholders	-	393,794
TOTAL LIABILITIES	4,076	\$2,251,671
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	\$60,997,212	

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

For the Year Ended April 30, 2014

ADDITIONS

Contributions -	
Employer	\$2,315,232
Employee	928,944
Other	100
Total Contributions	<u>3,244,276</u>

Investment Income -	
Net Appreciation in the	
Fair Value of Investments	1,909,150
Interest	<u>1,928,891</u>
Total Investment Income	3,838,041
Less Investment Expense	<u>(383,612)</u>
Net Investment Income	<u>3,454,429</u>

Total Additions	<u>6,698,705</u>
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DEDUCTIONS

Pension Benefits	2,943,614
Miscellaneous	<u>45,219</u>

Total Deductions	<u>2,988,833</u>
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NET INCREASE	3,709,872
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**NET POSITION HELD IN TRUST
FOR PENSION BENEFITS**

May 1	<u>57,287,340</u>
April 30	<u><u>\$60,997,212</u></u>

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of St. Charles, Illinois (the City) 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 City's accounting policies are described below.

A. Reporting Entity

The City was incorporated as a town in 1853 and as a city in 1874 and occupies an approximate 16.4 square mile area in eastern Kane County and Western DuPage County. The City is located in the Fox River Valley, approximately 34 miles west of Chicago.

The City operates under a Mayor-Council form of government consisting of five wards and ten aldermen. The Mayor is elected at large to a four-year term and the Council is elected by ward to staggered four-year terms. The day-to-day affairs of the City are conducted by full-time staff and are administered by eight department heads and the City Administrator. Department heads and the City Administrator are appointed by the Mayor and confirmed by the City Council. Department heads report directly to the City Administrator, who reports directly to the Mayor and the City Council on a regular basis.

The City is the largest municipality in what is commonly referred to as the tri-city metropolitan area, others being the Cities of Batavia and Geneva. The 2010 Bureau of the Census data indicated the City to have a population of 32,974.

The City provides the following services as authorized by its charter: public safety (police and fire), highways and streets, health, social and cultural services, water and sanitation, public improvements, planning and zoning, general administrative services and police and fire pensions. As required by GAAP, these financial statements present the City (the primary government). In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was based upon the significance of its operational or financial relationship with the primary government. There are no component units that are required to be included in the City's general purpose external financial statements.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting

The City uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain city functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

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

Governmental funds are used to account for all or most of the City's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds) and the funds committed, restricted or assigned for the servicing of long-term debt (debt service funds). The General Fund is used to account for all activities of the City 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 City (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the City. The City utilizes pension trust funds and agency funds which are generally used to account for assets that the City holds in a fiduciary or agent capacity.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. The effect of material interfund activity other than interfund service transactions has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The City reports the following major governmental funds:

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

The City reports the following major proprietary funds:

The Electric, Water and Sewer funds account for the acquisition, operation and maintenance of City-owned electric, water and sewer facilities and services which are entirely or predominantly self-supported by user charges.

Additionally, the City reports the following internal service funds:

Internal service funds account for the City's self-insured property, casualty, workers' compensation and health insurance programs; materials and supplies inventory; communications; and motor vehicles used by the City's Departments/Funds of the City on a cost reimbursement basis.

The City reports pension trust funds as fiduciary funds to account for the Police Pension Fund and Firefighters' Pension Fund. Furthermore, the City reports the following agency funds as fiduciary funds: the Tri-City Ambulance Fund where the City serves as custodian, the Special Service Area #21 Bond Fund, the North Central Narcotics Task Force Fund and the First Street Acquisition Fund.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

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 (except for the agency funds which do not have a measurement focus). Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing proprietary fund services. Incidental revenues/expenses are reported as non-operating.

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

Property taxes, sales taxes and telecommunication taxes owed to the state at year end, franchise taxes, licenses, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Fines and permit revenue are considered to be measurable and available only when cash is received by the City.

In applying the susceptible to accrual concept to intergovernmental revenues (e.g., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures/expenses recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the eligibility criterion.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**D. Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)**

The City reports unearned revenue and unavailable revenue on its financial statements. Unearned revenue, deferred revenue and unavailable revenue arises when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned revenue also arises when resources are received by the City 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 City has a legal claim to the resources, the liability or deferred inflow of resources for unearned revenue or unavailable 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 City's proprietary funds consider their equity in pooled cash and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

Investments with a maturity of less than one year when purchased and non-negotiable certificates of deposit 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 based on prices listed on national exchanges as of April 30, 2014 for debt and equity securities. Mutual funds, investment funds and insurance separate accounts are valued at contract value as of April 30, 2014.

F. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due to/from other funds" on the financial statements. Interfund loans, if any, are classified as advances to/from other funds.

G. Inventories

Inventories are valued at cost, which approximates market, using the average cost method on a first-in/first-out (FIFO) basis.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Prepaid Items

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

I. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, storm sewers and similar items) and intangible assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost in excess of \$25,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	15-50
Improvements Other Than Buildings	15-50
Infrastructure	30-65
Electric Property	25-40
Water and Sewer Plant and Equipment	25-50
Equipment and Fixtures	3-15
Intangibles	3-46

J. Compensated Absences

Vested or accumulated vacation and sick leave that is owed to retirees or terminated employees is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements. Vested or accumulated vacation and sick leave of proprietary funds at both levels and governmental activities at the government-wide level is recorded as an expense and liability as the benefits accrue to employees.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Long-Term Obligations

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

L. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance 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 or from enabling legislation adopted by the City. Committed fund balance is constrained by formal actions of the City Council, which is considered the City's highest level of decision-making authority. Formal actions include ordinances approved by the Council. Assigned fund balance represents amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the City's Administrator and Finance Director. Any residual fund balance in the General Fund, including fund balance targets and any deficit fund balance of any other governmental fund is reported as unassigned. The General Fund has a target unassigned fund balance of 25% of operating expenditures.

The City'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 City considers committed funds to be expended first followed by assigned funds and then unassigned funds.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Fund Balance/Net Position (Continued)

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any long-term debt issued to acquire or construct the capital assets.

None of the restricted net position or restricted fund balances resulted from enabling legislation adopted by the City.

M. 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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

N. Interfund Transactions

Interfund services 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 and reimbursements, are reported as transfers.

O. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

A. City Investments

The City maintains a cash and investment pool that is available for use by all funds, except the pension trust funds. The deposits and investments of the pension trust funds are held separately from those of other funds and are controlled by the respective pension boards.

The City's investment policy authorizes the City to invest in all investments allowed by Illinois Compiled Statutes (ILCS). These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value) and the Illinois Metropolitan Investment Fund (IMET), a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold. The City's investment policy does limit their deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

It is the policy of the City to invest its funds in a manner which will provide the highest investment return with the maximum security, safety and risk avoidance while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety of principal, liquidity and rate of return.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 102% of the fair market value of the funds secured, with the collateral held by the City, an independent third party or the Federal Reserve Bank of New York in the City's name.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

A. City Investments (Continued)

Investments

The following table presents the investments and maturities of the City's debt securities as of April 30, 2014:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater than 10
U.S. Agency Obligations	\$ 551,797	\$ 551,797	\$ -	\$ -	\$ -
State and Municipal Obligations	2,598,328	1,357,933	1,240,395	-	-
IMET 1 to 3 Years	15,477,386	-	15,477,386	-	-
TOTAL	\$ 18,627,511	\$ 1,909,730	\$ 16,717,781	\$ -	\$ -

In accordance with its investment policy, the City 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 five-year period. The investment policy limits the maximum maturity length of investments to five years from date of purchase. Investments in reserve funds may be purchased with maturities to match future projects or liability requirements.

The City 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 external investment pools. The U.S. agency obligations are rated AAA. The state and municipal bonds are rated AA - AAA.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the City will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the City's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the City's agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the City's name. Illinois Funds, IMET and the money market mutual funds are not subject to custodial credit risk.

Concentration of credit risk is the risk that the City has a high percentage of their investments invested in one type of investment. The City's investment policy requires diversification of investment to avoid unreasonable risk. Commercial paper shall not exceed 25% of the City's investment portfolio.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

B. Police Pension Investments

The Police Pension Fund's investment policy authorizes the Police Pension Fund to invest in all investments allowed by the Illinois Pension Code contained in Chapter 40 of Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, equity security and certificate of deposits.

It is the policy of the Police Pension Fund to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the cash flow demands of the Police Pension Fund and conforming to all state and local statutes governing the investment of public funds. The primary objectives of the policy are, in order of priority, safety of principal, rate of return, public trust and liquidity.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Police Pension Fund's deposits may not be returned to it. The Police Pension Fund's investment policy does not require pledging of collateral for its deposits in excess of federal depository insurance. However, all deposits at April 30, 2014 are covered by federal depository insurance.

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of April 30, 2014:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 1,750,862	\$ 365,074	\$ 784,178	\$ 390,246	\$ 211,364
U.S. Agency Obligations	1,702,648	241,494	290,823	159,861	1,010,470
Corporate Bonds	4,292,274	-	2,134,289	1,964,190	193,795
TOTAL	\$ 7,745,784	\$ 606,568	\$ 3,209,290	\$ 2,514,297	\$ 1,415,629

Investments

The pension fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. Treasury and U.S. agency obligations. The U.S. agency obligations are rated AAA to AA. The corporate bonds are rated A to BAA.

2. DEPOSITS AND INVESTMENTS (Continued)

B. Police Pension Investments (Continued)

Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Police Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. The Police Pension Fund's policy does not address custodial credit risk over investments. In addition, the Police Pension Fund allows the investment broker to also serve as custodian, but requires the investment broker to acquire an excess SIPC policy to provide the same coverage over the portfolio as SIPC.

C. Firefighters' Pension Investments

The Firefighters' Pension Fund's investment policy authorizes the Firefighters' Pension Fund to invest in all investments allowed by ILCS. These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value). The Firefighters' Pension Fund's investment policy does limit their deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

It is the policy of the Firefighters' Pension Fund to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Firefighters' Pension Fund and conforming to all state and local statutes governing the investment of public funds.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Firefighters' Pension Fund's deposits may not be returned to it. The Firefighters' Pension Fund's investment policy does not require pledging of collateral for its deposits in excess of federal depository insurance. However, all deposits at April 30, 2014 are covered by federal depository insurance.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

C. Firefighters' Pension Investments (Continued)

Investments

The following table presents the investments and maturities of the Firefighters' Pension Fund's debt securities as of April 30, 2014:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 4,065,783	\$ 405,711	\$ 2,761,269	\$ 898,803	\$ -
U.S. Agency Obligations	3,255,940	-	546,220	1,321,344	1,388,376
Corporate Bonds	1,922,118	-	1,181,851	740,267	-
TOTAL	\$ 9,243,841	\$ 405,711	\$ 4,489,340	\$ 2,960,414	\$ 1,388,376

In accordance with its investment policy, the Firefighters' Pension Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market.

The pension fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. Treasury and U.S. agency obligations. The U.S. agency obligations are all rated AAA to AA. The corporate bonds are rated A to BAA.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Firefighters' Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. The Firefighters' Pension Fund's policy does not address custodial credit risk over investments. In addition, the Firefighters' Pension Fund allows the investment broker to also serve as custodian, but requires the investment broker to acquire an excess SIPC policy to provide the same coverage over the portfolio as SIPC.

3. RECEIVABLES - PROPERTY TAXES

Property taxes for the 2013 levy year attach as an enforceable lien on January 1, 2013, on property value assessed as of the same date. Taxes are levied by December 31 of the subsequent fiscal year end by passage of a Tax Levy Ordinance. Tax bills are prepared by the Counties and issued on or about May 1, 2014 and August 1, 2014, and are payable in two installments, on or about June 1, 2014 and September 1, 2014. The County collects such taxes and remits them periodically.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. RECEIVABLES - PROPERTY TAXES (Continued)

The 2013 taxes are intended to finance the 2015 fiscal year and are not considered available or earned for current operations and are, therefore, shown as unavailable revenue. The 2014 tax levy has not been recorded as a receivable at April 30, 2014, as the tax attached as a lien on property as of January 1, 2014; however, the tax will not be levied until December 2014 and, accordingly, is not measurable at April 30, 2014.

4. DUE FROM OTHER GOVERNMENTS

Due from other governments consisted of the following amounts at April 30, 2014:

GOVERNMENTAL ACTIVITIES	
Sales Tax	\$ 2,398,167
Home Rule Sales Tax	1,278,386
Income Tax	504,765
Local Use Tax	136,747
Auto Rental	11,334
Motor Fuel Tax	60,789
Simplified Telecommunications Tax	274,695
	<hr/>
TOTAL GOVERNMENTAL ACTIVITIES	\$ 4,664,883

5. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2014 is as follows:

	Balances May 1	Increases	Decreases	Balances April 30
GOVERNMENTAL ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 17,747,613	\$ 816,970	\$ -	\$ 18,564,583
Land Right of Ways	41,026,148	-	-	41,026,148
Construction in Progress	15,282,070	43,339	15,282,070	43,339
Intangible Assets	431,747	36,105	-	467,852
Total Capital Assets not Being Depreciated	<hr/> 74,487,578	<hr/> 896,414	<hr/> 15,282,070	<hr/> 60,101,922
Capital Assets Being Depreciated				
Buildings	48,628,939	1,420,774	115,000	49,934,713
Improvements Other Than Buildings	14,841,477	273,511	-	15,114,988
Equipment and Fixtures	13,546,376	866,920	572,138	13,841,158
Streets	67,559,566	1,438,794	-	68,998,360
Traffic Signals	522,954	234,466	-	757,420
Storm Sewers	35,797,747	593,450	-	36,391,197
Bridges	4,347,653	27,264,007	-	31,611,660
Culverts	1,599,906	-	-	1,599,906
Intangible Assets	2,337,867	60,326	-	2,398,193
Total Capital Assets Being Depreciated	<hr/> 189,182,485	<hr/> 32,152,248	<hr/> 687,138	<hr/> 220,647,595

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS (Continued)

	Balances May 1	Increases	Decreases	Balances April 30
Less Accumulated Depreciation for				
Buildings	\$ 13,578,061	\$ 1,367,516	\$ 62,867	\$ 14,882,710
Improvements Other Than Buildings	2,891,952	674,615	-	3,566,567
Equipment and Fixtures	6,833,577	752,758	511,364	7,074,971
Streets	41,850,946	1,176,489	-	43,027,435
Traffic Signals	13,698	13,338	-	27,036
Storm Sewers	22,376,297	677,943	-	23,054,240
Bridges	2,000,922	85,386	-	2,086,308
Culverts	1,355,505	11,518	-	1,367,023
Intangible Assets	912,557	141,785	-	1,054,342
Total Accumulated Depreciation	91,813,515	4,901,348	574,231	96,140,632
Total Capital Assets Being Depreciated, Net	97,368,970	27,250,900	112,907	124,506,963
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 171,856,548</u>	<u>\$ 28,147,314</u>	<u>\$ 15,394,977</u>	<u>\$184,608,885</u>
BUSINESS-TYPE ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 2,162,294	\$ -	\$ -	\$ 2,162,294
Construction in Progress	5,209,627	9,410,523	4,453,560	10,166,590
Total Capital Assets not Being Depreciated	7,371,921	9,410,523	4,453,560	12,328,884
Capital Assets Being Depreciated				
Refuse Equipment	97,908	-	-	97,908
Electric Property	103,519,675	5,360,593	535,936	108,344,332
Water and Sewer Plant and Equipment	118,775,153	3,945,563	-	122,720,716
Total Capital Assets Being Depreciated	222,392,736	9,306,156	535,936	231,162,956
Less Accumulated Depreciation for				
Refuse Equipment	97,908	-	-	97,908
Electric Property	45,919,464	3,239,695	15,783	49,143,376
Water and Sewer Plant and Equipment	56,175,866	3,030,661	-	59,206,527
Total Accumulated Depreciation	102,193,238	6,270,356	15,783	108,447,811
Total Capital Assets Being Depreciated, Net	120,199,498	3,035,800	520,153	122,715,145
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$127,571,419</u>	<u>\$ 12,446,323</u>	<u>\$ 4,973,713</u>	<u>\$ 135,044,029</u>

Depreciation expense was charged to governmental activities functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES	
General Government	\$ 349,975
Public Health and Safety	605,791
Public Works, Including Depreciation of General Infrastructure Assets	3,927,001
Community Development	18,581
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u>\$ 4,901,348</u>

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT

A. General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the City and are payable from governmental activities/funds and business-type activities/enterprise funds. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements /Refundings	Balances April 30	Current Portion
\$4,890,000 General Obligation Bonds of 2002A, annual installments of \$265,000 to \$415,000, interest at 3% to 4% payable each June 1 and December 1.	Debt Service	\$ 22,294	\$ -	\$ 22,294	\$ -	\$ -
	Electric	332,706	-	332,706	-	-
\$16,500,000 General Obligation Bonds of 2005A, annual installments of \$625,000 to \$1,175,000, interest at 3.5% to 4.5% payable each June 1 and December 1.	Debt Service	1,550,000	-	750,000	800,000	800,000
\$2,615,000 Taxable General Obligation Refunding Bonds of 2005B, annual installments of \$25,000 to \$410,000, interest at 3.85% to 4.85% payable each June 1 and December 1.	TIF #1	305,000	-	305,000	-	-
\$10,000,000 General Obligation Bonds of 2006, annual installments of \$3,065,000 to \$3,605,000, interest at 3.95% payable each June 1 and December 1.	TIF #4	1,190,000	-	-	1,190,000	-
\$4,470,000 General Obligation Bonds of 2007A, annual installments of \$1,660,000 to \$2,810,000, interest at 3.90% to 3.95% payable each June 1 and December 1.	TIF #4	590,000	-	-	590,000	-
\$2,000,000 General Obligation Bonds of 2007B, annual installments of \$70,000 to \$405,000, interest at 3.7% payable each June 1 and December 1.	Sewer	1,545,000	-	85,000	1,460,000	90,000
\$3,530,000 General Obligation Bonds of 2007C, annual installments of \$500,000 to \$2,245,000, interest at 4% payable each June 1 and December 1.	TIF #4	245,000	-	-	245,000	-

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

A. General Obligation Bonds (Continued)

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements /Refundings	Balances April 30	Current Portion
\$10,810,000 General Obligation Bonds of 2008A, annual installments of \$315,000 to \$1,790,000, interest at 3.75% to 4.00% payable each June 1 and December 1.	TIF #4	\$ 1,165,000	\$ -	\$ 260,000	\$ 905,000	\$ 55,000
\$1,830,000 General Obligation Bonds of 2008B, annual installments of \$60,000 to \$135,000, interest at 4.125% to 4.500% payable each June 1 and December 1.	Water	1,505,000	-	70,000	1,435,000	75,000
\$13,440,000 General Obligation Bonds of 2008C, annual installments of \$465,000 to \$775,000, interest at 3.6% to 5.4% payable each July 1 and January 1.	Electric	2,105,000	-	90,000	2,015,000	95,000
	Debt Service	9,290,000	-	475,000	8,815,000	490,000
\$6,695,000 General Obligation Refunding Bonds of 2009, annual installments of \$305,000 to \$1,520,000, interest at 2% to 5% payable each June 1 and December 1.	TIF	1,515,000	-	285,000	1,230,000	290,000
	Debt Service	812,612	-	552,577	260,035	260,035
	Electric	312,388	-	212,423	99,965	99,965
\$7,090,000 General Obligation Bonds of 2010A, annual installments of \$260,000 to \$505,000 interest at 2.000% to 4.625% payable each June 1 and December 1.	Electric	3,051,346	-	123,169	2,928,177	125,493
	Water	2,154,436	-	86,965	2,067,471	88,606
	Sewer	1,359,218	-	54,866	1,304,352	55,901
\$4,305,000 General Obligation Refunding Bonds of 2010B, annual installments of \$815,000 to \$905,000, interest at 2% to 3% payable each June 1 and December 1.	Debt Service	2,650,000	-	870,000	1,780,000	875,000
\$1,920,000 General Obligation Refunding Bonds of 2010C, annual installments of \$10,000 to \$215,000, interest at 3.0% to 4.5% payable each June 1 and December 1.	TIF #3	1,765,000	-	150,000	1,615,000	155,000

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

A. General Obligation Bonds (Continued)

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements /Refundings	Balances April 30	Current Portion
\$4,860,000 General Obligation Corporate Purpose Bonds of 2011A, annual installments of \$160,000 to \$340,000, interest at 2% to 4% payable each June 1 and December 1.	Sewer	\$ 831,900	\$ -	\$ 31,860	\$ 800,040	\$ 32,745
	Debt Service	3,868,100	-	148,140	3,719,960	152,255
\$1,560,000 General Obligation Refunding Bonds of 2011B, annual installments of \$5,000 to \$405,000, interest at 2% to 4% payable each June 1 and December 1.	Electric	1,462,032	-	4,686	1,457,346	351,450
	Debt Service	97,968	-	314	97,654	23,550
\$2,885,000 General Obligation Refunding Bonds of 2011C, annual installments of \$365,000 to \$460,000, interest at 3% to 4% payable each June 1 and December 1.	Debt Service	2,885,000	-	-	2,885,000	-
\$3,090,000 General Obligation Refunding Bonds of 2011D, annual installments of \$210,000 to \$310,000, interest at 2% to 4% payable each June 1 and December 1.	TIF #5	2,880,000	-	220,000	2,660,000	230,000
\$9,035,000 General Obligation Corporate Purpose Bonds of 2012A, annual installments of \$335,000 to \$610,000 interest at 2% to 4% payable each June 1 and December 1.	Electric	935,000	-	30,000	905,000	35,000
	Water	815,000	-	25,000	790,000	30,000
	Debt Service	7,285,000	-	375,000	6,910,000	405,000
\$12,025,000 General Obligation Refunding Bonds of 2012B, annual installments of \$285,000 to \$1,190,000, interest at 2% to 4% payable each June 1 and December 1.	Debt Service	12,025,000	-	285,000	11,740,000	295,000
\$1,190,000 Taxable General Obligation Refunding Bonds of 2012C, annual installments of \$30,000 to \$410,000, interest at 0.65% to 1.25% payable each June 1 and December 1.	TIF #1	1,190,000	-	30,000	1,160,000	365,000

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

A. General Obligation Bonds (Continued)

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements/ Refundings	Balances April 30	Current Portion
\$22,355,000 General Obligation Corporate Purpose Bonds of 2013A, annual installments of \$1,385,000 to \$2,400,000, interest at 4% payable each June 1 and December 1.	TIF #4	\$ 22,355,000	\$ -	\$ -	\$ 22,355,000	\$ -
\$4,915,000 General Obligation Corporate Purpose Bonds of 2013B, annual installments of \$195,000 to \$340,000 interest at 1.00% to 4.62% payable each June 1 and December 1.	Electric	-	641,688	-	641,688	25,459
	Water	-	110,018	-	110,018	4,365
	Sewer	-	452,866	-	452,866	17,967
	Debt Service	-	3,710,428	-	3,710,428	147,209
TOTAL GENERAL OBLIGATION BONDS		\$ 90,095,000	\$ 4,915,000	\$ 5,875,000	\$ 89,135,000	\$ 5,670,000

B. Revenue Bonds

Revenue bonds are limited obligations of the City and are payable solely from the revenue streams or trusts that are securing the obligations. Revenue bonds currently outstanding are as follows:

	Fund Debt Retired by	Balances May 1	Additions	Retirements	Balances April 30	Current Portion
\$8,935,000 Revenue Bonds of 2008, term bonds due 2021 and 2025 subject to mandatory redemption in annual installments of \$280,000 to \$1,470,000, interest at 6.95% payable each July 1 and January 1.	Debt Service	\$ 8,335,000	\$ -	\$ 405,000	\$ 7,930,000	\$ 405,000
TOTAL		\$ 8,335,000	\$ -	\$ 405,000	\$ 7,930,000	\$ 405,000

The revenue bonds and the interest thereon are limited obligations of the City payable solely from the pledged taxes. Pledged taxes are 75% of the increase, if any, in local sales taxes and 75% of the increase, if any, in home rule sales taxes derived from the specified project area over the amount of taxes collected in the base year. These pledges will remain until all bonds are retired or mature in 2025 as disclosed in Note 6-F, Governmental Activities Revenue Bonds. During the current fiscal year, the principal and interest on the bonds was approximately 95.05% of the pledged sales taxes (local and home rule) in specific project area.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

C. IEPA Loans

The City, through the Illinois Environmental Protection Agency (IEPA), received low interest loans for the construction of sewerage collection and treatment facilities payable from sewer fees. IEPA loans currently outstanding are as follows:

	Fund Debt Retired by	Balances May 1	Additions	Retirements	Balances April 30	Current Portion
EPA Loan III	Sewer	\$ 3,362,920	\$ -	\$ 384,249	\$ 2,978,671	\$ 394,051
EPA Loan IV	Sewer	6,927,214	-	480,880	6,446,334	492,977
EPA Loan V	Sewer	5,600,506	-	279,284	5,321,222	282,787
EPA Loan VI	Water	1,713,111	-	97,892	1,615,219	97,892
EPA Loan VII*	Sewer	1,879,847	5,811,735	-	7,691,582	-
TOTAL		\$ 19,483,598	\$ 5,811,735	\$ 1,242,305	\$ 24,053,028	\$ 1,267,707

* The Illinois EPA loan VII has not been closed out by the IEPA and, therefore, no repayment schedule has been determined as of April 30, 2014.

D. Installment Contracts

During the fiscal year ended April 30, 2003, the City purchased land via an installment purchase agreement.

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
\$1,050,000 Installment Contract dated November 18, 2002 with monthly installments of \$382.	General	\$ 84,451	\$ -	\$ 4,586	\$ 79,865	\$ 4,586
	*Water	685,332	-	114,222	571,110	114,222
TOTAL		\$ 769,783	\$ -	\$ 118,808	\$ 650,975	\$ 118,808

E. Developer/Intergovernmental Agreements

The City entered into agreements with the owners of real estate purchased by the City in 2004 to provide an inducement for the sale of the property. The agreements terminate the earlier of June 30, 2012 and January 1, 2015 or the occurrence of events as defined in the agreement. A liability of \$348,040 has been accrued as of April 30, 2014 under these agreements.

*In 2012, the City entered into an agreement with St. Charles Community School District 303 (the District) for the transfer of a title of property to the City. In exchange for the property the City will provide the District with a high school resource officer at no charge as defined in the agreement from June 7, 2011 through June 6, 2019. As of April 30, 2014, a liability of \$571,110 has been accrued and \$114,222 of services have been provided related to this agreement, which is recorded in the water fund. The liability will be reduced as services are provided to the District.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

F. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year	Governmental Activities					
	General Obligation Bonds		Revenue Bonds		Installment Contracts	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	4,543,049	2,758,965	405,000	551,135	\$ 4,586	\$ -
2016	4,437,757	2,640,513	450,000	522,988	4,586	-
2017	3,667,186	2,509,566	505,000	491,713	4,586	-
2018	3,386,018	2,387,855	560,000	456,615	4,586	-
2019	3,169,699	2,259,880	620,000	417,695	4,586	-
2020	3,226,703	2,148,246	685,000	374,605	4,586	-
2021	3,372,483	2,015,436	750,000	326,998	4,586	-
2022	3,519,487	1,875,737	775,000	274,873	4,586	-
2023	3,677,377	1,733,881	840,000	221,010	4,586	-
2024	3,344,381	1,585,747	915,000	162,630	4,586	-
2025	3,175,161	1,464,108	1,425,000	99,036	4,586	-
2026	2,822,165	1,359,015	-	-	4,586	-
2027	1,822,944	1,266,553	-	-	4,586	-
2028	2,828,724	1,156,936	-	-	4,586	-
2029	2,959,503	1,034,857	-	-	4,586	-
2030	2,294,397	905,998	-	-	4,586	-
2031	2,410,176	815,859	-	-	4,586	-
2032	2,538,845	720,310	-	-	1,910	-
2033	2,365,349	619,619	-	-	-	-
2034	2,106,673	525,868	-	-	-	-
2035	2,005,000	440,000	-	-	-	-
2036	2,095,000	359,800	-	-	-	-
2037	2,200,000	276,000	-	-	-	-
2038	2,300,000	188,000	-	-	-	-
2039	2,400,000	96,000	-	-	-	-
TOTAL	\$ 72,668,077	\$ 33,144,749	\$ 7,930,000	\$ 3,899,298	79,872	\$ -

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

F. Debt Service Requirements to Maturity (Continued)

Fiscal Year	Business-Type Activities			
	IEPA Loans		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2015	\$ 1,267,706	\$ 296,760	\$ 1,126,951	\$ 647,232
2016	1,293,707	270,759	1,052,243	618,792
2017	1,320,320	244,146	1,092,814	586,509
2018	1,347,560	216,906	1,133,982	548,851
2019	1,375,444	189,022	775,301	507,469
2020	1,403,987	160,480	803,297	478,855
2021	1,433,202	131,264	837,517	446,026
2022	993,074	104,313	870,513	411,605
2023	1,011,699	85,688	902,623	375,876
2024	1,030,745	66,641	950,619	338,760
2025	1,050,224	47,162	984,839	300,304
2026	709,576	27,682	1,027,835	259,163
2027	426,290	20,023	1,072,056	215,387
2028	430,408	15,905	971,276	168,286
2029	434,577	11,736	875,497	124,735
2030	438,799	7,514	715,603	84,552
2031	394,128	3,239	744,824	53,510
2032	-	-	251,155	20,934
2033	-	-	194,651	11,275
2034	-	-	83,327	3,854
TOTAL	\$ 16,361,446	\$ 1,899,240	\$ 16,466,923	\$ 6,201,975

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

G. Changes in Long-Term Liabilities

During the fiscal year the following changes occurred in long-term liabilities for governmental activities:

	Balances May 1	Issuances	Retirements /Refundings	Balances April 30	Current Portion
General Obligation Bonds Payable	\$ 73,685,974	\$ 3,710,428	\$ 4,728,325	\$ 72,668,077	\$ 4,543,049
Revenue Bonds Payable	8,335,000	-	405,000	7,930,000	405,000
Unamortized (Discount) Premium on Bonds Payable	2,980,764	(19,767)	219,095	2,741,902	-
Unamortized Loss on Refunding	(3,812,186)	-	(405,550)	(3,406,637)	-
Installment Contracts Payable - Governmental Funds	84,451	-	4,586	79,865	4,586
Developer Agreements - Governmental Funds	311,444	36,596	-	348,040	-
Compensated Absences Payable - Governmental Funds (General Fund)	3,209,117	3,370,379	3,209,117	3,370,379	3,370,379
Compensated Absences Payable - Internal Service Funds	148,232	120,527	148,232	120,527	120,527
Net Pension Obligation (General Fund)	793	4,334	-	5,127	-
Net OPEB Obligation (General Fund)	4,383,448	349,418	-	4,732,866	-
Net OPEB Obligation - Internal Service Funds	198,781	12,041	-	210,822	-
TOTAL	\$ 89,525,818	\$ 7,583,957	\$ 8,308,805	\$ 88,800,968	\$ 8,443,541

During the fiscal year the following changes occurred in long-term liabilities for business-type activities:

	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
General Obligation Bonds Payable	\$ 16,409,026	\$ 1,204,572	\$ 1,146,675	\$ 16,466,923	\$ 1,126,951
Unamortized (Discount) Premium on Bonds Payable	281,268	(6,417)	29,737	245,114	1,267,707
IEPA Loans Payable	19,483,598	5,811,735	1,242,305	24,053,028	-
Intergovernmental Agreements	685,332	-	114,222	571,110	114,222
Compensated Absences Payable	562,103	564,528	562,103	564,528	564,528
Net OPEB Obligation	794,031	62,709	-	856,740	-
TOTAL	\$ 38,215,358	\$ 7,637,127	\$ 3,095,042	\$ 42,757,443	\$ 3,073,408

6. LONG-TERM DEBT (Continued)

H. Legal Debt Margin

The City is a home rule municipality. Article VII, Section 6(k) of the 1970 Illinois Constitution 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 percentage amounts.”

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

I. Noncommitment Debt

Special Service Area Bonds

Special service area bonds outstanding as of the date of this report totaled \$1,760,000. These bonds are not an obligation of the City and are secured by the levy of special assessments and real estate taxes on certain property within the special assessment and special service areas. The City is in no way liable for repayment but is only acting as agent for the property owners in levying and collecting the assessments and forwarding the collections to bondholders.

The construction phase of this special service area is accounted for in a capital projects fund while the bond repayment phase is accounted for in an agency fund.

J. Conduit Debt

The City has issued Industrial Development Revenue Bonds (IDRBs) to provide financial assistance to private organizations for the construction and acquisition of industrial and commercial improvements deemed to be in the public interest. The bonds are secured solely by the property financed and are payable solely from the payments received on the underlying mortgage loans on the property. The City is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not reported as a liability in these financial statements. As of April 30, 2014, there were four series of IDRBs outstanding. The aggregate principal amount payable for the IDRBs outstanding could not be determined at April 30, 2014. The original principal balance is \$19,742,164.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. RISK MANAGEMENT

The City is exposed to various risks including but not limited to losses from workers' compensation, employee health and general liability/property. The City is self-insured for workers' compensation, employee health insurance, public liability, general property and casualty. The City has established an internal service fund to account for these activities as they relate to governmental activities/fund, while self-insurance activity related to enterprise funds is accounted for directly in those funds. Each participating governmental fund makes payments to the self-insurance fund. Such payments are displayed on the financial statements as revenues and expenditures/expenses to the extent that the charge to the other funds is based on the actual expenses of the fund plus an additional amount for catastrophic losses. Payments in excess of these amounts, if any, are reported as transfers.

The City has contracted with third party administrators (TPAs) to administer the workers' compensation and employee health insurance programs and to review and process claims. In addition, the City has contracted with third party carriers for specific and aggregate stop loss coverage to limit the City's exposure to losses. Losses have not exceeded coverages for the last three years. The specific and aggregate stop loss coverages which are consistent with the prior year are as follows:

Liability Insurance - The City is self-insured with a specific stop loss of \$100,000 per occurrence.

Health Insurance - The City is self-insured with a specific stop loss of \$85,000 per individual per year.

Workers' Compensation Insurance - The City is self-insured with a specific stop loss of \$650,000 per occurrence for Police, Fire and Electric Utility employees and \$550,000 per occurrence for all other employees.

The City has recorded a liability for claims which were reported but unpaid as of the end of the fiscal year as well as an estimated liability for claims incurred but not reported. A reconciliation of claims payable for the fiscal years ended April 30, 2013 and 2014 is as follows:

	2013	2014
CLAIMS PAYABLE, MAY 1	\$ 2,390,848	\$ 2,003,560
Add Claims Incurred	3,334,789	3,102,138
Less Claims Paid	3,722,077	3,600,388
CLAIMS PAYABLE, APRIL 30	<u>\$ 2,003,560</u>	<u>\$ 1,505,310</u>

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. INDIVIDUAL FUND DISCLOSURES

As of April 30, 2014, individual fund interfund receivables and payables were as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 288,832
General	Electric	3,456,616
General	Fiduciary	5,077
Nonmajor Governmental	General	<u>595,784</u>
TOTAL DUE TO/FROM OTHER FUNDS		<u>\$ 4,346,309</u>

These receivables in the General Fund are for interfund loans to the nonmajor governmental, electric and fiduciary funds to be repaid in one year. The receivable in the nonmajor governmental funds results from accounting of sales taxes to the 2008 Revenue Bond Fund.

As of April 30, 2014, major individual fund advances between funds were as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 3,810,524
General	Electric	1,047,895
General	Water	238,158
General	Sewer	523,947
Electric	Internal Service	<u>1,048,280</u>
TOTAL		<u>\$ 6,668,804</u>

During the fiscal year ended April 30, 2014 the General Fund advanced TIF District #1, TIF District #3 and TIF District #5 Special Revenue funds, \$77,356, \$55,012 and \$111,265, respectively. This fiscal year TIF District #2 has paid back \$150,000 towards their advance. In prior years, \$3,716,890 was advanced to cover Debt Service for TIF District #2, TIF District #3 and TIF District #5. The \$3,810,524 advanced as of April 30, 2014 will be paid from tax increments in future years. The Electric Fund advanced the Communications Fund \$1,233,272 for the purchase of fiber optic cable. Starting last fiscal year, annual payments of \$61,664 will be made. As of April 30, 2014 the balance is \$1,048,280.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. INDIVIDUAL FUND DISCLOSURES (Continued)

Interfund transfers during the year ended April 30, 2014 were as follows:

	Transfers In	Transfers Out
General		
Nonmajor Governmental	\$ -	\$ 5,786,021
Electric	-	274,943
Nonmajor Enterprise	-	92,000
Internal Service	-	178,879
Total General	-	6,331,843
Nonmajor Governmental		
General	5,786,021	-
Electric	426,139	-
Water	149,749	-
Sewer	274,305	-
Nonmajor Governmental	2,601,940	2,601,940
Total Nonmajor Governmental	9,238,154	2,601,940
Electric		
General	274,943	-
Nonmajor Governmental	-	426,139
Total Electric	274,943	426,139
Water		
Nonmajor Governmental	-	149,749
Sewer		
Nonmajor Governmental	-	274,305
Nonmajor Enterprise		
General	92,000	-
Internal Service		
General	178,879	-
TOTAL	\$ 9,783,976	\$ 9,783,976

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. INDIVIDUAL FUND DISCLOSURES (Continued)

Major interfund transfers resulted from the following:

- \$5,786,021 transfer from the General Fund to Nonmajor Funds. This transaction relates to money transferred to debt service funds for payments of principal and interest on general obligation debt and for money transferred to the Capital Project Funds.
- \$2,601,940 transfers from Nonmajor Governmental Funds to Nonmajor Governmental Funds. These transactions relate to money transferred from the Special Revenue Funds and Capital Project Fund to Debt Service Funds for payments of principal and interest on general obligation debt.
- \$850,193 Transfers from the Enterprise Funds to Debt Service Fund. This transaction relates to money transferred to debt service funds for payments of principal and interest on general obligation debt.
- \$274,943 transfer to the Electric Fund from the General Fund for maintenance of streetlights and Christmas light decorations.
- \$92,000 Transfer to the Nonmajor Enterprise (Refuse) Fund from the General Fund to cover expenses not covered by user fees.
- \$178,879 Transfers from the General Fund to Internal Service Funds. This transaction relates to money transferred to the Workers' Compensation/Liability Insurance Fund to cover insurance premiums.

The following funds reported deficit fund balances/net position at April 30, 2014:

Fund	Deficit Balance
TIF District #1 Special Revenue Fund	\$ 66,832
TIF District #2 Special Revenue Fund	790,661
TIF District #3 Special Revenue Fund	863,241
TIF District #4 Special Revenue Fund	717,503
TIF District #5 Special Revenue Fund	1,202,750

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. INDIVIDUAL FUND DISCLOSURES (Continued)

- Projects in TIF District #2 are still under construction without full occupancy and the TIF has not generated sufficient property tax revenue to cover the debt service.
- The deficit in TIF District #3 is from insufficient property tax revenue to support the debt service.
- The deficit in TIF District #4 is from insufficient property tax revenue to support the debt service.
- The deficit in TIF District #5 is from insufficient property tax revenue to support the debt service.

9. CONTINGENT LIABILITIES

A. Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the City as estimated liabilities have been accrued in the City's self-insurance fund where applicable.

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 City expects such amounts, if any, to be immaterial.

C. Economic Development Incentives

The City has entered into an agreement with the owners of a local mall to provide an incentive for adding a department store to the mall. The incentive is the lesser amount of a base of \$525,000 in 2002 up to \$700,000 through 2016 or incremental sales taxes generated by the facility, capped at 100% in 2002 decreasing to 32% in 2016. The maximum incentives under this agreement are \$2,000,000. No liability has been accrued as of April 30, 2014 under this agreement as the thresholds have not been met in the current year. The total incentives incurred under this agreement through April 30, 2014 are \$283,521.

9. CONTINGENT LIABILITIES (Continued)

C. Economic Development Incentives (Continued)

The City also entered into an agreement with the developer of another local mall to provide reimbursement of allowable costs and also an incentive for adding auto dealers to the mall. The incentive ranges from \$0 to \$2,500,000, through the calendar year 2012, with a \$500,000 incentive per new auto dealer added to the mall. No liability for the incentives has been accrued as of April 30, 2014 under this agreement as the thresholds have not yet been met.

The City has entered into an agreement with a car dealer to provide economic incentives over a five-year period. The incentive ranges from \$0 to \$500,000, made in one annual payment, based on the sales tax produced by the dealership during the year. The City retains all sales up to a designated base amount, ranging from \$500,688 to \$554,826, and then remits amounts above this base, at 100% in years 1 through 4 and 65% in year 5, to the dealership up the maximum amount. As of April 30, 2014, no amounts have been paid related to this agreement.

The City has entered into an agreement with a car dealer to provide economic incentives over a ten-year period. The incentives are paid every four months at 50% of the total sales tax generated by the business up to a maximum of \$450,000 through May 31, 2021. As of and for the year ended April 30, 2014, a liability of \$59,265 has been accrued and payments of \$80,309 have been made under this agreement. As of April 30, 2014, the City has incurred total incentives of \$237,317.

The City has entered into an agreement with a local retailer to provide economic incentives over a five-year period. Payments are to be made annually as 50% of sales taxes that exceed a base of \$16,000 and up to a maximum annual reimbursement of \$10,000 through July 31, 2016. No liability for the incentives has been accrued as of April 30, 2014 under this agreement.

The City has entered into an agreement with a car dealer to provide economic incentives over a 15-year period. The incentives are paid annually as 100% of sales taxes generated that exceed a base of \$300,000 up to a maximum total reimbursement of \$1,400,000 through May 31, 2027. As of and for the year ended April 30, 2014, a liability of \$106,436 has been accrued and payments of \$88,453 have been made under this agreement. As of April 30, 2014, the City has incurred total incentives of \$194,889.

The City has entered into an agreement with a car dealer to provide economic incentives over a 15-year period. The incentives are paid every four months as 50% of sales taxes generated up to a maximum total reimbursement of \$800,000 through August 31, 2027. If, in any year, the total sales tax generated is less than \$128,000, the Company will reimburse the City the difference between \$100,000 and its share of the distributions. As of and for the year ended April 30, 2014, a liability of \$64,107 has been accrued and payments of \$164,738 have been made under this agreement. As of April 30, 2014, the City has incurred total incentives of \$228,845.

10. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

In addition to providing the pension benefits described, the City provides postemployment health care and life insurance benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and any employer contributions are governed by the City and can be amended by the City 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 City's General Fund, Electric Fund, Water Fund and Sewer Fund.

B. Benefits Provided

The City provides postemployment health care and life insurance benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans or meet COBRA requirements.

All health care benefits are provided through the City's 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. Eligibility in city sponsored health care plans is discontinued upon eligibility for federally sponsored health care benefits.

C. Membership

At April 30, 2014, membership consisted of:

Retirees and beneficiaries currently receiving benefits	30
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>230</u>
 TOTAL	 <u>260</u>
 Participating employers	 <u><u>1</u></u>

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

D. Funding Policy

The City negotiates the contribution percentages between the City and employees through the union contracts and personnel policy. 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 City as defined by the GASB Statement No. 45. For the fiscal year ended April 30, 2014, retirees contributed \$242,048 and the City contributed \$183,683. The City is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

E. Annual OPEB Costs and Net OPEB Obligation

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the last three years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2012	\$ 869,721	\$ 164,548	18.9%	\$ 4,902,416
April 30, 2013	604,693	130,849	21.6%	5,376,260
April 30, 2014	607,851	183,683	30.2%	5,800,428

The net OPEB obligation (NOPEBO) as of April 30, 2014 was calculated as follows:

Annual required contribution	\$ 572,010
Interest on net OPEB obligation	215,050
Adjustment to annual required contribution	<u>(179,209)</u>
Annual OPEB cost	607,851
Contributions made	<u>183,683</u>
Increase in net OPEB obligation	424,168
Net OPEB obligation, beginning of year	<u>5,376,260</u>
NET OPEB OBLIGATION, END OF YEAR	<u>\$ 5,800,428</u>

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

E. Annual OPEB Costs and Net OPEB Obligation (Continued)

Funded Status and Funding Progress. The funded status of the plan as of April 30, 2014 was as follows:

Actuarial accrued liability (AAL)	\$ 2,919,438
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	2,919,438
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 23,081,287
UAAL as a percentage of covered payroll	12.65%

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

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

In the April 30, 2014 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate starting at 7.5% declining .5% annually to 5.5% by 2018. Both rates include a 3% inflation assumption. The actuarial value of assets was not determined as the City has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a 30 year open basis.

11. DEFINED BENEFIT PENSION PLANS

The City contributes to four defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Sheriff's Law Enforcement Personnel Fund (SLEP), an agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and the Firefighters' Pension Plan which is also a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all plans are governed by ILCS and can only be amended by the Illinois General Assembly. None 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 Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

A. Plan Descriptions

Illinois Municipal Retirement Fund (IMRF)

All employees (other than those covered by the Police or Firefighters' Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

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.

Participating members are required to contribute 4.5% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the year ended December 31, 2013 was 13.77% of covered payroll.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Sheriff's Law Enforcement Personnel (SLEP)

SLEP members, having accumulated at least 30 years of SLEP service and terminating IMRF participation on or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. SLEP members meeting these two qualifications are entitled to an annual retirement benefit, payable monthly for life, in an amount generally equal to 2.5% of their final rate of earnings, for each year of credited service up to 20 years, 2% of their final earnings rate for the next ten years of credited service and 1% for each year thereafter.

For those SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies. SLEP also provides death and disability benefits. These benefit provisions and all other requirements are established by State statutes. SLEP members are required to contribute 6.5% of their annual salary to SLEP. The City is required to contribute the remaining amounts necessary to fund SLEP as specified by statute. The employer contribution rates for the year ended December 31, 2013 was 13.77% of covered payroll.

Police Pension Plan

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 City accounts for the Police Pension Plan as a pension trust fund. At April 30, 2014, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	38
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Current Employees	
Vested	40
Nonvested	10
	<hr/>
TOTAL	88
	<hr/>

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to $\frac{1}{2}$ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% 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 average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}\%$ for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January 1st thereafter. The increase is the lesser of 3% or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. Contributions are recognized in the period in which amounts are due pursuant to ILCS. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the Police Pension Plan, including the costs of administering the Police Pension Plan as actuarially determined by an enrolled actuary. Effective July 1, 1993, the City has until the year 2033 to fully fund the past service cost for the Police Pension Plan. For the year ended April 30, 2014, the City's contribution was 28.48% of covered payroll.

Firefighters' Pension Plan

Fire sworn personnel are covered by the Firefighters' 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 5/4-1) and may be amended only by the Illinois legislature. The City accounts for the Firefighters' Pension Plan as a pension trust fund. At April 30, 2014, the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	17
Terminated Employees Entitled to Benefits but not yet Receiving Them	4
Current Employees	
Vested	30
Nonvested	15
	<hr/>
TOTAL	66

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to $\frac{1}{2}$ of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years 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 covered employee 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.

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter 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. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}\%$ for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year. Benefits and refunds are recognized when due and payable in accordance with the terms of the Firefighters' Pension Plan.

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. Contributions are recognized in the period in which amounts are due pursuant to ILCS. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to finance the Firefighters' Pension Plan, including the costs of administering the Firefighters' Pension Plan, as actuarially determined by an enrolled actuary. Effective July 1, 1993, the City has until the year 2033 to fully fund the past services costs for the Firefighters' Pension Plan. For the year ended April 30, 2014, the City's contribution was 22.73% of covered payroll.

B. Significant Investments

There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of plan net position for either the Police or the Firefighters' Pension Plans. Information for IMRF and SLEP is not available.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

C. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Actuarial Valuation Date	December 31, 2011	December 31, 2011	April 30, 2013	April 30, 2013
Actuarial Cost Method	Entry-age Normal	Entry-age Normal	Entry-age Normal	Entry-age Normal
Asset Valuation Method	5 Year Smoothed Market	5 Year Smoothed Market	Market	Market
Amortization Method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll
Amortization Period	30 Years, Open	30 Years, Open	28 Years, Closed	28 Years, Closed
Significant Actuarial Assumptions				
a) Rate of Return on Present and Future Assets	7.50% Compounded Annually	7.50% Compounded Annually	7.00% Compounded Annually	7.00% Compounded Annually
b) Projected Salary Increases - Attributable to Inflation	4.00% Compounded Annually	4.00% Compounded Annually	5.00% Compounded Annually	5.00% Compounded Annually
c) Additional Projected Salary Increases - Seniority/Merit	.40 to 10.00%	.40 to 10.00%	Not Available	Not Available

Employer annual pension costs (APC), actual contributions and the net pension obligation (asset) (NPO) are as follows. The NPO (asset) is the cumulative difference between the APC and the contributions actually made.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

C. Annual Pension Costs (Continued)

	Fiscal Year	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2012	\$ 1,534,949	\$ 743	\$ 1,362,433	\$ 1,096,373
	2013	1,567,536	1916	1,228,321	990,981
	2014	1,674,208	733	1,320,567	1,002,402
Actual Contribution	2012	\$ 1,534,949	\$ 743	\$ 1,356,539	\$ 1,089,212
	2013	1,567,536	1916	1,226,047	986,731
	2014	1,674,208	733	1,317,164	998,068
Percentage of APC Contributed	2012	100%	100%	99.6%	99.3%
	2013	100%	100%	99.8%	99.6%
	2014	100%	100%	99.7%	99.6%
NPO (Asset)	2012	\$ -	\$ -	\$ (124,687)	\$ (3,457)
	2013	-	-	(122,413)	793
	2014	-	-	(119,010)	5,127

The net pension obligation (asset) has been calculated as follows:

	Police Pension	Firefighters' Pension
Annual Required Contributions	\$ 1,323,455	\$ 1,002,383
Interest on Net Pension Obligation	(8,569)	56
Adjustment to Annual Required Contribution	5,681	(37)
Annual Pension Cost	1,320,567	1,002,402
Contributions Made	1,317,164	998,068
Increase in Net Pension Obligation (Asset)	3,403	4,334
Net Pension Obligation (Asset), Beginning of Year	(122,413)	793
NET PENSION OBLIGATION (ASSET), END OF YEAR	\$ (119,010)	\$ 5,127

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

D. Funded Status

The funded status of the plans as of April 30, 2014, based on actuarial valuations performed as of the same date for Police and Firefighters' Pension Plans and as of December 31, 2013 for IMRF and SLEP, is as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC of the plans as disclosed in Note 11-C except that the mortality table was changed:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Actuarial Accrued Liability (AAL)	\$ 39,204,279	\$ -	\$ 49,615,714	\$ 40,404,628
Actuarial Value of Plan Assets	29,964,874	67,227	29,225,821	31,771,391
Unfunded (Overfunded) Actuarial Accrued Liability (UAAL)	9,239,405	(67,227)	20,389,893	8,633,237
Funded Ratio (Actuarial Value of Plan Assets/AAL)	76.43%	0.00%	58.90%	78.63%
Covered Payroll (Active Plan Members)	\$ 12,323,157	\$ -	\$ 4,625,146	\$ 4,391,347
UAAL as a Percentage of Covered Payroll	74.98%	0.00%	440.85%	196.60%

See the schedules of funding progress in the required supplementary information immediately following the notes to financial statements for additional information related to the funded status of the plans.

E. Summary Financial Information

Summary financial information at April 30, 2014 for the Police and Firefighters' Pension Plans is as follows:

Combining Statement of Fiduciary Net Position

	Pension Trust Funds		
	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and Short-Term Investments	\$ 1,177,139	\$ 629,858	\$ 1,806,997
Investments, at Fair Value			
Certificates of Deposit	1,115,258	971,581	2,086,839
U.S. Treasury and Agency Securities	3,453,512	7,321,724	10,775,236
Corporate Bonds	4,292,272	1,922,114	6,214,386
Preferred Securities	1,182,382	1,278,688	2,461,070
Mutual Funds	6,016,419	8,515,306	14,531,725
Equity Securities	11,892,144	11,047,842	22,939,986

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

E. Summary Financial Information (Continued)

Combining Statement of Fiduciary Net Position (Continued)

	Pension Trust Funds		
	Police Pension	Firefighters' Pension	Total
ASSETS (Continued)			
Receivables			
Accrued Interest on Investments	\$ 66,901	\$ 53,501	\$ 120,402
Prepaid Items	33,870	30,777	64,647
Total Assets	29,229,897	31,771,391	61,001,288
LIABILITIES			
Accounts Payable	4,076	-	4,076
Total Liabilities	4,076	-	4,076
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	\$ 29,225,821	\$ 31,771,391	\$ 60,997,212

Combining Statement of Changes in Plan Net Position

	Pension Trust Funds		
	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer	\$ 1,317,164	\$ 998,068	\$ 2,315,232
Employee	458,352	470,592	928,944
Other	-	100	100
Total Contributions	1,775,516	1,468,760	3,244,276
Investment Income			
Net Appreciation in Fair Value of Investments	611,384	1,297,766	1,909,150
Interest	1,018,421	910,470	1,928,891
Total Investment Income	1,629,805	2,208,236	3,838,041
Less Investment Expenses	(228,631)	(154,981)	(383,612)
Net Investment Income	1,401,174	2,053,255	3,454,429
Total Additions	3,176,690	3,522,015	6,698,705

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

E. Summary Financial Information (Continued)

Combining Statement of Changes in Plan Net Position (Continued)

	<u>Pension Trust Funds</u>		
	<u>Police</u>	<u>Firefighters'</u>	
	<u>Pension</u>	<u>Pension</u>	<u>Total</u>
DEDUCTIONS			
Pension Benefits and Refunds	\$ 1,881,019	\$ 1,062,595	\$ 2,943,614
Administrative Expenses	30,709	14,510	45,219
Total Deductions	<u>1,911,728</u>	<u>1,077,105</u>	<u>2,988,833</u>
NET INCREASE	1,264,962	2,444,910	3,709,872
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
May 1	<u>27,960,859</u>	<u>29,326,481</u>	<u>57,287,340</u>
April 30	<u>\$ 29,225,821</u>	<u>\$ 31,771,391</u>	<u>\$ 60,997,212</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ST. CHARLES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended April 30, 2014
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Property Taxes	\$12,523,916	\$12,523,916	\$12,463,916	\$12,489,303
Personal Property Replacement Taxes	79,000	79,000	103,019	85,873
Municipal Sales and Use Taxes	16,140,932	16,140,932	14,982,790	14,650,913
Franchise Fees	3,313,291	3,313,291	3,400,525	3,154,983
Liquor Tax	1,025,868	1,025,868	995,618	992,079
Hotel Occupations Tax	1,994,475	1,994,475	1,630,810	1,778,810
Telecommunications Fee	1,340,000	1,340,000	1,040,496	1,221,476
Admissions Tax	80,000	80,000	71,712	78,485
Business Licenses and Permits	239,170	239,170	218,533	232,595
Nonbusiness License and Permits	240,406	240,406	265,091	212,025
Fines and Court Fees	442,200	442,200	414,253	422,550
Grants	48,000	68,000	133,252	54,415
Illinois State Income Tax Allotments	2,969,293	2,969,293	3,213,190	2,971,635
Charges for Current Services	594,533	606,347	436,035	734,242
Investment Income	89,752	89,752	82,084	49,758
Miscellaneous	100,244	100,469	91,850	134,021
Total Revenues	<u>41,221,080</u>	<u>41,253,119</u>	<u>39,543,174</u>	<u>39,263,163</u>
EXPENDITURES				
General Government	3,117,600	3,651,007	3,033,568	2,720,417
Public Health and Safety	21,076,372	21,308,015	20,330,779	20,247,223
Public Works	8,027,176	8,550,371	7,101,046	6,788,587
Community Development	2,485,635	2,791,667	2,401,410	2,641,168
Debt Service				
Principal	4,585	4,585	4,586	4,586
Total Expenditures	<u>34,711,368</u>	<u>36,305,645</u>	<u>32,871,389</u>	<u>32,401,981</u>
EXCESS (DEFICIENCIES) OF REVENUES OVER EXPENDITURES	<u>6,509,712</u>	<u>4,947,474</u>	<u>6,671,785</u>	<u>6,861,182</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the Sale of Capital Assets	3,000	3,000	164,010	-
Transfers In	-	90,000	-	255,390
Transfers (Out)	(6,512,712)	(6,575,443)	(6,331,843)	(5,652,582)
Total Other Financing Sources (Uses)	<u>(6,509,712)</u>	<u>(6,482,443)</u>	<u>(6,167,833)</u>	<u>(5,397,192)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>(\$ 1,534,969)</u>	503,952	1,463,990
FUND BALANCE, MAY 1			<u>23,827,659</u>	<u>22,363,669</u>
FUND BALANCE, APRIL 30			<u>\$24,331,611</u>	<u>\$23,827,659</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2014

1. BUDGETS

The City's budgetary operations are governed by the Budget Act as provided for in Illinois Compiled Statutes (ILCS) and are administered by the Director of Finance and the City Administrator. Under the Budget Act, no appropriation is required to be passed and an annual budget must be adopted prior to the year that the funds will be expended.

Budgets are adopted on a basis consistent with GAAP. Annual budgets are adopted for the general, certain special revenue (except the foreign fire insurance fund and TIF #6 fund), debt service, capital projects and enterprise funds. The annual budget is legally enacted and provides for a legal level of control at the function level. Management of the City can transfer budgeted amounts between object codes without City Council approval. Management of the City can over expend the object level, but any over expenditures at the function level requires City Council approval by two-thirds vote. All annual budgets lapse at fiscal year end. During the year, the budget was amended by the City Council.

2. EXPENDITURES IN EXCESS OF BUDGET

The 2011B Refunding General Obligation Bond Fund expenditures exceeded budget by \$1. The 2008 Revenue Bond Fund expenditures exceeded its budget by \$40. Motor Fuel Tax Fund expenditures exceeded budget by \$159,202.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2014

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry - Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL As a Percentage of Covered Payroll (4) / (5)
2008	\$ 25,122,053	\$ 33,371,937	75.28%	\$ 8,249,884	\$ 12,959,224	63.66%
2009	25,358,631	33,949,606	74.69%	8,590,975	12,774,715	67.25%
2010	26,710,158	36,731,443	72.72%	10,021,285	12,948,793	77.39%
2011	24,295,296	35,346,601	68.73%	11,051,305	12,651,495	87.35%
2012	26,181,657	37,121,899	70.53%	10,940,242	12,391,986	88.28%
2013	29,964,874	39,204,279	76.43%	9,239,405	12,323,157	74.98%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
SHERIFF'S LAW ENFORCEMENT PERSONNEL

April 30, 2014

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry - Age	Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) As a Percentage of Covered Payroll (4) / (5)
2008	\$ (433,870)	\$ -	0.00%	\$ 433,870	\$ -	0.00%
2009	(390,068)	-	0.00%	390,068	-	0.00%
2010	(31,973)	-	0.00%	31,973	-	0.00%
2011	(9,211)	-	0.00%	9,211	-	0.00%
2012	9,437	-	0.00%	(9,437)	-	0.00%
2013	67,227	-	0.00%	(67,227)	-	0.00%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
POLICE PENSION FUND**

April 30, 2014

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry - Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL As a Percentage of Covered Payroll (4) / (5)
2009	\$ 20,229,933	\$ 37,767,555	53.56%	\$ 17,537,622	\$ 4,359,694	402.27%
2010	23,519,175	38,049,970	61.81%	14,530,795	4,048,323	358.93%
2011	26,127,210	40,279,564	64.86%	14,152,354	4,212,817	335.94%
2012	26,017,546	43,676,412	59.57%	17,658,866	4,287,075	411.91%
2013	27,960,859	47,088,115	59.38%	19,127,256	4,611,030	414.82%
2014	29,225,821	49,615,714	58.90%	20,389,893	4,625,146	440.85%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
FIREFIGHTERS' PENSION FUND**

April 30, 2014

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry - Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL As a Percentage of Covered Payroll (4) / (5)
2009	\$ 18,461,621	\$ 26,293,219	70.21%	\$ 7,831,598	\$ 4,260,854	183.80%
2010	22,478,824	28,088,702	80.03%	5,609,878	4,080,399	137.48%
2011	26,118,295	30,718,257	85.03%	4,599,962	4,237,873	108.54%
2012	26,693,970	33,418,008	79.88%	6,724,038	4,182,533	160.76%
2013	29,326,481	39,465,546	74.31%	10,139,065	4,288,510	236.42%
2014	31,771,391	40,404,628	78.63%	8,633,237	4,391,347	196.60%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

April 30, 2014

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age Normal	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Active Members Covered Payroll	UAAL As a Percentage of Covered Payroll (4) / (5)
2009	N/A	N/A	N/A	N/A	N/A	N/A
2010	\$ -	\$ 9,245,209	0.00%	\$ 9,245,209	\$ 22,735,860	40.66%
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	-	6,507,582	0.00%	6,507,582	23,092,645	28.18%
2013	N/A	N/A	N/A	N/A	N/A	N/A
2014	-	2,919,438	0.00%	2,919,438	23,081,287	12.65%

The City implemented GASB Statement No. 45 for the fiscal year ended April 30, 2008. Information for 2009, 2011 and 2013 is not available, the City only has a biannual valuation.

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

April 30, 2014

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2009	\$ 1,236,592	\$ 1,236,595	100.00%
2010	1,306,334	1,306,334	100.00%
2011	1,478,679	1,478,679	100.00%
2012	1,534,949	1,534,949	100.00%
2013	1,567,536	1,567,536	100.00%
2014	1,674,208	1,674,208	100.00%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
SHERIFF'S LAW ENFORCEMENT PERSONNEL**

April 30, 2014

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 62,591	\$ 62,591	100.00%
2010	64,156	64,156	100.00%
2011	380,738	380,738	100.00%
2012	743	743	100.00%
2013	1,916	1,916	100.00%
2014	733	733	100.00%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND**

April 30, 2014

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed	Net Pension Obligation (Asset)
2009	\$ 1,113,728	\$ 1,143,136	97.43%	\$ (137,572)
2010	1,261,628	1,272,762	99.13%	(128,873)
2011	1,556,109	1,556,450	99.98%	(130,581)
2012	1,356,539	1,365,820	99.32%	(124,687)
2013	1,226,047	1,231,413	99.56%	(122,413)
2014	1,317,164	1,323,455	99.52%	(119,010)

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND**

April 30, 2014

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed	Net Pension Obligation (Asset)
2009	\$ 846,143	\$ 875,572	96.64%	\$ (19,292)
2010	1,054,067	1,062,964	99.16%	(10,736)
2011	1,236,673	1,236,962	99.98%	(10,618)
2012	1,089,212	1,096,648	99.32%	(3,457)
2013	986,731	991,067	99.56%	793
2014	998,068	1,002,383	99.57%	5,127

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

April 30, 2014

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 380,000	\$ 1,524,544	24.93%
2010	253,882	1,524,544	16.65%
2011	253,882	849,832	29.87%
2012	164,548	841,739	19.55%
2013	130,849	572,010	22.88%
2014	183,683	572,010	32.11%

See independent auditor's report.

NONMAJOR GOVERNMENTAL FUNDS

CITY OF ST. CHARLES, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2014

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS				
Cash and Investments	\$ 2,978,538	\$ 1,738,236	\$ 8,577,211	\$13,293,985
Receivables				
Property Taxes	1,665,642	-	-	1,665,642
Accounts Receivable	7,671	-	-	7,671
Prepaid Items	-	-	-	-
Due from Other Governments	60,789	-	-	60,789
Due From Other Funds	-	595,784	-	595,784
Total Assets	4,712,640	2,334,020	8,577,211	15,623,871
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 4,712,640	\$ 2,334,020	\$ 8,577,211	\$15,623,871
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 2,947,077	\$ 2,947,077
Contracts Payable	494,803	-	606,107	1,100,910
Due to Other Funds	-	288,832	-	288,832
Advances From Other Funds	3,810,524	-	-	3,810,524
Total Liabilities	4,305,327	288,832	3,553,184	8,147,343
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenue - Property Taxes	1,665,642	-	-	1,665,642
Total Deferred Inflows of Resources	1,665,642	-	-	1,665,642
Total Liabilities and Deferred Inflows of Resources	5,970,969	288,832	3,553,184	9,812,985
FUND BALANCES				
Restricted				
Capital Outlay	-	-	2,118,032	2,118,032
Community Development	-	-	1,603,969	1,603,969
Highway and Street Maintenance	2,166,783	-	-	2,166,783
Fire Department	215,875	-	-	215,875
Debt Service	-	2,045,188	-	2,045,188
Unrestricted				
Assigned				
Capital Improvement Projects	-	-	1,302,026	1,302,026
Unassigned				
Special Revenue Funds (Deficit)	(3,640,987)	-	-	(3,640,987)
Total Fund Balances	(1,258,329)	2,045,188	5,024,027	5,810,886
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 4,712,640	\$ 2,334,020	\$ 8,577,211	\$15,623,871

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2014

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES				
Property Taxes	\$ 1,691,195	\$ -	\$ -	\$ 1,691,195
Municipal Sales and Use Taxes	30,696	1,035,568	-	1,066,264
Hotel Occupation Tax	55,020	-	-	55,020
Grants	-	-	96,279	96,279
Motor Fuel Tax Allotments	986,830	-	-	986,830
Charges for Current Services	-	-	95,033	95,033
Investment Income	7,689	117	23,681	31,487
Contributions	-	-	230,884	230,884
Miscellaneous	65,106	-	91,210	156,316
Total Revenues	2,836,536	1,035,685	537,087	4,409,308
EXPENDITURES				
Current Operating-				
General Government	-	8,639	-	8,639
Public Health and Safety	32,419	-	-	32,419
Public Works	1,399,328	-	82,253	1,481,581
Community Development	2,213	-	-	2,213
Debt Service-				
Principal	-	5,133,325	-	5,133,325
Interest and Fiscal Charges	-	3,197,224	-	3,197,224
Capital Outlay	95,673	-	6,649,506	6,745,179
Total Expenditures	1,529,633	8,339,188	6,731,759	16,600,580
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,306,903	(7,303,503)	(6,194,672)	(12,191,272)
OTHER FINANCING SOURCES (USES)				
Issuance of Bonds	-	-	3,710,428	3,710,428
Discount on Bonds	-	-	(19,767)	(19,767)
Transfers In	-	7,335,580	1,902,574	9,238,154
Transfers Out	(1,887,938)	-	(714,002)	(2,601,940)
Total Other Financing Sources (Uses)	(1,887,938)	7,335,580	4,879,233	10,326,875
NET CHANGE IN FUND BALANCES	(581,035)	32,077	(1,315,439)	(1,864,397)
FUND BALANCE (DEFICIT), MAY 1	(677,294)	2,013,111	6,339,466	7,675,283
FUND BALANCE (DEFICIT), APRIL 30	(\$ 1,258,329)	\$ 2,045,188	\$ 5,024,027	\$ 5,810,886

See independent auditor's report.

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for revenues derived from specific restricted taxes or other restricted or committed revenue sources which, by law, are restricted to finance particular functions or activities of government and which therefore cannot be diverted to other uses.

TIF District #1 - established to account for revitalization of the Hotel Baker through a TIF district funded through restricted property tax, sales tax and hotel tax revenues.

TIF District #2 - established to account for revitalization of the Moline Foundry through a TIF district funded through restricted property tax revenues.

TIF District #3 - established to account for revitalization of the St. Charles Mall through a TIF district funded through restricted property tax revenues.

TIF District #4 - established to account for revitalization of a section of First Street through a TIF district funded through restricted property tax revenues.

TIF District #5 - established to account for revitalization of a section known as the St. Charles Manufacturing property through a TIF district funded through restricted property tax revenues.

TIF District #6 - established to account for revitalization of a section known as the Lexington Club property through a TIF district funded through restricted property tax revenues.

Motor Fuel Tax - underwrites the cost of some major street and bridge improvements subject to the approval of the State of Illinois.

Foreign Fire Insurance Tax - established to account for foreign fire insurance tax proceeds which are restricted for fire department purposes.

CITY OF ST. CHARLES, ILLINOIS

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

APRIL 30, 2014

	TIF District #1 Fund	TIF District #2 Fund	TIF District #3 Fund	TIF District #4 Fund	TIF District #5 Fund	TIF District #6 Fund	Motor Fuel Tax Fund	Foreign Fire Insurance	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES									
ASSETS									
Cash and Investments	\$ 2,853	\$ 146,804	\$ 9	\$ 12,189	\$ 11	\$ -	\$2,600,797	\$ 215,875	\$2,978,538
Receivables									
Property Taxes, net	164,880	516,226	149,977	628,527	201,486	4,546	-	-	1,665,642
Accounts Receivable	7,671	-	-	-	-	-	-	-	7,671
Due From Other Governments	-	-	-	-	-	-	60,789	-	60,789
Total Assets	<u>175,404</u>	<u>663,030</u>	<u>149,986</u>	<u>640,716</u>	<u>201,497</u>	<u>4,546</u>	<u>2,661,586</u>	<u>215,875</u>	<u>4,712,640</u>
DEFERRED OUTFLOWS OF RESOURCES									
None	-	-	-	-	-	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	<u>\$ 175,404</u>	<u>\$ 663,030</u>	<u>\$ 149,986</u>	<u>\$ 640,716</u>	<u>\$ 201,497</u>	<u>\$ 4,546</u>	<u>\$2,661,586</u>	<u>\$ 215,875</u>	<u>\$4,712,640</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
LIABILITIES									
Contracts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 494,803	\$ -	\$ 494,803
Advance from Other Funds	77,356	937,465	863,250	729,692	1,202,761	-	-	-	3,810,524
Total Liabilities	<u>77,356</u>	<u>937,465</u>	<u>863,250</u>	<u>729,692</u>	<u>1,202,761</u>	<u>-</u>	<u>494,803</u>	<u>-</u>	<u>4,305,327</u>
DEFERRED INFLOWS OF RESOURCES									
Deferred Revenue - Property Tax	164,880	516,226	149,977	628,527	201,486	4,546	-	-	1,665,642
Total Deferred Inflows of Resources	<u>164,880</u>	<u>516,226</u>	<u>149,977</u>	<u>628,527</u>	<u>201,486</u>	<u>4,546</u>	<u>-</u>	<u>-</u>	<u>1,665,642</u>
Total Liabilities and Deferred Inflows of Resources	<u>242,236</u>	<u>1,453,691</u>	<u>1,013,227</u>	<u>1,358,219</u>	<u>1,404,247</u>	<u>4,546</u>	<u>494,803</u>	<u>-</u>	<u>5,970,969</u>
FUND BALANCES (DEFICIT)									
Restricted									
Highway and Street Maintenance	-	-	-	-	-	-	2,166,783	-	2,166,783
Fire Department	-	-	-	-	-	-	-	215,875	215,875
Unrestricted									
Unassigned (Deficit)	(66,832)	(790,661)	(863,241)	(717,503)	(1,202,750)	-	-	-	(3,640,987)
Total Fund Balance	<u>(66,832)</u>	<u>(790,661)</u>	<u>(863,241)</u>	<u>(717,503)</u>	<u>(1,202,750)</u>	<u>-</u>	<u>2,166,783</u>	<u>215,875</u>	<u>(1,258,329)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 175,404</u>	<u>\$ 663,030</u>	<u>\$ 149,986</u>	<u>\$ 640,716</u>	<u>\$ 201,497</u>	<u>\$ 4,546</u>	<u>\$2,661,586</u>	<u>\$ 215,875</u>	<u>\$4,712,640</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended April 30, 2014

	TIF District #1 Fund	TIF District #2 Fund	TIF District #3 Fund	TIF District #4 Fund	TIF District #5 Fund	Motor Fuel Tax Fund	Foreign Fire Insurance	Total
REVENUES								
Property Taxes	\$ 178,962	\$ 486,353	\$ 167,342	\$ 652,936	\$ 205,602	\$ -	\$ -	\$1,691,195
Sales and Use Tax	30,696	-	-	-	-	-	-	30,696
Hotel Occupation Tax	55,020	-	-	-	-	-	-	55,020
Motor Fuel Tax Allotments	-	-	-	-	-	986,830	-	986,830
Investment Income	70	330	36	90	42	7,016	105	7,689
Miscellaneous Revenues	-	-	-	-	-	-	65,106	65,106
Total Revenues	<u>264,748</u>	<u>486,683</u>	<u>167,378</u>	<u>653,026</u>	<u>205,644</u>	<u>993,846</u>	<u>65,211</u>	<u>2,836,536</u>
EXPENDITURES								
Public Health and Safety	-	-	-	-	-	-	32,419	32,419
Public Works	-	-	-	-	-	1,399,328	-	1,399,328
Community Development	-	-	-	2,213	-	-	-	2,213
Capital Outlay	-	-	-	-	-	-	95,673	95,673
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,213</u>	<u>-</u>	<u>1,399,328</u>	<u>128,092</u>	<u>1,529,633</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>264,748</u>	<u>486,683</u>	<u>167,378</u>	<u>650,813</u>	<u>205,644</u>	<u>(405,482)</u>	<u>(62,881)</u>	<u>1,306,903</u>
OTHER FINANCING SOURCES (USES)								
Transfers (Out)	(359,410)	(336,156)	(222,400)	(653,047)	(316,925)	-	-	(1,887,938)
Total Other Financing Sources (Uses)	<u>(359,410)</u>	<u>(336,156)</u>	<u>(222,400)</u>	<u>(653,047)</u>	<u>(316,925)</u>	<u>-</u>	<u>-</u>	<u>(1,887,938)</u>
NET CHANGE IN FUND BALANCE	<u>(94,662)</u>	<u>150,527</u>	<u>(55,022)</u>	<u>(2,234)</u>	<u>(111,281)</u>	<u>(405,482)</u>	<u>(62,881)</u>	<u>(581,035)</u>
FUND BALANCE (DEFICIT), MAY 1	<u>27,830</u>	<u>(941,188)</u>	<u>(808,219)</u>	<u>(715,269)</u>	<u>(1,091,469)</u>	<u>2,572,265</u>	<u>278,756</u>	<u>(677,294)</u>
FUND BALANCE (DEFICIT), APRIL 30	<u>(\$ 66,832)</u>	<u>(\$ 790,661)</u>	<u>(\$ 863,241)</u>	<u>(\$ 717,503)</u>	<u>(\$1,202,750)</u>	<u>\$2,166,783</u>	<u>\$ 215,875</u>	<u>(\$1,258,329)</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

TIF DISTRICT #1 FUND

For the Year Ended April 30, 2014

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Property Taxes	\$ 172,520	\$ 172,520	\$ 178,962	\$ 170,812
Sales and Use Tax	34,244	34,244	30,696	33,096
Hotel Occupation Tax	64,366	64,366	55,020	59,247
Investment Income	369	369	70	180
Total Revenues	271,499	271,499	264,748	263,335
EXPENDITURES				
Community Development:				
None	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	271,499	271,499	264,748	263,335
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(305,494)	(305,494)	(359,410)	(355,253)
NET CHANGE IN FUND BALANCE	<u>(\$ 33,995)</u>	<u>(\$ 33,995)</u>	(94,662)	(91,918)
FUND BALANCE, MAY 1			27,830	119,748
FUND BALANCE (DEFICIT), APRIL 30			<u>(\$ 66,832)</u>	<u>\$ 27,830</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

TIF DISTRICT #2 FUND

For the Year Ended April 30, 2014

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Property Taxes	\$ 456,069	\$ 456,069	\$ 486,353	\$ 456,069
Investment Income	386	386	330	389
Total Revenues	456,455	456,455	486,683	456,458
EXPENDITURES				
Community Development:				
None	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	456,455	456,455	486,683	456,458
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(336,156)	(336,156)	(336,156)	(337,638)
NET CHANGE IN FUND BALANCE	<u>\$ 120,299</u>	<u>\$ 120,299</u>	150,527	118,820
FUND BALANCE (DEFICIT), MAY 1			<u>(941,188)</u>	<u>(1,060,008)</u>
FUND BALANCE (DEFICIT), APRIL 30			<u>(\$ 790,661)</u>	<u>(\$ 941,188)</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

TIF DISTRICT #3 FUND

For the Year Ended April 30, 2014

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Property Taxes	\$ 167,878	\$ 167,878	\$ 167,342	\$ 167,878
Investment Income	73	73	36	56
Total Revenues	167,951	167,951	167,378	167,934
EXPENDITURES				
Community Development:				
None	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	167,951	167,951	167,378	167,934
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(167,951)	(167,951)	(222,400)	(221,749)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	(55,022)	(53,815)
FUND BALANCE (DEFICIT), MAY 1			(808,219)	(754,404)
FUND BALANCE (DEFICIT), APRIL 30			<u>(\$ 863,241)</u>	<u>(\$ 808,219)</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

TIF DISTRICT #4 FUND

For the Year Ended April 30, 2014

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Property Taxes	\$ 644,155	\$ 644,155	\$ 652,936	\$ 625,395
Investment Income	910	910	90	372
Total Revenues	645,065	645,065	653,026	625,767
EXPENDITURES				
Community Development:				
Contractual	-	10,000	2,213	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	645,065	635,065	650,813	625,767
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(658,231)	(658,231)	(653,047)	(1,454,373)
NET CHANGE IN FUND BALANCE	<u>(\$ 13,166)</u>	<u>(\$ 23,166)</u>	(2,234)	(828,606)
FUND BALANCE (DEFICIT), MAY 1			<u>(715,269)</u>	113,337
FUND BALANCE (DEFICIT), APRIL 30			<u>(\$ 717,503)</u>	<u>(\$ 715,269)</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

TIF DISTRICT #5 FUND

For the Year Ended April 30, 2014

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Property Taxes	\$ 193,000	\$ 193,000	\$ 205,602	\$ 192,567
Investment Income	108	108	42	105
Total Revenues	193,108	193,108	205,644	192,672
EXPENDITURES				
Community Development:				
None	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	193,108	193,108	205,644	192,672
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(193,108)	(193,108)	(316,925)	(318,246)
Total Other Financing Sources	(193,108)	(193,108)	(316,925)	(318,246)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	(111,281)	(125,574)
FUND BALANCE (DEFICIT), MAY 1			(1,091,469)	(965,895)
FUND BALANCE (DEFICIT), APRIL 30			(\$1,202,750)	(\$1,091,469)

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

MOTOR FUEL TAX FUND

For the Year Ended April 30, 2014

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Motor Fuel Tax Allotments	\$ 970,245	\$ 970,245	\$ 986,830	\$ 951,201
Investment Income	3,000	3,000	7,016	6,127
Total Revenues	973,245	973,245	993,846	957,328
EXPENDITURES				
Public Works:				
Contractual	1,240,126	1,240,126	1,399,328	1,418,681
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(266,881)	(266,881)	(405,482)	(461,353)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	99,144
Total Other Financing Sources	-	-	-	99,144
NET CHANGE IN FUND BALANCE	<u>(\$ 266,881)</u>	<u>(\$ 266,881)</u>	<u>(405,482)</u>	<u>(362,209)</u>
FUND BALANCE, MAY 1			2,572,265	2,934,474
FUND BALANCE, APRIL 30			<u>\$2,166,783</u>	<u>\$2,572,265</u>

See independent auditor's report.

NONMAJOR DEBT SERVICE FUNDS

Debt Service are used to account for the resources restricted, committed or assigned for the payment of interest and principal on general and special obligation debt other than that payable from the Special Assessment Fund and debt issued for and serviced by the Proprietary Funds.

TIF District #1 - accounts for payment of interest and principal on debt used to finance the construction for revitalization of the Hotel Baker.

TIF District #2 - accounts for payment of interest and principal on debt used to finance the construction for revitalization of the Moline Foundry.

TIF District #3 - accounts for payment of interest and principal on debt used to finance the construction and revitalization of the St. Charles Mall area.

TIF District #4 - accounts for payment of interest and principal on debt used to finance the construction and revitalization of the First Street area.

TIF District #5 - accounts for payment of interest and principal on debt used to finance the construction and revitalization of the property known as the St. Charles Manufacturing area.

G.O. and Refunding G.O. Bond Issues - accounts for payment of interest and principal on debt used to finance multiple capital construction projects.

Revenue Bond Issue - accounts for payment of interest and principal on debt used to finance economic development projects.

CITY OF ST. CHARLES, ILLINOIS

COMBINING BALANCE SHEET

NONMAJOR DEBT SERVICE FUNDS

April 30, 2014

	<u>TIF</u> <u>District #1</u>	<u>TIF</u> <u>District #2</u>	<u>TIF</u> <u>District #3</u>	<u>TIF</u> <u>District #4</u>	<u>TIF</u> <u>District #5</u>	2002A G.O. Bond <u>Issue</u>	2005A G.O. Bond <u>Issue</u>
ASSETS							
Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due From Other Funds	-	-	-	-	-	-	-
TOTAL ASSETS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Due To Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-	-	-	-
FUND BALANCE							
Restricted For Debt Service	-	-	-	-	-	-	-
Unrestricted							
Assigned for Debt Service	-	-	-	-	-	-	-
Total Fund Balance	-	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS
COMBINING BALANCE SHEET (Continued)
NONMAJOR DEBT SERVICE FUNDS
 April 30, 2014

	2008C	2008	2009	2010B	2011A	2011B	2011C
	G.O.	Revenue	Refunding	Refunding	G.O.	Refunding	Refunding
	Bond	Bond	G.O. Bond	G.O. Bond	Bond	G.O. Bond	G.O. Bond
	<u>Issue</u>	<u>Issue</u>	<u>Issue</u>	<u>Issue</u>	<u>Issue</u>	<u>Issue</u>	<u>Issue</u>
ASSETS							
Cash and Investments	\$ -	\$1,738,236	\$ -	\$ -	\$ -	\$ -	\$ -
Due From Other Funds	-	595,784	-	-	-	-	-
TOTAL ASSETS	\$ -	\$2,334,020	\$ -	\$ -	\$ -	\$ -	\$ -
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Due To Other Funds	\$ -	\$ 288,832	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	288,832	-	-	-	-	-
FUND BALANCE							
Restricted For Debt Service	-	2,045,188	-	-	-	-	-
Unrestricted							
Assigned for Debt Service	-	-	-	-	-	-	-
Total Fund Balance	-	2,045,188	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCE	\$ -	\$2,334,020	\$ -	\$ -	\$ -	\$ -	\$ -

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS
COMBINING BALANCE SHEET (Continued)
NONMAJOR DEBT SERVICE FUNDS
April 30, 2014

	2012A	2012B	
	G.O.	Refunding	
	Bond	G.O. Bond	
	<u>Issue</u>	<u>Issue</u>	<u>Total</u>
ASSETS			
Cash and Investments	\$ -	\$ -	\$1,738,236
Due From Other Funds	-	-	595,784
	<u>-</u>	<u>-</u>	<u>595,784</u>
TOTAL ASSETS	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$2,334,020</u></u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Due To Other Funds	\$ -	\$ -	\$ 288,832
	<u>-</u>	<u>-</u>	<u>288,832</u>
Total Liabilities	-	-	288,832
FUND BALANCE			
Restricted For Debt Service	-	-	2,045,188
Unrestricted			
Assigned for Debt Service	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balance	-	-	2,045,188
	<u>-</u>	<u>-</u>	<u>2,045,188</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$2,334,020</u></u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

NONMAJOR DEBT SERVICE FUNDS

For the Year Ended April 30, 2014

	<u>TIF</u> <u>District #1</u>	<u>TIF</u> <u>District #2</u>	<u>TIF</u> <u>District #3</u>	<u>TIF</u> <u>District #4</u>	<u>TIF</u> <u>District #5</u>	<u>2002A</u> <u>G.O.</u> <u>Bond Issue</u>	<u>2005A</u> <u>G.O.</u> <u>Bond Issue</u>
REVENUES							
Sales and Use Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	2	-	-	4	-	-	-
Total Revenues	2	-	-	4	-	-	-
EXPENDITURES							
General Government:							
Contractual	-	-	-	-	-	-	-
Debt Service:							
Principal Retirement	335,000	285,000	150,000	260,000	220,000	22,294	750,000
Interest and Fiscal Charges	27,512	51,156	72,400	784,016	96,925	892	62,000
Total Expenditures	362,512	336,156	222,400	1,044,016	316,925	23,186	812,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(362,510)	(336,156)	(222,400)	(1,044,012)	(316,925)	(23,186)	(812,000)
OTHER FINANCING SOURCES (USES)							
Transfers In	359,409	336,156	222,400	1,038,237	316,925	23,186	812,000
Total Other Financing Sources (Uses)	359,409	336,156	222,400	1,038,237	316,925	23,186	812,000
NET CHANGE IN FUND BALANCE	(3,101)	-	-	(5,775)	-	-	-
FUND BALANCE, MAY 1	3,101	-	-	5,775	-	-	-
FUND BALANCE, APRIL 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (Continued)**

NONMAJOR DEBT SERVICE FUNDS

For the Year Ended April 30, 2014

	2008C G.O. <u>Bond Issue</u>	2008 Revenue <u>Bond Issue</u>	2009 Refunding G.O. <u>Bond Issue</u>	2010B Refunding G.O. <u>Bond Issue</u>	2011A G.O. <u>Bond Issue</u>	2011B Refunding G.O. <u>Bond Issue</u>	2011C Refunding G.O. <u>Bond Issue</u>
REVENUES							
Sales and Use Tax	\$ -	\$1,035,568	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	-	110	-	-	-	-	-
Total Revenues	-	1,035,678	-	-	-	-	-
EXPENDITURES							
General Government:							
Contractual	-	8,639	-	-	-	-	-
Debt Service:							
Principal Retirement	475,000	405,000	552,577	870,000	148,140	314	-
Interest and Fiscal Charges	460,485	579,283	19,950	70,775	139,848	2,713	105,325
Total Expenditures	935,485	992,922	572,527	940,775	287,988	3,027	105,325
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(935,485)	42,756	(572,527)	(940,775)	(287,988)	(3,027)	(105,325)
OTHER FINANCING SOURCES (USES)							
Transfers In	935,485	-	572,527	940,775	287,988	3,027	105,325
Total Other Financing Sources (Uses)	935,485	-	572,527	940,775	287,988	3,027	105,325
NET CHANGE IN FUND BALANCE	-	42,756	-	-	-	-	-
FUND BALANCE, MAY 1	-	2,002,432	-	-	-	-	-
FUND BALANCE, APRIL 30	\$ -	\$2,045,188	\$ -	\$ -	\$ -	\$ -	\$ -

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (Continued)**

NONMAJOR DEBT SERVICE FUNDS

For the Year Ended April 30, 2014

	2012A G.O. <u>Bond Issue</u>	2012B Refunding G.O. <u>Bond Issue</u>	<u>Total</u>
REVENUES			
Sales and Use Tax	\$ -	\$ -	\$1,035,568
Investment Income	-	1	117
Total Revenues	-	1	1,035,685
EXPENDITURES			
General Government:			
Contractual	-	-	8,639
Debt Service:			
Principal Retirement	375,000	285,000	5,133,325
Interest and Fiscal Charges	257,360	466,584	3,197,224
Total Expenditures	632,360	751,584	8,339,188
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(632,360)	(751,583)	(7,303,503)
OTHER FINANCING SOURCES (USES)			
Transfers In	632,360	749,780	7,335,580
Total Other Financing Sources (Uses)	632,360	749,780	7,335,580
NET CHANGE IN FUND BALANCE	-	(1,803)	32,077
FUND BALANCE, MAY 1	-	1,803	2,013,111
FUND BALANCE, APRIL 30	\$ -	\$ -	\$2,045,188

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

TIF DISTRICT #1 DEBT SERVICE FUND

For the Year Ended April 30, 2014

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Investment Income	\$ -	\$ -	\$ 2	\$ 2
Total Revenues	-	-	2	2
EXPENDITURES				
General Government:				
Contractual	-	-	-	20,927
Debt Service:				
Principal Retirement	335,000	335,000	335,000	1,440,974
Interest and Fiscal Charges	27,512	27,512	27,512	80,253
Total Expenditures	362,512	362,512	362,512	1,542,154
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(362,512)	(362,512)	(362,510)	(1,542,152)
OTHER FINANCING SOURCES (USES)				
Issuance of Bonds	-	-	-	1,190,000
Transfers In	359,413	359,413	359,409	355,253
Total Other Financing Sources (Uses)	359,413	359,413	359,409	1,545,253
NET CHANGE IN FUND BALANCE	<u>(\$ 3,099)</u>	<u>(\$ 3,099)</u>	(3,101)	3,101
FUND BALANCE, MAY 1			3,101	-
FUND BALANCE, APRIL 30			<u>\$ -</u>	<u>\$ 3,101</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

TIF DISTRICT #2 DEBT SERVICE FUND

For the Year Ended April 30, 2014

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Investment Income	\$ -	\$ -	\$ -	\$ 2
Total Revenues	-	-	-	2
EXPENDITURES				
Debt Service:				
Principal Retirement	285,000	285,000	285,000	280,000
Interest and Fiscal Charges	51,156	51,156	51,156	59,338
Total Expenditures	336,156	336,156	336,156	339,338
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(336,156)	(336,156)	(336,156)	(339,336)
OTHER FINANCING SOURCES (USES)				
Transfers In	336,156	336,156	336,156	337,638
Total Other Financing Sources (Uses)	336,156	336,156	336,156	337,638
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	(1,698)
FUND BALANCE, MAY 1			-	1,698
FUND BALANCE, APRIL 30			<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

TIF DISTRICT #3 DEBT SERVICE FUND

For the Year Ended April 30, 2014

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service:				
Principal Retirement	150,000	150,000	150,000	145,000
Interest and Fiscal Charges	72,400	72,400	72,400	76,750
Total Expenditures	222,400	222,400	222,400	221,750
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(222,400)	(222,400)	(222,400)	(221,750)
OTHER FINANCING SOURCES (USES)				
Transfers In	222,400	222,400	222,400	221,749
Total Other Financing Sources	222,400	222,400	222,400	221,749
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	(1)
FUND BALANCE, MAY 1			-	1
FUND BALANCE, APRIL 30			<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

TIF DISTRICT #4 DEBT SERVICE FUND

For the Year Ended April 30, 2014

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Investment Income	\$ -	\$ -	\$ 4	\$ 10
Total Revenues	-	-	4	10
EXPENDITURES				
General Government:				
Contractual	-	-	-	253,009
Debt Service:				
Principal Retirement	-	260,000	260,000	315,000
Interest and Fiscal Charges	658,231	784,016	784,016	1,139,373
Total Expenditures	658,231	1,044,016	1,044,016	1,707,382
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(658,231)	(1,044,016)	(1,044,012)	(1,707,372)
OTHER FINANCING SOURCES (USES)				
Issuance of Bonds	-	-	-	22,355,000
Premium on Bonds	-	-	-	791,997
Payment to Escrow Agent	-	-	-	(22,888,223)
Transfers In	658,231	1,044,016	1,038,237	1,454,373
Total Other Financing Sources (Uses)	658,231	1,044,016	1,038,237	1,713,147
NET CHANGE IN FUND BALANCE	\$ -	\$ -	(5,775)	5,775
FUND BALANCE, MAY 1			5,775	-
FUND BALANCE, APRIL 30			\$ -	\$ 5,775

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

TIF DISTRICT #5 DEBT SERVICE FUND

For the Year Ended April 30, 2014

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service:				
Principal Retirement	220,000	220,000	220,000	210,000
Interest and Fiscal Charges	96,926	96,926	96,925	112,642
Total Expenditures	316,926	316,926	316,925	322,642
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(316,926)	(316,926)	(316,925)	(322,642)
OTHER FINANCING SOURCES (USES)				
Transfers In	316,926	316,926	316,925	318,247
Total Other Financing Sources	316,926	316,926	316,925	318,247
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	(4,395)
FUND BALANCE, MAY 1			-	4,395
FUND BALANCE, APRIL 30			\$ -	\$ -

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

2002A GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2014

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service:				
Principal Retirement	22,294	22,294	22,294	21,352
Interest and Fiscal Charges	892	892	892	1,746
Total Expenditures	23,186	23,186	23,186	23,098
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(23,186)	(23,186)	(23,186)	(23,098)
OTHER FINANCING SOURCES (USES)				
Transfers In	23,186	23,186	23,186	23,098
Total Other Financing Sources	23,186	23,186	23,186	23,098
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	-
FUND BALANCE, MAY 1			-	-
FUND BALANCE, APRIL 30			<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

2005A GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2014

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service:				
Principal Retirement	750,000	750,000	750,000	750,000
Interest and Fiscal Charges	62,000	62,000	62,000	557,500
Total Expenditures	812,000	812,000	812,000	1,307,500
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(812,000)	(812,000)	(812,000)	(1,307,500)
OTHER FINANCING SOURCES (USES)				
Transfers In	812,000	812,000	812,000	1,307,500
Total Other Financing Sources	812,000	812,000	812,000	1,307,500
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	-
FUND BALANCE, MAY 1			-	-
FUND BALANCE, APRIL 30			<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

2008C GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2014

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service:				
Principal Retirement	475,000	475,000	475,000	460,000
Interest and Fiscal Charges	461,086	461,086	460,485	477,045
Total Expenditures	936,086	936,086	935,485	937,045
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(936,086)	(936,086)	(935,485)	(937,045)
OTHER FINANCING SOURCES (USES)				
Transfers In	936,086	936,086	935,485	937,045
Total Other Financing Sources	936,086	936,086	935,485	937,045
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	-
FUND BALANCE, MAY 1			-	-
FUND BALANCE, APRIL 30			<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

2008 REVENUE BOND FUND

For the Year Ended April 30, 2014

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Sales and Use Tax	\$1,025,000	\$1,025,000	\$1,035,568	\$1,100,678
Investment Income	-	-	110	97
Total Revenues	1,025,000	1,025,000	1,035,678	1,100,775
EXPENDITURES				
General Government:				
Contractual	4,100	8,600	8,639	4,091
Debt Service:				
Principal Retirement	360,000	405,000	405,000	320,000
Interest and Fiscal Charges	579,282	579,282	579,283	601,523
Total Expenditures	943,382	992,882	992,922	925,614
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	81,618	32,118	42,756	175,161
NET CHANGE IN FUND BALANCE	<u>\$ 81,618</u>	<u>\$ 32,118</u>	42,756	175,161
FUND BALANCE, MAY 1			<u>2,002,432</u>	<u>1,827,271</u>
FUND BALANCE, APRIL 30			<u>\$2,045,188</u>	<u>\$2,002,432</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

2009 REFUNDING GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2014

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Investment Income	\$ -	\$ -	\$ -	\$ 1
Total Revenues	-	-	-	1
EXPENDITURES				
Debt Service:				
Principal Retirement	552,577	552,577	552,577	556,189
Interest and Fiscal Charges	19,950	19,950	19,950	36,161
Total Expenditures	572,527	572,527	572,527	592,350
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(572,527)	(572,527)	(572,527)	(592,349)
OTHER FINANCING SOURCES (USES)				
Transfers In	572,527	572,527	572,527	591,704
Total Other Financing Sources (Uses)	572,527	572,527	572,527	591,704
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	(645)
FUND BALANCE, MAY 1			-	645
FUND BALANCE, APRIL 30			\$ -	\$ -

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

2010B REFUNDING GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2014

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Investment Income	\$ -	\$ -	\$ -	\$ 4
Total Revenues	-	-	-	4
EXPENDITURES				
Debt Service:				
Principal Retirement	870,000	870,000	870,000	840,000
Interest and Fiscal Charges	70,776	70,776	70,775	87,576
Total Expenditures	940,776	940,776	940,775	927,576
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(940,776)	(940,776)	(940,775)	(927,572)
OTHER FINANCING SOURCES (USES)				
Transfers In	940,776	940,776	940,775	923,799
Total Other Financing Sources (Uses)	940,776	940,776	940,775	923,799
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	(3,773)
FUND BALANCE, MAY 1			-	3,773
FUND BALANCE, APRIL 30			<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

2011A GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2014

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service:				
Principal Retirement	148,140	148,140	148,140	131,680
Interest and Fiscal Charges	139,848	139,848	139,848	158,709
Total Expenditures	287,988	287,988	287,988	290,389
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(287,988)	(287,988)	(287,988)	(290,389)
OTHER FINANCING SOURCES (USES)				
Transfers In	287,988	287,988	287,988	290,389
Total Other Financing Sources	287,988	287,988	287,988	290,389
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	-
FUND BALANCE, MAY 1			-	-
FUND BALANCE, APRIL 30			<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

2011B REFUNDING GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2014

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service:				
Principal Retirement	314	314	314	-
Interest and Fiscal Charges	2,712	2,712	2,713	3,022
Total Expenditures	3,026	3,026	3,027	3,022
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,026)	(3,026)	(3,027)	(3,022)
OTHER FINANCING SOURCES (USES)				
Transfers In	3,026	3,026	3,027	3,012
Total Other Financing Sources (Uses)	3,026	3,026	3,027	3,012
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	(10)
FUND BALANCE, MAY 1			-	10
FUND BALANCE, APRIL 30			\$ -	\$ -

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

2011C REFUNDING GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2014

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Investment Income	\$ -	\$ -	\$ -	\$ 3
Total Revenues	-	-	-	3
EXPENDITURES				
Debt Service:				
Interest and Fiscal Charges	105,326	105,326	105,325	117,320
Total Expenditures	105,326	105,326	105,325	117,320
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(105,326)	(105,326)	(105,325)	(117,317)
OTHER FINANCING SOURCES (USES)				
Transfers In	105,326	105,326	105,325	114,166
Total Other Financing Sources (Uses)	105,326	105,326	105,325	114,166
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	(3,151)
FUND BALANCE, MAY 1			-	3,151
FUND BALANCE, APRIL 30			<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

2012A GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2014

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service:				
Principal Retirement	375,000	375,000	375,000	-
Interest and Fiscal Charges	257,360	257,360	257,360	-
Total Expenditures	632,360	632,360	632,360	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(632,360)	(632,360)	(632,360)	-
OTHER FINANCING SOURCES (USES)				
Transfers In	632,360	632,360	632,360	-
Total Other Financing Sources (Uses)	632,360	632,360	632,360	-
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	-
FUND BALANCE, MAY 1			-	-
FUND BALANCE, APRIL 30			<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

2012B REFUNDING GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2014

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Investment Income	\$ -	\$ -	1	\$ 1
Total Revenues	-	-	1	1
EXPENDITURES				
General Government:				
Contractual	-	-	-	171,034
Debt Service:				
Principal Retirement	285,000	285,000	285,000	-
Interest and Fiscal Charges	466,584	466,584	466,584	-
Total Expenditures	751,584	751,584	751,584	171,034
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(751,584)	(751,584)	(751,583)	(171,033)
OTHER FINANCING SOURCES (USES)				
Issuance of Bonds	-	-	-	12,025,000
Premium on Bonds	-	-	-	1,064,479
Payment to Escrow Agent	-	-	-	(12,916,643)
Transfers In	751,584	751,584	749,780	-
Total Other Financing Sources (Uses)	751,584	751,584	749,780	172,836
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	(1,803)	1,803
FUND BALANCE, MAY 1			<u>1,803</u>	<u>-</u>
FUND BALANCE, APRIL 30			<u>\$ -</u>	<u>\$ 1,803</u>

See independent auditor's report.

NONMAJOR CAPITAL PROJECTS FUNDS

The Capital Projects Funds account for resources restricted, committed or assigned for the acquisition and/or construction of capital equipment and facilities by the City except those financed by the Proprietary Funds.

Redgate Bride Fund - to account for the resources used for the construction of the bridge.

Public Works Capital Projects Fund - to account for the resources used for the funding of various major capital projects throughout the City, including equipment purchases and public improvements.

TIF District #4 Project Fund - to account for the resources used for the construction of public improvements for the property known as the First Street area.

CITY OF ST. CHARLES, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS

April 30, 2014

	Redgate Bridge Fund	Public Works Capital Projects	TIF District #4 Project	Total
ASSETS				
Cash and Investments	<u>\$3,580,795</u>	<u>\$3,392,447</u>	<u>\$1,603,969</u>	<u>\$8,577,211</u>
TOTAL ASSETS	<u><u>\$3,580,795</u></u>	<u><u>\$3,392,447</u></u>	<u><u>\$1,603,969</u></u>	<u><u>\$8,577,211</u></u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$2,864,771	\$ 82,306	\$ -	\$2,947,077
Contracts Payable	<u>-</u>	<u>606,107</u>	<u>-</u>	<u>606,107</u>
Total Liabilities	<u>2,864,771</u>	<u>688,413</u>	<u>-</u>	<u>3,553,184</u>
FUND BALANCE				
Restricted				
Capital Outlay	-	2,118,032	-	2,118,032
Community Development	-	-	1,603,969	1,603,969
Unrestricted				
Assigned				
Capital Improvements	<u>716,024</u>	<u>586,002</u>	<u>-</u>	<u>1,302,026</u>
Total Fund Balance	<u>716,024</u>	<u>2,704,034</u>	<u>1,603,969</u>	<u>5,024,027</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$3,580,795</u></u>	<u><u>\$3,392,447</u></u>	<u><u>\$1,603,969</u></u>	<u><u>\$8,577,211</u></u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

NONMAJOR CAPITAL PROJECTS FUNDS

For the Year Ended April 30, 2014

	<u>Redgate Bridge Capital Fund</u>	<u>Public Works Capital Projects</u>	<u>TIF District #4 Project</u>	<u>Total</u>
REVENUES				
Grants	\$ -	\$ 96,279	\$ -	\$ 96,279
Investment Income	9,510	7,886	6,285	23,681
Charges for Current Services	-	95,033	-	95,033
Contributions	-	230,884	-	230,884
Miscellaneous	-	91,210	-	91,210
Total Revenues	<u>9,510</u>	<u>521,292</u>	<u>6,285</u>	<u>537,087</u>
EXPENDITURES				
Public Works:				
Contractual	6,392	64,725	11,056	82,173
Materials and Supplies	80	-	-	80
Capital Outlay	<u>728,267</u>	<u>5,921,239</u>	<u>-</u>	<u>6,649,506</u>
Total Expenditures	<u>734,739</u>	<u>5,985,964</u>	<u>11,056</u>	<u>6,731,759</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(725,229)</u>	<u>(5,464,672)</u>	<u>(4,771)</u>	<u>(6,194,672)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Bonds	-	3,710,428	-	3,710,428
Discount on Bonds	-	(19,767)	-	(19,767)
Transfers In	683,074	1,219,500	-	1,902,574
Transfers (Out)	<u>(328,812)</u>	<u>-</u>	<u>(385,190)</u>	<u>(714,002)</u>
Total Other Financing Sources (Uses)	<u>354,262</u>	<u>4,910,161</u>	<u>\$ 385,190</u>	<u>4,879,233</u>
NET CHANGE IN FUND BALANCE	(370,967)	(554,511)	(389,961)	(1,315,439)
FUND BALANCE, MAY 1	<u>1,086,991</u>	<u>3,258,545</u>	<u>1,993,930</u>	<u>6,339,466</u>
FUND BALANCE, APRIL 30	<u>\$ 716,024</u>	<u>\$2,704,034</u>	<u>\$1,603,969</u>	<u>\$5,024,027</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

REDGATE BRIDGE CAPITAL FUND

For the Year Ended April 30, 2014

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Investment Income	\$ -	\$ -	\$ 9,510	\$ 17,533
Total Revenues	-	-	9,510	17,533
EXPENDITURES				
Public Works:				
Contractual	-	10,700	6,392	104,753
Materials and Supplies	-	200	80	2,147
Capital Outlay	-	7,884,801	728,267	8,733,800
Total Expenditures	-	7,895,701	734,739	8,840,700
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(7,895,701)	(725,229)	(8,823,167)
OTHER FINANCING SOURCES (USES)				
Issuance of Bonds	-	-	-	4,785,000
Premium on Bonds	-	-	-	138,391
Transfers In	692,079	692,079	683,074	726,596
Transfers (Out)	(328,812)	(328,812)	(328,812)	-
Total Other Financing Sources (Uses)	363,267	363,267	354,262	5,649,987
NET CHANGE IN FUND BALANCE	<u>\$ 363,267</u>	<u>(\$7,532,434)</u>	<u>(370,967)</u>	<u>(3,173,180)</u>
FUND BALANCE, MAY 1			<u>1,086,991</u>	<u>4,260,171</u>
FUND BALANCE, APRIL 30			<u>\$ 716,024</u>	<u>\$1,086,991</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

PUBLIC WORKS CAPITAL PROJECTS FUND

For the Year Ended April 30, 2014

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Grants	\$ 349,000	\$ 99,000	\$ 96,279	\$ 194,463
Investment Income	9,500	9,500	7,886	10,755
Charges for Current Services	-	-	95,033	-
Contributions	-	250,000	230,884	903,781
Miscellaneous	-	-	91,210	-
Total Revenues	358,500	358,500	521,292	1,108,999
EXPENDITURES				
Public Works:				
Contractual	-	64,725	64,725	31,287
Capital Outlay	6,645,060	8,113,212	5,921,239	4,984,692
Total Expenditures	6,645,060	8,177,937	5,985,964	5,015,979
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,286,560)	(7,819,437)	(5,464,672)	(3,906,980)
OTHER FINANCING SOURCES (USES)				
Issuance of Bonds	3,524,000	3,710,428	3,710,428	2,500,000
Discount on Bonds	-	(19,767)	(19,767)	231,287
Transfers In	1,219,500	1,219,500	1,219,500	965,200
Total Other Financing Sources (Uses)	4,743,500	4,910,161	4,910,161	3,696,487
NET CHANGE IN FUND BALANCE	<u>(\$1,543,060)</u>	<u>(\$2,909,276)</u>	(554,511)	(210,493)
FUND BALANCE, MAY 1			3,258,545	3,469,038
FUND BALANCE, APRIL 30			<u>\$2,704,034</u>	<u>\$3,258,545</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

TIF DISTRICT #4 CAPITAL FUND

For the Year Ended April 30, 2014

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Investment Income	\$ -	\$ -	\$ 6,285	\$ 19,463
Total Revenues	-	-	6,285	19,463
EXPENDITURES				
Public Works:				
Contractual	-	11,056	11,056	4,935
Principal Retirement	-	-	-	5,490,000
Capital Outlay	-	-	-	16,000
Total Expenditures	-	11,056	11,056	5,510,935
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(11,056)	(4,771)	(5,491,472)
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	(385,785)	(385,190)	-
Total Other Financing Sources (Uses)	-	(385,785)	(385,190)	-
NET CHANGE IN FUND BALANCE	\$ -	(\$ 396,841)	(389,961)	(5,491,472)
FUND BALANCE, MAY 1			1,993,930	7,485,402
FUND BALANCE, APRIL 30			\$1,603,969	\$1,993,930

See independent auditor's report.

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

Internal Service Funds are used to finance and account for services and/or commodities furnished by a designated fund or department to other funds or departments within the City.

Health Insurance - used to account for self-insurance activity related to health insurance.

Workers' Compensation Liability Insurance - used to account for the self-insurance related to workers' compensation, property, casualty and crime.

Inventory - used to account for acquisition of materials and supplies inventory that is provided to the various City funds on a cost-reimbursement basis.

Motor Vehicle Replacement - used to account for the rental of motor vehicles to the various City funds.

Communications Fund - used to account for communications infrastructure costs that are provided to the various City funds and other users.

CITY OF ST. CHARLES, ILLINOIS
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION

April 30, 2014

	Health Insurance Fund	Workers' Compensation Liability Insurance Fund	Inventory Fund	Motor Vehicle Replacement Fund	Communications Fund	Total
CURRENT ASSETS						
Cash and Investments	\$3,385,794	\$2,843,219	\$ 102,565	\$4,612,976	\$ 877,196	\$11,821,750
Accrued Interest on Investments	-	379	-	-	-	379
Miscellaneous Receivables	2,627	26,300	2,659	11,374	-	42,960
Prepaid Items	-	263,445	540	1,070	14,589	279,644
Inventory (net of allowance for excess and obsolete inventory of \$90,000)	-	-	3,418,506	-	-	3,418,506
Total Current Assets	3,388,421	3,133,343	3,524,270	4,625,420	891,785	15,563,239
NONCURRENT ASSETS						
Capital Assets Being Depreciated	-	-	73,023	8,638,575	1,280,923	9,992,521
Accumulated Depreciation	-	-	(47,592)	(5,256,310)	(118,693)	(5,422,595)
Net Capital Assets	-	-	25,431	3,382,265	1,162,230	4,569,926
Total Assets	3,388,421	3,133,343	3,549,701	8,007,685	2,054,015	20,133,165
CURRENT LIABILITIES						
Accounts Payable	-	495	14,869	35,050	35,105	85,519
Claims Payable	310,841	874,870	-	147,682	-	1,333,393
Accrued Salaries	-	-	15,196	15,491	4,503	35,190
Accrued Compensated Absences	-	-	62,717	48,688	9,122	120,527
Total Current Liabilities	310,841	875,365	92,782	246,911	48,730	1,574,629
NONCURRENT LIABILITIES						
Advances from Other Funds	-	-	-	-	1,048,280	1,048,280
Net OPEB Obligation	-	-	78,442	107,015	25,365	210,822
Total Long-Term Liabilities	-	-	78,442	107,015	1,073,645	1,259,102
Total Liabilities	310,841	875,365	171,224	353,926	1,122,375	2,833,731
NET POSITION						
Invested in Capital Assets	-	-	25,431	3,382,265	1,162,230	4,569,926
Unrestricted (Deficit)	3,077,580	2,257,978	3,353,046	4,271,494	(230,590)	12,729,508
TOTAL NET POSITION	\$3,077,580	\$2,257,978	\$3,378,477	\$7,653,759	\$ 931,640	\$17,299,434

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS

For the Year Ended April 30, 2014

	Health Insurance Fund	Workers' Compensation Liability Insurance Fund	Inventory Fund	Motor Vehicle Replacement Fund	Communications Fund	Total
OPERATING REVENUES						
Charges for Services	\$ -	\$ -	\$ -	\$1,177,336	\$ 480,379	\$1,657,715
Insurance Premiums	4,742,770	1,107,532	-	-	-	5,850,302
Rental Income	-	-	-	949,190	-	949,190
Sale of Inventory	-	-	2,511,682	-	-	2,511,682
Miscellaneous	64	66,518	820,537	7,232	-	894,351
Total Operating Revenues	4,742,834	1,174,050	3,332,219	2,133,758	480,379	11,863,240
OPERATING EXPENSES						
Personal Services	21,060	-	402,592	570,401	146,610	1,140,663
Fleet Maintenance	-	-	-	1,079,745	-	1,079,745
Insurance Claims	3,078,502	23,635	-	-	-	3,102,137
Insurance Premiums	437,184	412,933	-	-	-	850,117
Cost of Inventory	-	-	2,511,682	-	-	2,511,682
Provision for Depreciation	-	-	2,879	610,415	23,739	637,033
Miscellaneous	389,915	124,852	426,762	-	310,036	1,251,565
Total Operating Expenses	3,926,661	561,420	3,343,915	2,260,561	480,385	10,572,942
Operating Income (Loss)	816,173	612,630	(11,696)	(126,803)	(6)	1,290,298
NON-OPERATING REVENUES						
Gain on Sale of Property	-	-	-	72,837	-	72,837
Investment Income	4,974	7,928	(273)	7,536	1,103	21,268
Total Non-Operating Revenues	4,974	7,928	(273)	80,373	1,103	94,105
Change in Net Position	821,147	620,558	(11,969)	(46,430)	1,097	1,384,403
TRANSFERS						
Transfers In	-	178,879	-	-	-	178,879
Total Transfers	-	178,879	-	-	-	178,879
Net Income (Loss)	821,147	799,437	(11,969)	(46,430)	1,097	1,563,282
CONTRIBUTIONS	-	-	-	50,000	-	50,000
CHANGE IN NET POSITION	821,147	799,437	(11,969)	3,570	1,097	1,613,282
NET POSITION, MAY 1	2,256,433	1,458,541	3,390,446	7,650,189	930,543	15,686,152
NET POSITION, APRIL 30	\$3,077,580	\$2,257,978	\$3,378,477	\$7,653,759	\$ 931,640	\$17,299,434

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
For the Year Ended April 30, 2014

	Health Insurance Fund	W/C Liability Insurance Fund	Inventory Fund	Motor Vehicle Replacement Fund	Communications Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Interfund Services	\$ 3,511,163	\$ 1,107,532	\$ 3,330,774	\$ 2,118,152	\$ 480,379	\$ 10,548,000
Receipts from Miscellaneous Revenue	1,231,671	40,218	-	7,232	-	1,279,121
Payments to Suppliers	(3,972,366)	(966,153)	(1,947,500)	(646,858)	(300,222)	(7,833,099)
Payments to Employees	(21,060)	-	(363,807)	(477,526)	(134,705)	(997,098)
Payment to Other Funds	(100,428)	(9,972)	(404,461)	(354,796)	-	(869,657)
Net Cash from Operating Activities	648,980	171,625	615,006	646,204	45,452	2,127,267
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Due to (from) Other Funds	-	-	(615,000)	-	-	(615,000)
Advance to/from Other Funds	-	-	-	-	(61,664)	(61,664)
Transfers In	-	178,879	-	-	-	178,879
Net Cash from Noncapital Financing Activities	-	178,879	(615,000)	-	(61,664)	(497,785)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital Assets Purchased	-	-	-	(733,975)	-	(733,975)
Proceeds on Sale of Capital Assets	-	-	-	123,426	-	123,426
Net Cash from Capital and Related Financing Activities	-	-	-	(610,549)	-	(610,549)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of Investments	(1,503,248)	-	-	(3,684)	-	(1,506,932)
Proceeds from Sale and Maturities of Investment Securities	-	501,219	-	-	-	501,219
Interest Received (Deducted)	4,974	10,204	(273)	7,536	1,103	23,544
Net Cash from Investing Activities	(1,498,274)	511,423	(273)	3,852	1,103	(982,169)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(849,294)	861,927	(267)	39,507	(15,109)	36,764
CASH AND CASH EQUIVALENTS, MAY 1	1,548,474	325,957	102,832	3,287,873	892,305	6,157,441
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 699,180	\$ 1,187,884	\$ 102,565	\$ 3,327,380	\$ 877,196	\$ 6,194,205
CASH AND INVESTMENTS						
Cash and Cash Equivalents	\$ 699,180	\$ 1,187,884	\$ 102,565	\$ 3,327,380	\$ 877,196	\$ 6,194,205
Investments	2,686,614	1,655,334	-	1,285,596	-	5,627,544
TOTAL CASH AND INVESTMENTS	\$ 3,385,794	\$ 2,843,218	\$ 102,565	\$ 4,612,976	\$ 877,196	\$ 11,821,749
NONCASH TRANSACTIONS						
Contributions of Capital Assets	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,000
TOTAL NONCASH TRANSACTIONS	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,000
CASH FLOWS FROM OPERATING ACTIVITIES						
Operating Income (Loss)	\$ 816,173	\$ 612,630	\$ (11,696)	\$ (126,803)	\$ (6)	\$ 1,290,298
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities						
Depreciation	-	-	2,879	610,415	23,739	637,033
Changes in Assets and Liabilities						
Receivables	12,408	(26,300)	(1,445)	(8,374)	-	(23,711)
Inventory	-	-	639,281	-	-	639,281
Prepays	-	(20,607)	(540)	(405)	(14,589)	(36,141)
Accounts and Claims Payable	(179,601)	(394,098)	7,850	171,776	32,889	(361,184)
Accrued Salaries	-	-	1,206	(3,790)	(61)	(2,645)
Compensated Absences Payable	-	-	(26,738)	(2,547)	1,580	(27,705)
Net OPEB Obligation	-	-	4,209	5,932	1,900	12,041
NET CASH FROM OPERATING ACTIVITIES	\$ 648,980	\$ 171,625	\$ 615,006	\$ 646,204	\$ 45,452	\$ 2,127,267

See independent auditor's report.

FIDUCIARY FUNDS

FIDUCIARY FUNDS

Fiduciary Funds consist of resources received from noncity sources and held by the City as trustee or agent to be expended or invested in accordance with the conditions of the trust or in its agency capacity.

Pension Trust Funds

Police and Fire Pension - provides for payment of retirement benefits. Funding comes from City contributions and employee contributions.

Agency Funds

Tri-City Ambulance - accounts for the operations of the Tri-City Ambulance Service, funded through charges to the Cities of St. Charles, Geneva and Batavia.

Special Service Area #21 Bond Issue - accounts for payment of interest and principal on debt used to finance multiple capital construction projects.

North Central Narcotics Task Force - accounts for the operations of the North Central Narcotics Task Force, funded through grant proceeds.

First Street Acquisition - accounts for the payments of interest on the guaranteed investment agreement relating to a First Street property purchase.

CITY OF ST. CHARLES, ILLINOIS
COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
April 30, 2014

	Pension Trust Funds			Agency Funds
	Police Pension Fund	Fire Pension Fund	Total	
ASSETS				
Cash and Short-Term Investments	\$1,177,139	\$ 629,858	\$1,806,997	\$1,841,537
Investments, at Fair Value				
Certificates of Deposit	1,115,258	971,581	2,086,839	-
U.S. Treasury and U.S. Agency Securities	3,453,510	7,321,723	10,775,233	-
Corporate Bonds	4,292,274	1,922,118	6,214,392	-
Preferred Securities	1,182,382	1,278,685	2,461,067	-
Mutual Funds	6,016,419	8,515,306	14,531,725	-
Equity Securities	11,892,144	11,047,842	22,939,986	-
Receivables				
Accounts Receivable	-	-	-	410,134
Accrued Interest on Investments	66,901	53,501	120,402	-
Prepaid Items	33,870	30,777	64,647	-
TOTAL ASSETS	29,229,897	31,771,391	61,001,288	\$2,251,671
LIABILITIES				
Accounts Payable	4,076	-	4,076	\$ 44,145
Due to Other Funds	-	-	-	5,077
Due to Other Governments	-	-	-	1,808,655
Due to Bondholders	-	-	-	393,794
TOTAL LIABILITIES	4,076	-	4,076	\$2,251,671
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	\$29,225,821	\$31,771,391	\$60,997,212	

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

PENSION TRUST FUNDS

COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION

For the Year Ended April 30, 2014

	<u>Police</u>	<u>Fire</u>	<u>Total</u>
	<u>Pension Fund</u>	<u>Pension Fund</u>	
ADDITIONS			
Contributions -			
Employer	\$ 1,317,164	\$ 998,068	\$ 2,315,232
Employee	458,352	470,592	928,944
Other	-	100	100
Total Contributions	<u>1,775,516</u>	<u>1,468,760</u>	<u>3,244,276</u>
Investment Income -			
Net Appreciation in the			
Fair Value of Investments	611,384	1,297,766	1,909,150
Interest	<u>1,018,421</u>	<u>910,470</u>	<u>1,928,891</u>
Total Investment Income	1,629,805	2,208,236	3,838,041
Less Investment Expense	<u>(228,631)</u>	<u>(154,981)</u>	<u>(383,612)</u>
Net Investment Income	<u>1,401,174</u>	<u>2,053,255</u>	<u>3,454,429</u>
Total Additions	<u>3,176,690</u>	<u>3,522,015</u>	<u>6,698,705</u>
DEDUCTIONS			
Pension Benefits and Refunds	1,881,019	1,062,595	2,943,614
Administrative Expenses	<u>30,709</u>	<u>14,510</u>	<u>45,219</u>
Total Deductions	<u>1,911,728</u>	<u>1,077,105</u>	<u>2,988,833</u>
NET INCREASE	1,264,962	2,444,910	3,709,872
NET POSITION HELD IN TRUST			
FOR PENSION BENEFITS			
May 1	<u>27,960,859</u>	<u>29,326,481</u>	<u>57,287,340</u>
April 30	<u>\$29,225,821</u>	<u>\$31,771,391</u>	<u>\$60,997,212</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Year Ended April 30, 2014

	Balance May 1	Additions	Deductions	Balance April 30
Tri-City Ambulance Fund:				
Assets -				
Cash and Investments	\$ 1,228,800	\$ 2,866,954	\$ 3,084,511	\$ 1,011,243
Accounts Receivable, net	509,415	2,901,727	3,001,008	410,134
	<u>\$ 1,738,215</u>	<u>\$ 5,768,681</u>	<u>\$ 6,085,519</u>	<u>\$ 1,421,377</u>
Liabilities -				
Accounts Payable	\$ 24,750	\$ 3,092,812	\$ 3,104,039	\$ 13,523
Due to Other Governments	1,713,465	3,890,044	4,195,655	1,407,854
	<u>\$ 1,738,215</u>	<u>\$ 6,982,856</u>	<u>\$ 7,299,694</u>	<u>\$ 1,421,377</u>
Special Service Area #21 Bond:				
Assets -				
Cash and Investments	\$ 398,869	\$ 473,199	\$ 473,196	\$ 398,872
	<u>\$ 398,869</u>	<u>\$ 473,199</u>	<u>\$ 473,196</u>	<u>\$ 398,872</u>
Liabilities -				
Due to Other Funds	\$ -	\$ 5,077	\$ -	\$ 5,077
Due to Bondholders	398,869	236,314	241,388	393,795
	<u>\$ 398,869</u>	<u>\$ 241,391</u>	<u>\$ 241,388</u>	<u>\$ 398,872</u>
North Central Narcotics Task Force:				
Assets -				
Cash and Investments	\$ 476,023	\$ 467,458	\$ 531,269	\$ 412,212
	<u>\$ 476,023</u>	<u>\$ 467,458</u>	<u>\$ 531,269</u>	<u>\$ 412,212</u>
Liabilities -				
Accounts Payable	\$ 55,157	\$ 114,008	\$ 157,753	\$ 11,412
Due to Other Governments	420,866	183,741	203,807	400,800
	<u>\$ 476,023</u>	<u>\$ 297,749</u>	<u>\$ 361,560</u>	<u>\$ 412,212</u>
First Street Acquisition:				
Assets -				
Cash and Investments	\$ 55,806	\$ 129	\$ 36,725	\$ 19,210
	<u>\$ 55,806</u>	<u>\$ 129</u>	<u>\$ 36,725</u>	<u>\$ 19,210</u>
Liabilities -				
Accounts Payable	\$ 55,806	\$ 129	\$ 36,725	\$ 19,210
	<u>\$ 55,806</u>	<u>\$ 129</u>	<u>\$ 36,725</u>	<u>\$ 19,210</u>
Total:				
Assets -				
Cash and Investments	\$ 2,159,498	\$ 3,807,740	\$ 4,125,701	\$ 1,841,537
Accounts Receivable	509,415	2,901,727	3,001,008	410,134
	<u>\$ 2,668,913</u>	<u>\$ 6,709,467</u>	<u>\$ 7,126,709</u>	<u>\$ 2,251,671</u>
Liabilities -				
Accounts Payable	\$ 135,713	\$ 3,206,949	\$ 3,298,517	\$ 44,145
Due to Other Funds	-	5,077	-	5,077
Due to Other Governments	2,134,331	4,073,785	4,399,462	1,808,654
Due to Bondholders	398,869	236,314	241,388	393,795
	<u>\$ 2,668,913</u>	<u>\$ 7,527,202</u>	<u>\$ 7,939,367</u>	<u>\$ 2,251,671</u>

See independent auditor's report.

**CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS**

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

Capital Assets used in the operation of Governmental Funds are those capital assets of a governmental jurisdiction, which are not accounted for in a Proprietary Fund.

CITY OF ST. CHARLES, ILLINOIS

GOVERNMENTAL FUNDS - CAPITAL ASSETS

SCHEDULE BY SOURCE

April 30, 2014

CAPITAL ASSETS	
Land	\$59,590,731
Buildings	49,790,714
Improvements Other Than Buildings	153,384,260
Equipment	5,081,906
Intangible	2,866,045
Construction in Progress	43,338
Accumulated Depreciation	<u>(90,718,034)</u>
Total	<u><u>\$180,038,960</u></u>

INVESTMENT IN CAPITAL ASSETS	
Adjusted Balance, May 1	\$167,382,975
Current Year Additions	16,920,299
Current Year Depreciation	<u>(4,264,314)</u>
Balance, April 30	<u><u>\$180,038,960</u></u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

GOVERNMENTAL FUNDS - CAPITAL ASSETS

SCHEDULE BY FUNCTION AND ACTIVITY

April 30, 2014

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements other than Buildings</u>	<u>Equipment</u>	<u>Intangibles</u>	<u>Construction in Progress</u>	<u>Total</u>
General Government:							
General Administration	\$ 2,877,775	\$12,972,861	\$ -	\$ 45,113	\$ 1,315,740	\$ -	\$17,211,489
Central Support Services		-	-	310,645	209,179	-	519,824
Total General Government	2,877,775	12,972,861	-	355,758	1,524,919	-	17,731,313
Public Health and Safety:							
Police Department	-	772,213	418,564	119,264	-	-	1,310,041
Fire Department	-	6,333,044	366,965	213,256	-	-	6,913,265
Total Public Health and Safety	-	7,105,257	785,529	332,520	-	-	8,223,306
Public Works:	56,712,956	29,712,598	152,598,726	4,393,629	1,341,128		244,759,037
Construction in Progress	-	-	-	-		43,338	43,338
Accumulated Depreciation	-	(14,882,711)	(73,114,316)	(1,666,665)	(1,054,342)	-	(90,718,034)
TOTAL CAPITAL ASSETS	\$59,590,731	\$34,908,005	\$80,269,939	\$ 3,415,242	\$ 1,811,705	\$ 43,338	\$180,038,960

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

GOVERNMENTAL FUNDS - CAPITAL ASSETS

SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY

For the Year Ended April 30, 2014

<u>Function and Activity</u>	<u>Capital Assets May 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Accumulated Depreciation</u>	<u>Capital Assets April 30</u>
General Government:					
General Administration	\$16,051,738	\$ 96,431	(\$ 115,000)	(\$ 4,759,394)	\$11,273,775
Central Support Services	<u>519,823</u>	<u>-</u>	<u>-</u>	<u>(502,036)</u>	<u>17,787</u>
Total General Government	<u>16,571,561</u>	<u>96,431</u>	<u>\$ 115,000</u>	<u>(5,261,430)</u>	<u>11,291,562</u>
Public Health and Safety:					
Police Department	1,284,523	25,518	-	(387,501)	922,540
Fire Department	<u>6,855,838</u>	<u>57,427</u>	<u>-</u>	<u>(2,368,488)</u>	<u>4,544,777</u>
Total Public Health and Safety	<u>8,140,361</u>	<u>82,945</u>	<u>-</u>	<u>(2,755,989)</u>	<u>5,467,317</u>
Public Works:	<u>213,922,347</u>	<u>32,041,972</u>	<u>(26,959)</u>	<u>(82,700,617)</u>	<u>163,236,743</u>
Construction in Progress:	<u>15,282,070</u>	<u>43,338</u>	<u>(15,282,070)</u>	<u>-</u>	<u>43,338</u>
TOTAL CAPITAL ASSETS	<u><u>\$253,916,339</u></u>	<u><u>\$32,264,686</u></u>	<u><u>(\$15,424,029)</u></u>	<u><u>(\$90,718,036)</u></u>	<u><u>\$180,038,960</u></u>

See independent auditor's report.

**LONG-TERM DEBT PAYABLE
BY GOVERNMENTAL FUNDS**

LONG-TERM DEBT PAYABLE BY GOVERNMENTAL FUNDS

Long-Term Debt Payable by Governmental Funds accounts for long-term debt legally payable from general governmental revenues.

CITY OF ST. CHARLES, ILLINOIS

LONG-TERM DEBT PAYABLE BY GOVERNMENTAL FUNDS

SCHEDULE OF LONG-TERM DEBT

April 30, 2014

	Debit Balance	Credit Balance
Amount Available in Debt Service Funds for Repayment of Principal	\$ 2,045,188	\$ -
Amounts to be Provided From Future Tax Levies and Other Sources for Payment of -		
Accrued Compensated Absences	3,370,379	-
General Obligation Bond Principal	72,668,077	-
Revenue Bond Principal	5,884,812	-
Installment Purchase Contracts	79,865	-
Net Pension Obligation	5,127	-
Other Postemployment Benefits	4,732,866	-
Developer Agreement Payable	348,040	-
Interest Payable	1,287,847	-
Payable From Future Tax Levies and Other Sources-		
Accrued Compensated Absences	-	3,370,379
General Obligation Bond Principal	-	72,668,077
Revenue Bond Principal	-	7,930,000
Installment Purchase Contracts	-	79,865
Net Pension Obligation	-	5,127
Other Post Employment Benefits	-	4,732,866
Developer Agreement Payable	-	348,040
Interest Payable	-	1,287,847
TOTAL GENERAL LONG-TERM DEBT PAYABLE	\$90,422,201	\$90,422,201

See independent auditor's report.

SUPPLEMENTAL FINANCIAL INFORMATION

CITY OF ST. CHARLES, ILLINOIS

BALANCE SHEET

GENERAL CORPORATE FUND

April 30, 2014

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
ASSETS		
Cash and Investments		\$13,778,299
Receivables		
Property Taxes, net	\$12,504,339	
Accrued Interest on Investments	11,476	
Miscellaneous, net	<u>479,343</u>	12,995,158
Prepaid Items		132,401
Due From Other Funds		3,745,448
Due From Fiduciary Funds		5,077
Due From Other Governments		4,604,094
Advance to Other Funds		<u>5,620,524</u>
Total Assets		<u>40,881,001</u>
DEFERRED OUTFLOWS OF RESOURCES		
None		<u>-</u>
Total Deferred Outflows of Resources		<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		<u><u>\$40,881,001</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
LIABILITIES		
Accounts Payable		\$ 1,231,434
Accrued Salaries		896,879
Escrows and Refundable Deposits		1,122,974
Due to Other Funds		595,784
Unearned Revenue		<u>197,980</u>
Total Liabilities		<u>4,045,051</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Revenue - Property Tax		<u>12,504,339</u>
Total Deferred Inflows of Resources		
Total Liabilities and Deferred Inflows of Resources		<u>16,549,390</u>
FUND BALANCE		
Nonspendable		
Prepaid Items		132,401
Advances to Other Funds		5,620,524
Restricted		
Mental Health		530
Unrestricted		
Assigned		
Community Development - Debt Service		3,000,000
Unassigned		<u>15,578,156</u>
Total Fund Balance		<u>24,331,611</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		<u><u>\$40,881,001</u></u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS
SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL
GENERAL CORPORATE FUND

For the Year Ended April 30, 2014
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
General Government:				
General Administrative-				
Office of the Mayor-				
Personal Services	\$ 33,300	\$ 37,259	\$ 34,663	\$ 33,724
Contractual Services	26,705	25,905	16,694	18,003
Materials and Supplies	15,880	15,323	6,328	5,292
Miscellaneous	677	677	672	674
Allocations To Other Funds	(48,852)	(48,852)	(48,852)	(60,280)
	<u>27,710</u>	<u>30,312</u>	<u>9,505</u>	<u>(2,587)</u>
City Council-				
Personal Services	87,626	87,983	78,097	76,032
Contractual Services	71,728	71,728	54,320	70,047
Materials and Supplies	7,460	7,460	2,513	17,985
Miscellaneous	2,317	2,317	2,317	2,317
Allocations To Other Funds	(171,156)	(171,156)	(171,156)	(126,209)
	<u>(2,025)</u>	<u>(1,668)</u>	<u>(33,909)</u>	<u>40,172</u>
City Administrator-				
Personal Services	449,383	465,935	465,650	447,575
Contractual Services	795,402	824,789	763,342	733,594
Materials and Supplies	9,925	9,753	5,694	4,044
Miscellaneous	5,908	5,941	5,957	6,047
Capital Outlay	-	500	127	-
Allocations To Other Funds	(225,564)	(225,564)	(225,564)	(253,879)
	<u>1,035,054</u>	<u>1,081,354</u>	<u>1,015,206</u>	<u>937,381</u>
Community and Public Affairs-				
Personal Services	36,195	37,660	43,021	37,243
Contractual Services	12,412	12,400	9,129	2,486
Materials and Supplies	530	530	494	57
Miscellaneous	269	269	269	269
	<u>49,406</u>	<u>50,859</u>	<u>52,913</u>	<u>40,055</u>
City Clerk-				
Personal Services	4,844	4,844	4,861	6,388
Miscellaneous	4,138	4,138	2,816	2,560
	<u>8,982</u>	<u>8,982</u>	<u>7,677</u>	<u>8,948</u>
City Treasurer-				
Personal Services	1,938	1,938	1,945	1,945
Contractual Services	3,200	3,200	1,841	1,741
Materials and Supplies	-	-	-	-
Allocations To Other Funds	(1,668)	(1,668)	(1,668)	(1,884)
	<u>3,470</u>	<u>3,470</u>	<u>2,118</u>	<u>1,802</u>

CITY OF ST. CHARLES, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

GENERAL CORPORATE FUND

For the Year Ended April 30, 2014

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
General Government (Continued):				
General Administrative (Continued)-				
Board of Police and Fire-				
Personal Services	\$ 6,828	\$ 6,828	\$ 2,078	\$ 1,952
Contractual Services	46,048	52,215	27,270	24,134
Materials and Supplies	875	1,008	706	1,049
	<u>53,751</u>	<u>60,051</u>	<u>30,054</u>	<u>27,135</u>
Total General Administrative	<u>1,176,348</u>	<u>1,233,360</u>	<u>1,083,564</u>	<u>1,052,906</u>
Central Support Services-				
Purchasing-				
Personal Services	126,212	129,276	146,120	166,547
Contractual Services	43,314	43,314	35,266	35,798
Materials and Supplies	14,389	14,389	10,890	13,134
Miscellaneous	2,130	2,130	3,256	3,497
Capital Outlay	-	-	-	-
Allocations To Other Funds	(263,232)	(263,232)	(263,232)	(295,271)
	<u>(77,187)</u>	<u>(74,123)</u>	<u>(67,700)</u>	<u>(76,295)</u>
Human Resources-				
Personal Services	720,393	736,383	706,899	668,404
Contractual Services	105,022	128,273	112,272	99,357
Materials and Supplies	21,956	24,113	20,988	13,818
Miscellaneous	7,983	7,983	7,838	7,913
Capital Outlay	-	-	-	131
Allocations To Other Funds	(356,604)	(356,604)	(356,604)	(364,059)
	<u>498,750</u>	<u>540,148</u>	<u>491,393</u>	<u>425,564</u>
Information Systems-				
Personal Services	1,420,873	1,407,149	1,393,308	1,307,360
Contractual Services	314,928	612,936	317,701	323,676
Materials and Supplies	29,206	32,751	18,655	12,584
Miscellaneous	34,903	34,903	34,303	33,536
Capital Outlay	69,500	171,312	161,851	57,028
Allocations To Other Funds	(724,932)	(724,932)	(724,932)	(708,983)
	<u>1,144,478</u>	<u>1,534,119</u>	<u>1,200,886</u>	<u>1,025,201</u>
Finance Administration-				
Personal Services	1,285,273	1,324,728	1,256,959	1,207,394
Contractual Services	319,252	317,139	280,821	268,482
Materials and Supplies	4,820	6,520	6,127	8,143

CITY OF ST. CHARLES, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

GENERAL CORPORATE FUND

For the Year Ended April 30, 2014

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
General Government (Continued):				
Central Support Services (Continued)-				
Finance Administration-				
Miscellaneous	\$ 8,370	\$ 8,370	\$ 20,883	\$ 35,887
Capital Outlay	-	3,250	3,139	1,103
Allocations To Other Funds	(1,242,504)	(1,242,504)	(1,242,504)	(1,227,968)
	<u>375,211</u>	<u>417,503</u>	<u>325,425</u>	<u>293,041</u>
Total Central Support Services	<u>1,941,252</u>	<u>2,417,647</u>	<u>1,950,004</u>	<u>1,667,511</u>
Total General Government	<u>3,117,600</u>	<u>3,651,007</u>	<u>3,033,568</u>	<u>2,720,417</u>
Public Health and Safety:				
Police Department-				
Administration-				
Personal Services	3,534,593	3,616,838	3,517,061	3,337,859
Contractual Services	981,888	991,238	755,138	751,725
Materials and Supplies	95,107	107,407	80,923	52,847
Miscellaneous	28,101	28,101	26,411	32,098
Capital Outlay	9,800	20,395	17,362	22,986
	<u>4,649,489</u>	<u>4,763,979</u>	<u>4,396,895</u>	<u>4,197,515</u>
Police Operations-				
Personal Services	5,504,745	5,514,901	5,537,710	5,470,685
Contractual Services	427,675	427,645	246,302	304,341
Materials and Supplies	227,063	242,013	219,677	184,490
Miscellaneous	261,062	261,062	248,877	263,368
Capital Outlay	-	-	-	-
	<u>6,420,545</u>	<u>6,445,621</u>	<u>6,252,566</u>	<u>6,222,884</u>
Total Police Department	<u>11,070,034</u>	<u>11,209,600</u>	<u>10,649,461</u>	<u>10,420,399</u>
Fire Department-				
Administration-				
Personal Services	1,730,706	1,754,376	1,813,889	1,681,240
Contractual Services	240,565	233,990	197,376	223,220
Materials and Supplies	22,900	20,980	16,558	25,994
Miscellaneous	11,308	11,316	10,726	13,550
Capital Outlay	-	1,450	1,253	5,778
	<u>2,005,479</u>	<u>2,022,112</u>	<u>2,039,802</u>	<u>1,949,782</u>

CITY OF ST. CHARLES, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

GENERAL CORPORATE FUND

For the Year Ended April 30, 2014

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Public Health and Safety (Continued):				
Fire Department (Continued)-				
Fire Operations-				
Personal Services	\$ 5,928,613	\$ 5,948,477	\$ 5,683,580	\$ 5,811,299
Contractual Services	859,897	877,397	727,041	749,267
Materials and Supplies	133,316	133,916	125,601	124,209
Miscellaneous	309,902	309,902	307,953	393,714
Capital Outlay	60,000	60,294	54,010	77,988
	<u>7,291,728</u>	<u>7,329,986</u>	<u>6,898,185</u>	<u>7,156,477</u>
Emergency Management Agency-				
Personal Services	76,131	80,961	70,533	64,467
Contractual Services	26,478	26,478	39,455	16,447
Materials and Supplies	3,324	2,479	520	5,156
Miscellaneous	12,999	12,999	12,955	14,347
Capital Outlay	33,550	39,300	35,768	32,048
	<u>152,482</u>	<u>162,217</u>	<u>159,231</u>	<u>132,465</u>
Total Fire Department	<u>9,449,689</u>	<u>9,514,315</u>	<u>9,097,218</u>	<u>9,238,724</u>
Public Health Planning-				
Contractual Services	<u>556,649</u>	<u>584,100</u>	<u>584,100</u>	<u>588,100</u>
	<u>556,649</u>	<u>584,100</u>	<u>584,100</u>	<u>588,100</u>
Total Public Health and Safety	<u>21,076,372</u>	<u>21,308,015</u>	<u>20,330,779</u>	<u>20,247,223</u>
Public Works:				
Administration-				
Personal Services	565,626	586,547	455,314	555,654
Contractual Services	163,307	181,237	101,679	152,682
Materials and Supplies	7,012	6,919	5,805	3,394
Miscellaneous	8,424	8,424	8,226	8,220
Capital Outlay	-	128	127	-
Allocations To Other Funds	<u>(28,008)</u>	<u>(28,008)</u>	<u>(28,008)</u>	<u>(142,631)</u>
	<u>716,361</u>	<u>755,247</u>	<u>543,143</u>	<u>577,319</u>
Engineering-				
Personal Services	378,084	391,245	372,866	373,441
Contractual Services	250,844	288,172	138,676	126,498
Materials and Supplies	18,447	18,452	17,364	13,632
Miscellaneous	9,530	9,530	8,448	2,703
Capital Outlay	-	-	-	18,251
Allocations To Other Funds	<u>(102,564)</u>	<u>(102,564)</u>	<u>(102,564)</u>	<u>(83,115)</u>
	<u>554,341</u>	<u>604,835</u>	<u>434,790</u>	<u>451,410</u>

CITY OF ST. CHARLES, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

GENERAL CORPORATE FUND

For the Year Ended April 30, 2014

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Public Works (Continued):				
Construction Services-				
Personal Services	\$ 2,228,667	\$ 2,228,659	\$ 2,172,662	\$ 2,145,786
Contractual Services	1,969,830	2,183,168	1,708,910	1,416,064
Materials and Supplies	652,842	748,209	565,743	724,335
Miscellaneous	471,364	471,604	468,684	567,515
Capital Outlay	8,956	9,386	430	2,200
Allocations To Other Funds	(594,012)	(594,012)	(594,012)	(621,406)
	<u>4,737,647</u>	<u>5,047,014</u>	<u>4,322,417</u>	<u>4,234,494</u>
Special Services-				
Personal Services	840,907	845,879	800,722	530,013
Contractual Services	1,611,095	1,723,522	1,476,118	1,586,824
Materials and Supplies	231,193	233,042	184,483	84,125
Miscellaneous	43,092	48,292	46,833	58,708
Capital Outlay	-	-	-	-
Allocations To Other Funds	(707,460)	(707,460)	(707,460)	(734,306)
	<u>2,018,827</u>	<u>2,143,275</u>	<u>1,800,696</u>	<u>1,525,364</u>
Total Public Works	<u>8,027,176</u>	<u>8,550,371</u>	<u>7,101,046</u>	<u>6,788,587</u>
Community Development:				
Planning Services-				
Personal Services	445,412	461,517	430,854	425,576
Contractual Services	145,170	155,438	35,610	74,213
Materials and Supplies	5,310	5,085	2,480	3,320
Miscellaneous	4,806	5,655	5,535	4,687
Capital Outlay	-	13,010	5,141	62,834
Allocations To Other Funds	(76,080)	(76,080)	(76,080)	(75,857)
	<u>524,618</u>	<u>564,625</u>	<u>403,540</u>	<u>494,773</u>
Planning Commission-				
Personal Services	750	750	450	475
Contractual Services	<u>20,000</u>	<u>19,670</u>	<u>9,421</u>	<u>8,524</u>
Materials and Supplies	-	-	-	-
	<u>20,750</u>	<u>20,420</u>	<u>9,871</u>	<u>8,999</u>
Building and Code Enforcement-				
Personal Services	692,047	704,638	649,625	652,535
Contractual Services	116,738	211,998	162,445	146,352
Materials and Supplies	12,770	11,995	8,213	9,414
Miscellaneous	17,250	17,310	16,699	16,698
Capital Outlay	-	-	-	1,735
Allocations To Other Funds	(76,956)	(76,956)	(76,956)	(72,360)
	<u>761,849</u>	<u>868,985</u>	<u>760,026</u>	<u>754,374</u>

CITY OF ST. CHARLES, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)

GENERAL CORPORATE FUND

For the Year Ended April 30, 2014

(with comparative actual)

Community Development (Continued):

Zoning Board of Appeals-

Personal Services

\$ 400

\$ 400

\$ -

\$ -

Contractual Services

4,338

4,338

1,088

785

4,738

4,738

1,088

785

Development Engineering-

Personal Services

311,334

320,907

304,113

299,045

Contractual Services

69,459

65,582

14,889

29,035

Materials and Supplies

5,997

5,764

3,807

4,446

Miscellaneous

14,076

14,076

13,700

14,489

Capital Outlay

-

-

-

84,812

Allocations To Other Funds

(72,468)

(72,468)

(72,468)

(79,857)

328,398

333,861

264,041

351,970

Economic Development-

Personal Services

337,836

349,435

178,685

332,926

Contractual Services

350,814

492,667

630,058

484,671

Materials and Supplies

4,710

3,910

1,725

3,704

Miscellaneous

1,698

1,698

1,652

1,944

Capital Outlay

-

-

-

-

Allocations To Other Funds

(121,776)

(121,776)

(121,776)

(77,518)

573,282

725,934

690,344

745,727

Special Service Area-

Contractual Services

272,000

273,104

272,500

284,540

272,000

273,104

272,500

284,540

Total Community Development

2,485,635

2,791,667

2,401,410

2,641,168

Debt Service:

Principal

4,585

4,585

4,586

4,586

Interest and Fiscal Charges

-

-

-

-

4,585

4,585

4,586

4,586

Total Expenditures

\$34,711,368

\$36,305,645

\$32,871,389

\$32,401,981

See independent auditor's report.

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of St. Charles, Illinois' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information displays about the City's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have been changed over time.	141-145
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	146-151
Debt Capacity The schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	152-156
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	157-158
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	159-161

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF ST. CHARLES, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 90,799,534	\$ 102,371,583	\$ 99,460,021	\$ 99,140,750	\$ 99,628,444	\$ 95,258,795	\$ 97,483,604	\$ 104,284,999	\$ 111,517,071	\$ 122,912,679
Restricted	6,563,203	7,585,288	8,583,125	11,617,447	13,196,304	21,309,478	20,622,400	5,937,316	5,011,926	4,428,376
Unrestricted	(1,439,033)	4,591,049	9,956,490	13,430,037	3,062,631	564,787	2,561,737	12,974,169	7,839,905	10,501,379
TOTAL GOVERNMENTAL ACTIVITIES	\$ 95,923,704	\$ 114,547,920	\$ 117,999,636	\$ 124,188,234	\$ 115,887,379	\$ 117,133,060	\$ 120,667,741	\$ 123,196,484	\$ 124,368,902	\$ 137,842,434
BUSINESS-TYPE ACTIVITIES										
Net Investment in Capital Assets	\$ 75,257,744	\$ 87,666,921	\$ 91,359,113	\$ 94,294,449	\$ 89,806,332	\$ 94,444,575	\$ 92,601,321	\$ 93,911,050	\$ 94,974,541	\$ 97,764,596
Unrestricted	35,097,563	32,642,266	32,322,467	26,346,235	21,814,925	12,835,960	8,586,709	3,718,155	2,249,595	2,398,911
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 110,355,307	\$ 120,309,187	\$ 123,681,580	\$ 120,640,684	\$ 111,621,257	\$ 107,280,535	\$ 101,188,030	\$ 97,629,205	\$ 97,224,136	\$ 100,163,507
PRIMARY GOVERNMENT										
Net Investment in Capital Assets	\$ 166,057,278	\$ 190,038,504	\$ 190,819,134	\$ 193,435,199	\$ 189,434,776	\$ 189,703,370	\$ 190,084,925	\$ 198,196,049	\$ 206,491,612	\$ 220,677,275
Restricted	6,563,203	7,585,288	8,583,125	11,617,447	13,196,304	21,309,478	20,622,400	5,937,316	5,011,926	4,428,376
Unrestricted	33,658,530	37,233,315	42,278,957	39,776,272	24,877,556	13,400,747	11,148,446	16,692,324	10,089,500	12,900,290
TOTAL PRIMARY GOVERNMENT	\$ 206,279,011	\$ 234,857,107	\$ 241,681,216	\$ 244,828,918	\$ 227,508,636	\$ 224,413,595	\$ 221,855,771	\$ 220,825,689	\$ 221,593,038	\$ 238,005,941

Data Source

Audited Financial Statements

CITY OF ST. CHARLES, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
EXPENSES										
Governmental Activities										
General Government	\$ 2,956,654	\$ 3,228,166	\$ 3,252,423	\$ 4,635,671	\$ 3,204,672	\$ 2,959,301	\$ 2,742,777	\$ 3,025,823	\$ 3,450,520	\$ 3,802,373
Public Health and Safety	16,838,854	18,061,021	19,405,061	20,569,266	21,200,071	20,932,430	21,580,962	20,571,645	19,765,029	20,381,206
Public Works	12,678,531	12,359,124	12,906,010	12,137,618	14,834,725	11,262,837	10,723,015	11,383,917	13,669,557	14,154,683
Community Development	1,544,190	1,829,862	1,735,687	1,852,758	9,204,338	1,990,403	2,462,651	2,440,911	2,386,567	2,394,814
Interest	1,538,765	2,139,487	2,339,115	2,787,860	3,455,958	3,872,452	3,689,961	3,566,565	3,220,116	3,119,201
Total Governmental Activities Expenses	35,556,994	37,617,660	39,638,296	41,983,173	51,899,764	41,017,423	41,199,366	40,988,861	42,491,789	43,852,277
BUSINESS-TYPE ACTIVITIES										
Electric	33,562,224	35,649,910	36,695,935	42,530,760	43,795,302	43,918,182	50,035,085	50,786,616	51,824,029	55,605,730
Water	3,754,829	3,986,311	4,165,139	4,389,280	4,708,626	4,037,587	4,485,657	4,763,481	4,532,692	5,254,578
Sewer	5,889,733	6,360,374	6,277,893	7,427,906	6,764,238	6,803,134	6,899,149	6,704,787	7,770,772	7,299,203
Refuse	663,533	644,067	582,798	802,619	728,318	608,738	630,873	497,610	601,327	503,038
Total Business-Type Activities Expenses	43,870,319	46,640,662	47,721,765	55,150,565	55,996,484	55,367,641	62,050,764	62,752,494	64,728,820	68,662,549
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 79,427,313	\$ 84,258,322	\$ 87,360,061	\$ 97,133,738	\$ 107,896,248	\$ 96,385,064	\$ 103,250,130	\$ 103,741,355	\$ 107,220,609	\$ 112,514,826
PROGRAM REVENUES										
Governmental Activities										
Charges for Services										
General Government	\$ 408,211	\$ 334,307	\$ 351,432	\$ 330,721	\$ 380,742	\$ 235,721	\$ 242,525	\$ 265,044	\$ 247,539	\$ 228,902
Public Health and Safety	1,590,371	1,671,728	1,893,485	1,836,614	2,202,465	2,492,351	2,502,699	703,165	745,094	717,112
Public Works	136,893	92,665	170,412	253,635	189,408	288,865	150,108	275,566	336,322	241,604
Community Development	785,864	916,423	682,379	636,193	580,337	411,719	332,768	346,950	325,558	302,459
Operating Grants and Contributions	1,099,495	1,177,318	1,271,476	1,151,030	1,092,490	981,183	1,195,977	1,155,398	1,073,880	1,172,273
Capital Grants and Contributions	359,406	2,424,847	444,673	4,322,602	143,008	357,245	533,933	598,761	1,409,288	13,121,556
Total Governmental Activities Program Revenues	4,380,240	6,617,288	4,813,857	8,530,795	4,588,450	4,767,084	4,958,010	3,344,884	4,137,681	15,783,906
Business-Type Activities										
Charges for Services										
Electric	34,604,347	37,268,760	37,450,772	39,657,173	39,670,266	39,716,828	46,274,757	48,816,782	52,522,963	57,488,550
Water	2,946,010	3,195,610	2,962,401	2,970,946	2,851,707	2,800,859	3,008,409	3,528,785	4,607,863	4,612,261
Sewer	5,397,512	5,533,228	5,392,115	5,570,674	5,555,699	5,514,181	5,829,457	6,151,173	6,750,315	7,173,530
Refuse	474,387	474,374	475,550	486,012	493,399	489,325	527,638	413,189	396,283	400,203
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	601,490	163,733	232,671	69,487	1,810,669
Total Business-Type Activities Program Revenues	43,422,256	46,471,972	46,280,838	48,684,805	48,571,071	49,122,683	55,803,994	59,142,600	64,346,911	71,485,213
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 47,802,496	\$ 53,089,260	\$ 51,094,695	\$ 57,215,600	\$ 53,159,521	\$ 53,889,767	\$ 60,762,004	\$ 62,487,484	\$ 68,484,592	\$ 87,269,119

CITY OF ST. CHARLES, ILLINOIS
CHANGE IN NET POSITION (Continued)
 Last Ten Fiscal Years

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
NET (EXPENSE) REVENUE										
Governmental Activities	\$ (31,176,754)	\$ (31,000,372)	\$ (34,824,439)	\$ (33,452,378)	\$ (47,311,314)	\$ (36,250,339)	\$ (36,241,356)	\$ (37,643,977)	\$ (38,354,108)	\$ (28,068,371)
Business-Type Activities	(448,063)	(168,690)	(1,440,927)	(6,465,760)	(7,425,413)	(6,244,958)	(6,246,770)	(3,609,894)	(381,909)	2,822,664
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	\$ (31,624,817)	\$ (31,169,062)	\$ (36,265,366)	\$ (39,918,138)	\$ (54,736,727)	\$ (42,495,297)	\$ (42,488,126)	\$ (41,253,871)	\$ (38,736,017)	\$ (25,245,707)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities										
Taxes										
Property	\$ 9,711,044	\$ 10,299,727	\$ 11,472,282	\$ 12,076,065	\$ 13,131,263	\$ 13,936,514	\$ 13,842,186	\$ 14,088,521	\$ 14,102,024	\$ 14,155,111
Personal Property Replacement	68,379	88,202	95,854	109,332	100,102	88,607	98,485	88,849	85,873	103,019
Municipal Sales and Use	15,248,168	16,216,501	16,356,138	16,077,769	14,800,130	14,363,468	14,885,976	15,659,218	15,784,687	16,049,054
Franchise Fees	1,946,514	2,126,039	2,156,162	2,315,892	2,371,898	2,413,921	2,836,050	2,910,646	3,154,983	3,400,525
Food and Beverage/Liquor	692,047	588,720	101,016	-	-	-	837,925	977,452	992,079	995,618
Hotel Occupation	1,684,926	1,970,172	2,020,640	2,123,542	1,795,525	1,624,075	1,664,216	1,807,919	1,838,057	1,685,830
Telecommunications Fee	1,619,756	1,388,891	1,255,382	1,491,882	1,510,057	1,421,576	1,336,605	1,289,388	1,221,476	1,040,496
Other	123,493	66,773	63,224	55,253	49,626	56,660	55,745	76,215	80,495	73,962
State Income Tax	2,155,151	2,432,504	2,683,079	2,931,062	2,900,549	2,528,377	2,481,991	2,675,585	2,971,635	3,213,190
Investment Income	220,649	1,007,520	1,514,343	1,665,889	750,645	222,192	303,135	126,336	105,306	113,570
Miscellaneous	87,938	97,942	126,996	86,668	177,423	65,333	111,106	53,906	86,760	228,278
Contributions	291,037	125,748	495,437	389,677	1,205,121	1,573,396	-	-	-	-
Transfers	(457,401)	(374,556)	121,876	317,945	251,524	(798,099)	413,146	418,685	306,097	483,250
Total Governmental Activities	33,391,701	36,034,183	38,462,429	39,640,976	39,043,863	37,496,020	38,866,566	40,172,720	40,729,472	41,541,903
Business-Type Activities										
Investment Income	516,990	1,178,272	1,718,477	1,443,180	374,971	54,556	38,136	41,095	29,573	30,470
Connection Charges	567,281	653,933	566,479	645,504	255,960	448,899	81,447	173,852	207,086	246,124
Miscellaneous	325,269	222,169	128,966	235,518	205,265	314,883	447,828	254,807	283,102	323,363
Gain on Sale of Capital Assets	107,855	164,951	-	-	-	-	-	-	-	-
Contributions	429,650	1,087,321	2,521,274	1,418,607	280,286	287,799	-	-	-	-
Transfers	457,401	374,556	(121,876)	(317,945)	(251,524)	798,099	(413,146)	(418,685)	(306,097)	(483,250)
Total Business-Type Activities	2,404,446	3,681,202	4,813,320	3,424,864	864,958	1,904,236	154,265	51,069	213,664	116,707
TOTAL PRIMARY GOVERNMENT	\$ 35,796,147	\$ 39,715,385	\$ 43,275,749	\$ 43,065,840	\$ 39,908,821	\$ 39,400,256	\$ 39,020,831	\$ 40,223,789	\$ 40,943,136	\$ 41,658,610
CHANGE IN NET POSITION										
Governmental Activities	\$ 2,214,947	\$ 5,033,811	\$ 3,637,990	\$ 6,188,598	\$ (8,267,451)	\$ 1,245,681	\$ 2,625,210	\$ 2,528,743	\$ 2,375,364	\$ 13,473,532
Business-Type Activities	1,956,383	3,512,512	3,372,393	(3,040,896)	(6,560,455)	(4,340,722)	(6,092,505)	(3,558,825)	(168,245)	2,939,371
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 4,171,330	\$ 8,546,323	\$ 7,010,383	\$ 3,147,702	\$ (14,827,906)	\$ (3,095,041)	\$ (3,467,295)	\$ (1,030,082)	\$ 2,207,119	\$ 16,412,903

Data Source

Audited Financial Statements

CITY OF ST. CHARLES, ILLINOIS
FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012*	2013	2014
GENERAL FUND										
Reserved	\$ 1,620,598	\$ 1,837,441	\$ 2,216,128	\$ 2,868,908	\$ 4,490,108	\$ 4,312,920	\$ 3,007,493	\$ -	\$ -	\$ -
Unreserved - Designated	-	-	-	-	-	3,000,000	3,000,000	-	-	-
Unreserved - Undesignated	14,086,350	16,142,675	14,950,556	15,581,064	14,857,419	15,322,835	16,235,613	-	-	-
Nonspendable	-	-	-	-	-	-	-	3,055,435	5,718,748	5,752,925
Restricted	-	-	-	-	-	-	-	127,772	128,840	530
Unrestricted										
Assigned	-	-	-	-	-	-	-	3,000,000	3,000,000	3,000,000
Unassigned	-	-	-	-	-	-	-	16,180,462	14,980,071	15,578,156
TOTAL GENERAL FUND	\$ 15,706,948	\$ 17,980,116	\$ 17,166,684	\$ 18,449,972	\$ 19,347,527	\$ 22,635,755	\$ 22,243,106	\$ 22,363,669	\$ 23,827,659	\$ 24,331,611
ALL OTHER GOVERNMENTAL FUNDS										
Reserved	\$ 6,201,601	\$ 7,337,916	\$ 8,192,033	\$ 11,061,906	\$ 12,443,079	\$ 20,749,408	\$ 20,828,559	\$ -	\$ -	\$ -
Unreserved, reported in										
Special Revenue Funds	(884,548)	(1,262,637)	(1,525,467)	(2,018,141)	(2,400,267)	(2,573,701)	(2,726,537)	-	-	-
Debt Service Funds	-	-	-	-	-	-	-	-	-	-
Capital Project Funds	(2,765,572)	1,067,982	6,588,564	14,089,657	14,836,247	1,132,189	1,819,784	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	12,753,678	9,737,766	8,149,847
Unrestricted										
Assigned	-	-	-	-	-	-	-	9,116,178	1,493,662	1,302,026
Unassigned	-	-	-	-	-	-	-	(2,780,307)	(3,556,145)	(3,640,987)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 2,551,481	\$ 7,143,261	\$ 13,255,130	\$ 23,133,422	\$ 24,879,059	\$ 19,307,896	\$ 19,921,806	\$ 19,089,549	\$ 7,675,283	\$ 5,810,886

* The City implemented GASB Statement No. 54 in fiscal year 2012.

Data Source

Audited Financial Statements

CITY OF ST. CHARLES, ILLINOIS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
REVENUES										
Taxes	\$ 31,037,316	\$ 32,745,025	\$ 33,520,698	\$ 34,249,735	\$ 33,758,601	\$ 33,904,821	\$ 35,557,188	\$ 36,898,208	\$ 37,257,664	\$ 37,501,365
Licenses and Permits	773,173	643,110	572,974	558,917	497,362	422,200	459,408	444,857	444,620	483,624
Intergovernmental	3,678,720	5,013,059	4,441,018	8,037,262	4,106,734	3,789,542	3,879,399	4,087,010	4,171,714	4,429,551
Fines and Forfeitures	256,476	303,022	339,740	290,130	376,626	435,340	403,325	415,922	422,550	414,253
Charges for Services	1,787,463	2,005,440	2,076,491	2,117,275	2,357,393	2,571,116	2,365,366	677,652	734,242	531,068
Investment Income	220,649	1,007,520	1,514,343	1,665,889	750,645	222,192	303,135	126,336	105,306	113,572
Miscellaneous	184,507	1,181,904	193,707	537,833	325,808	127,853	242,416	191,267	1,109,570	479,050
Total Revenues	37,938,304	42,899,080	42,658,971	47,457,041	42,173,169	41,473,064	43,210,237	42,841,252	44,245,666	43,952,483
EXPENDITURES										
General Government	2,731,972	3,301,517	3,067,426	3,469,160	3,435,154	3,007,179	2,438,740	3,227,421	3,169,478	3,042,207
Public Health and Safety	16,870,083	18,630,320	19,474,760	19,947,430	20,643,649	19,824,807	21,839,500	20,537,176	20,259,849	20,363,198
Public Works	11,656,979	11,684,822	16,354,003	10,634,198	10,882,985	7,700,583	7,412,063	8,615,910	9,226,171	8,582,627
Community Development	1,542,692	1,816,208	1,975,058	1,952,881	9,491,872	1,925,440	1,982,888	2,493,934	2,641,168	2,403,623
Debt Service										
Principal	1,846,493	2,007,291	2,530,582	3,165,327	3,247,523	3,797,436	3,939,836	4,318,359	11,254,781	5,137,911
Interest	1,493,863	1,600,410	2,470,500	2,609,282	3,040,808	4,107,956	3,839,569	3,566,095	3,577,438	3,197,224
Capital Outlay	3,917,320	12,661,134	5,557,550	8,993,205	8,644,334	6,933,971	1,864,348	5,288,531	13,734,492	6,745,179
Total Expenditures	40,059,402	51,701,702	51,429,879	50,771,483	59,386,325	47,297,372	43,316,944	48,047,426	63,863,377	49,471,969
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,121,098)	(8,802,622)	(8,770,908)	(3,314,442)	(17,213,156)	(5,824,308)	(106,707)	(5,206,174)	(19,617,711)	(5,519,486)
OTHER FINANCING SOURCES (USES)										
Transfers In	3,138,348	4,863,371	8,698,763	9,851,717	5,985,919	10,330,710	9,262,302	8,015,123	9,282,783	9,238,153
Transfers (Out)	(3,583,327)	(5,507,721)	(8,902,149)	(9,882,915)	(6,019,265)	(7,253,837)	(9,155,055)	(7,795,467)	(8,895,986)	(8,933,783)
Bonds Issued	6,375,000	19,115,000	14,470,000	14,340,000	19,935,000	5,481,550	6,225,000	10,072,748	42,855,000	3,710,428
Premium (Discount) on Bonds Issued	(56,457)	83,687	(10,995)	157,970	(47,806)	161,547	217,846	572,336	2,226,154	(19,767)
Issuance of Installment Contracts	122,975	-	-	-	-	-	-	-	-	-
Payment to Escrow Agent	-	(2,738,049)	-	-	-	(5,570,590)	(6,355,910)	(6,373,811)	(35,804,866)	-
Sale of Capital Assets	-	1,200	-	9,250	2,500	391,993	133,785	3,551	4,350	164,010
Total Other Financing Sources (Uses)	5,996,539	15,817,488	14,255,619	14,476,022	19,856,348	3,541,373	327,968	4,494,480	9,667,435	4,159,041
NET CHANGE IN FUND BALANCES	\$ 3,875,441	\$ 7,014,866	\$ 5,484,711	\$ 11,161,580	\$ 2,643,192	\$ (2,282,935)	\$ 221,261	\$ (711,694)	\$ (9,950,276)	\$ (1,360,445)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	9.24%	9.24%	10.90%	13.82%	12.39%	19.59%	18.77%	18.58%	28.76%	18.41%

Note: The increase in debt service as a percentage of noncapital expenditures in 2013 is due to the 2012 and 2013 refunding bond issues.

[Data Source](#)

Audited Financial Statements

CITY OF ST. CHARLES, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
2004	\$ 876,989,053	\$ 260,848,331	\$ 109,413,588	\$ 1,247,250,972	0.7490	\$ 3,741,752,916	33.333%
2005	944,422,898	281,505,774	126,398,861	1,352,327,533	0.7537	4,056,982,599	33.333%
2006	1,007,971,270	317,706,581	135,486,864	1,461,164,715	0.7314	4,383,494,145	33.333%
2007	1,093,511,982	340,689,027	146,061,935	1,580,262,944	0.7300	4,740,788,832	33.333%
2008	1,130,538,083	363,806,483	154,181,792	1,648,526,358	0.7300	4,945,579,074	33.333%
2009	1,114,552,074	374,248,479	153,004,247	1,641,804,800	0.7300	4,925,414,400	33.333%
2010	1,044,846,020	354,606,287	148,675,847	1,548,128,154	0.7785	4,644,384,462	33.333%
2011	985,067,950	333,005,128	140,911,192	1,458,984,270	0.8260	4,376,952,810	33.333%
2012	917,189,293	317,898,847	138,361,189	1,373,449,329	0.8774	4,120,347,987	33.333%
2013	883,219,775	314,100,856	134,378,752	1,331,699,383	0.9048	3,995,098,149	33.333%

Note : Property in the City is reassessed each year. Property is assessed at 33.33% of actual value.

Data Source

Office of the County Clerk

CITY OF ST. CHARLES, ILLINOIS

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

Last Ten Calendar Years

Tax Calendar Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
City of St. Charles										
Corporate	0.0931	0.0884	0.0788	0.0643	0.0643	0.0311	0.1373	0.1674	0.1844	0.2353
IMRF*	0.0979	0.0981	0.0940	0.0896	0.0711	0.0605	0.0000	0.0000	0.0000	0.0000
Fire Protection	0.1267	0.1328	0.1422	0.1539	0.1539	0.1607	0.1646	0.1746	0.1855	0.1801
Fire Pension	0.0486	0.0543	0.0575	0.0534	0.0645	0.0753	0.0708	0.0679	0.0731	0.0930
Police Protection	0.1267	0.1328	0.1422	0.1539	0.1539	0.1607	0.1646	0.1746	0.1855	0.1801
Police Pension	0.0781	0.0693	0.0690	0.0702	0.0772	0.0948	0.0882	0.0844	0.0964	0.1131
Mental Health	0.0400	0.0400	0.0404	0.0372	0.0400	0.0418	0.0410	0.0405	0.0403	0.0394
Street and Bridge	0.1400	0.1380	0.1073	0.1075	0.1051	0.1051	0.1120	0.1166	0.1122	0.0638
Prior Year Adjustment	-0.0021	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total City of St. Charles	0.7490	0.7537	0.7314	0.7300	0.7300	0.7300	0.7785	0.8260	0.8774	0.9048
Kane County	0.3467	0.3417	0.3456	0.3322	0.3336	0.3398	0.3730	0.3990	0.4336	0.4622
Kane County Forest Preserve	0.1432	0.1929	0.1770	0.1974	0.1932	0.1997	0.2201	0.2609	0.2710	0.3039
St. Charles Township	0.0501	0.0506	0.0464	0.0329	0.0327	0.0413	0.0000	0.0380	0.0418	0.0439
St. Charles Township Road	0.0715	0.0738	0.0788	0.0643	0.0647	0.0659	0.0723	0.0783	0.0864	0.0911
St. Charles Cemetery	0.0005	0.0005	0.0132	0.0002	0.0002	0.0117	0.0128	0.0138	0.0152	0.0160
St. Charles Park District	0.4572	0.4453	0.4390	0.3958	0.4211	0.4613	0.5550	0.0553	0.6056	0.6407
St. Charles Library District	0.2613	0.3107	0.3277	0.2356	0.2372	0.2415	0.2654	0.2874	0.3179	0.3354
School District # 303	4.2668	4.3107	4.2071	4.0516	4.0916	4.1645	4.6040	5.0175	5.5199	5.8846
Elgin Community College	0.4154	0.4418	0.3804	0.3406	0.3275	0.3833	0.4407	0.4454	0.5215	0.5707
Waubonsee Community College	0.4099	0.4066	0.4272	0.3950	0.3995	0.4043	0.4070	0.4710	0.5312	0.5807
Total Representative Tax **	7.1716	7.3283	7.1738	6.7756	6.8313	7.0433	7.7288	7.8926	9.2215	9.8340

*IMRF tax rate was eliminated and combined with the Corporate tax rate

**School Districts #46 and #304 not included.

Note: Property tax rates are per \$100 of assessed valuation.

Data Source

Office of the County Clerk

CITY OF ST. CHARLES, ILLINOIS

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

Last Ten Calendar Years

Tax Calendar Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
City of St. Charles										
Corporate	0.0897	0.0962	0.0796	0.0814	0.0642	0.0238	0.1387	0.1691	0.1862	0.1777
IMRF*	0.0954	0.0992	0.0949	0.0916	0.0709	0.0612	0.0000	0.0000	0.0000	0.0000
Fire Protection	0.1222	0.1465	0.1437	0.1475	0.1539	0.1623	0.1663	0.1764	0.1874	0.1820
Fire Pension	0.0477	0.0549	0.0581	0.0546	0.0646	0.0761	0.0716	0.0686	0.0739	0.0940
Police Protection	0.1222	0.1465	0.1437	0.1475	0.1539	0.1623	0.1663	0.1764	0.1874	0.1820
Police Pension	0.0759	0.0701	0.0698	0.0718	0.0773	0.0958	0.0891	0.0853	0.0975	0.1143
Mental Health	0.0376	0.0428	0.0408	0.0409	0.0401	0.0422	0.0414	0.0410	0.0407	0.0398
Street and Bridge	0.1204	0.1456	0.1123	0.1094	0.1047	0.1057	0.1127	0.1171	0.1131	0.0600
Total City of St. Charles	0.7111	0.8018	0.7429	0.7447	0.7296	0.7294	0.7861	0.8339	0.8862	0.8498
DuPage County	0.1850	0.1797	0.1713	0.1651	0.1557	0.1554	0.1659	0.1773	0.1929	0.2040
DuPage County Forest Preserve	0.1358	0.1271	0.1303	0.1187	0.1206	0.1217	0.1321	0.1414	0.1542	0.1657
Wayne Township	0.0696	0.0680	0.0666	0.0647	0.0649	0.0658	0.0733	0.0804	0.0896	0.0979
St. Charles Park District	0.4383	0.4156	0.4161	0.3971	0.4207	0.4812	0.5710	0.5531	0.6060	0.6412
St. Charles Library District	0.2509	0.2474	0.2458	0.2385	0.2348	0.2415	0.2654	0.2875	0.3179	0.3355
West Chicago Mosquito District	0.0109	0.0105	0.0101	0.0099	0.0099	0.0101	0.0111	0.0122	0.0139	0.0153
Unit School District # 303	3.9271	4.2550	4.2494	4.0836	4.0604	4.1646	4.6042	5.0177	5.5201	5.8847
Elgin Community College	0.4150	0.4140	0.3396	0.3294	0.3298	0.3760	0.3921	0.4895	0.5360	0.6919
Total Representative Tax	6.144	6.519	6.372	6.152	6.126	6.346	7.001	7.593	8.317	8.886

*IMRF tax rate was eliminated and combined with the Corporate tax rate

Note: Property tax rates are per \$100 of assessed valuation.

Data Source

Office of the County Clerk

CITY OF ST. CHARLES, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Levy Year and Nine Levy Years Ago

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation
Q-Center LLC	\$ 15,624,821	1	1.17%	\$ 11,924,315	1	0.96%
AMLI at St. Charles LLC	12,198,780	2	0.92%	8,417,458	3	0.67%
Pheasant Run (St Charles) Resort	8,091,340	3	0.61%	11,790,280	2	0.95%
St. Charles Country Club	5,571,622	4	0.42%	-		
Meijer Stores Limited Partnership	5,284,067	5	0.40%	5,170,113	6	0.41%
Delnor Community Residential Living	5,211,596	6	0.39%	4285529	10	0.34%
RR Donnelly & Sons Company	5,025,677	7	0.38%	-		
Costco Wholesales Corp	5,022,203	8	0.38%	-		
East Main Street Holding LLC	4,999,498	9	0.38%	5,550,668	4	0.44%
American Small Business LLC	4,985,154	10	0.37%	-		
Charlestown Mall	-			4,856,894	7	0.39%
Wallace	-			4,848,523	8	0.39%
Target Corporation	-			4,404,693	9	0.35%
Pier One Imports	-			5,219,359	5	0.42%
	<u>\$ 72,014,758</u>		<u>5.42%</u>	<u>\$ 66,467,832</u>		<u>5.32%</u>

Data Source

Office of the County Clerk

CITY OF ST. CHARLES, ILLINOIS
PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Levied		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$	9,331,159	\$ 9,315,535	99.83%	\$ -	\$ 9,315,535	99.83%
2005		10,212,017	10,193,370	99.82%	-	10,193,370	99.82%
2006		10,693,667	10,669,842	99.78%	-	10,669,842	99.78%
2007		11,543,740	11,521,398	99.81%	-	11,521,398	99.81%
2008		12,035,959	12,033,470	99.98%	-	12,033,470	99.98%
2009		11,987,421	11,980,795	99.94%	-	11,980,795	99.94%
2010		12,058,027	11,973,226	99.30%	191.78	11,973,418	99.30%
2011		12,057,899	12,003,048	99.55%	457.73	12,003,506	99.55%
2012		12,057,921	11,988,163	99.42%	457.40	11,988,620	99.43%
2013		12,057,955	6,179,368	51.25%	-	6,179,368	51.25%

Note : Property in the City is reassessed each year. Property is assessed at 33.333% of actual value.
In 2014 total distribution of property tax is as of August 15, 2013.

Data Source

Office of the County Clerk

CITY OF ST. CHARLES, ILLINOIS

SALES TAXES BY CATEGORY

Last Ten Calendar Years

Calendar Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Merchandise	\$ 2,305,983	\$ 2,069,906	\$ 2,197,842	\$ 2,141,297	\$ 1,980,070	\$ 1,758,126	\$ 1,737,180	\$ 1,587,905	\$ 1,500,331	\$ 1,391,283
Food	1,273,736	1,373,818	1,343,516	1,350,218	1,281,233	1,192,639	1,109,241	1,051,039	1,003,882	958,914
Drinking and Eating Places	1,517,923	1,796,047	1,762,717	1,801,937	1,693,616	1,598,774	1,666,350	1,825,577	1,818,128	1,788,322
Apparel	294,436	339,638	320,838	285,813	192,502	148,348	133,778	280,413	96,630	88,310
Furniture and H.H. and Radio	282,051	307,876	323,634	270,167	202,537	160,847	169,268	163,801	141,039	112,005
Lumber, Building Hardware	1,166,569	1,271,738	1,175,745	1,090,319	958,927	758,083	777,607	779,051	812,833	850,505
Automobile and Filling Stations	3,462,891	4,004,024	4,021,130	4,059,866	4,005,061	4,444,623	4,632,453	5,126,606	5,549,349	5,738,554
Drugs and Miscellaneous Retail	1,677,816	1,855,388	2,026,345	2,151,516	1,960,829	1,886,071	2,113,267	2,143,193	2,095,158	1,964,338
Agriculture and All Others	1,467,375	1,655,949	1,956,813	2,074,016	1,831,132	1,262,633	1,220,630	1,302,627	1,410,636	1,360,691
Manufacturers	213,726	243,428	155,625	(1,463)	141,690	152,211	142,528	174,400	179,327	176,142
TOTAL	\$ 13,662,506	\$ 14,917,812	\$ 15,284,205	\$ 15,223,686	\$ 14,247,597	\$ 13,362,355	\$ 13,702,302	\$ 14,434,612	\$ 14,607,313	\$ 14,429,064
City direct sales tax rate	1.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

Data Source

Illinois Department of Revenue

CITY OF ST. CHARLES, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Fiscal Years

Fiscal Year	City Direct Rate	County Rate	RTA Rate	State Rate
2005	2.00%	0.25%	0.25%	5.00%
2006	2.00%	0.25%	0.25%	5.00%
2007	2.00%	0.25%	0.25%	5.00%
2008	2.00%	0.25%	0.75%	5.00%
2009	2.00%	0.25%	0.75%	5.00%
2010	2.00%	0.25%	0.75%	5.00%
2011	2.00%	0.25%	0.75%	5.00%
2012	2.00%	0.25%	0.75%	5.00%
2013	2.00%	0.25%	0.75%	5.00%
2014	2.00%	0.25%	0.75%	5.00%

Data Source

City and County Records
Includes Home Rule

CITY OF ST. CHARLES, ILLINOIS
RATIOS OF OUTSTANDING DEBT BY TYPE
 Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Installment Notes Payable	Revenue Bonds	General Obligation Bonds	Installment Notes Payable			
2005	\$ 35,743,892	\$ 920,623	\$ -	\$ 6,391,108	\$ 16,600,164	\$ 59,655,787	5.35%	\$ 1,817.33
2006	50,549,546	697,678	-	5,935,454	17,794,104	74,976,782	6.72%	2,284.07
2007	62,718,962	467,680	-	7,466,038	16,720,449	87,373,129	7.84%	2,661.71
2008	74,023,398	337,917	-	8,736,602	15,637,454	98,735,371	7.27%	3,007.84
2009	81,856,192	257,600	8,935,000	10,538,808	14,522,883	116,110,483	9.41%	3,597.42
2010	78,079,206	181,868	8,935,000	9,795,794	13,926,307	110,918,175	8.72%	3,436.55
2011	74,198,190	103,048	8,935,000	16,026,810	18,202,396	117,465,444	9.04%	3,562.37
2012	73,995,195	89,036	8,655,000	15,724,805	18,777,806	117,241,842	9.47%	3,536.39
2013	73,685,974	84,451	8,335,000	16,409,026	19,483,598	117,998,049	8.90%	3,559.20
2014	72,668,077	79,864	7,930,000	16,466,923	24,053,028	121,197,892	8.99%	3,636.63

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

* See the Schedule of Demographic and Economic Information on page 157 for personal income and population data.

CITY OF ST. CHARLES, ILLINOIS

RATIOS OF GENERAL OBLIGATION BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
2005	\$ 42,135,000	\$ 490,610	\$ 41,644,390	3.34%	\$ 1,268.64
2006	56,485,000	13,478	56,471,522	4.18%	1,720.33
2007	70,185,000	1,084,365	69,100,635	4.73%	2,105.06
2008	82,760,000	1,979,011	80,780,989	5.11%	2,460.88
2009	92,395,000	903,486	91,491,514	5.55%	2,834.66
2010	87,875,000	2,335	87,872,665	5.35%	2,722.54
2011	90,225,000	10,342	90,214,658	5.83%	2,735.93
2012	89,720,000	13,673	89,706,327	6.15%	2,705.83
2013	90,095,000	4,904	90,090,096	6.56%	2,717.40
2014	89,135,000	-	89,135,000	6.69%	2,674.56

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

* See the Schedule of Assessed Value and Actual Value of Taxable Property on page 146 for property value data.

CITY OF ST. CHARLES, ILLINOIS

PLEDGED REVENUE COVERAGE

Last Ten Fiscal Years

BUSINESS-TYPE ACTIVITIES				
Revenue Bonds/IEPA Loans				
<u>Fiscal Year</u>	<u>Operating Revenue</u>	<u>Debt Service</u>		<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	
2005	\$ 5,397,512	\$ 609,188	\$ 255,307	6.24
2006	5,533,228	628,395	236,101	6.40
2007	5,392,115	1,073,654	441,915	3.56
2008	5,570,674	1,082,995	432,574	3.68
2009	5,555,699	1,114,571	400,998	3.67
2010	5,514,181	1,147,104	357,797	3.66
2011	5,829,457	1,180,623	323,877	3.87
2012	9,679,958	1,243,430	332,466	6.14
2013	11,358,178	1,184,297	327,623	7.51
2014	11,785,791	1,242,305	312,905	7.58

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

CITY OF ST CHARLES, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of April 30, 2014

Governmental Unit	Gross Debt	Percentage Debt Applicable to the City of St. Charles (1)	City's Share of Debt
City of St Charles	\$ 89,135,000	100.00%	\$ 89,135,000
Kane County Forest Preserve District	183,760,866	11.183%	20,549,978
Dupage County	45,085,000	0.092%	41,478
Dupage County Forest Preserve	174,143,156	0.092%	160,212
St. Charles Park District	24,955,000	64.619%	16,125,671
Schools			
Community Unit SD #303	99,435,000	49.288%	49,009,523
Community Unit SD #304	146,345,563	0.145%	212,201
Community College #509	199,330,329	13.069%	26,050,481
Community College #516	74,330,000	0.023%	17,096
Subtotal:	947,384,914		112,166,640
Total:	\$ 1,036,519,914		\$ 201,301,640

(1) Determined by ratio of assessed valuation of property subject to taxation in the City of St. Charles to valuation of property subject to taxation in overlapping unit.

Data Source

Municipal Research Services

CITY OF ST. CHARLES, ILLINOIS
DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2005	32,826	1,115,066,394	33,969	5.8%
2006	32,826	1,115,066,394	33,969	5.2%
2007	32,826	1,115,066,394	33,969	4.5%
2008	32,826	1,357,256,622	41,347	7.3%
2009	32,276	1,234,298,792	38,242	6.5%
2010	32,276	1,272,707,232	39,432	8.7%
2011	32,974	1,299,769,132	39,418	9.5%
2012	33,153	1,238,463,468	37,356	6.7%
2013	33,153	1,325,258,022	39,974	7.0%
2014	33,327	1,347,743,880	40,440	7.7%

Data Source

Various City Departments
Illinois Department Employee Security
American Fact Finder/U.S. Census

CITY OF ST. CHARLES, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Ten Years Ago

2013					2004				
Employer	Rank	# of Employees	% of Total Employment	% of Total City Population	Employer	Rank	# of Employees	% of Total Employment	% of Total City Population
St. Charles Community School District	1	1,426	4.60%	4.31%	St. Charles Community School District	1	1,381	6.26%	4.95%
Omron Automotive	2	750	2.42%	2.27%	Wallace, Inc.	2	640	2.90%	2.29%
R. R. Donnelly & Sons	3	620	2.00%	1.87%	System Sensor	3	522	2.37%	1.87%
System Sensor	4	475	1.53%	1.43%	Pheasant Run Resort	4	500	2.27%	1.79%
Armour-Eckrich Meats LLC	5	350	1.13%	1.06%	Jewel Company	5	493	2.23%	1.77%
Pheasant Run Resort	6	300	0.97%	0.91%	Conagra Foods	6	420	1.90%	1.51%
Jewel/Osco	7	270	0.87%	0.82%	Omron Automotive	7	375	1.70%	1.34%
Coca-Cola Bottling CO	8	250	0.81%	0.76%	Illinois Youth Center	8	327	1.48%	1.17%
Do Paco Inc	9	225	0.73%	0.68%	Coca-Cola Bottling Co	9	280	1.27%	1.00%
Dukane Corporation	10	210	0.68%	0.63%	Wal-Mart	10	250	1.13%	0.90%
				14.74%					18.59%

Data Source

Municipal Research Services

CITY OF ST. CHARLES, ILLINOIS
FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Administration	41.90	44.50	46.20	44.80	46.60	43.00	40.60	40.90	41.80	40.50
Public Health & Safety	142.40	150.80	157.60	157.40	148.80	147.10	130.20	123.80	122.00	121.90
M & C of Public Right of Ways	64.00	61.70	62.20	62.40	61.90	52.20	40.50	40.10	41.80	42.20
M & C of Public Utilities	71.20	68.70	67.10	65.80	65.50	61.70	61.10	61.50	59.30	58.60
Community and Economic Development	16.80	16.90	15.90	17.00	16.50	17.90	17.50	17.50	16.00	16.20
Total:	336.30	342.60	349.00	347.40	339.30	321.90	289.90	283.80	280.90	279.40

Note: M&C is also known as maintenance and construction.

Data Source

City budget office

CITY OF ST. CHARLES, ILLINOIS

OPERATING INDICATORS

Last Ten Calendar Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Police										
Physical arrests	1,779	1,910	1,581	1,796	1,613	1,404	1,259	1,109	1,042	1,051
Parking violations	1656	1547	1,792	1,733	1,500	1,400	1,743	1,647	1,141	2,434
Traffic violations	8,408	9,947	7,066	6,573	6,316	4,491	4,496	3,939	3,964	4,194
Fire										
Emergency responses	5,068	5,126	5,212	5,113	5,044	4,831	5,100	4,434	4,092	4,282
Fires Extinguished	68	85	161	158	134	103	174	77	125	108
Public Works										
Streeting (miles)	162.69	171.3	568	180.5	183	184	184	179	180	180
Electric										
Number of Customers	14,700	14,675	15,082	15,196	15,233	15,364	15,419	16,174	15,503	15,521
Water										
Maximum Day Consumption	7,230,000	7,412,000	9,741,000	9,741,000	9,741,000	9,741,000	9,741,000	9,741,000	9,741,000	9,741,000
# of water mains (miles)	192.8	196.6	196.5	197.5	202	220	219.9	219	230.7	225.2
Wastewater										
Average daily storage (flow)	4,200,000	4,200,000	5,289,000	5,289,000	6,562,758	6,060,000	5,788,975	6,216,128	4,235,221	4,440,000

Note: Parking violations were not tracked prior to 2004.

Data Source

Various City departments

CITY OF ST. CHARLES, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Calendar Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area Beats	5	5	4	4	4	4	4	4	4	4
Patrol Officer	-	44	31	31	33	34	33	32	33	34
Fire										
Fire stations	3	3	3	3	3	3	3	3	3	3
Fire engines	-	11	6	6	6	6	6	6	6	6
Public Works										
Arterial streets (miles)	46	49	50	49	49	49	49	49	49	49
Residential streets (miles)	117	123	123	134	134.2	135.5	136	131	131.5	131.5
Streetlights	3,190	3,203	3,200	3,234	3,271	3,291	3298	3299	3236	3241
Traffic signals	5	5	6	6	6	6	7	7	8	10
Water										
Water mains (miles)	193	197	197	197.5	202	219.9	220	227	230.7	225.2
Fire hydrants	2,462	2,516	2,706	2,742	2,742	2,820	2820	2822	2849	2742
Storage capacity (gallons)	4,200,000	4,200,000	2,425,000	2,425,000	2,425,000	2,425,000	2,425,000	2,425,000	4,200,000	4,200,000
Wastewater										
Sanitary sewers (miles)	-	-	171	171.3	174.5	174.6	180.1	175.2	175.0	174.9
Storm sewers (miles)	-	-	157	159.9	159.9	160.8	161.3	162.9	203.7	157.9
Treatment capacity (gallons)	-	-	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000

Note: Wastewater information is unavailable for years prior to 2006.

Data Source

Various City departments