

CITY OF ST. CHARLES, ILLINOIS

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

For the Year Ended  
April 30, 2008

Prepared by the Finance Department

Christopher A. Minick  
Director of Finance

Brian Townsend  
City Administrator

CITY OF ST. CHARLES, ILLINOIS  
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# Officers and Officials

## Mayor

Donald P. Dewitte

## City Administrator

Brian Townsend

## City Council

Dan P. Stellato	Ward 1	William Turner	Ward 3
Ron S. Silkaitis	Ward 1	Jo K. Krieger	Ward 4
Clifford X. Carrignan	Ward 2	James E. Martin	Ward 4
Betsy E. Penny	Ward 2	David W. Richards	Ward 5
John M. McGuirk	Ward 3	Ed Bessner	Ward 5

## City Treasurer

Warren J. Drewes

## City Clerk

Nancy Garrison

## City Attorney

Gerald M. Gorski

## Department Heads

Christopher A. Minick  
*Director of Finance*

Mark W. Koenen  
*Director of Public Works*

Robert A. Hupp  
*Director of Community Development*

Patrick J. Mullen  
*Fire Chief*

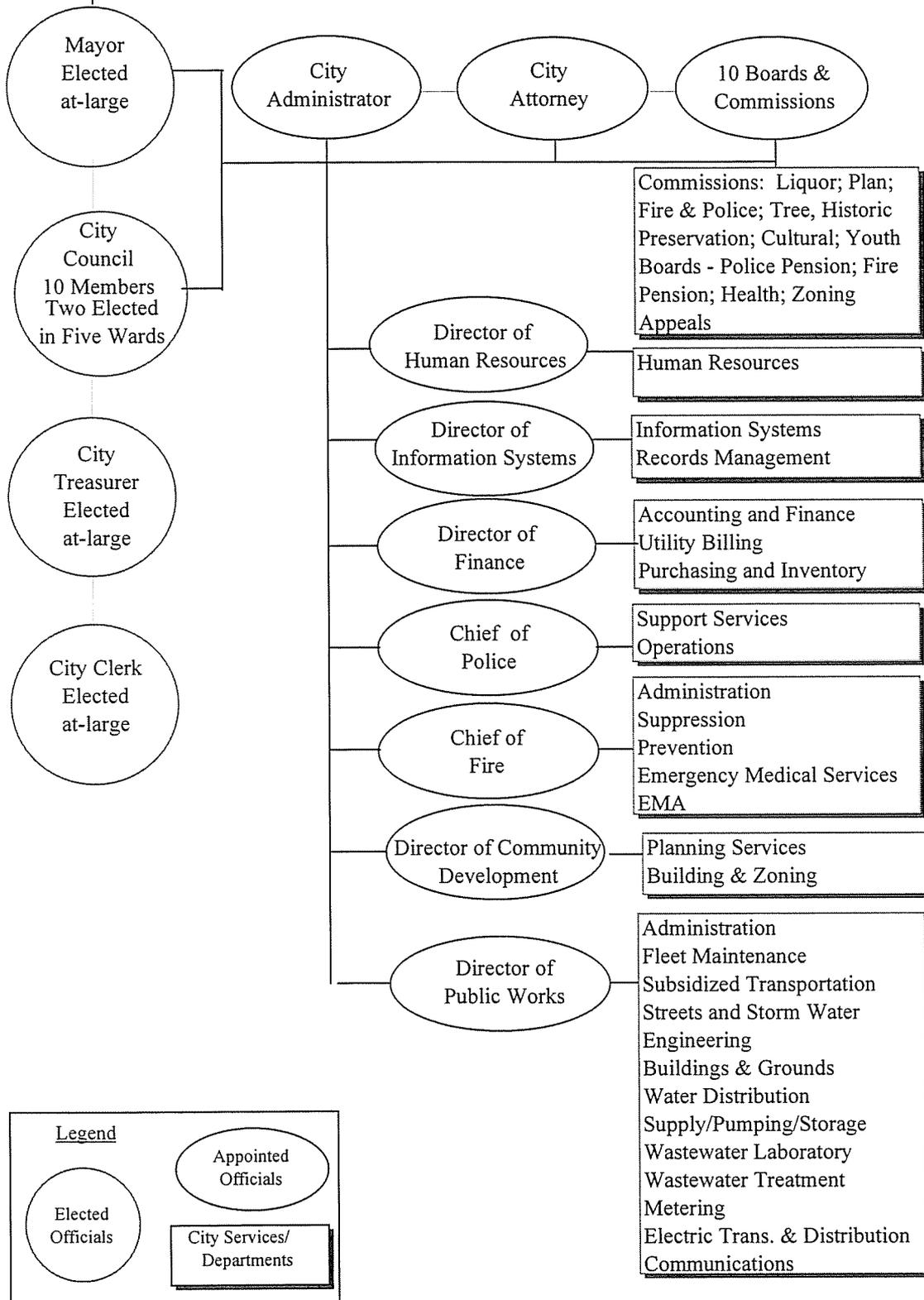
Margaret A. Foster  
*Director of Information Systems*

James E. Lamkin  
*Police Chief*

Kathy A. Livernois  
*Director of Human Resources*

# City of St. Charles Organizational Chart

Citizens of St. Charles



**Legend**

Elected Officials

Appointed Officials

City Services/ Departments

# 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, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Charles S. Cox*

President

*Jeffrey R. Emer*

Executive Director



October 30, 2008

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, 2008, 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 results of operations 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 audited in accordance with the 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 financial statements and has issued an unqualified opinion on the financial statements. The statements have been prepared in accordance with Statement No. 34 (Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments) of the Governmental Accounting Standards Board (GASB). The GASB is an organization that establishes accounting and financial reporting standards for state and local governments in the United States. Sikich LLP is to provide with reasonable assurance that the financial statements are free of material misstatements. The process involved includes examination, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The independent auditors assess the accounting principles used and include their report as the first component of the financial section.

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 Governments, and Non-Profit Organizations. Information related to this Single Audit, which includes the schedule of expenditures of federal awards, findings and questioned costs, and independent auditors' reports on internal control and compliance with applicable laws and regulations, is available as a separate document.

DONALD P. DEWITTE *Mayor*

BRIAN TOWNSEND *City Administrator*

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 Auditor's.

In addition, 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 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 for the North Central Narcotics Grant Program. The City also acts as lead agency for a cooperative Transportation Fund, which receives funding from various governmental agencies, and its financial activity is also reflected in this report.

## **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 eight departments, including Finance, Human Resources, Information Systems, Economic Development, Community 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. The City now has greater local authority to regulate and finance its operations. A Special Census, completed in August 2003 reflects the City of St. Charles' population of 31,834.

The city's budgetary operations are governed by the Budget Law as provided for in the Illinois Compiled Statutes and 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 year the funds will be expended. St. Charles' fiscal year begins May 1.

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

The city adopts annual budgets for the General, Special Revenue (except the foreign fire insurance fund), Debt Service, Enterprise Funds and Capital Projects Funds.

## **Outlook/Future Developments**

**Local Economy** – Within the City of St. Charles, over 2,100 businesses employ over 33,800 people, consisting of a balanced mix of retailers, restaurants, and manufacturing facilities. Also within the City are 1,269 hotel rooms, three shopping districts, a convention center and a full service resort and spa. There are two new business parks currently under construction within the City, including the 36-

acre Legacy Business Park located on the east side of the City as well as the 50-acre Corporate Reserve of St. Charles located on the west side of the City. Historically, the City of St. Charles has enjoyed a healthy and growing economy. However, during FY 2007-2008, the City experienced a decline in sales tax revenue, for the first time in recent history. The current economic challenges facing our country are being felt in the City of St. Charles. On a positive note, the City is experiencing growth in other revenue streams, including property taxes and hotel taxes. In addition, the City is focusing on several initiatives that, once completed, will provide a promising economic future for the City. These initiatives include:

**First Street Redevelopment Project** - The goal of this \$100 million public redevelopment project is to create a “financially viable pedestrian-oriented shopping district” which would execute the vision of the First Street Design and Development Guidelines. Features of this development include:

- 8 acres of retail, office/commercial and residential redevelopment
- 80 condos, 16 rental apartments
- 933 new parking spaces
- First Street widened for diagonal, on-street parking
- Riverfront pedestrian walkway plaza to Illinois Avenue
- Public Plaza at the north end of First Street
- Relocating and expansion of the Blue Goose within the development (30,500 square feet)

Project construction highlights include:

- Construction began in the Fall of 2006
- Underground public utility work has been completed
- First four phases of road construction have been completed
- Rt. 31 widening project was completed
- Blue Goose Supermarket moved into and opened their new store in March 2008
- Demolition/site work for Buildings 1/2/3 (along river where the original Blue Goose was located) was completed in March/April 2008
- Phase 5 of 1<sup>st</sup> Street Reconstruction; 1st Street intersection at Rte. 64, begins in Fall 2008
- Parking deck was completed and opened in July 2008
- Former Manor Restaurant demolition/site work for 1 W. Main St begins September 2008
- Riverwall construction began September 2008
- Building permit for 10,000 square feet of office space for the Plaza Building (Building #4) was issued in September 2008
- First St. Place (West Plaza) construction is set to begin October 2008

**Costco** - Construction of a new \$30 million Costco warehouse store and detached gas station began in May 2008. The 154,000 square foot building is located at the intersection of Randall Road and Oak Street. The store is anticipated to open in November 2008.

## **Major Road Improvements**

### **Kane County Projects**

- The Stearns Road Corridor construction has commenced. The construction will occur in six construction packages. The anticipated completion date of the project is the fall of 2010.

## **City Project**

- Fox River Bridge north of Rt. 64 (Redgate Bridge project) - Phase 1 engineering is nearing completion. In coordinating this project with the Federal Highway Administration and IDOT, the City is anticipating final approval in 2008. Phase 2 design engineering would follow in 2009 with construction most likely in 2010.

## **IDOT Projects**

- Rt. 64 between 7<sup>th</sup> Avenue and Dunham Road reconstruction-This project has been slated by the State of Illinois for construction in 2011-2012. The project improvement will include a bi-directional center turn lane, pavement and drainage reconstruction.
- Rt. 64 from Pheasant Run Resort to 38<sup>th</sup> Ave – This project is part of a larger state project to extend the six-lane section of IL 64 from IL 59 to Kautz Rd/38<sup>th</sup> Ave. Construction is anticipated to occur in 2011-2012.

## **Financial Information**

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 and the Illinois State Treasurer's Pool. The City's finance department records fire pension fund investments; however, the board maintains control of these moneys independent of the City Council. The police pension fund investments are under a money manager and governed by a separate board. In addition, they maintain their own accounting and participant records. The City has a formal investment policy, which includes requirements regarding the amount it will invest in various types of securities and types of collateral it will accept. U.S. government securities and government agencies account for 12% of the City's portfolio. This calculation excludes Police or Fire Pension and restricted investments. 91% of the portfolio matures in less than 1 year and the remaining 9% matures in less than 4 years. The current rate of return on City investments is 4.2558% as of April 30, 2008. 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 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.* Over the past fiscal year 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 created a citywide 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.* State of Illinois and City policy dictates 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 accountants 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, 2007. This was the 22nd 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.

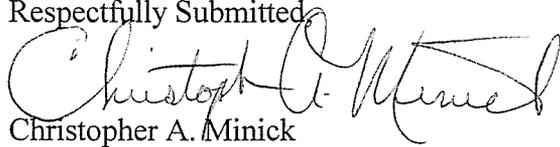
*Acknowledgments.* The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. In particular, I would like to acknowledge the work of the following Finance Department staff members:

Julie A. Herr, Assistant Finance Director  
Jill A. Ghiotto, City Accountant  
Terry L. Barth, Jr. Accountant  
Alpa V. Patel, Finance Specialist  
Pat A. Matejovsky, Accounting Assistant  
Kim M. Diehl, Accounts Payable Supervisor  
Lynn C. D'Avico, Accounts Payable

I would also like to extend a special Thank You and Best Wishes to Pamela Colby. Pam was the former Finance Director for the City of St. Charles. Pam retired in May 2008. The Mayor, City Council, and Staff of the City of St. Charles thank Pam for her professionalism, dedication and service to the City of St. Charles.

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 cursive script that reads "Christopher A. Minick". The signature is written in black ink and is positioned above the printed name and title.

Christopher A. Minick  
Finance Director



998 Corporate Boulevard • Aurora, IL 60502

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, as of and for the year ended April 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the City of St. Charles, Illinois' management. Our responsibility is to express opinions on these basic 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 *Government 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the 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, 2008, 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 25, 2008 on our consideration of the City of St. Charles, Illinois' internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules and supplemental financial information 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 of the City of St. Charles, Illinois. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory and statistical information listed in the table of contents was not audited by us and, accordingly, we do not express an opinion thereon.

Aurora, Illinois  
September 25, 2008

A handwritten signature in black ink, appearing to be 'A. H. J. P.', written in a cursive style.

## City of St. Charles, Illinois

### Management's Discussion and Analysis

April 30, 2008

As management of the City of St. Charles (the "City"), we offer readers of the Comprehensive Annual Financial Reports (CAFR) this narrative overview and analysis of the financial activities of the City for the fiscal year ended April 30, 2008. Since the Management's Discussion and Analysis (MD & A) is designed to focus on the City's current year activities, changes in the financial position and 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.

#### Overview of the Financial Statements

This discussion and analysis are 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 (governmental-wide) and on the major individual fund level. Both perspectives (governmental-wide and major fund) are intended to provide the reader various views of the City and provide a broader basis for comparison and enhance the City's accountability.

#### Governmental-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 Assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. 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 net assets have 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 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, street, 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 the 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.

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, that are generally supported by user fees charged to customers. Proprietary (Enterprise) funds are used to report the same function presented in business-type activities in the government-wide financial statements only in more detail.

Electric, water and sewer funds are considered major 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 fund 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 provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### **Other Information**

In addition to the basic financial statements and accompanying notes, 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.

### **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 governmental-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. If the government develops the asset management system (the modified approach), which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. 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. An "overlay" of a street will be considered maintenance whereas a "rebuild" of a street will be capitalized. The required compliance date for infrastructure reporting is by the fiscal year end 2008, which the City achieved at April 30, 2006.

## **GOVERNMENT-WIDE STATEMENT**

### **Statement of Net Assets**

Net assets 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 \$244.8 million as of April 30, 2008. The following table reflects the condensed Statement of Net Assets:

**Statement of Net Assets**  
**As of April 30, 2008**  
**(In Millions)**

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>		<b>Primary</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>Government</b>	<b>2007</b>
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>Assets</b>						
Current & Other Assets	\$69.3	\$55.1	\$32.3	\$39.7	\$101.6	\$94.8
Capital Assets	156.5	149.8	118.7	115.6	276.7	265.3
<b>Total Assets</b>	<b>225.8</b>	<b>204.9</b>	<b>151.0</b>	<b>155.2</b>	<b>378.3</b>	<b>360.1</b>
<b>Liabilities</b>						
Current & Other Liabilities	21.9	20.7	5.2	6.6	28.2	27.4
Long-Term Liabilities	79.7	66.2	25.2	24.9	103.7	91.1
<b>Total Liabilities</b>	<b>101.6</b>	<b>86.9</b>	<b>30.4</b>	<b>31.5</b>	<b>131.9</b>	<b>118.4</b>
<b>Net Assets</b>						
Invested in Capital Assets, Net of Debt	99.1	99.5	94.3	91.4	193.4	190.8
Restricted	11.7	8.6	0.0	0.0	11.7	8.6
Unrestricted	13.4	9.9	26.3	32.3	39.7	42.3
<b>Total of Net Assets</b>	<b>124.2</b>	<b>118.0</b>	<b>120.6</b>	<b>123.7</b>	<b>244.8</b>	<b>241.7</b>

The City has several outstanding bonds that were issued for the purpose of funding Tax Increment Financing (TIF) activities. These issues include: \$4,200,000 G.O. Tax Increment Bonds Series 1999 (\$2,825,000 as of April 30, 2008); \$2,860,000 G. O. Bonds Series 2002 (\$2,420,000 as of April 30, 2008); \$4,435,000 G. O. Bonds Series 2003 (\$4,060,000 as of April 30, 2008); \$10,000,000 G.O. Bond Series 2006 (\$10,000,000 as of April 30, 2008) and \$4,470,000 G.O. Bond Series 2007A (\$4,470,000 as of April 30, 2008). In 2005, bonds were issued for \$2,615,000 for the purpose of advance refunding a portion of the Taxable G.O. Bonds Series 1997 (\$2,540,000 as of April 30, 2008). This fiscal year the city has issued \$3,530,000 G.O. Bond Series 2007C (\$3,530,000 as of April 30, 2008) and \$10,810,000 G.O. Bond Series 2008A (\$10,810,000 as of April 30, 2008). Of these bond issues, approximately \$18.8 million was used to fund capital assets related to the First Street Redevelopment Project that are owned by the City. 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 assets.

Since the TIF's distort the financial position and results of operations of the ongoing operations of the City, the following table displays the City's net assets without the TIF activity, which is a better measure of the financial position of the City.

**Statement of Net Assets Excluding TIF Activity**  
**As of April 30, 2008**  
**(In Millions)**

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>		<b>Primary</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>Government</b>	<b>2007</b>
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>Assets</b>						
Current & Other Assets	\$48.1	\$48.4	\$32.3	\$39.7	\$80.4	\$88.1
Capital Assets	138.7	137.4	118.7	115.6	257.4	253.0
<b>Total Assets</b>	<b>186.8</b>	<b>185.9</b>	<b>151.0</b>	<b>155.2</b>	<b>337.8</b>	<b>341.1</b>
<b>Liabilities</b>						
Current & Other Liabilities	18.4	18.2	5.2	6.6	23.6	24.8
Long-Term Liabilities	39.0	39.4	25.2	24.9	64.2	64.3
<b>Total Liabilities</b>	<b>57.4</b>	<b>57.6</b>	<b>30.4</b>	<b>31.5</b>	<b>87.8</b>	<b>89.2</b>
<b>Net Assets</b>						
Invested in Capital Assets, Net of Debt	104.1	101.2	94.3	91.4	198.4	192.6
Restricted	8.9	6.6	0.0	0.0	8.9	6.6
Unrestricted	16.4	20.4	26.3	32.3	42.7	52.7
<b>Total Net Assets</b>	<b>129.4</b>	<b>128.2</b>	<b>120.6</b>	<b>123.7</b>	<b>250.0</b>	<b>251.9</b>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of St. Charles (excluding TIF activity), assets exceeded liabilities by \$250.0 million as of April 30, 2008. The largest portion of the City's net assets 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 second portion of the City's net assets are unrestricted assets in the amount of \$42.7 million, which can be used to finance the City's day-to-day operations. The final portion of the City's net assets in the amount of \$8.9 million represents resources that are subject to restrictions as shown below:

**Net assets restricted for:**

Retirement Obligations	\$381,491
Ambulance Service	106,236
Mental Health	42,175
Special Service Areas	25,639
Community Development	6,163,220
Highways and Streets	1,941,386

Public Safety	97,389
Debt Service	146,955
<b>Total</b>	<b>\$8,904,491</b>

**Normal Impacts**

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Assets summary presentation.

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

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 change the investment in capital assets, net of debt.

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 assets and increase invested in capital assets, net of debt.

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

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

**Current Year Impacts – Net Assets**

The City’s combined net assets increased from \$241.7 million to \$244.8 million. Net assets of the City’s governmental activities were increased by \$6.2 million during the year and ended the year at \$124.2 million.

The net assets of business-type activities decreased by \$3.1 million during the year and ended the year at \$120.6 million. Unrestricted net assets, available to finance the continuing operation of its business-type activities, were \$26.3 million. Business-type activities include electric, water, sewer, and refuse utilities. The annual operating cost of these services for fiscal year 2008 was approximately \$55.2 million.

The increase in Net Assets of the governmental activities in the amount of \$6.2 million was mainly due to the recognition of a \$3.7 million federal grant as well as the result of normal operations with revenues exceeding expenses. The decrease in the business-type activities of \$3.0 million was due to operating expenses exceeding revenues.

**Changes in Net Assets**  
**Statement of Changes in Net Assets**

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

**Changes in Net Assets**  
**For the Fiscal Year Ended April 30, 2008**  
(In Millions)

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>Revenues</b>						
Program Revenues						
Charges for Service	\$3.1	\$3.1	\$48.7	\$46.3	\$51.7	\$49.4
Operating Grants	1.2	1.3	0.0	0.0	1.2	1.3
Capital Grants	4.3	0.4	0.0	0.0	4.3	0.4
General Revenues						
Property Tax/Replacement Tax	12.2	11.6	0.0	0.0	12.2	11.6
Other Taxes	24.5	24.2	0.0	0.0	24.5	24.2
Other	2.2	2.1	2.3	2.4	4.5	4.4
<b>Total Revenues</b>	<b>47.5</b>	<b>42.7</b>	<b>51.0</b>	<b>48.7</b>	<b>98.5</b>	<b>91.3</b>
<b>Expenses</b>						
General Government	4.6	3.3	0.0	0.0	4.6	3.3
Public Health/Safety	20.6	19.4	0.0	0.0	20.6	19.4
Public Works	12.1	12.9	0.0	0.0	12.1	12.9
Comm. Develop	1.9	1.7	0.0	0.0	1.9	1.7
Interest	2.8	2.3	0.0	0.0	2.8	2.3
Electric	0.0	0.0	42.6	36.7	42.6	36.7
Water	0.0	0.0	4.4	4.2	4.4	4.2
Sewer	0.0	0.0	7.4	6.2	7.4	6.2
Refuse	0.0	0.0	0.8	0.6	0.8	0.6
<b>Total Expenses</b>	<b>42.0</b>	<b>39.6</b>	<b>55.2</b>	<b>47.7</b>	<b>97.2</b>	<b>87.3</b>
<b>Excess Before Contributions and Transfers</b>	<b>5.5</b>	<b>3.0</b>	<b>(4.2)</b>	<b>1.0</b>	<b>1.3</b>	<b>4.0</b>
Contributions	0.4	0.5	1.4	2.5	1.8	3.0
Transfers	0.3	0.1	(0.3)	(0.1)	0.0	0.0
<b>Change in Net Assets</b>	<b>6.2</b>	<b>3.6</b>	<b>(3.1)</b>	<b>3.4</b>	<b>3.1</b>	<b>7.0</b>
<b>Ending Net Assets</b>	<b>124.2</b>	<b>118.0</b>	<b>120.6</b>	<b>123.7</b>	<b>244.8</b>	<b>241.7</b>

## **Normal Impacts- Changes In Net Assets**

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 state income, sales and utility tax revenues as well as public spending habits for building permits, elective user fees, and volumes of consumption.

*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, electric, water, sewer, building fees, home rule sales tax, food and beverage 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.

*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 approach a competitive salary range position in the marketplace.

*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 increases.

## **Governmental Activities**

### **Revenue:**

Total revenues increased from \$42.7 million to \$47.5 million. The governmental activities program revenues increased \$3.8 million from \$4.8 to \$8.6 million. Charges for services remained constant, whereas there was an increase of \$3.9 million from grants. This increase was due to a federal grant the City received for the construction of a parking facility as part of

the First Street Redevelopment Project. The governmental activities general revenues increased \$1.0 million from \$37.9 to \$38.9 million. Sales and use taxes decreased almost \$0.3 million. Other taxes combined increased \$1.2 million, (Hotel Tax increased slightly by \$0.1 million, Telecommunication Tax increased by \$0.2 million, and State Shared Income Tax revenues increased by \$0.2 million). Property tax increased \$0.5 million. While the property tax rate for the City remained steady, new construction in the area increased the total of the City's Equalized Assessed Value (EAV) 8.15%.

**Equalized Assessed Valuation**

	<b>Property in Kane County</b>	<b>Property in DuPage County</b>	<b>Total</b>
Levy Year			
2006	\$1,422,240,139	\$39,156,122	\$1,461,396,261
2007	1,539,779,175	40,732,740	1,580,511,915
Increase:	\$117,539,036	\$1,576,618	\$119,115,654

**State Shared Tax Revenue**

	<b>Fiscal Year 2008</b>	<b>Fiscal Year 2007</b>	<b>% Increase/ (Decrease)</b>
Sales Tax	\$9,719,468	\$9,909,832	(1.92%)
Income Tax	2,931,062	2,683,079	9.24%
<b>Total:</b>	<b>\$12,650,530</b>	<b>\$12,570,594</b>	

Total expenses increased by \$2.4 million from \$39.6 million to \$42.0 million. The \$42.0 million consists of actual expenditures for the general fund and other governmental funds (\$50.7 million), the amount of the capital assets subtracted out (\$9.3 million), the amount of depreciation added (\$2.9 million), less the net gain of the internal service funds (\$1.3 million), plus the change in the OPEB liability (\$0.9 million) less the change in long-term debt and compensated absences (\$1.9 million).

Once again, it needs to be mentioned that the inclusion of the TIF district distorts the results of operations of the governmental activities. In the current year the TIF's had revenue of \$5.2 million, on the expense side we recognized interest expense of \$1.3 million and project related expenses of \$1.8 million. Removing this activity from the governmental activities results in the following:

**Changes in Net Assets Excluding TIF Activity  
For the Fiscal Year Ended April 30, 2008  
(In Millions)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>Revenues</b>						
Program Revenues						
Charges for Service	\$3.1	\$3.1	\$48.7	\$46.3	\$51.8	\$49.4
Operating Grants	1.2	1.3	0.0	0.0	1.2	1.3
Capital Grants	0.5	0.4	0.0	0.0	0.5	0.4
General Revenues						
Property Tax/ Replacement Tax	11.2	10.7	0.0	0.0	11.2	10.7
Other Taxes	24.4	24.1	0.0	0.0	24.4	24.1
Other	1.9	(0.7)	2.3	2.4	4.2	1.7
<b>Total Revenues</b>	<b>42.3</b>	<b>39.0</b>	<b>51.0</b>	<b>48.7</b>	<b>93.3</b>	<b>87.6</b>
<b>Expenses</b>						
General Government	4.6	3.3	0.0	0.0	4.6	3.3
Public Health/Safety	20.6	19.4	0.0	0.0	20.6	19.4
Public Works	10.4	11.2	0.0	0.0	10.4	11.2
Comm. Develop	1.9	1.7	0.0	0.0	1.9	1.7
Interest	1.5	1.6	0.0	0.0	1.5	1.6
Electric	0.0	0.0	42.6	36.7	42.6	36.7
Water	0.0	0.0	4.4	4.2	4.4	4.2
Sewer	0.0	0.0	7.4	6.2	7.4	6.2
Refuse	0.0	0.0	0.8	0.6	0.8	0.6
<b>Total Expenses</b>	<b>39.0</b>	<b>37.2</b>	<b>55.2</b>	<b>47.7</b>	<b>94.2</b>	<b>84.9</b>
<b>Excess Before Contributions and Transfers</b>	<b>3.3</b>	<b>1.8</b>	<b>(4.2)</b>	<b>1.0</b>	<b>(0.9)</b>	<b>2.8</b>
Contributions	0.4	0.5	1.4	2.5	1.8	3.0
Transfers	0.3	0.1	(0.3)	(0.1)	0.0	0.0
<b>Change in Net Assets</b>	<b>4.0</b>	<b>2.4</b>	<b>(3.1)</b>	<b>3.4</b>	<b>0.9</b>	<b>5.8</b>
<b>Ending Net Assets</b>	<b>120.8</b>	<b>116.8</b>	<b>120.6</b>	<b>123.7</b>	<b>241.3</b>	<b>240.4</b>

**Business Type Activities**

Revenues:

Revenues from business-type activities increased \$2.3 million over last year mainly due to an increase in charges for services under the Electric Utility as a result of a 6% rate increase that went into effect July 2007. Revenues for the remaining utilities remained constant.

Expenses:

Operating expenses from all business-type activities increased by \$7.5 million from \$47.7 to \$55.2 million, which is a 15.7% increase from the prior fiscal year. This significant increase is primarily due to a \$6 million increase in operating expenses under the Electric Utility as a result of increased wholesale power costs.

### FINANCIAL ANALYSIS OF THE FUNDS

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

For the fiscal year ended April 30, 2008 the Governmental Funds reported a combined ending fund balance of \$41.6 million. This represents an increase of \$11.2 million over the prior year.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$15.6 million, while total fund balance was \$18.4 million. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year and as a measure of the General Fund's liquidity. It may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 36.5 percent of the total General Fund expenditures, while total fund balance represents 43.1 percent of that same amount.

#### General Fund Budgetary Highlights For the Fiscal Year Ended April 30, 2008

	Original Budget	Amended Budget	Actual
<b>Revenues/Other Sources</b>			
Taxes	\$36,214,309	\$36,214,309	\$35,686,021
Licenses & Permits	580,019	580,019	558,917
Charges for Services	2,225,783	2,217,935	2,104,204
Grants	1,157,219	232,219	3,913,828
Other	1,294,663	1,294,663	1,728,991
<b>Total Revenues/Other Sources</b>	<b>\$41,471,993</b>	<b>\$40,539,145</b>	<b>\$43,991,961</b>
<b>Expenditures/Transfers</b>			
General Government	\$3,605,985	\$3,998,577	\$3,238,517
Public Health/Safety	19,982,390	20,066,876	19,738,283
Public Works	11,759,768	10,374,760	9,132,210
Comm. Develop	1,959,073	2,169,479	1,952,881
Debt Service	39,585	146,506	146,137
Transfers	8,766,544	8,855,637	8,500,645
<b>Total Expenditures/Transfers</b>	<b>\$46,113,345</b>	<b>\$45,611,835</b>	<b>\$42,708,673</b>
<b>Change in Fund Balance</b>	<b>(\$4,641,352)</b>	<b>(\$5,072,690)</b>	<b>\$1,283,288</b>

The General Fund results were attributable primarily to the fact that General Fund revenues exceeded expectations by \$3,452,816 and expenditures were less than the final budget by \$2,903,162.

General Fund Revenues-Grant revenue exceeded the revised budget by \$3,681,609 due to the timing of a federal grant the City received for the construction of the First Street Parking Facility. Actual taxes received were less than budget by \$528,288 mainly due to actual Municipal Sales and Use tax collections being below budget by \$976,238. The \$434,328 variance in actual over revised budget in the Other Revenues category is mainly due to an additional \$501,933 in investment income.

General Fund Expenditures-The majority of the budget variance is attributable to actual contractual services expenses being less than anticipated and timing differences in capital projects. There were also positive variances in materials and supplies and capital outlay.

The TIF 4 Capital Fund, the City's other major governmental fund, had an increase in fund balance of \$8,999,343. This increase was due to unspent bond proceeds for the First Street Redevelopment Project as well as the transfer of \$3,762,000 from the General Fund to temporarily fund a portion of this project in anticipation of receiving the federal grant noted above.

*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 year funds will 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.

## CAPITAL ASSETS

The City's total capital assets for its Governmental and Business-Type Activities as of April 30, 2008 amounts to \$275,150,263 (net of accumulated depreciation). The capital assets include land, buildings, equipment, and improvements other than buildings, underground systems, infrastructure and construction in progress. This amount represents a net increase (including additions and deductions) of \$10,811,937.

**Capital Assets**  
**As of April 30, 2008**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Land & Right of Way	\$51.9	\$51.9	\$1.2	\$1.2	\$53.1	\$53.1
Construction in Progress	20.1	27.0	1.4	1.5	21.6	28.4
Bldgs. and Improvements	42.2	27.2	132.3	124.0	174.5	151.1
Infrastructure	101.5	100.9	53.3	53.3	154.9	154.3
Machinery, Vehicles and Equipment	12.4	11.6	10.6	10.5	23.0	22.2
Less:						
Accumulated Depreciation	(71.7)	(68.8)	(80.2)	(75.0)	(151.9)	(143.8)
<b>Total:</b>	<b>156.5</b>	<b>149.8</b>	<b>118.7</b>	<b>115.6</b>	<b>275.2</b>	<b>265.3</b>

Major capital asset events during 2008 included the following:

- Public Works Garage Project had costs of \$1,432,378.
- Property and engineering for First Street Project costs were \$8,181,390.

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

**DEBT OUTSTANDING**

At the end of the fiscal year, the City had total debt outstanding of \$98,735,371 (excluding compensated absences and net pension obligations). Of this amount, \$82,760,000 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, which amounts to \$40,655,000. In addition the City has \$15,637,454 in IEPA loans and \$337,917 in installment contracts. For information regarding the City's debt, see note 6 in the notes to the financial statements.

In the current fiscal year, the City has issued bonds in the amount of \$14,340,000 for the First Street development and \$1,830,000 for the purpose of water projects.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The City's composition is primarily residential with a smaller commercial component. The property tax revenue derived from the residential, commercial, and industrial properties is exceedingly stable. As noted earlier, property taxes increased by \$0.5 million, or 4.7% due to an increase in the City's Equalized Assessed Valuation. Investment income has increased slightly due to the year-end market value adjustment. The City continues to invest cautiously in order to maintain a stable return. Sales tax revenues decreased slightly \$0.3 million, or

1.2% due to current economic conditions. State shared income tax revenue continues to increase.

The unemployment rate for the City is currently 7.3%, which is an increase from a rate of 4.5% at the end of the prior fiscal year.

The fiscal year 2009 budget includes an increase in property tax revenues, due to the expected increase in equalized assessed value (EAV), however, the City is not expected to increase the property tax rate. Electric rates are set to increase 6% during the next fiscal year while water and sewer rates will increase by 3.5%.

Budgeted expenditures include increases due to salary adjustments, which are part of employee labor agreements as well as health and liability insurance costs. Pension costs are also expected to increase due to the general decline in investment income throughout the Country, increased staffing in Public Health and Safety and recent pension enhancements. Capital projects such as remodeling of the Century Station building for fire services and administration and continuation of the First Street development are all planned for the next fiscal year.

#### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our 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 Chris Minick, Director of Finance, City of St. Charles, 2 E. Main St., St. Charles, Illinois 60174, 630-377-4478, [cminick@stcharlesil.gov](mailto:cminick@stcharlesil.gov).

City of St. Charles, Illinois

Statement of Net Assets

April 30, 2008

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 45,464,643	\$ 24,670,451	\$ 70,135,094
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	13,168,945	20,504	13,189,449
Accounts Receivable	171,592	3,936,338	4,107,930
Accrued Interest on Investments	90,717	29,376	120,093
Miscellaneous	578,500	423,887	1,002,387
Prepaid Items	359,509	89,233	448,742
Due (to) from Other Funds	(3,000,000)	3,000,000	-
Due from Other Governments	8,277,646	-	8,277,646
Inventory	3,110,309	51,677	3,161,986
Deferred Charges	857,110	96,882	953,992
Capital Assets Not Being Depreciated	72,007,091	2,659,158	74,666,249
Capital Assets (Net of Accumulated Depreciation)	84,462,812	116,021,202	200,484,014
Net Pension Asset	211,606	-	211,606
	<hr/>	<hr/>	<hr/>
Total Assets	225,760,480	150,998,708	376,759,188
<b>LIABILITIES</b>			
Accounts Payable	2,327,833	3,294,082	5,621,915
Claims Payable	1,175,495	445,666	1,621,161
Contracts Payable	1,013,081	44,973	1,058,054
Accrued Salaries	424,140	96,269	520,409
Accrued Interest Payable	1,218,288	291,197	1,509,485
Escrows and Refundable Deposits	2,362,919	1,016,984	3,379,903
Unearned Revenue			
Property Taxes	13,168,945	20,504	13,189,449
Other Unearned Revenue	233,558	-	233,558
Long-Term Liabilities			
Due Within One Year	6,896,822	2,388,047	9,284,869
Due in More than One Year	72,751,165	22,760,302	95,511,467
	<hr/>	<hr/>	<hr/>
Total Liabilities	101,572,246	30,358,024	131,930,270
<b>NET ASSETS</b>			
Invested in Capital Assets Net of Related Debt	99,140,750	94,294,449	193,435,199
Restricted For:			
Retirement Obligations	381,491	-	381,491
Ambulance Service	106,236	-	106,236
Mental Health	42,175	-	42,175
Special Service Areas	25,639	-	25,639
Community Development	6,899,039	-	6,899,039
Highways and Streets	1,941,386	-	1,941,386
Public Safety	97,389	-	97,389
Debt Service	2,124,092	-	2,124,092
Unrestricted	13,430,037	26,346,235	39,776,272
	<hr/>	<hr/>	<hr/>
Total Net Assets	\$124,188,234	\$120,640,684	\$244,828,918

See accompanying notes to financial statements.

City of St. Charles, Illinois

Statement of Activities

For the Year Ended April 30, 2008

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Capital Grants</u>
Primary Government				
Governmental Activities				
General Government	\$ 4,635,671	\$ 330,721	\$ -	\$ -
Public Health and Safety	20,569,266	1,836,614	136,586	7,155
Public Works	12,137,618	253,635	1,014,444	4,315,447
Community Development	1,852,758	636,193	-	-
Interest	2,787,860	-	-	-
Total Governmental Activities	<u>41,983,173</u>	<u>3,057,163</u>	<u>1,151,030</u>	<u>4,322,602</u>
Business-Type Activities				
Electric	42,530,760	39,657,173	-	-
Water	4,389,280	2,970,946	-	-
Sewer	7,427,906	5,570,674	-	-
Refuse	802,619	486,012	-	-
Total Business-Type Activities	<u>55,150,565</u>	<u>48,684,805</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 97,133,738</u>	<u>\$ 51,741,968</u>	<u>\$ 1,151,030</u>	<u>\$ 4,322,602</u>

See accompanying notes to financial statements.

City of St. Charles, Illinois

Statement of Activities

For the Year Ended April 30, 2008

	Net (Expense) Revenue and Change in Net Assets		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (4,304,950)	\$ -	\$ (4,304,950)
	(18,588,911)	-	(18,588,911)
	(6,554,092)	-	(6,554,092)
	(1,216,565)	-	(1,216,565)
	(2,787,860)	-	(2,787,860)
	<u>(33,452,378)</u>	<u>-</u>	<u>(33,452,378)</u>
	-	(2,873,587)	(2,873,587)
	-	(1,418,334)	(1,418,334)
	-	(1,857,232)	(1,857,232)
	-	(316,607)	(316,607)
	<u>-</u>	<u>(6,465,760)</u>	<u>(6,465,760)</u>
	<u>(33,452,378)</u>	<u>(6,465,760)</u>	<u>(39,918,138)</u>
<b>General Revenues</b>			
Taxes			
Property	12,076,065	-	12,076,065
Personal Property Replacement	109,332	-	109,332
Municipal Sales and Use	16,077,769	-	16,077,769
Electric Franchise Fee	1,867,683	-	1,867,683
Hotel Occupation	2,123,542	-	2,123,542
Telecommunications Fee	1,491,882	-	1,491,882
State Income	2,931,062	-	2,931,062
Other	55,253	-	55,253
Investment Income	1,665,889	1,443,180	3,109,069
Connection Charges	-	645,504	645,504
Miscellaneous	534,877	235,518	770,395
Contributions	389,677	1,418,607	1,808,284
Transfers In (Out)	317,945	(317,945)	-
<b>Total</b>	<u>39,640,976</u>	<u>3,424,864</u>	<u>43,065,840</u>
<b>Change in Net Assets</b>	<u>6,188,598</u>	<u>(3,040,896)</u>	<u>3,147,702</u>
<b>Net Assets, May 1</b>	<u>117,999,636</u>	<u>123,681,580</u>	<u>241,681,216</u>
<b>Net Assets, April 30</b>	<u>\$ 124,188,234</u>	<u>\$ 120,640,684</u>	<u>\$ 244,828,918</u>

See accompanying notes to financial statements.

City of St. Charles, Illinois

Balance Sheet

Governmental Funds

April 30, 2008

	<u>General</u>	<u>TIF 4 Capital Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and Investments	\$14,073,393	\$14,661,399	\$12,911,698	\$41,646,490
Receivables				
Property Taxes	12,045,452	-	1,123,493	13,168,945
Accounts Receivable	-	101,914	69,678	171,592
Accrued Interest on Investments	83,373	-	-	83,373
Miscellaneous, net	400,451	-	-	400,451
Prepaid Items	102,142	-	-	102,142
Due from Other Funds	246,250	-	-	246,250
Due from Other Governments	8,106,284	-	171,362	8,277,646
Advances to Other Funds	2,211,226	-	145,081	2,356,307
<b>TOTAL ASSETS</b>	<b>\$37,268,571</b>	<b>\$14,763,313</b>	<b>\$14,421,312</b>	<b>\$66,453,196</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 756,850	\$ 1,368,369	\$ 106,554	\$ 2,231,773
Contracts Payable	20,278	446,113	546,690	1,013,081
Accrued Salaries	399,542	-	2,509	402,051
Escrows and Refundable Deposits	2,362,919	-	-	2,362,919
Due to Other Funds	3,000,000	-	246,250	3,246,250
Advances From Other Funds	-	-	2,211,225	2,211,225
Deferred Revenue				
Property Taxes	12,045,452	-	1,123,493	13,168,945
Other Deferred Revenue	233,558	-	-	233,558
<b>Total Liabilities</b>	<b>18,818,599</b>	<b>1,814,482</b>	<b>4,236,721</b>	<b>24,869,802</b>
<b>FUND BALANCES</b>				
Reserved for Retirement Obligations	381,491	-	-	381,491
Reserved for Ambulance Service	106,236	-	-	106,236
Reserved for Mental Health	42,175	-	-	42,175
Reserved for Special Service Areas	25,639	-	-	25,639
Reserved for Prepaid Items	102,142	-	-	102,142
Reserved for Advances to Other Funds	2,211,225	-	145,081	2,356,306
Reserved for Community Development	-	-	6,899,039	6,899,039
Reserved for Highways and Streets	-	-	1,941,386	1,941,386
Reserved for Public Safety	-	-	97,389	97,389
Reserved for Debt Service	-	-	1,979,011	1,979,011
Unreserved				
Undesignated - General Fund	15,581,064	-	-	15,581,064
Undesignated (Deficit) - Special Revenue Funds	-	-	(2,018,141)	(2,018,141)
Undesignated - Capital Project Funds	-	12,948,831	1,140,826	14,089,657
<b>Total Fund Balances</b>	<b>18,449,972</b>	<b>12,948,831</b>	<b>10,184,591</b>	<b>41,583,394</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$37,268,571</b>	<b>\$14,763,313</b>	<b>\$14,421,312</b>	<b>\$66,453,196</b>

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 Assets

April 30, 2008

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Fund Balances of Governmental Funds	\$ 41,583,394
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	152,993,590
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	(74,337,372)
Compensated Absences Payable	(3,209,457)
Interest Payable	(1,218,288)
Other Post Employment Benefits	(914,768)
Developer Agreement Payable	(1,074,187)
The net assets of the internal service fund are included in the governmental activities in the statement of net assets	9,296,606
Unamortized bond issuance costs are reported as an asset on the statement of net assets but are shown as an expenditure in the governmental funds	857,110
The net pension asset is not a current financial resource and is therefore not reported in the governmental funds	<u>211,606</u>
Net Assets of Governmental Activities	<u>\$ 124,188,234</u>

See accompanying notes to financial statements.

City of St. Charles, Illinois  
Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended April 30, 2008

	<u>General</u>	<u>TIF 4 Capital Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Property Taxes	\$11,136,243	\$ -	\$ 939,822	\$12,076,065
Personal Property Replacement Taxes	109,332	-	-	109,332
Municipal Sales and Use Taxes	16,046,589	-	31,180	16,077,769
Electric Franchise Fee	1,867,683	-	-	1,867,683
Hotel Occupations Tax	2,047,977	-	75,565	2,123,542
Telecommunications Fee	1,491,882	-	-	1,491,882
Admissions Tax	55,253	-	-	55,253
Licenses and Permits	558,917	-	-	558,917
Fines and Court Fees	290,130	-	-	290,130
Grants	3,913,828	100,000	100,100	4,113,928
Illinois State Income Tax Allotments	2,931,062	-	-	2,931,062
Motor Fuel Tax Allotments	-	-	915,942	915,942
Charges to Other Governmental Units	-	-	76,330	76,330
Charges for Current Services	2,104,204	-	13,071	2,117,275
Regional Transportation Authority Reimbursements	-	-	14,510	14,510
Investment Income	901,840	196,909	567,140	1,665,889
Contributions	-	-	362,000	362,000
Miscellaneous	527,771	-	81,761	609,532
Total Revenues	43,982,711	296,909	3,177,421	47,457,041
<b>Expenditures:</b>				
Current-				
General Government	3,238,517	-	230,643	3,469,160
Public Health and Safety	19,738,283	-	209,147	19,947,430
Public Works	9,132,210	613,971	888,017	10,634,198
Community Development	1,952,881	-	-	1,952,881
Debt Service-				
Principal	129,763	-	3,035,564	3,165,327
Interest and Fiscal Charges	16,374	-	2,592,908	2,609,282
Capital Outlay	-	7,567,419	1,425,786	8,993,205
Total Expenditures	34,208,028	8,181,390	8,382,065	50,771,483
Excess (Deficiency) of Revenues Over Expenditures	9,774,683	(7,884,481)	(5,204,644)	(3,314,442)
<b>Other Financing Sources (Uses):</b>				
Issuance of Bonds	-	12,963,854	1,376,146	14,340,000
Premium on Bonds	-	157,970	-	157,970
Proceeds from the Sale of Capital Assets	9,250	-	-	9,250
Transfers In	-	3,762,000	6,089,717	9,851,717
Transfers Out	(8,500,645)	-	(1,382,270)	(9,882,915)
Total Other Financing Sources (Uses)	(8,491,395)	16,883,824	6,083,593	14,476,022
Net Change in Fund Balances	1,283,288	8,999,343	878,949	11,161,580
Fund Balance, May 1	17,166,684	3,949,488	9,305,642	30,421,814
Fund Balance, April 30	\$18,449,972	\$12,948,831	\$10,184,591	\$41,583,394

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, 2008

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Net Change in Fund Balances - Total Governmental Funds	\$ 11,161,580
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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	9,333,592
Contributions of capital assets are reported only in the statement of activities	389,677
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	(9,250)
The issuance of long-term debt is reported as another financing source in governmental funds but as an increase of principal outstanding in the statement of activities	(14,340,000)
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	3,165,327
The change in compensated absences is an increase of expenses on the statement of activities	(77,520)
The premium on bonds issued is an other financing source in governmental funds but is amortized on the statement of activities	(157,970)
The amortization of bond discount and premium is not reported as an expenditure in governmental funds	(660)
The bond issuance costs are an expenditure on the governmental funds but are amortized on the statement of activities	179,879
The amortization of bond issuance costs is not reported as an expenditure in governmental funds	(38,358)
The amortization of a loss on a refunding bond is not reported as an expenditure in governmental funds	(19,368)
The change in accrued interest payable is reported as interest expense on the statement of activities	(177,917)
The change in other post employment benefit payable is reported as an expense on the statement of activities	(914,768)
Some expenses in the statement of activities (e.g. depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(2,923,665)
Developer 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	(1,074,187)
The addition (reduction) in net assets of certain activities of internal service funds is included in governmental funds	1,687,936
The change in net pension asset is not a current financial resource and therefore is not reported in the governmental funds	4,270
Change in Net Assets of Governmental Activities	<u>\$ 6,188,598</u>

See accompanying notes to financial statements.

City of St. Charles, Illinois

Statement of Net Assets

Proprietary Funds

April 30, 2008

	Business Type Activities					Governmental
	Electric Fund	Water Fund	Sewer Fund	Nonmajor	Total	Internal
				Enterprise Fund (Refuse)		Service Funds
<b>Current Assets</b>						
Cash and Investments	\$ 6,392,251	\$ 8,760,288	\$ 9,344,168	\$ 173,744	\$ 24,670,451	\$ 3,818,153
Receivables-						
Property Tax	20,504	-	-	-	20,504	-
Billed	708,771	95,822	233,926	24,869	1,063,388	-
Unbilled	2,327,236	171,521	379,497	34,454	2,912,708	-
Allowance for Doubtful Accounts	(33,758)	(2,000)	(3,000)	(1,000)	(39,758)	-
Accrued Interest on Investments	-	14,688	14,688	-	29,376	7,344
Miscellaneous, net	77,575	84,539	260,493	1,280	423,887	178,049
	3,100,328	364,570	885,604	59,603	4,410,105	185,393
Prepaid Items	44,134	17,678	27,421	-	89,233	257,367
Due From Other Funds	1,000,000	-	2,000,000	-	3,000,000	-
Deferred Charges	-	55,545	41,337	-	96,882	-
Inventory	51,677	-	-	-	51,677	3,110,309
<b>Total Current Assets</b>	<b>10,588,390</b>	<b>9,198,081</b>	<b>12,298,530</b>	<b>233,347</b>	<b>32,318,348</b>	<b>7,371,222</b>
<b>Capital Assets</b>						
Capital Assets Not Being Depreciated	2,224,451	225,162	209,545	-	2,659,158	33,745
Capital Assets Being Depreciated	92,531,152	32,560,465	70,971,942	163,687	196,227,246	7,373,860
Accumulated Depreciation	(34,875,141)	(14,582,299)	(30,648,489)	(100,115)	(80,206,044)	(3,931,292)
<b>Net Capital Assets</b>	<b>59,880,462</b>	<b>18,203,328</b>	<b>40,532,998</b>	<b>63,572</b>	<b>118,680,360</b>	<b>3,476,313</b>
<b>Total Assets</b>	<b>70,468,852</b>	<b>27,401,409</b>	<b>52,831,528</b>	<b>296,919</b>	<b>150,998,708</b>	<b>10,847,535</b>
<b>Current Liabilities</b>						
Accounts Payable	2,728,452	21,112	452,658	91,860	3,294,082	96,060
Claims Payable	90,515	102,640	252,511	-	445,666	1,175,495
Contracts Payable	-	-	44,973	-	44,973	-
Accrued Salaries	53,186	19,455	22,893	735	96,269	22,089
Accrued Interest Payable	83,642	25,023	182,532	-	291,197	-
Escrows and Customer Deposits	237,235	624,469	155,280	-	1,016,984	-
Advances from Other Funds	-	-	-	-	-	145,082
Accrued Compensated Absences	277,989	184,244	173,449	-	635,682	81,780
General Obligation Bonds Payable	502,794	65,000	70,000	-	637,794	-
IEPA Loan Payable	-	-	1,114,571	-	1,114,571	-
Unearned Revenue						
Property Tax	20,504	-	-	-	20,504	-
<b>Total Current Liabilities</b>	<b>3,994,317</b>	<b>1,041,943</b>	<b>2,468,867</b>	<b>92,595</b>	<b>7,597,722</b>	<b>1,520,506</b>
<b>Long-Term Liabilities</b>						
General Obligation Bonds Payable	4,473,808	1,765,000	1,860,000	-	8,098,808	-
Unamortized Discount on GO Bonds Payable	(10,970)	16,724	6,101	-	11,855	-
IEPA Loan Payable	-	-	14,522,883	-	14,522,883	-
Net OPEB Obligation	32,124	50,530	44,102	-	126,756	30,423
<b>Total Long-Term Liabilities</b>	<b>4,494,962</b>	<b>1,832,254</b>	<b>16,433,086</b>	<b>-</b>	<b>22,760,302</b>	<b>30,423</b>
<b>Total Liabilities</b>	<b>8,489,279</b>	<b>2,874,197</b>	<b>18,901,953</b>	<b>92,595</b>	<b>30,358,024</b>	<b>1,550,929</b>
<b>Net Assets</b>						
Invested in Capital Assets Net of Related Debt	54,914,830	16,356,604	22,959,443	63,572	94,294,449	3,476,313
Unrestricted	7,064,743	8,170,608	10,970,132	140,752	26,346,235	5,820,293
<b>Total Net Assets</b>	<b>\$61,979,573</b>	<b>\$24,527,212</b>	<b>\$33,929,575</b>	<b>\$ 204,324</b>	<b>\$120,640,684</b>	<b>\$ 9,296,606</b>

See accompanying notes to financial statements.

City of St. Charles, Illinois

Proprietary Funds

Statement of Revenues, Expenses and Changes in Net Assets

For the Year Ended April 30, 2008

	Business Type Activities				Total Enterprise Funds	Governmental
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Fund (Refuse)		Internal Service Funds
Operating Revenues:						
Charges for Services, net	\$39,171,427	\$ 2,946,286	\$ 5,550,833	\$ 486,012	\$48,154,558	\$ 1,862,858
Insurance Premiums	-	-	-	-	-	4,993,382
Rental Income	-	-	-	-	-	976,513
Sale of Inventory	-	-	-	-	-	4,791,934
Miscellaneous Revenues	485,746	24,660	19,841	-	530,247	1,311,920
Total Operating Revenues	39,657,173	2,970,946	5,570,674	486,012	48,684,805	13,936,607
Operating Expenses:						
Administration	2,151,536	1,916,187	2,917,920	266,921	7,252,564	1,238,189
Operations	36,283,620	1,635,008	2,445,377	534,068	40,898,073	10,989,150
Provision for Depreciation	3,908,387	840,306	1,566,022	11,550	6,326,265	594,461
Total Operating Expenses	42,343,543	4,391,501	6,929,319	812,539	54,476,902	12,821,800
Operating Income (Loss)	(2,686,370)	(1,420,555)	(1,358,645)	(326,527)	(5,792,097)	1,114,807
Non-Operating Revenues (Expenses)						
Gain on Sale of Property	26,715	27,244	-	9,920	63,879	39,104
Pole Rental	55,687	-	-	-	55,687	-
Investment Income	509,642	447,352	476,861	9,325	1,443,180	184,882
Connection Charges	132,212	175,312	337,980	-	645,504	-
Rental Income	-	69,676	2,339	6,223	78,238	-
Interest Expense	(213,932)	(25,023)	(498,587)	-	(737,542)	-
Other Income	68,495	3,313	15,858	13,927	101,593	-
Non-Operating Revenues, net	578,819	697,874	334,451	39,395	1,650,539	223,986
Net Income (Loss) Before Transfers	(2,107,551)	(722,681)	(1,024,194)	(287,132)	(4,141,558)	1,338,793
Transfers In	215,815	-	-	196,100	411,915	357,535
Transfers Out	(363,119)	(123,122)	(243,619)	-	(729,860)	(8,392)
Net Income (Loss)	(2,254,855)	(845,803)	(1,267,813)	(91,032)	(4,459,503)	1,687,936
Developer Contributions	-	461,829	956,778	-	1,418,607	-
Change in Net Assets	(2,254,855)	(383,974)	(311,035)	(91,032)	(3,040,896)	1,687,936
Net Assets, May 1	64,234,428	24,911,186	34,240,610	295,356	123,681,580	7,608,670
Net Assets, April 30	\$61,979,573	\$24,527,212	\$33,929,575	\$ 204,324	\$120,640,684	\$ 9,296,606

See accompanying notes to financial statements.

City of St. Charles, Illinois

Statement of Cash Flows

Proprietary Funds

For the Year Ended April 30, 2008

	Business Type Activities				Total	Governmental
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Fund (Refuse)		Internal Service Funds
Cash Flows from Operating Activities						
Receipts from Customers and Users	\$ 39,448,776	\$ 2,981,398	\$ 5,350,729	\$ 485,075	\$ 48,265,978	\$ -
Receipts from Interfund Users	-	-	-	-	-	12,514,539
Receipts from Miscellaneous Revenues	56,116	3,312	18,197	18,871	96,496	1,311,920
Payments to Suppliers	(38,254,669)	(1,698,172)	(2,035,560)	(475,254)	(42,463,655)	(11,520,834)
Payments to Employees	(407,423)	(1,276,754)	(1,424,302)	(183,042)	(3,291,521)	(1,257,887)
Payments to Other Funds	(1,909,343)	(639,752)	(1,286,724)	(83,137)	(3,918,956)	-
Net Cash from Operating Activities	(1,066,543)	(629,968)	622,340	(237,487)	(1,311,658)	1,047,738
Cash Flows from Noncapital Financing Activities						
Connection Charges	132,212	175,312	337,980	-	645,504	-
Property Taxes	12,381	-	-	-	12,381	-
Transfers In	215,815	-	-	196,100	411,915	357,535
Transfers Out	(363,119)	(123,122)	(243,619)	-	(729,860)	(39,982)
Net Cash from Noncapital Financing Activities	(2,711)	52,190	94,361	196,100	339,940	317,553
Cash Flows from Capital and Related Financing Activities						
Capital Assets Purchased	(6,196,988)	(1,694,781)	(153,430)	-	(8,045,199)	(517,504)
Sale of Capital Assets	26,715	27,244	-	9,920	63,879	68,900
Proceeds on Long-Term Debt	-	1,791,179	-	-	1,791,179	-
Principal Payments on Long-Term Debt	(489,436)	-	(1,152,995)	-	(1,642,431)	-
Interest Payments on Long-Term Debt	(219,483)	-	(501,890)	-	(721,373)	-
Net Cash from Capital and Related Financing Activities	(6,879,192)	123,642	(1,808,315)	9,920	(8,553,945)	(448,604)
Cash Flows from Investing Activities						
Purchase of Investment Securities	(266,923)	(1,282,088)	(521,395)	-	(2,070,406)	(500,000)
Proceeds from Sale and Maturities of Investment Securities	7,695,758	1,300,000	835,826	-	9,831,584	27,209
Interest Received	234,726	116,959	99,101	9,325	460,111	142,696
Net Cash from Investing Activities	7,663,561	134,871	413,532	9,325	8,221,289	(330,095)
Net Increase (Decrease) in Cash and Cash Equivalents	(284,885)	(319,265)	(678,082)	(22,142)	(1,304,374)	586,592
Cash and Cash Equivalents, May 1	444,239	904,949	3,364,786	195,886	4,909,860	2,265,013
Cash and Cash Equivalents, April 30	\$ 159,354	\$ 585,684	\$ 2,686,704	\$ 173,744	\$ 3,605,486	\$ 2,851,605

See accompanying notes to financial statements.

City of St. Charles, Illinois

Statement of Cash Flows

Proprietary Funds

For the Year Ended April 30, 2008

	Business Type Activities					Governmental
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Fund (Refuse)	Total	Internal Service Funds
Cash and Investments						
Cash and Cash Equivalents	\$ 159,354	\$ 585,684	\$ 2,686,704	\$ 173,744	\$ 3,605,486	\$ 2,851,605
Investments	6,232,897	8,174,604	6,657,464	-	21,064,965	966,548
<b>Total Cash and Investments</b>	<b>\$ 6,392,251</b>	<b>\$ 8,760,288</b>	<b>\$ 9,344,168</b>	<b>\$ 173,744</b>	<b>\$ 24,670,451</b>	<b>\$ 3,818,153</b>
Noncash Transactions						
Contributions of Capital Assets from Developers	\$ -	\$ 461,829	\$ 956,778	\$ -	\$ 1,418,607	\$ -
<b>Total Noncash Transactions</b>	<b>\$ -</b>	<b>\$ 461,829</b>	<b>\$ 956,778</b>	<b>\$ -</b>	<b>\$ 1,418,607</b>	<b>\$ -</b>
Cash Flows from Operating Activities						
Operating Income (Loss)	\$ (2,686,370)	\$ (1,420,555)	\$ (1,358,645)	\$ (326,527)	\$ (5,792,097)	\$ 1,114,807
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities						
Depreciation	3,908,387	840,306	1,566,022	11,550	6,326,265	594,461
Other Non-Operating Revenues	111,802	72,989	18,197	20,150	223,138	-
Changes in Assets and Liabilities						
Receivables	(284,067)	(86,939)	(226,834)	(2,218)	(600,058)	(110,147)
Inventory	-	-	-	-	-	(427,992)
Prepays	(28,174)	(11,925)	(19,853)	-	(59,952)	(144,884)
Accounts and Claims Payable	(2,121,165)	(75,891)	639,636	58,846	(1,498,574)	(14,208)
Accrued Salaries	(3,182)	(2,775)	(6,016)	712	(11,261)	2,226
Accrued Compensated Absences	(15,882)	(23,420)	(41,160)	-	(80,462)	3,052
Net OPEB Obligation	32,124	50,530	44,102	-	126,756	30,423
Customer Deposits	19,984	27,712	6,891	-	54,587	-
<b>Net Cash from Operating Activities</b>	<b>\$ (1,066,543)</b>	<b>\$ (629,968)</b>	<b>\$ 622,340</b>	<b>\$ (237,487)</b>	<b>\$ (1,311,658)</b>	<b>\$ 1,047,738</b>

See accompanying notes to financial statements.

City of St. Charles, Illinois  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
April 30, 2008

	<u>Pension Trust Funds</u>	<u>Agency Funds</u>
<b>Assets</b>		
Cash and Short-Term Investments	\$ 6,585,924	\$ 2,667,738
Investments, at Fair Value		
U.S. Treasury and Agency Securities	18,091,845	-
Mutual Funds	8,154,708	-
Equity Securities	10,152,943	-
Receivables		
Accounts Receivable	-	893,760
Accrued Interest on Investments	87,424	-
Prepaid Items	27,858	-
	<hr/>	<hr/>
Total Assets	43,100,702	3,561,498
	<hr/>	<hr/>
<b>Liabilities</b>		
Accounts Payable	3,550	22,623
Due to Other Governments	-	3,150,621
Due to Bondholders	-	388,254
	<hr/>	<hr/>
Total Liabilities	3,550	\$ 3,561,498
	<hr/>	<hr/>
<b>Net Assets Held In Trust For Pension Benefits</b>		
	<hr/> <hr/>	
	\$43,097,152	
	<hr/> <hr/>	

See accompanying notes to financial statements.

City of St. Charles, Illinois  
Statement of Changes in Fiduciary Net Assets  
Pension Trust Funds  
For the Year Ended April 30, 2008

Additions:	
Contributions -	
Employer	\$1,848,980
Employee	830,376
Total Contributions	<u>2,679,356</u>
Investment Income -	
Net Appreciation (Depreciation) in the	
Fair Value of Investments	(907,274)
Interest	1,957,774
Total Investment Income	<u>1,050,500</u>
Less Investment Expense	<u>(218,312)</u>
Net Investment Income	<u>832,188</u>
Total Additions	<u>3,511,544</u>
Deductions:	
Pension Benefits	1,950,471
Miscellaneous	41,480
Total Deductions	<u>1,991,951</u>
Net Increase	1,519,593
Net Assets Held In Trust	
For Pension Benefits	
May 1	<u>41,577,559</u>
April 30	<u><u>\$43,097,152</u></u>

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS

April 30, 2008

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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 5 wards and 10 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 2002 Bureau of the Census data indicated the City to have a population of 31,824 (with a current estimated population of 32,826).

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 pension. As required by generally accepted accounting principles, 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.

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 a City's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the City (internal service funds). Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds*, the City has chosen to apply all GASB pronouncements as well as those FASB pronouncements issued on or before November 30, 1989 to account for its enterprise 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 capacity.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets 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.

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 required to be accounted for in another fund.

The TIF District 4 Capital Projects Fund accounts for the construction of public improvements for the First Street Development project.

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, sewer and refuse 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, worker's compensation and health insurance programs; materials and supplies inventory; 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 Firefighter's 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 No. 21 Bond Fund and the North Central Narcotics Task Force Fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements (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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The City reports deferred/unearned revenue on its financial statements. Deferred/unearned revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Deferred/unearned revenues also arise when resources are received by the City before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures/expenses. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred/unearned 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, 2008 for debt and equity securities. Mutual funds, investment funds and insurance separate accounts are valued at contract value as of April 30, 2008.

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 from other funds" or "due to 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.

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 and infrastructure assets (e.g., roads, bridges, storm sewers and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost in excess of \$20,000 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

J. Deferred Charges

Deferred charges in the proprietary funds and the governmental activities and business-type activities in the government-wide financial statements represents bond issuance costs and accounting losses on advance refundings of bonds which are being amortized over the life of the bonds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. 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.

L. 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, as well as issuance costs and accounting 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 losses on refunding. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

M. Fund Balance/Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. None of the net assets are restricted as a result of enabling legislation adopted by the City. Invested in capital assets, net of related debt is the book value of the capital assets less the principal balance of any long-term debt issued to construct or acquire the capital asset.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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. 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 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 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.

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

2. DEPOSITS AND INVESTMENTS (Continued)

A. City Investments (Continued)

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.

Investments

The following table presents the investments and maturities of the City's debt securities as of April 30, 2008:

Investment Type	Fair Value	Investment Maturities in Years			
		Less Than 1	1-5	6-10	Greater than 10
U.S. Agency Obligations	\$ 8,737,170	\$ 2,001,710	\$ 6,735,460	\$ -	\$ -
Money Market Mutual Funds	31,680,005	31,680,005	-	-	-
Illinois Funds	5,454,911	5,454,911	-	-	-
<b>TOTAL</b>	<b>\$ 45,872,086</b>	<b>\$ 39,136,626</b>	<b>\$ 6,735,460</b>	<b>\$ -</b>	<b>\$ -</b>

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 all rated AAA as are Illinois Funds and the money market mutual funds.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, the price for which the investment could be sold.

2. DEPOSITS AND INVESTMENTS (Continued)

A. City Investments (Continued)

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 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. At April 30, 2008, the City had less than the 30 percent of it's over all portfolio invested in Illinois Funds. 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.

B. Police Pension Investments

The Police Pension'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 indexed 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, 2008 are covered by federal depository insurance.

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

2. DEPOSITS AND INVESTMENTS (Continued)

B. Police Pension Investments (Continued)

Investments

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of April 30, 2008:

Investment Type	Fair Value	Investment Maturities in Years			
		Less Than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 2,345,354	\$ 827,303	\$ 299,198	\$ 434,028	\$ 784,825
U.S. Agency Obligations	7,659,035	102,656	2,153,182	248,520	5,154,677
Money Market Mutual Funds	1,309,256	1,309,256	-	-	-
<b>TOTAL</b>	<b>\$ 11,313,645</b>	<b>\$ 2,239,215</b>	<b>\$ 2,452,380</b>	<b>\$ 682,548</b>	<b>\$ 5,939,502</b>

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 Illinois Compiled Statutes. 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 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.

2. DEPOSITS AND INVESTMENTS (Continued)

C. Firefighters' Pension Investments (Continued)

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, 2008 are covered by federal depository insurance.

Investments

The following table presents the investments and maturities of the Firefighters' Pension Fund's debt securities as of April 30, 2008:

Investment Type	Fair Value	Investment Maturities in Years			
		Less Than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 4,341,329	\$ 1,362,397	\$ 413,856	\$ 2,565,076	\$ -
U.S. Agency Obligations	3,746,127	-	-	610,357	3,135,770
Money Market Mutual Funds	571,903	571,903	-	-	-
Illinois Funds	2,591	2,591	-	-	-
<b>TOTAL</b>	<b>\$ 8,661,950</b>	<b>\$ 1,936,891</b>	<b>\$ 413,856</b>	<b>\$ 3,175,433</b>	<b>\$ 3,135,770</b>

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.

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.

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

3. RECEIVABLES - PROPERTY TAXES

Property taxes for the 2007 levy year attach as an enforceable lien on January 1, 2007, 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, 2008 and August 1, 2008, and are payable in two installments, on or about June 1, 2008 and September 1, 2008. The County collects such taxes and remits them periodically.

The 2007 taxes are intended to finance the 2009 fiscal year and are not considered available or earned for current operations and are, therefore, shown as deferred/unearned revenue. The 2008 tax levy has not been recorded as a receivable at April 30, 2008, as the tax attached as a lien on property as of January 1, 2008, however, the tax will not be levied until December 2008 and, accordingly, is not measurable at April 30, 2008.

4. DUE FROM OTHER GOVERNMENTS

Due from other governments consisted of the following amounts at April 30, 2008.

GOVERNMENTAL ACTIVITIES

Sales Tax	\$ 2,252,570
Home Rule Sales Tax	1,296,114
Income Tax	271,602
Local Use Tax	109,613
Auto Rental	11,088
Motor Fuel Tax	71,262
Simplified Telecommunications Tax	392,573
Court Fines	19,377
Due from Grantor Agency (Dept of Transportation)	<u>3,853,447</u>

TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 8,277,646</u>
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5. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2008 is as follows:

	Balances May 1	Increases	Decreases	Balances April 30
GOVERNMENTAL ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 11,429,798	\$ -	\$ -	\$ 11,429,798
Land Right of Ways	40,441,131	-	7,108	40,434,023
Construction in Progress	26,954,846	8,929,839	15,741,414	20,143,271
Total Capital Assets not Being Depreciated	<u>78,825,775</u>	<u>8,929,839</u>	<u>15,748,522</u>	<u>72,007,092</u>

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

5. CAPITAL ASSETS (Continued)

	Balances May 1	Increases	Decreases	Balances April 30
<b>GOVERNMENTAL ACTIVITIES (Continued)</b>				
Capital Assets Being Depreciated				
Buildings	\$ 25,174,295	\$ 11,976,400	\$ -	\$ 37,150,695
Improvements Other Than Buildings	2,068,472	2,993,976	-	5,062,448
Equipment and Fixtures	11,630,492	1,190,477	379,612	12,441,357
Streets	60,797,881	847,270	293,413	61,351,738
Storm Sewers	34,178,751	44,225	-	34,222,976
Bridges	4,347,653	-	-	4,347,653
Culverts	1,599,906	-	-	1,599,906
Total Capital Assets Being Depreciated	<u>139,797,450</u>	<u>17,052,348</u>	<u>673,025</u>	<u>156,176,773</u>
Less Accumulated Depreciation for				
Buildings	6,110,698	865,863	-	6,976,561
Improvements Other Than Buildings	678,126	97,419	-	775,545
Equipment and Fixtures	4,593,495	706,511	347,675	4,952,331
Streets	36,305,443	1,101,198	293,413	37,113,228
Storm Sewers	18,374,156	650,232	-	19,024,388
Bridges	1,488,606	85,386	-	1,573,992
Culverts	1,286,398	11,518	-	1,297,916
Total Accumulated Depreciation	<u>68,836,922</u>	<u>3,518,127</u>	<u>641,088</u>	<u>71,713,961</u>
Total Capital Assets Being Depreciated, Net	<u>70,960,528</u>	<u>13,534,221</u>	<u>31,937</u>	<u>84,462,812</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
CAPITAL ASSETS, NET	<u>\$149,786,303</u>	<u>\$ 22,464,060</u>	<u>\$ 15,780,459</u>	<u>\$156,469,904</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital Assets not Being Depreciated				
Land	\$ 1,248,518	\$ -	\$ --	\$ 1,248,518
Construction in Progress	1,470,961	1,694,780	1,755,101	1,410,640
Total Capital Assets not Being Depreciated	<u>2,719,479</u>	<u>1,694,780</u>	<u>1,755,101</u>	<u>2,659,158</u>
Capital Assets Being Depreciated				
Refuse Equipment	163,687	-	-	163,687
Electric Property	87,443,085	5,088,067	-	92,531,152
Water and Sewer Plant and Equipment	100,226,136	3,327,138	20,867	103,532,407
Total Capital Assets Being Depreciated	<u>187,832,908</u>	<u>8,415,205</u>	<u>20,867</u>	<u>196,227,246</u>
Less Accumulated Depreciation for				
Refuse Equipment	88,565	11,550	-	100,115
Electric Property	32,066,474	2,808,669	-	34,875,141
Water and Sewer Plant and Equipment	42,845,325	2,406,330	20,867	45,230,788
Total Accumulated Depreciation	<u>75,000,360</u>	<u>5,226,549</u>	<u>20,867</u>	<u>80,206,044</u>
Total Capital Assets Being Depreciated, net	<u>112,832,544</u>	<u>3,188,656</u>	<u>-</u>	<u>116,021,202</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
CAPITAL ASSETS, NET	<u>\$115,552,023</u>	<u>\$ 4,883,436</u>	<u>\$ 1,755,101</u>	<u>\$118,680,360</u>

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

5. CAPITAL ASSETS (Continued)

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

GOVERNMENTAL ACTIVITIES

General Government	\$ 336,255
Public Health and Safety	413,191
Public Works, Including Depreciation of General Infrastructure Assets	2,763,922
Community Development	<u>4,759</u>

TOTAL DEPRECIATION EXPENSE -  
 GOVERNMENTAL ACTIVITIES

\$ 3,518,127

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
\$3,090,000 Taxable General Obligation Corporate Purpose Bonds of 1997, annual installments of \$35,000 to \$435,000 through December 1, 2016, interest at 6.80% to 7.00% payable each June 1 and December 1.	TIF #1	\$ 135,000	\$ -	\$ 135,000	\$ -	\$ -	-
\$5,000,000 General Obligation Corporate Purpose Bonds of 1997, annual installments of \$225,000 to \$430,000 through December 1, 2013, interest at 3.90% to 4.10% payable each June 1 and December 1.	Debt Service	2,265,000	-	405,000	-	1,860,000	430,000

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
\$4,200,000 General Obligation Tax Increment Bonds of 1999, annual installments of \$175,000 to \$345,000 through January 1, 2018, interest at 3.75% to 4.85% payable each January 1 and July 1.	TIF #2	\$ 3,045,000	\$ -	\$ 220,000	\$ -	\$ 2,825,000	\$ 230,000
\$5,000,000 General Obligation Corporate Purpose Bonds of 1998, annual installments of \$255,000 to \$430,000 through December 1, 2013, interest at 3.90% to 4.10% payable each June 1 and December 1.	Debt Service	1,837,004	-	233,036	-	1,603,968	243,317
	Electric	842,996	-	106,964	-	736,032	111,683
\$4,300,000 General Obligation Bonds of 1999A, annual installments of \$200,000 to \$400,000 through December 1, 2014, interest at 4.85% to 5.00% payable each June 1 and December 1.	Debt Service	1,623,410	-	169,316	-	1,454,094	175,363
	Electric	1,061,590	-	110,684	-	950,906	114,637
\$10,000,000 General Obligation Bonds of 2000, annual installments of \$525,000 to \$950,000 through December 1, 2006, interest at 4.75% to 4.80% payable each June 1 and December 1.	Debt Service	7,125,000	-	650,000	-	6,475,000	675,000
\$2,860,000 General Obligation Bonds of 2002, annual installments of \$105,000 to \$220,000 through December 1, 2022, interest at 4.40% to 4.90% payable each June 1 and December 1.	TIF # 3	2,535,000	-	115,000	-	2,420,000	120,000

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
\$4,890,000 General Obligation Bonds of 2002A, annual installments of \$265,000 to \$415,000, interest at 3.00% to 4.00% payable each June 1 and December 1.	Debt Service	\$ 238,548	\$ -	\$ 18,212	\$ -	\$ 220,336	\$ 18,526
	Electric	3,561,452	-	271,788	-	3,289,664	276,474
\$4,435,000 General Obligation Bonds of 2003, annual installments of \$185,000 to \$335,000, interest at 3.00% to 3.50% payable each June 1 and December 1.	TIF #5	4,250,000	-	190,000	-	4,060,000	195,000
\$6,375,000 General Obligation Bonds of 2004, annual installments of \$245,000 to \$470,000, interest at 2.80% to 4.30% payable each June 1 and December 1.	Debt Service	6,130,000	-	250,000	-	5,880,000	255,000
\$16,500,000 General Obligation Bonds of 2005A, annual installments of \$625,000 to \$1,175,000, interest at 3.50% to 4.50% payable each June 1 and December 1.	Debt Service	16,500,000	-	625,000	-	15,875,000	650,000
\$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	2,565,000	-	25,000	-	2,540,000	175,000
\$10,000,000 General Obligation Bonds of 2006, annual installments of \$3,065,000 to \$3,605,000, interest at 3.95% each June 1 and December 1.	TIF #4	10,000,000	-	-	-	10,000,000	-

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
\$4,470,000 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	\$ 4,470,000	\$ -	\$ -	\$ -	\$ 4,470,000	\$ -
\$2,000,000 General Obligation Bonds of 2007B, annual installments of \$70,000 to \$405,000, interest at 3.70% payable each June 1 and December 1.	Sewer	2,000,000	-	70,000	-	1,930,000	70,000
\$3,530,000 General Obligation Bonds of 2007C, annual installments of \$500,000 to \$2,245,000, interest at 4.00% payable each June 1 and December 1.	TIF #4	-	3,530,000	-	-	3,530,000	-
\$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	-	10,810,000	-	-	10,810,000	-
\$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	-	1,830,000	-	-	1,830,000	65,000
<b>TOTAL GENERAL OBLIGATION BONDS</b>		<b>\$ 70,185,000</b>	<b>\$ 16,170,000</b>	<b>\$ 3,595,000</b>	<b>\$ -</b>	<b>\$ 82,760,000</b>	<b>\$ 3,805,000</b>

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

6. LONG-TERM DEBT (Continued)

B. 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 I	Sewer	\$ 1,446,223	\$ -	\$ 300,846	\$ 1,145,377	\$ 312,218
EPA Loan II	Sewer	223,851	-	37,520	186,331	38,874
EPA Loan III	Sewer	5,475,800	-	330,347	5,145,453	338,775
EPA Loan IV	Sewer	9,574,575	-	414,282	9,160,293	424,704
TOTAL		\$ 16,720,449	\$ -	\$ 1,082,995	\$ 15,637,454	\$ 1,114,571

C. Installment Contracts

During the fiscal year ended April 30, 2003, the City purchased land via an installment purchase agreement. During the fiscal year ended April 30, 2004, the City purchased fire department equipment via an installment purchase agreement. During the fiscal year ended April 30, 2005, the City purchased emergency equipment 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 \$14,352 including interest at 4%.	General	\$ 422,037	\$ -	\$ 91,668	\$ 330,369	\$ 72,768
\$122,975 Installment Contract dated December 1, 2004 with annual installments of principal of \$38,116 to \$39,365 plus interest at 3.22%.	General	45,643	-	38,095	7,548	7,548
TOTAL		\$ 467,680	\$ -	\$ 129,763	\$ 337,917	\$ 80,316

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

6. LONG-TERM DEBT (Continued)

D. Developer Agreements

In the current fiscal year, the City entered into an agreement with the developers of property in the City to reimburse the developer for certain infrastructure improvements constructed by the developer. The agreement requires the City to reimburse the developer \$1,432,250 in four annual installments of \$358,063. The City paid the first installment in 2008 from the general fund.

E. Net Other Post-Employment Benefit Obligation

In fiscal year 2008, the City implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. This pronouncement required the City to calculate and record a net other post-employment benefit obligation (NOPEBO) at April 30, 2008. The NOPEBO is, in general, the cumulative difference between the actuarial required contribution and the actual contributions since May 1, 2007.

F. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year	Business-Type Activities IEPA Loans		Governmental Activities General Obligation Bonds		Business-Type Activities General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 1,114,571	\$ 400,998	\$ 3,167,206	\$ 3,028,668	\$ 637,794	\$ 346,788
2010	1,147,105	368,464	3,331,782	2,943,776	658,218	330,016
2011	1,180,622	334,948	3,471,762	2,805,346	683,239	305,020
2012	1,039,049	300,412	3,607,055	2,659,194	712,945	278,449
2013	865,972	274,781	3,608,485	2,505,745	746,515	248,689
2014	865,128	253,025	4,151,934	2,353,046	773,066	217,645
2015	887,027	231,126	4,244,906	2,178,111	670,093	184,905
2016	909,482	208,671	4,384,178	1,998,066	530,822	156,916
2017	932,505	185,648	3,670,120	1,808,846	549,880	135,853
2018	956,110	162,043	3,485,970	1,654,264	574,030	114,043
2019	980,313	137,840	3,330,000	1,509,279	195,000	91,278
2020	1,005,128	113,025	3,595,000	1,372,844	200,000	83,366
2021	1,030,571	87,582	3,845,000	1,224,959	210,000	75,247
2022	586,620	64,453	4,175,000	1,066,354	215,000	66,722
2023	601,376	49,697	4,465,000	893,612	225,000	57,972
2024	616,505	34,568	4,695,000	710,007	240,000	48,762
2025	632,017	19,056	4,685,000	518,397	250,000	38,875
2026	287,353	3,592	4,505,000	326,807	260,000	28,425
2027	-	-	3,605,000	142,398	270,000	17,525
2028	-	-	-	-	135,000	6,075
TOTAL	\$15,637,454	\$ 3,229,929	\$74,023,398	\$31,699,719	\$ 8,736,602	\$ 2,832,571

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

6. LONG-TERM DEBT (Continued)

F. Debt Service Requirements to Maturity (Continued)

Fiscal Year	Governmental Activities Installment Contracts	
	Principal	Interest
2009	\$ 80,316	\$ 12,111
2010	75,732	8,926
2011	78,818	5,840
2012	82,029	2,629
2013	21,022	140
TOTAL	\$ 337,917	\$ 29,646

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	Balances April 30	Current Portion
General Obligation Bonds Payable	\$62,718,962	\$14,340,000	\$ 3,035,564	\$74,023,398	\$ 3,167,206
Unamortized (Discount) Premium on Bonds Payable	(8,261)	157,970	(661)	150,370	-
Unamortized Loss on Refunding Installment Contracts Payable - Governmental Funds	(193,681)	-	(19,368)	(174,313)	-
Developer Agreements - Governmental Funds	467,680	-	129,763	337,917	80,316
Compensated Absences Payable - Governmental Funds (General Fund)	-	1,432,250	358,063	1,074,187	358,063
Compensated Absences Payable - Internal Service Funds	3,131,937	3,209,457	3,131,937	3,209,457	3,209,457
Net OPEB Obligation (General Fund)	78,728	81,780	78,728	81,780	81,780
Net OPEB Obligation - Internal Service Funds	-	1,195,637	280,869	914,768	-
TOTAL	\$66,195,365	\$20,464,039	\$ 7,011,417	\$79,647,987	\$ 6,896,822

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	\$7,466,038	\$ 1,830,000	\$ 559,436	\$ 8,736,602	\$ 637,794
Unamortized (Discount) Premium on Bonds Payable	(6,404)	16,724	(1,535)	11,855	-
IEPA Loans Payable	16,720,449	-	1,082,995	15,637,454	1,114,571
Compensated Absences Payable	716,144	635,682	716,144	635,682	635,682
Net OPEB Obligation	-	209,365	82,609	126,756	-
TOTAL	\$24,896,227	\$ 2,691,771	\$ 2,439,649	\$25,148,349	\$ 2,388,047

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 \$3,210,000. 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, 2008, there were 5 series of IDRBs outstanding. The aggregate principal amount payable for the IDRBs outstanding could not be determined at April 30, 2008. The original principal balance is \$27,042,164.

7. RISK MANAGEMENT

The City is exposed to various risks including but not limited to losses from worker's 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 worker's 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 \$75,000 per individual per year.

Worker's Compensation Insurance - The City is self-insured with a specific stop loss of \$400,000 per occurrence.

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, 2007 and 2008 is as follows:

	<u>2007</u>	<u>2008</u>
CLAIMS PAYABLE, MAY 1	\$ 1,460,553	\$ 1,411,497
Add Claims Incurred	3,455,874	3,537,151
Less Claims Paid	<u>3,504,930</u>	<u>3,327,487</u>
CLAIMS PAYABLE, APRIL 30	<u>\$ 1,411,497</u>	<u>\$ 1,621,161</u>

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

8. INDIVIDUAL FUND DISCLOSURES

As of April 30, 2008, individual fund interfund receivables and payables were as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 246,250
Electric	General	1,000,000
Sewer	General	<u>2,000,000</u>
TOTAL DUE TO/FROM OTHER FUNDS		<u>\$ 3,246,250</u>

Major interfund receivables and payables resulted from the following:

These receivables are for capital expenses associated with the TIF #4 and the future Fire Station #1. The amounts are payable from future property tax revenue and bond issues.

As of April 30, 2008, major individual fund advances between funds were as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 2,211,225
Nonmajor Governmental	Internal Service	<u>145,081</u>
TOTAL		<u>\$ 2,356,306</u>

During the fiscal year ended April 30, 2008, the General Fund advanced the TIF District #2, TIF District #3 and TIF District #5 special revenue funds of \$83,633, \$115,563, and \$236,620, respectively. In prior years, \$1,775,409 was advanced to cover debt service for TIF District #2 and TIF District #3. The \$2,211,225 advanced as of April 30, 2008 will be repaid from tax increments in future years.

Interfund transfers during the year ended April 30, 2008 were as follows:

	Transfers In	Transfers Out
General		
TIF District #4 Capital Projects Fund	\$ -	\$ 3,762,000
Electric	-	215,815
Nonmajor Governmental	-	3,979,195
Nonmajor Enterprise	-	196,100
Internal Service	-	347,535
Total General	-	<u>8,500,645</u>

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

8. INDIVIDUAL FUND DISCLOSURES (Continued)

	Transfers In	Transfers Out
TIF District #4 Capital Projects Fund		
General	\$ 3,762,000	\$ -
Nonmajor Governmental		
General	3,979,195	-
Electric	363,119	-
Water	123,122	-
Sewer	233,619	-
Nonmajor Governmental	1,382,270	1,382,270
Internal Service	8,391	-
Total Nonmajor Governmental	<u>6,089,717</u>	<u>1,382,270</u>
Electric		
General	215,815	-
Nonmajor Governmental	-	363,119
Total Electric	<u>215,815</u>	<u>363,119</u>
Water		
Nonmajor Governmental	-	<u>123,122</u>
Sewer		
Nonmajor Governmental	-	233,619
Internal Service	-	<u>10,000</u>
Nonmajor Enterprise		
General	<u>196,100</u>	-
Internal Service		
General	347,535	-
Sewer	10,000	-
Nonmajor Governmental	-	8,391
Total Internal Service	<u>357,535</u>	<u>8,391</u>
TOTAL	<u>\$10,621,167</u>	<u>\$10,621,167</u>

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

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8. INDIVIDUAL FUND DISCLOSURES (Continued)

Major interfund transfers resulted from the following:

- \$3,979,195 transfer from the General Fund to Nonmajor Governmental 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 Redgate Bridge Capital Project Fund and the Subsidized Transportation Fund.
- \$1,382,270 transfers from Nonmajor Governmental Funds to Nonmajor Governmental Funds. This transaction relates to money transferred to debt service funds for payments of principal and interest on general obligation debt and for the money transferred from the TIF District #5.
- \$719,860 transfers from the Enterprise Funds to Debt Service Fund. This transaction relates to money transferred to debt service funds for payments of principle and interest on general obligation debt (Public Works Garage).
- \$3,762,000 transfer from the General Fund to the TIF District #4 Capital Projects Fund. This transaction contributes to funding the construction of a parking deck. The General Fund will be reimbursed by grant funding over the next few years.
- \$215,815 transfer to the Electric Fund from the General Fund for maintenance of streetlights and Christmas light decorations.
- \$196,100 transfer to the Refuse Fund from the General Fund to cover expenses not covered by user fees.
- \$347,535 transfers to Internal Service Funds from the General Fund. This transaction relates to money transferred to the Workers Compensation/Liability Insurance Fund to cover insurance premiums and to the Communications Fund for the computer/copier reserve.

The following funds reported deficit fund balances/net assets at April 30, 2008:

Fund	Deficit Balance
TIF District #2 Special Revenue Fund	\$ 1,195,537
Fire Station Capital Projects Fund	292,499
TIF District #3 Special Revenue Fund	529,722
TIF District #5 Special Revenue Fund	321,688

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 City has incurred engineering and architectural expenses in the Capital Project Fund for the building of a new Fire Station #1 facility; this will be reimbursed with future general obligation bonds.
- The deficit in TIF District #3 is from insufficient property tax revenue to support the debt service.
- The deficit in TIF District #5 is the proposed St. Charles Kitchen development expenses. These expenses will be reimbursed through future property tax revenue and bond proceeds.

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 a developer whereby the City will reimburse the developer for certain infrastructure improvements ranging from \$0 - \$480,000, if certain thresholds are met by the developer. A remaining liability of \$240,000 has been accrued in the General Fund as of April 30, 2008 as the thresholds were met by the developer.

9. CONTINGENT LIABILITIES (Continued)

C. Economic Development Incentives (Continued)

In addition, 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, 2008 under this agreement as the thresholds have not been met. The total incentives incurred under this agreement through April 30, 2008 are \$283,521.

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 - \$2,500,000, through the 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, 2008 under this agreement as the thresholds have not yet been met.

The City has entered into an agreement with the owners of property within TIF #5 to reimburse the developers for qualifying redevelopment costs for development of the property. The agreement requires the City to reimburse up to \$4,000,000 in phases to the developer as the costs are incurred and approved by the City. The City issued the 2003 General Obligation Bonds in the amount of \$4,435,000 to fund its obligation. As of April 30, 2008, the City has reimbursed the developer \$4,000,000 under this agreement.

The City has entered into an agreement with a developer to reimburse the developer \$1,432,250 in equal payments over a four year period ending in 2010. The developer is required to comply with the agreement established with the City to receive the payments. As of April 30, 2008, \$385,062 has been paid related to this agreement.

The City has entered into an agreement with car dealer to provide economic incentives over a 5 year period. The incentive ranges from \$0 - \$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 - \$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, 2008 no amounts have been paid related to this agreement.

10. OTHER POST-EMPLOYMENT BENEFITS

A. Plan Description

In addition to providing the pension benefits described, the City provides post-employment 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 post-employment 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, 2008, membership consisted of:

Retirees and beneficiaries currently receiving benefits	23
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>268</u>
 TOTAL	 <u>291</u>
 Participating employers	 <u>1</u>

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

10. OTHER POST-EMPLOYMENT 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 ending April 30, 2008, retirees contributed \$176,036 and the City contributed \$380,000. 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 first had an actuarial valuation performed for the plan as of April 30, 2008 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended April 30, 2008. The City's annual OPEB cost (expense) of \$1,451,947 was equal to the ARC for the fiscal year, as the transition liability was set at zero as of April 30, 2007. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for April 30, 2008 was as follows (information for the two preceding years is not available as an actuarial valuation was performed for the first time as of April 30, 2008):

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2008	\$ 1,451,947	\$ 380,000	26.2%	\$ 1,071,947

The net OPEB obligation (NOPEBO) as of April 30, 2008, was calculated as follows:

Annual required contribution	\$ 1,451,947
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	1,451,947
Contributions made	380,000
Increase in net OPEB obligation	1,071,947
Net OPEB obligation beginning of year	-
<b>NET OPEB OBLIGATION END OF YEAR</b>	<b>\$ 1,071,947</b>

10. OTHER POST-EMPLOYMENT 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, 2008, was as follows:

Actuarial accrued liability (AAL)	\$ -
Actuarial value of plan assets	15,492,884
Unfunded actuarial accrued liability (UAAL)	15,492,884
Funded ratio (actuarial value of plan assets/AAL)	0.0%
Covered payroll (active plan members)	25,524,911
UAAL as a percentage of covered payroll	60.7

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 the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the April 30, 2008 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 5.00% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate starting at 8.00% declining .25% annually to 6.00% by 2016. Both rates include a 3.00% 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 closed basis. The remaining amortization period at April 30, 2008, was thirty years.

## 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 Illinois Compiled Statutes 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 IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

### A. Plan Descriptions

#### Illinois Municipal Retirement Fund

All employees (other than those covered by the Police or Firefighters' 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. Participating members who retire at or after age 60 with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount generally equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years and 2.00% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.50% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution for the year ended December 31, 2007 was 10.08% of covered payroll.

#### Sheriff's Law Enforcement Personnel

Sheriff's Law Enforcement Personnel (SLEP), 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 2.50% of their final rate of earnings, for each year of credited service up to 20 years, 2.00% of their final earnings rate for the next 10 years of credited service and 1.00% for each year thereafter.

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Sheriff's Law Enforcement Personnel (Continued)

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 6.50% of their annual salary to SLEP. The City is required to contribute the remaining amounts necessary to fund the SLEP as specified by statute. The employer contribution rates for the year ended December 31, 2007 was 12.73% 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, 2008, 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	30
Nonvested	26
	<hr/>
TOTAL	<u>94</u>

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75.00% 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 3.00% of the original pension and 3.00% compounded annually thereafter. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

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, 2008, the City's contribution was 23.98% 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, 2008, the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	8
Terminated Employees Entitled to Benefits but not yet Receiving Them	1
Current Employees	
Vested	26
Nonvested	24
	<hr/>
TOTAL	<u>59</u>

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by 1/12 of 2.50% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75.00% of such monthly 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 retirement benefit. The monthly pension 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 paid upon reaching the age of at least 55 by 3.00% of the original pension and 3.00% compounded annually thereafter. Benefits and refunds are recognized when due and payable in accordance with the terms of the Firefighters' Pension Plan.

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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, 2008, the City's contribution was 19.49% of covered payroll.

B. Significant Investments

There are no significant investments (other than U.S. Government guaranteed obligations) in any one organization that represent 5.00% or more of plan net assets for either the Police or the Firefighters' Pension Plans. Information for the IMRF and SLEP is not available.

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, 2005	December 31, 2005	April 30, 2007	April 30, 2007
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	27 Years, Closed	27 Years, Closed	26 Years, Closed	26 Years, Closed

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

C. Annual Pension Costs (Continued)

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
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.

	Fiscal Year	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Fiscal Year	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2006	\$ 1,129,707	\$ 28,744	2006	\$ 970,735	\$ 605,748
	2007	1,249,748	30,581	2007	934,036	733,949
	2008	1,299,758	31,866	2008	1,005,139	839,571
Actual Contribution	2006	\$ 1,129,707	\$ 28,744	2006	\$ 972,113	\$ 605,537
	2007	1,249,748	30,581	2007	936,294	733,734
	2008	1,299,758	31,866	2008	1,006,125	842,855
Percentage of APC Contributed	2006	100%	100%	2006	100.1%	100.0%
	2007	100%	100%	2007	100.2%	100.0%
	2008	100%	100%	2008	100.1%	100.4%
NPO (Asset)	2006	\$ -	\$ -	2006	\$ (160,566)	\$ (44,727)
	2007	-	-	2007	(162,824)	(44,512)
	2008	-	-	2008	(163,810)	(47,796)

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

C. Annual Pension Costs (Continued)

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

	Police Pension	Firefighters' Pension
Annual Required Contributions	\$ 1,008,538	\$ 840,500
Interest on Net Pension Obligation	(11,398)	(3,116)
Adjustment to Annual Required Contribution	7,999	2,187
Annual Pension Cost	1,005,139	839,571
Contributions Made	1,006,125	842,855
Increase (Decrease) in Net Pension Obligation (Asset)	(986)	(3,284)
Net Pension Obligation (Asset) Beginning of Year	(162,824)	(44,512)
NET PENSION OBLIGATION (ASSET) END OF YEAR	<u>\$ (163,810)</u>	<u>\$ (47,796)</u>

D Funded Status

The funded status of the plans as of April 30, 2008, based on actuarial valuations performed as of the same date, 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:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Actuarial Accrued Liability (AAL)	\$ 33,770,116	\$ -	\$ 35,954,632	\$ 24,126,380
Actuarial Value of Plan Assets	30,926,644	(383,556)	23,161,216	19,935,936
Unfunded Actuarial Accrued Liability (UAAL)	2,843,472	383,556	12,793,416	4,190,444
Funded Ratio (Actuarial Value of Plan Assets/AAL)	91.58%	0.00%	64.42%	82.63%
Covered Payroll (Active Plan Members)	12,894,420	-	4,196,313	4,325,654
UAAL as a Percentage of Covered Payroll	22.05%	0.00%	304.87%	96.87%

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.

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

E. Summary Financial Information

Summary financial information at April 30, 2008 for the Police and Firefighters' Pension Plans is as follows:

Combining Statement of Fiduciary Net Assets

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
<b>ASSETS</b>			
Cash and Short-Term Investments	\$ 2,980,385	\$ 3,605,539	\$ 6,585,924
Investments, at Fair Value			
U.S. Treasury and Agency Securities	10,004,389	8,087,456	18,091,845
Mutual Funds	4,557,684	3,597,024	8,154,708
Equity Securities	5,526,883	4,626,060	10,152,943
Receivables			
Accrued Interest on Investments	67,317	20,107	87,424
Prepaid Items	27,858	-	27,858
<b>Total Assets</b>	<b>23,164,516</b>	<b>19,936,186</b>	<b>43,100,702</b>
<b>LIABILITIES</b>			
Accounts Payable	3,300	250	3,550
<b>Total Liabilities</b>	<b>3,300</b>	<b>250</b>	<b>3,550</b>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	<b>\$ 23,161,216</b>	<b>\$ 19,935,936</b>	<b>\$43,097,152</b>

Combining Statement of Changes in Plan Net Assets

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 1,006,125	\$ 842,855	\$ 1,848,980
Employee	413,254	417,122	830,376
<b>Total Contributions</b>	<b>1,419,379</b>	<b>1,259,977</b>	<b>2,679,356</b>

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 Assets (Continued)

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ADDITIONS (Continued)			
Investment Income			
Net appreciation (depreciation) in Fair Value of Investments	\$ (896,102)	\$ (11,172)	\$ (907,274)
Interest	1,305,483	652,291	1,957,774
Total Investment Income	409,381	641,119	1,050,500
Less Investment Expenses	(165,780)	(52,532)	(218,312)
Net Investment Income	243,601	588,587	832,188
Total Additions	1,662,980	1,848,564	3,511,544
DEDUCTIONS			
Pension Benefits	1,529,680	420,791	1,950,471
Miscellaneous	36,308	5,172	41,480
Total Deductions	1,565,988	425,963	1,991,951
NET INCREASE	96,992	1,422,601	1,519,593
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
May 1	23,064,224	18,513,335	41,577,559
April 30	\$ 23,161,216	\$ 19,935,936	\$ 43,097,152

City of St. Charles, Illinois  
General Corporate Fund  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2008

	<u>Original</u>	<u>Final</u>	<u>Actual</u>
Revenues:	<u>Budget</u>	<u>Budget</u>	
Property Taxes	\$11,117,338	\$11,117,338	\$11,136,243
Personal Property Replacement Taxes	85,400	85,400	109,332
Municipal Sales and Use Taxes	17,022,827	17,022,827	16,046,589
Electric Franchise Fee	1,907,656	1,907,656	1,867,683
Hotel Occupations Tax	1,975,000	1,975,000	2,047,977
Telecommunications Fee	1,251,000	1,251,000	1,491,882
Admissions Tax	86,400	86,400	55,253
Business Licenses and Permits	177,745	177,745	197,246
Non-business License and Permits	402,274	402,274	361,671
Fines and Court Fees	303,600	303,600	290,130
Grants	1,157,219	232,219	3,913,828
Illinois State Income Tax Allotments	2,768,688	2,768,688	2,931,062
Charges for Current Services	2,225,783	2,217,935	2,104,204
Investment Income	399,907	399,907	901,840
Miscellaneous	591,156	591,156	527,771
Total Revenues	<u>41,471,993</u>	<u>40,539,145</u>	<u>43,982,711</u>
Expenditures:			
General Government	3,605,985	3,998,577	3,238,517
Public Health and Safety	19,982,390	20,066,876	19,738,283
Public Works	11,759,768	10,374,760	9,132,210
Community Development	1,959,073	2,169,479	1,952,881
Debt Service			
Principal	34,030	129,532	129,763
Interest and Fiscal Charges	5,555	16,974	16,374
Total Expenditures	<u>37,346,801</u>	<u>36,756,198</u>	<u>34,208,028</u>
Excess of Revenues Over Expenditures	<u>4,125,192</u>	<u>3,782,947</u>	<u>9,774,683</u>
Other Financing Sources (Uses):			
Proceeds from the Sale of Capital Assets	-	-	9,250
Transfers Out	<u>(8,766,544)</u>	<u>(8,855,637)</u>	<u>(8,500,645)</u>
Total Other Financing Sources (Uses)	<u>(8,766,544)</u>	<u>(8,855,637)</u>	<u>(8,491,395)</u>
Net Change in Fund Balance	<u>(\$ 4,641,352)</u>	<u>(\$ 5,072,690)</u>	1,283,288
Fund Balance, May 1			<u>17,166,684</u>
Fund Balance, April 30			<u>\$18,449,972</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2008

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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 generally accepted accounting principles. Annual budgets are adopted for the general, certain special revenue (except the foreign fire insurance 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 Public Works Garage Fund and the Subsidized Transportation Fund expenditures exceeded their budgets by \$107,600 and \$10,417, respectively.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2008

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Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry - Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) As a Percentage of Covered Payroll (4) / (5)
2002	\$ 22,289,660	\$ 22,417,610	99.43%	\$ 127,950	\$ 9,811,143	1.30%
2003	24,172,412	25,682,512	94.12%	1,510,100	10,493,648	14.39%
2004	26,008,122	28,953,419	89.83%	2,945,297	11,325,240	26.01%
2005	26,760,966	30,184,867	88.66%	3,423,901	11,992,643	28.55%
2006	29,388,419	32,348,730	90.85%	2,960,311	12,361,507	23.95%
2007	30,926,644	33,770,116	91.58%	2,843,472	12,894,420	22.05%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

April 30, 2008

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Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry - Age	Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) As a Percentage of Covered Payroll (4) / (5)
2002	\$ (372,380)	\$ -	0.00%	\$ 372,380	\$ 500	74476.00%
2003	(397,590)	-	0.00%	397,590	-	0.00%
2004	(406,731)	-	0.00%	406,731	-	0.00%
2005	(406,311)	-	0.00%	406,311	-	0.00%
2006	(393,822)	-	0.00%	393,822	-	0.00%
2007	(383,556)	-	0.00%	383,556	-	0.00%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
POLICE PENSION FUND

April 30, 2008

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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)
2003	\$ 16,104,564	\$ 26,249,005	61.35%	\$ 10,144,441	\$ 3,341,767	303.57%
2004	18,143,826	28,687,658	63.25%	10,543,832	3,537,104	298.09%
2005	19,444,068	29,678,938	65.51%	10,234,870	3,373,443	303.40%
2006	21,049,102	31,498,568	66.83%	10,449,466	3,740,985	279.32%
2007	23,064,224	34,460,854	66.93%	11,396,630	3,992,817	285.43%
2008	23,161,216	35,954,632	64.42%	12,793,416	4,196,313	304.87%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
FIREFIGHTERS' PENSION FUND

April 30, 2008

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry - Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) As a Percentage of Covered Payroll (4) / (5)
2003	\$ 12,937,052	\$ 12,981,825	99.66%	\$ 44,773	\$ 2,182,461	2.05%
2004	13,645,519	14,947,971	91.29%	1,302,452	2,749,062	47.38%
2005	14,875,368	16,639,816	89.40%	1,764,448	3,384,683	52.13%
2006	16,142,671	18,801,665	85.86%	2,658,994	3,704,516	71.78%
2007	18,513,335	21,119,695	87.66%	2,606,360	3,798,607	68.61%
2008	19,935,936	24,126,380	82.63%	4,190,444	4,325,654	96.87%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
OTHER POST-EMPLOYMENT BENEFIT PLAN

April 30, 2008

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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 Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Active Members Covered Payroll	(6) UAAL As a Percentage of Covered Payroll (4) / (5)
2008	\$ -	\$ 15,492,884	0.00%	\$ 15,492,884	\$ 25,524,911	60.70%

The City implemented GASB Statement No. 45 for the fiscal year ended April 30, 2008. Information for prior years is not available.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2008

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<u>Calendar Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2002	\$ 559,235	\$ 559,235	100.00%
2003	703,074	703,074	100.00%
2004	993,223	993,223	100.00%
2005	1,129,707	1,129,707	100.00%
2006	1,249,748	1,249,748	100.00%
2007	1,299,758	1,299,758	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, 2008

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<u>Calendar Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2002	\$ 322	\$ 322	100.00%
2003	-	-	0.00%
2004	25,957	25,957	100.00%
2005	28,744	28,744	100.00%
2006	30,581	30,581	100.00%
2007	31,866	31,866	100.00%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND

April 30, 2008

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<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation (Asset)</u>
2003	\$ 686,353	\$ 685,579	100.11%	\$ (152,678)
2004	794,691	796,096	99.82%	(155,232)
2005	886,342	886,236	100.01%	(159,188)
2006	972,113	974,490	99.76%	(160,566)
2007	936,294	937,614	99.86%	(162,824)
2008	1,006,125	1,008,538	99.76%	(163,810)

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FIREFIGHTERS' PENSION FUND

April 30, 2008

---

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation (Asset)</u>
2003	\$ 379,218	\$ 378,904	100.08%	\$ (43,139)
2004	401,628	401,664	99.99%	(44,222)
2005	429,061	429,442	99.91%	(44,938)
2006	605,537	606,808	99.79%	(44,727)
2007	733,734	734,946	99.84%	(44,512)
2008	842,855	840,500	100.28%	(47,796)

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
OTHER POST-EMPLOYMENT BENEFIT PLAN

April 30, 2008

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<u>Year Ended</u> <u>April 30,</u>	<u>Employer</u> <u>Contributions</u>	<u>Annual</u> <u>Required</u> <u>Contribution</u> <u>(ARC)</u>	<u>Percentage</u> <u>Contributed</u>
2008	\$ 380,000	\$ 1,451,947	26.17%

The City implemented GASB Statement No. 45 for the fiscal year ended April 30, 2008. Information for prior years is not available.

See independent auditor's report.

City of St. Charles, Illinois  
Combining Balance Sheet  
Nonmajor Governmental Funds  
April 30, 2008

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 3,202,763	\$ 1,979,011	\$ 7,729,924	\$12,911,698
Receivables				
Property Taxes	1,123,493	-	-	1,123,493
Accounts Receivable	54,990	-	14,688	69,678
Due from Other Governments	71,262	-	100,100	171,362
Advances to Other Funds	-	145,081	-	145,081
	<hr/>			
TOTAL ASSETS	\$ 4,452,508	\$ 2,124,092	\$ 7,844,712	\$14,421,312
	<hr/>			
<b>LIABILITIES</b>				
Accounts Payable	\$ 23,140	\$ -	\$ 83,414	\$ 106,554
Contracts Payable	-	-	546,690	546,690
Accrued Salaries	2,509	-	-	2,509
Due to Other Funds	14,000	-	232,250	246,250
Advances From Other Funds	2,211,225	-	-	2,211,225
Deferred Property Tax Revenue	1,123,493	-	-	1,123,493
	<hr/>			
Total Liabilities	3,374,367	-	862,354	4,236,721
	<hr/>			
<b>FUND BALANCES</b>				
Reserved for Advances to Other Funds	-	145,081	-	145,081
Reserved for Community Development	1,057,507	-	5,841,532	6,899,039
Reserved for Highways and Streets	1,941,386	-	-	1,941,386
Reserved for Public Safety	97,389	-	-	97,389
Reserved for Debt Service	-	1,979,011	-	1,979,011
Unreserved				
Undesignated (Deficit) - Special Revenue Funds	(2,018,141)	-	-	(2,018,141)
Undesignated - Capital Projects Funds	-	-	1,140,826	1,140,826
	<hr/>			
Total Fund Balances	1,078,141	2,124,092	6,982,358	10,184,591
	<hr/>			
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,452,508	\$ 2,124,092	\$ 7,844,712	\$14,421,312
	<hr/>			

See independent auditor's report.

City of St. Charles, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Nonmajor Governmental Funds

For the Year Ended April 30, 2008

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:				
Property Taxes	\$ 939,822	\$ -	\$ -	\$ 939,822
Municipal Sales and Use Taxes	31,180	-	-	31,180
Hotel Occupation Tax	75,565	-	-	75,565
Grants	-	-	100,100	100,100
Motor Fuel Tax Allotments	915,942	-	-	915,942
Charges to Other Governmental Units	76,330	-	-	76,330
Charges for Current Services	13,071	-	-	13,071
Regional Transportation Authority Reimbursements	14,510	-	-	14,510
Investment Income	124,302	49,979	392,859	567,140
Contributions	-	-	362,000	362,000
Miscellaneous	81,761	-	-	81,761
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	2,272,483	49,979	854,959	3,177,421
Expenditures:				
Current Operating-				
General Government	230,643	-	-	230,643
Public Health and Safety	21,840	-	187,307	209,147
Public Works	749,156	-	138,861	888,017
Debt Service-				
Principal	-	3,035,564	-	3,035,564
Interest and Fiscal Charges	-	2,592,908	-	2,592,908
Capital Outlay	-	-	1,425,786	1,425,786
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	1,001,639	5,628,472	1,751,954	8,382,065
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over Expenditures	1,270,844	(5,578,493)	(896,995)	(5,204,644)
Other Financing Sources (Uses):				
Issuance of Bonds	-	1,376,146	-	1,376,146
Transfers In	277,173	5,065,402	747,142	6,089,717
Transfers Out	(1,226,977)	-	(155,293)	(1,382,270)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(949,804)	6,441,548	591,849	6,083,593
	<hr/>	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	321,040	863,055	(305,146)	878,949
Fund Balance, May 1	757,101	1,261,037	7,287,504	9,305,642
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balance, April 30	\$ 1,078,141	\$ 2,124,092	\$ 6,982,358	\$10,184,591
	<hr/>	<hr/>	<hr/>	<hr/>

See independent auditor's report.

## Nonmajor Special Revenue Funds

Special Revenue Funds are used to account for revenues derived from specific taxes or other earmarked revenue source which, by law, are designated 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 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 property tax revenues.

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

**TIF District 4** - established to account for revitalization of a section of First Street through a TIF district funded through 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 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.

**Subsidized Transportation** - provides subsidized bus services to senior citizens in St. Charles and neighboring communities, funds for which are derived from user charges, charges to other municipalities and charges to PACE.

**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, 2008

	TIF District 1 Fund	TIF District 2 Fund	TIF District 3 Fund	TIF District 4 Fund	TIF District 5 Fund	Motor Fuel Tax Fund	Subsidized Transport Fund	Foreign Fire Insurance	Total
Cash and Investments Receivables	\$ 403,216	\$ 1,768	\$ 1,207	\$ 644,085	\$ 161,303	\$ 1,891,322	\$ 1,758	\$ 98,104	\$ 3,202,763
Property Taxes, net	148,022	315,445	161,491	342,017	156,518	-	-	-	1,123,493
Accounts Receivable	10,206	-	-	-	-	-	44,784	-	54,990
Due From Other Governments	-	-	-	-	-	71,262	-	-	71,262
Total Assets	\$ 561,444	\$ 317,213	\$ 162,698	\$ 986,102	\$ 317,821	\$ 1,962,584	\$ 46,542	\$ 98,104	\$ 4,452,508

Liabilities and Fund Balance

Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,198	\$ 1,227	715	\$ 23,140
Accounts Payable	-	-	-	-	-	-	2,509	-	2,509
Accrued Salaries	-	-	-	-	-	-	14,000	-	14,000
Due To Other Funds	-	1,197,305	530,929	-	482,991	-	-	-	2,211,225
Advance from Other Funds	148,022	315,445	161,491	342,017	156,518	-	-	-	1,123,493
Deferred Property Tax Revenue	148,022	1,512,750	692,420	342,017	639,509	21,198	17,736	715	3,374,367
Total Liabilities	413,422	-	-	644,085	-	-	-	-	1,057,507
Fund Balance (Deficit)	-	-	-	-	-	1,941,386	-	-	1,941,386
Reserved for Community Development	-	-	-	-	-	-	-	97,389	97,389
Reserved for Highways and Streets	-	-	-	-	-	-	-	-	-
Reserved for Public Safety	-	-	-	-	-	-	-	-	-
Unreserved (Deficit)	-	(1,195,537)	(529,722)	-	(321,688)	-	28,806	-	(2,018,141)
Total Fund Balance (Deficit)	413,422	(1,195,537)	(529,722)	644,085	(321,688)	1,941,386	28,806	97,389	1,078,141
Total Liabilities and Fund Balance	\$ 561,444	\$ 317,213	\$ 162,698	\$ 986,102	\$ 317,821	\$ 1,962,584	\$ 46,542	\$ 98,104	\$ 4,452,508

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, 2008

	TIF District 1 Fund	TIF District 2 Fund	TIF District 3 Fund	TIF District 4 Fund	TIF District 5 Fund	Motor Fuel Tax Fund	Subsidized Transport Fund	Foreign Fire Insurance	Total
Revenues:									
Property Taxes	\$ 133,566	\$ 269,877	\$ 116,334	\$ 305,620	\$ 114,425	\$ -	\$ -	\$ -	\$ 939,822
Sales and Use Tax	31,180	-	-	-	-	-	-	-	31,180
Hotel Occupation Tax	75,565	-	-	-	-	-	-	-	75,565
Motor Fuel Tax Allotments	-	-	-	-	-	915,942	-	-	915,942
Charges to Other Government Units	-	-	-	-	-	-	76,330	-	76,330
Charges for Current Services	-	-	-	-	-	-	13,071	-	13,071
Regional Trans. Authority Reimbursements	-	-	-	-	-	-	14,510	-	14,510
Investment Income	19,407	3,693	2,061	24,162	2,159	72,505	237	78	124,302
Miscellaneous Revenues	-	-	-	-	-	-	32,682	49,079	81,761
Total Revenues	259,718	273,570	118,395	329,782	116,584	988,447	136,830	49,157	2,272,483
Expenditures:									
General Government	-	-	-	-	-	-	230,643	-	230,643
Public Health and Safety	-	-	-	-	-	-	-	21,840	21,840
Public Works	-	-	-	-	-	749,156	-	-	749,156
Total Expenditures	-	-	-	-	-	749,156	230,643	21,840	1,001,639
Excess (Deficiency) of Revenues over Expenditures	259,718	273,570	118,395	329,782	116,584	239,291	( 93,813)	27,317	1,270,844
Other Financing Sources (Uses):									
Transfers In	-	-	-	-	155,293	-	121,880	-	277,173
Transfers Out	( 288,009)	( 357,505)	( 233,513)	-	( 347,950)	-	-	-	(1,226,977)
Total Other Financing Sources (Uses)	( 288,009)	( 357,505)	( 233,513)	-	( 192,657)	-	121,880	-	( 949,804)
Net Change in Fund Balances	( 28,291)	( 83,935)	( 115,118)	329,782	( 76,073)	239,291	28,067	27,317	321,040
Fund Balance (Deficit), May 1	441,713	(1,111,602)	( 414,604)	314,303	( 245,615)	1,702,095	739	70,072	757,101
Fund Balance (Deficit), April 30	\$ 413,422	(\$1,195,537)	(\$ 529,722)	\$ 644,085	(\$ 321,688)	\$1,941,386	\$ 28,806	\$ 97,389	\$1,078,141

See independent auditor's report.

City of St. Charles, Illinois

TIF District 1 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Property Taxes	\$ 158,375	\$ 158,375	\$ 133,566
Sales and Use Tax	34,741	34,741	31,180
Hotel Occupation Tax	60,322	60,322	75,565
Investment Income	18,072	18,072	19,407
	<hr/>	<hr/>	<hr/>
Total Revenues	271,510	271,510	259,718
	<hr/>	<hr/>	<hr/>
Expenditures:			
Community Development:			
None	-	-	-
	<hr/>	<hr/>	<hr/>
Excess of Revenues Over Expenditures	271,510	271,510	259,718
	<hr/>	<hr/>	<hr/>
Other Financing Uses:			
Transfers Out	( 288,016)	( 288,016)	( 288,009)
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balance	<u>(\$ 16,506)</u>	<u>(\$ 16,506)</u>	( 28,291)
			<hr/>
Fund Balance, May 1			441,713
			<hr/>
Fund Balance, April 30			<u>\$ 413,422</u>

See independent auditor's report.

City of St. Charles, Illinois

TIF District 2 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Property Taxes	\$ 351,962	\$ 351,962	\$ 269,877
Investment Income	-	-	3,693
Total Revenues	<u>351,962</u>	<u>351,962</u>	<u>273,570</u>
Expenditures:			
Community Development:			
None	-	-	-
Excess of Revenues Over Expenditures	<u>351,962</u>	<u>351,962</u>	<u>273,570</u>
Other Financing Uses:			
Transfers Out	<u>( 351,962)</u>	<u>( 351,962)</u>	<u>( 357,505)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>( 83,935)</u>
Fund Balance (Deficit), May 1			<u>(1,111,602)</u>
Fund Balance (Deficit), April 30			<u>(\$1,195,537)</u>

See independent auditor's report.

City of St. Charles, Illinois

TIF District 3 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Property Taxes	\$ 118,815	\$ 118,815	\$ 116,334
Investment Income	-	-	2,061
	<hr/>	<hr/>	<hr/>
Total Revenues	118,815	118,815	118,395
	<hr/>	<hr/>	<hr/>
Expenditures:			
Community Development:			
None	-	-	-
	<hr/>	<hr/>	<hr/>
Excess of Revenues Over Expenditures	118,815	118,815	118,395
	<hr/>	<hr/>	<hr/>
Other Financing Uses:			
Transfers Out	( 118,815)	( 118,815)	( 233,513)
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	( 115,118)
			<hr/>
Fund Balance (Deficit), May 1			( 414,604)
			<hr/>
Fund Balance (Deficit), April 30			<u>(\$ 529,722)</u>

See independent auditor's report.

City of St. Charles, Illinois

TIF District 4 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Property Taxes	\$ 298,781	\$ 298,781	\$ 305,620
Investment Income	25,000	25,000	24,162
	<hr/>		
Total Revenues	323,781	323,781	329,782
	<hr/>		
Expenditures:			
Community Development:			
None	-	-	-
	<hr/>		
Net Change in Fund Balance	<u>\$ 323,781</u>	<u>\$ 323,781</u>	329,782
	<hr/>		
Fund Balance, May 1			<u>314,303</u>
Fund Balance, April 30			<u>\$ 644,085</u>

See independent auditor's report.

City of St. Charles, Illinois

TIF District 5 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Property Taxes	\$108,212	\$108,212	\$114,425
Investment Income	1,399	1,399	2,159
Total Revenues	<u>109,611</u>	<u>109,611</u>	<u>116,584</u>
Expenditures:			
Community Development:			
None	-	-	-
Excess of Revenues Over Expenditures	<u>109,611</u>	<u>109,611</u>	<u>116,584</u>
Other Financing Uses:			
Transfers In	-	155,294	155,293
Transfers Out	( 108,212)	( 108,212)	( 347,950)
Total Other Financing Sources	<u>( 108,212)</u>	<u>47,082</u>	<u>( 192,657)</u>
Net Change in Fund Balance	<u>\$ 1,399</u>	<u>\$156,693</u>	<u>( 76,073)</u>
Fund Balance, May 1			<u>( 245,615)</u>
Fund Balance (Deficit), April 30			<u><u>(\$ 321,688)</u></u>

See independent auditor's report.

City of St. Charles, Illinois

Motor Fuel Tax Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Motor Fuel Tax Allotments	\$ 910,166	\$ 910,166	\$ 915,942
Investment Income	58,115	58,115	72,505
	<hr/>	<hr/>	<hr/>
Total Revenues	968,281	968,281	988,447
	<hr/>	<hr/>	<hr/>
Expenditures:			
Public Works:			
Contractual	860,000	838,985	749,156
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balance	\$ 108,281	\$ 129,296	239,291
	<hr/>	<hr/>	<hr/>
Fund Balance, May 1			<hr/> 1,702,095
Fund Balance, April 30			<hr/> <hr/> \$1,941,386

See independent auditor's report.

City of St. Charles, Illinois

Subsidized Transportation Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Charges to Other Government Units	\$ 78,305	\$ 78,305	\$ 76,330
Charges for Current Services	29,424	29,424	13,071
Regional Transportation			
Authority Reimbursements	20,000	20,000	14,510
Investment Income	-	-	237
Miscellaneous Revenues	-	-	32,682
	<hr/>	<hr/>	<hr/>
Total Revenues	127,729	127,729	136,830
Expenditures:			
General Government:			
Personal Services	155,065	155,065	155,540
Contractual Services	27,196	30,156	38,731
Materials and Supplies	11,631	11,631	12,589
Miscellaneous	23,374	23,374	23,783
Total Expenditures	<hr/> 217,266	<hr/> 220,226	<hr/> 230,643
Excess (Deficiency) of Revenues Over Expenditures	<hr/> ( 89,537)	<hr/> ( 92,497)	<hr/> ( 93,813)
Other Financing Uses:			
Transfers In	<hr/> 93,880	<hr/> 93,880	<hr/> 121,880
Net Change in Fund Balance	<hr/> <hr/> \$ 4,343	<hr/> <hr/> \$ 1,383	<hr/> <hr/> 28,067
Fund Balance (Deficit), May 1			<hr/> 739
Fund Balance, April 30			<hr/> <hr/> \$ 28,806

See independent auditor's report.

## Nonmajor Debt Service Funds

Debt Service are used to account 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 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. Bond Issues** - accounts for payment of interest and principal on debt used to finance multiple capital construction projects.

City of St. Charles, Illinois

Combining Balance Sheet

Nonmajor Debt Service Funds

April 30, 2008

	TIF District 1	TIF District 2	TIF District 3	TIF District 4	TIF District 5	1997 G.O. Bond Issue	1998 G.O. Bond Issue
<u>Assets</u>							
Cash and Investments	\$ -	\$ 17	\$ 3	\$ 1,977,117	\$ -	\$ -	\$ 1,865
Advances to Other Funds	-	-	-	-	-	145,081	-
Total Assets	\$ -	\$ 17	\$ 3	\$ 1,977,117	\$ -	\$ 145,081	\$ 1,865
<u>Liabilities and Fund Balance</u>							
Liabilities							
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-	-	-	-
Fund Balance	-	-	-	-	-	145,081	-
Reserved For Advances to Other Funds	-	17	3	1,977,117	-	-	1,865
Reserved For Debt Service	-	-	-	-	-	-	-
Total Fund Balance	-	17	3	1,977,117	-	145,081	1,865
Total Liabilities and Fund Balance	\$ -	\$ 17	\$ 3	\$ 1,977,117	\$ -	\$ 145,081	\$ 1,865

See independent auditor's report.

City of St. Charles, Illinois

Combining Balance Sheet

Nonmajor Debt Service Funds

April 30, 2008

	1999	2000	2002A	2004	2005A	Total
	G.O.	G.O.	G.O.	G.O.	G.O.	
	Bond	Bond	Bond	Bond	Bond	
	<u>Issue</u>	<u>Issue</u>	<u>Issue</u>	<u>Issue</u>	<u>Issue</u>	<u>Total</u>
<u>Assets</u>						
Cash and Investments	\$ -	\$ 1	\$ -	\$ 8	\$ -	\$1,979,011
Advances to Other Funds	-	-	-	-	-	145,081
Total Assets	\$ -	\$ 1	\$ -	\$ 8	\$ -	\$2,124,092
<u>Liabilities and Fund Balance</u>						
Liabilities						
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-	-	-
Fund Balance						
Reserved For Advances to Other Funds	-	-	-	-	-	145,081
Reserved For Debt Service	-	1	-	8	-	1,979,011
Total Fund Balance	-	1	-	8	-	2,124,092
Total Liabilities and Fund Balance	\$ -	\$ 1	\$ -	\$ 8	\$ -	\$2,124,092

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, 2008

	TIF District 1	TIF District 2	TIF District 3	TIF District 4	TIF District 5	1997 GO Bonds	1998 GO Bonds
Revenues:							
Investment Income	\$ -	\$ -	\$ 15	\$ 49,874	\$ -	\$ -	\$ 82
Total Revenues	-	-	15	49,874	-	-	82
Expenditures:							
Principal Retirement	160,000	220,000	115,000	-	190,000	405,000	233,036
Interest and Fiscal Charges	128,015	137,505	119,028	530,728	157,950	107,587	74,324
Total Expenditures	288,015	357,505	234,028	530,728	347,950	512,587	307,360
Excess (Deficiency) of Revenues Over Expenditures	( 288,015)	( 357,505)	( 234,013)	( 480,854)	( 347,950)	( 512,587)	( 307,278)
Other Financing Sources:							
Issuance of Bonds	-	-	-	1,376,146	-	-	-
Transfers In	288,009	357,505	233,515	-	347,950	480,988	307,361
Total Other Financing Sources	288,009	357,505	233,515	1,376,146	347,950	480,988	307,361
Net Change In Fund Balances	( 6)	-	( 498)	895,292	-	( 31,599)	83
Fund Balance, May 1	6	17	501	1,081,825	-	176,680	1,782
Fund Balance, April 30	\$ -	\$ 17	\$ 3	\$ 1,977,117	\$ -	\$ 145,081	\$ 1,865

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, 2008

	1999	2000	2002A	2004	2005A	Total
	<u>GO Bonds</u>	<u>GO Bonds</u>	<u>GO Bonds</u>	<u>GO Bonds</u>	<u>GO Bonds</u>	<u>Total</u>
Revenues:						
Investment Income	\$ 1	\$ 6	\$ -	1	\$ -	\$ 49,979
Total Revenues	<u>1</u>	<u>6</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>49,979</u>
Expenditures:						
Principal Retirement	169,316	650,000	18,212	250,000	625,000	3,035,564
Interest and Fiscal Charges	80,240	341,675	8,906	230,450	676,500	2,592,908
Total Expenditures	<u>249,556</u>	<u>991,675</u>	<u>27,118</u>	<u>480,450</u>	<u>1,301,500</u>	<u>5,628,472</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>( 249,555)</u>	<u>( 991,669)</u>	<u>( 27,118)</u>	<u>( 480,449)</u>	<u>(1,301,500)</u>	<u>(5,578,493)</u>
Other Financing Sources (Uses):						
Issuance of Bonds	-	-	-	-	-	1,376,146
Transfers In	249,516	991,490	27,118	480,450	1,301,500	5,065,402
Total Other Financing Sources (Uses)	<u>249,516</u>	<u>991,490</u>	<u>27,118</u>	<u>480,450</u>	<u>1,301,500</u>	<u>6,441,548</u>
Net Change In Fund Balances	\$ 39	( 179)	-	1	-	863,055
Fund Balance, May 1	39	180	-	7	-	1,261,037
Fund Balance, April 30	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ -</u>	<u>\$2,124,092</u>

See independent auditor's report.

City of St. Charles, Illinois

TIF District 1 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
None	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Principal Retirement	160,000	160,000	160,000
Interest and Fiscal Charges	128,016	128,016	128,015
Total Expenditures	<u>288,016</u>	<u>288,016</u>	<u>288,015</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>( 288,016)</u>	<u>( 288,016)</u>	<u>( 288,015)</u>
Other Financing Sources:			
Transfers In	<u>288,016</u>	<u>288,016</u>	<u>288,009</u>
Total Other Financing Sources	<u>288,016</u>	<u>288,016</u>	<u>288,009</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>( 6)</u>
Fund Balance, May 1			<u>6</u>
Fund Balance, April 30			<u>\$ -</u>

See independent auditor's report.

City of St. Charles, Illinois

TIF District 2 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
None	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Principal Retirement	220,000	220,000	220,000
Interest and Fiscal Charges	137,506	137,506	137,505
Total Expenditures	<u>357,506</u>	<u>357,506</u>	<u>357,505</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>( 357,506)</u>	<u>( 357,506)</u>	<u>( 357,505)</u>
Other Financing Sources:			
Transfers In	<u>357,506</u>	<u>357,506</u>	<u>357,505</u>
Total Other Financing Sources	<u>357,506</u>	<u>357,506</u>	<u>357,505</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Fund Balance, May 1			<u>17</u>
Fund Balance, April 30			<u>\$ 17</u>

See independent auditor's report.

City of St. Charles, Illinois

TIF District 3 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Investment Income	\$ -	\$ -	\$ 15
Total Revenues	<u>-</u>	<u>-</u>	<u>15</u>
Expenditures:			
Principal Retirement	115,000	115,000	115,000
Interest and Fiscal Charges	119,028	119,028	119,028
Total Expenditures	<u>234,028</u>	<u>234,028</u>	<u>234,028</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>( 234,028)</u>	<u>( 234,028)</u>	<u>( 234,013)</u>
Other Financing Sources:			
Transfers In	234,028	234,028	233,515
Total Other Financing Sources	<u>234,028</u>	<u>234,028</u>	<u>233,515</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>( 498)</u>
Fund Balance, May 1			<u>501</u>
Fund Balance, April 30			<u>\$ 3</u>

See independent auditor's report.

City of St. Charles, Illinois

TIF District 4 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Investment Income	\$ 95,000	\$ 95,000	\$ 49,874
Total Revenues	<u>95,000</u>	<u>95,000</u>	<u>49,874</u>
Expenditures:			
Interest and Fiscal Charges	<u>530,730</u>	<u>530,730</u>	<u>530,728</u>
Total Expenditures	<u>530,730</u>	<u>530,730</u>	<u>530,728</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>( 435,730)</u>	<u>( 435,730)</u>	<u>( 480,854)</u>
Other Financing Sources:			
Issuance of Bonds	<u>1,162,800</u>	<u>1,162,800</u>	<u>1,376,146</u>
Total Other Financing Sources	<u>1,162,800</u>	<u>1,162,800</u>	<u>1,376,146</u>
Net Change In Fund Balance	<u>\$ 727,070</u>	<u>\$ 727,070</u>	895,292
Fund Balance, May 1			<u>1,081,825</u>
Fund Balance, April 30			<u>\$1,977,117</u>

See independent auditor's report.

City of St. Charles, Illinois

TIF District 5 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
None	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Principal Retirement	190,000	190,000	190,000
Interest and Fiscal Charges	157,950	157,950	157,950
Total Expenditures	<u>347,950</u>	<u>347,950</u>	<u>347,950</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>( 347,950)</u>	<u>( 347,950)</u>	<u>( 347,950)</u>
Other Financing Sources:			
Transfers In	<u>347,950</u>	<u>347,950</u>	<u>347,950</u>
Total Other Financing Sources	<u>347,950</u>	<u>347,950</u>	<u>347,950</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Fund Balance, May 1			<u>-</u>
Fund Balance, April 30			<u>\$ -</u>

See independent auditor's report.

City of St. Charles, Illinois  
1997 General Obligation Bond Fund  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2008

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>
Revenues:			
None	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Principal Retirement	405,000	405,000	405,000
Interest and Fiscal Charges	107,588	107,588	107,587
Total Expenditures	<u>512,588</u>	<u>512,588</u>	<u>512,587</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>( 512,588)</u>	<u>( 512,588)</u>	<u>( 512,587)</u>
Other Financing Sources:			
Transfers In	<u>512,588</u>	<u>512,588</u>	<u>480,988</u>
Total Other Financing Sources	<u>512,588</u>	<u>512,588</u>	<u>480,988</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	( 31,599)
Fund Balance, May 1			<u>176,680</u>
Fund Balance, April 30			<u>\$ 145,081</u>

See independent auditor's report.

City of St. Charles, Illinois  
1998 General Obligation Bond Fund  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2008

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>
Revenues:			
Investment Income	\$ -	\$ -	\$ 82
Total Revenues	<u>-</u>	<u>-</u>	<u>82</u>
Expenditures:			
Principal Retirement	233,036	233,036	233,036
Interest and Fiscal Charges	74,324	74,324	74,324
Total Expenditures	<u>307,360</u>	<u>307,360</u>	<u>307,360</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>( 307,360)</u>	<u>( 307,360)</u>	<u>( 307,278)</u>
Other Financing Sources:			
Transfers In	<u>307,360</u>	<u>307,360</u>	<u>307,361</u>
Total Other Financing Sources	<u>307,360</u>	<u>307,360</u>	<u>307,361</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	83
Fund Balance, May 1			<u>1,782</u>
Fund Balance, April 30			<u>\$ 1,865</u>

See independent auditor's report.

City of St. Charles, Illinois  
1999 General Obligation Bond Fund  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Investment Income	\$ -	\$ -	\$ 1
Total Revenues	-	-	1
Expenditures:			
Principal Retirement	169,316	169,316	169,316
Interest and Fiscal Charges	80,240	80,240	80,240
Total Expenditures	249,556	249,556	249,556
Excess (Deficiency) of Revenues Over Expenditures	( 249,556)	( 249,556)	( 249,555)
Other Financing Sources:			
Transfers In	249,556	249,556	249,516
Total Other Financing Sources	249,556	249,556	249,516
Net Change In Fund Balance	\$ -	\$ -	( 39)
Fund Balance, May 1			39
Fund Balance, April 30			\$ -

See independent auditor's report.

City of St. Charles, Illinois  
2000 General Obligation Bond Fund  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2008

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>
Revenues:			
Investment Income	\$ -	\$ -	\$ 6
Total Revenues	<u>-</u>	<u>-</u>	<u>6</u>
Expenditures:			
Principal Retirement	650,000	650,000	650,000
Interest and Fiscal Charges	341,676	341,676	341,675
Total Expenditures	<u>991,676</u>	<u>991,676</u>	<u>991,675</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>( 991,676)</u>	<u>( 991,676)</u>	<u>( 991,669)</u>
Other Financing Sources:			
Transfers In	<u>991,676</u>	<u>991,676</u>	<u>991,490</u>
Total Other Financing Sources	<u>991,676</u>	<u>991,676</u>	<u>991,490</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	( 179)
Fund Balance, May 1			<u>180</u>
Fund Balance, April 30			<u>\$ 1</u>

See independent auditor's report.

City of St. Charles, Illinois

2002A General Obligation Bond Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
None	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Principal Retirement	18,212	18,212	18,212
Interest and Fiscal Charges	8,906	8,906	8,906
Total Expenditures	<u>27,118</u>	<u>27,118</u>	<u>27,118</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>( 27,118)</u>	<u>( 27,118)</u>	<u>( 27,118)</u>
Other Financing Sources:			
Transfers In	<u>27,118</u>	<u>27,118</u>	<u>27,118</u>
Total Other Financing Sources	<u>27,118</u>	<u>27,118</u>	<u>27,118</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance, May 1			<u>-</u>
Fund Balance, April 30			<u>\$ -</u>

See independent auditor's report.

City of St. Charles, Illinois  
2004 General Obligation Bond Fund  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2008

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>
Revenues:			
Investment Income	\$ -	\$ -	\$ 1
Total Revenues	<u>-</u>	<u>-</u>	<u>1</u>
Expenditures:			
Principal Retirement	250,000	250,000	250,000
Interest and Fiscal Charges	230,450	230,450	230,450
Total Expenditures	<u>480,450</u>	<u>480,450</u>	<u>480,450</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>( 480,450)</u>	<u>( 480,450)</u>	<u>( 480,449)</u>
Other Financing Sources:			
Transfers In	<u>480,450</u>	<u>480,450</u>	<u>480,450</u>
Total Other Financing Sources	<u>480,450</u>	<u>480,450</u>	<u>480,450</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	1
Fund Balance, May 1			<u>7</u>
Fund Balance, April 30			<u>\$ 8</u>

See independent auditor's report.

City of St. Charles, Illinois

2005A General Obligation Bond Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
None	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Principal Retirement	625,000	625,000	625,000
Interest and Fiscal Charges	676,500	676,500	676,500
Total Expenditures	<u>1,301,500</u>	<u>1,301,500</u>	<u>1,301,500</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,301,500)</u>	<u>(1,301,500)</u>	<u>(1,301,500)</u>
Other Financing Sources:			
Transfers In	<u>1,301,500</u>	<u>1,301,500</u>	<u>1,301,500</u>
Total Other Financing Sources	<u>1,301,500</u>	<u>1,301,500</u>	<u>1,301,500</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-
Fund Balance, May 1			<u>-</u>
Fund Balance, April 30			<u>\$ -</u>

See independent auditor's report.

## Nonmajor Capital Projects Funds

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

**Redgate Bridge** - to account for the resources used for the construction of a new bridge.

**Fire Station** - to account for the resources used for the construction of a new city fire station project.

**Public Works Garage** - to account for the resources used for the construction of a new public works complex and various municipal improvements.

**Special Service Area #21** - to account for the resources used for the construction of public improvements for the Special Service Area #21.

**TIF District 5** - to account for the resources used for the construction of public improvements for the property known as the St. Charles manufacturing area.

City of St. Charles, Illinois

Combining Balance Sheet

Nonmajor Capital Projects Funds

April 30, 2008

<u>Assets</u>	<u>Redgate Bridge</u>	<u>Fire Station</u>	<u>Public Works Garage</u>	<u>Special Service Area 21</u>	<u>TIF District 5</u>	<u>Total</u>
Cash and Investments	\$ 4,878,238	\$ 67	\$ 1,983,527	\$ 868,092	\$ -	\$ 7,729,924
Receivables						
Accounts Receivable	14,688	-	-	-	-	14,688
Due From Other Governments	100,100	-	-	-	-	100,100
<b>Total Assets</b>	<b>\$ 4,993,026</b>	<b>\$ 67</b>	<b>\$ 1,983,527</b>	<b>\$ 868,092</b>	<b>\$ -</b>	<b>\$ 7,844,712</b>
 <u>Liabilities and Fund Balance</u>						
<b>Liabilities</b>						
Accounts Payable	\$ 19,586	\$ 60,316	\$ 3,512	\$ -	\$ -	\$ 83,414
Contracts Payable	-	-	546,690	-	-	546,690
Due to Other Funds	-	232,250	-	-	-	232,250
<b>Total Liabilities</b>	<b>19,586</b>	<b>292,566</b>	<b>550,202</b>	<b>-</b>	<b>-</b>	<b>862,354</b>
<b>Fund Balance</b>						
Reserved for Community Development	4,973,440	-	-	868,092	-	5,841,532
Unreserved (Deficit)	-	(292,499)	1,433,325	-	-	1,140,826
<b>Total Fund Balance</b>	<b>4,973,440</b>	<b>(292,499)</b>	<b>1,433,325</b>	<b>868,092</b>	<b>-</b>	<b>6,982,358</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 4,993,026</b>	<b>\$ 67</b>	<b>\$ 1,983,527</b>	<b>\$ 868,092</b>	<b>\$ -</b>	<b>\$ 7,844,712</b>

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, 2008

	Redgate Bridge	Fire Station	Public Works Garage	Special Service Area 21	TIF District 5	Total
<b>Revenues:</b>						
Grants	\$ 100,100	\$ -	\$ -	\$ -	\$ -	\$ 100,100
Investment Income	230,206	( 83)	121,518	32,401	8,817	392,859
Contributions	362,000	-	-	-	-	362,000
Total Revenues	<u>692,306</u>	<u>( 83)</u>	<u>121,518</u>	<u>32,401</u>	<u>8,817</u>	<u>854,959</u>
<b>Expenditures:</b>						
Public Health and Safety:						
Contractual	-	187,307	-	-	-	187,307
Public Works:						
Contractual	132,269	-	6,592	-	-	138,861
Capital Outlay	-	-	1,425,786	-	-	1,425,786
Total Expenditures	<u>132,269</u>	<u>187,307</u>	<u>1,432,378</u>	<u>-</u>	<u>-</u>	<u>1,751,954</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>560,037</u>	<u>( 187,390)</u>	<u>(1,310,860)</u>	<u>32,401</u>	<u>8,817</u>	<u>( 896,995)</u>
Other Financing Sources (Uses):						
Transfers In	747,142	-	-	-	-	747,142
Transfers Out	-	-	-	-	( 155,293)	( 155,293)
Total Other Financing Sources (Uses)	<u>747,142</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 155,293)</u>	<u>591,849</u>
Net Change in Fund Balances	<u>1,307,179</u>	<u>( 187,390)</u>	<u>(1,310,860)</u>	<u>32,401</u>	<u>( 146,476)</u>	<u>( 305,146)</u>
Fund Balance (Deficit), May 1	<u>3,666,261</u>	<u>( 105,109)</u>	<u>2,744,185</u>	<u>835,691</u>	<u>146,476</u>	<u>7,287,504</u>
Fund Balance (Deficit), April 30	<u>\$4,973,440</u>	<u>(\$ 292,499)</u>	<u>\$1,433,325</u>	<u>\$ 868,092</u>	<u>\$ -</u>	<u>\$6,982,358</u>

See independent auditor's report.

City of St. Charles, Illinois

Redgate Bridge Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Grants	\$ -	\$ -	\$ 100,100
Investment Income	97,905	97,905	230,206
Contributions	-	-	362,000
Total Revenues	<u>97,905</u>	<u>97,905</u>	<u>692,306</u>
Expenditures:			
Public Works:			
Contractual	<u>750,000</u>	<u>750,000</u>	<u>132,269</u>
Total Expenditures	<u>750,000</u>	<u>750,000</u>	<u>132,269</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>( 652,095)</u>	<u>( 652,095)</u>	<u>560,037</u>
Other Financing Sources:			
Transfers In	<u>737,221</u>	<u>737,221</u>	<u>747,142</u>
Total Other Financing Sources	<u>737,221</u>	<u>737,221</u>	<u>747,142</u>
Net Change In Fund Balance	<u>\$ 85,126</u>	<u>\$ 85,126</u>	<u>1,307,179</u>
Fund Balance, May 1			<u>3,666,261</u>
Fund Balance, April 30			<u>\$4,973,440</u>

See independent auditor's report.

City of St. Charles, Illinois

Fire Station Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Investment Income	\$ -	\$ -	(\$ 83)
Total Revenues	<u>-</u>	<u>-</u>	<u>(\$ 83)</u>
Expenditures:			
Public Health and Safety:			
Contractual	<u>-</u>	<u>345,200</u>	<u>187,307</u>
Total Expenditures	<u>-</u>	<u>345,200</u>	<u>187,307</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>( 345,200)</u>	<u>( 187,390)</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>(\$ 345,200)</u>	<u>( 187,390)</u>
Fund Balance (Deficit), May 1			<u>( 105,109)</u>
Fund Balance (Deficit), April 30			<u>(\$ 292,499)</u>

See independent auditor's report.

City of St. Charles, Illinois

Public Works Garage Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Investment Income	\$ 22,565	\$ 22,565	\$ 121,518
Total Revenues	<u>22,565</u>	<u>22,565</u>	<u>121,518</u>
Expenditures:			
Public Works:			
Contractual	5,000	7,100	6,592
Capital Outlay	<u>1,317,678</u>	<u>1,317,678</u>	<u>1,425,786</u>
Total Expenditures	<u>1,322,678</u>	<u>1,324,778</u>	<u>1,432,378</u>
Net Change In Fund Balance	<u>(\$1,300,113)</u>	<u>(\$1,302,213)</u>	(1,310,860)
Fund Balance, May 1			<u>2,744,185</u>
Fund Balance, April 30			<u>\$1,433,325</u>

See independent auditor's report.

City of St. Charles, Illinois

Special Service Area 21 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Investment Income	\$ 22,163	\$ 22,163	\$ 32,401
Total Revenues	<u>22,163</u>	<u>22,163</u>	<u>32,401</u>
Expenditures:			
None	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	<u>\$ 22,163</u>	<u>\$ 22,163</u>	32,401
Fund Balance, May 1			<u>835,691</u>
Fund Balance, April 30			<u>\$ 868,092</u>

See independent auditor's report.

City of St. Charles, Illinois

TIF District 5 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Revenues:			
Investment Income	\$ -	\$ -	\$ 8,817
Total Revenues	<u>-</u>	<u>-</u>	<u>8,817</u>
Expenditures:			
None	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>8,817</u>
Other Financing Uses:			
Transfers Out	<u>-</u>	<u>( 155,294)</u>	<u>( 155,293)</u>
Total Other Financing Uses	<u>-</u>	<u>( 155,294)</u>	<u>( 155,293)</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>(\$ 155,294)</u>	<u>( 146,476)</u>
Fund Balance, May 1			<u>146,476</u>
Fund Balance, April 30			<u>\$ -</u>

See independent auditor's report.

## 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.

**Worker's Compensation Liability Insurance** - used to account for the self-insurance related to worker's 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 Assets

April 30, 2008

	Health Insurance Fund	W/C Liability Insurance Fund	Inventory Fund	Motor Vehicle Replacement Fund	Communications Fund	Total
<b>Assets</b>						
Cash and Investments	\$ 721,397	\$ 781,606	\$ 36,337	\$1,818,525	\$ 460,288	\$3,818,153
Accrued Interest on Investments	-	-	-	7,344	-	7,344
Miscellaneous Receivables	173,155	4,894	-	-	-	178,049
Inventory (net of allowance for excess and obsolete inventory of \$90,000)	-	-	3,110,309	-	-	3,110,309
Prepaid Items	35,703	221,554	110	-	-	257,367
Capital Assets Not Being Depreciated	-	-	-	-	33,745	33,745
Capital Assets Being Depreciated	-	-	73,023	7,300,837	-	7,373,860
Accumulated Depreciation	-	-	(27,418)	(3,903,874)	-	(3,931,292)
<b>Total Assets</b>	<b>930,255</b>	<b>1,008,054</b>	<b>3,192,361</b>	<b>5,222,832</b>	<b>494,033</b>	<b>10,847,535</b>
<b>Liabilities</b>						
Accounts Payable	12,493	661	64,971	15,876	2,059	96,060
Claims Payable	224,228	949,602	1,032	633	-	1,175,495
Accrued Salaries	-	-	8,824	10,805	2,460	22,089
Advances from Other Funds	-	-	-	145,082	-	145,082
Accrued Compensated Absences	-	-	53,353	25,670	2,757	81,780
Net OPEB Obligation	-	-	4,100	22,065	4,258	30,423
<b>Total Liabilities</b>	<b>236,721</b>	<b>950,263</b>	<b>132,280</b>	<b>220,131</b>	<b>11,534</b>	<b>1,550,929</b>
<b>Net Assets</b>						
Invested in Capital Assets	-	-	45,605	3,396,963	33,745	3,476,313
Unrestricted	693,534	57,791	3,014,476	1,605,738	448,754	5,820,293
<b>Total Net Assets</b>	<b>\$ 693,534</b>	<b>\$ 57,791</b>	<b>\$3,060,081</b>	<b>\$5,002,701</b>	<b>\$ 482,499</b>	<b>\$9,296,606</b>

See independent auditor's report.

City of St. Charles, Illinois

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Assets

For the Year Ended April 30, 2008

	Health Insurance <u>Fund</u>	W/C Liability Insurance <u>Fund</u>	Inventory <u>Fund</u>	Motor Vehicle Replacement <u>Fund</u>	Communications <u>Fund</u>	<u>Total</u>
Operating Revenues:						
Charges for Services	\$ -	\$ -	\$ -	\$1,443,262	\$ 419,596	\$1,862,858
Insurance Premiums	3,939,012	1,054,370	-	-	-	4,993,382
Rental Income	-	-	-	976,513	-	976,513
Sale of Inventory	-	-	4,791,934	-	-	4,791,934
Miscellaneous	2,118	2,099	1,307,703	-	-	1,311,920
<b>Total Operating Revenues</b>	<b>3,941,130</b>	<b>1,056,469</b>	<b>6,099,637</b>	<b>2,419,775</b>	<b>419,596</b>	<b>13,936,607</b>
Operating Expenses:						
Personal Services	-	-	425,208	655,798	157,183	1,238,189
Fleet Maintenance	-	-	-	1,026,515	-	1,026,515
Insurance Claims	2,609,796	927,355	-	-	-	3,537,151
Insurance Premiums	329,529	309,938	-	-	-	639,467
Cost of Inventory	-	-	4,791,934	-	-	4,791,934
Provision for Depreciation	-	-	5,453	589,008	-	594,461
Miscellaneous	331,759	74,327	451,882	-	136,115	994,083
<b>Total Operating Expenses</b>	<b>3,271,084</b>	<b>1,311,620</b>	<b>5,674,477</b>	<b>2,271,321</b>	<b>293,298</b>	<b>12,821,800</b>
<b>Operating Income (Loss)</b>	<b>670,046</b>	<b>(255,151)</b>	<b>425,160</b>	<b>148,454</b>	<b>126,298</b>	<b>1,114,807</b>
Non-Operating Revenues:						
Gain on Sale of Property	-	-	-	39,104	-	39,104
Investment Income	13,580	47,597	(7,068)	116,941	13,832	184,882
<b>Total Non-Operating Revenues</b>	<b>13,580</b>	<b>47,597</b>	<b>(7,068)</b>	<b>156,045</b>	<b>13,832</b>	<b>223,986</b>
<b>Change in Net Assets</b>	<b>683,626</b>	<b>(207,554)</b>	<b>418,092</b>	<b>304,499</b>	<b>140,130</b>	<b>1,338,793</b>
Transfers:						
Transfers In	-	258,442	10,000	-	89,093	357,535
Transfers Out	-	-	-	(8,392)	-	(8,392)
<b>Total Transfers</b>	<b>-</b>	<b>258,442</b>	<b>10,000</b>	<b>(8,392)</b>	<b>89,093</b>	<b>349,143</b>
<b>Net Income (Loss)</b>	<b>683,626</b>	<b>50,888</b>	<b>428,092</b>	<b>296,107</b>	<b>229,223</b>	<b>1,687,936</b>
Net Assets, May 1	9,908	6,903	2,631,989	4,706,594	253,276	7,608,670
<b>Net Assets, April 30</b>	<b>\$ 693,534</b>	<b>\$ 57,791</b>	<b>\$3,060,081</b>	<b>\$5,002,701</b>	<b>\$ 482,499</b>	<b>\$9,296,606</b>

See independent auditor's report.

City of St. Charles, Illinois

Internal Service Funds

Combining Statement of Cash Flows

For the Year Ended April 30, 2008

	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	\$ 3,779,719	\$ 1,066,725	\$ 4,819,358	\$ 2,419,775	\$ 428,962	\$ 12,514,539
Receipts from Miscellaneous Revenue	2,118	2,099	1,307,703	-	-	1,311,920
Payments to Suppliers	(3,353,643)	(1,342,035)	(5,652,723)	(1,036,887)	(135,546)	(11,520,834)
Payments to Employees	-	-	(479,664)	(628,430)	(149,793)	(1,257,887)
Net Cash from Operating Activities	428,194	(273,211)	(5,326)	754,458	143,623	1,047,738
Cash Flows from Noncapital Financing Activities						
Transfers In	-	258,442	10,000	-	89,093	357,535
Transfers Out	-	-	-	(39,982)	-	(39,982)
Net Cash from Noncapital Financing Activities	-	258,442	10,000	(39,982)	89,093	317,553
Cash Flows from Capital and Related Financing Activities						
Capital Assets Purchased	-	-	(43,184)	(463,262)	(11,058)	(517,504)
Sale of Capital Assets	-	-	-	68,900	-	68,900
Net Cash from Capital and Related Financing Activities	-	-	(43,184)	(394,362)	(11,058)	(448,604)
Cash Flows from Investing Activities						
Purchase of Investments	-	-	-	(500,000)	-	(500,000)
Proceed from Sale and Maturities of Investment Securities	-	-	-	27,209	-	27,209
Interest Received	13,580	47,597	(7,068)	74,755	13,832	142,696
Net Cash from Investing Activities	13,580	47,597	(7,068)	(398,036)	13,832	(330,095)
Net Increase (Decrease) in Cash and Cash Equivalents	441,774	32,828	(45,578)	(77,922)	235,490	586,592
Cash and Cash Equivalents, May 1	279,623	748,778	81,915	929,899	224,798	2,265,013
Cash and Cash Equivalents, April 30	\$ 721,397	\$ 781,606	\$ 36,337	\$ 851,977	\$ 460,288	\$ 2,851,605
Cash and Investments						
Cash and Cash Equivalents	\$ 721,397	\$ 781,606	\$ 36,337	\$ 851,977	\$ 460,288	\$ 2,851,605
Investments	-	-	-	966,548	-	966,548
Total Cash and Investments	\$ 721,397	\$ 781,606	\$ 36,337	\$ 1,818,525	\$ 460,288	\$ 3,818,153
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES						
Operating Income (Loss)	\$ 670,046	\$ (255,151)	\$ 425,160	\$ 148,454	\$ 126,298	\$ 1,114,807
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities						
Depreciation	-	-	5,453	589,008	-	594,461
Changes in Assets and Liabilities						
Receivables	(159,292)	12,355	27,424	-	9,366	(110,147)
Inventory	-	-	(427,992)	-	-	(427,992)
Prepays	(25,000)	(120,253)	(110)	440	39	(144,884)
Accounts and Claims Payable	(57,560)	89,838	(36,604)	(11,034)	1,152	(14,208)
Accrued Salaries	-	-	(370)	483	2,113	2,226
Compensated Absences Payable	-	-	(2,387)	5,042	397	3,052
Net OPEB Obligation	-	-	4,100	22,065	4,258	30,423
Net Cash from Operating Activities	\$ 428,194	\$ (273,211)	\$ (5,326)	\$ 754,458	\$ 143,623	\$ 1,047,738

See independent auditor's report.

## Fiduciary Funds

Fiduciary Funds consist of resources received from non-city 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.

**SSA 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.

City of St. Charles, Illinois  
Combining Statement of Fiduciary Net Assets

Fiduciary Funds

April 30, 2008

	<u>Pension Trust Funds</u>			<u>Agency Funds</u>
	<u>Police Pension Fund</u>	<u>Fire Pension Fund</u>	<u>Total</u>	
<b>Assets</b>				
Cash and Short-Term Investments	\$ 2,980,385	\$ 3,605,539	\$ 6,585,924	\$ 2,667,738
Investments, at Fair Value				
U.S. Treasury and Agency Securities	10,004,389	8,087,456	18,091,845	-
Mutual Funds	4,557,684	3,597,024	8,154,708	-
Equity Securities	5,526,883	4,626,060	10,152,943	-
Receivables				
Accounts Receivable	-	-	-	893,760
Accrued Interest on Investments	67,317	20,107	87,424	-
Prepaid Items	27,858	-	27,858	-
Total Assets	23,164,516	19,936,186	43,100,702	3,561,498
<b>Liabilities</b>				
Accounts Payable	3,300	250	3,550	22,623
Due to Other Governments	-	-	-	3,150,621
Due to Bondholders	-	-	-	388,254
Total Liabilities	3,300	250	3,550	\$ 3,561,498
<b>Net Assets Held In Trust For Pension Benefits</b>				
	<u>\$23,161,216</u>	<u>\$19,935,936</u>	<u>\$43,097,152</u>	

See independent auditor's report.

City of St. Charles, Illinois

Pension Trust Funds

Combining Statement of Changes in Plan Net Assets

For the Year Ended April 30, 2008

	<u>Police</u>	<u>Fire</u>	<u>Total</u>
Additions:			
Contributions -			
Employer	\$ 1,006,125	\$ 842,855	\$ 1,848,980
Employee	413,254	417,122	830,376
Total Contributions	<u>1,419,379</u>	<u>1,259,977</u>	<u>2,679,356</u>
Investment Income -			
Net Appreciation (Depreciation) in the Fair Value of Investments	(896,102)	(11,172)	(907,274)
Interest	<u>1,305,483</u>	<u>652,291</u>	<u>1,957,774</u>
Total Investment Income	409,381	641,119	1,050,500
Less Investment Expense	<u>(165,780)</u>	<u>(52,532)</u>	<u>(218,312)</u>
Net Investment Income	<u>243,601</u>	<u>588,587</u>	<u>832,188</u>
Total Additions	<u>1,662,980</u>	<u>1,848,564</u>	<u>3,511,544</u>
Deductions:			
Pension Benefits and Refunds	1,529,680	420,791	1,950,471
Administrative Expenses	<u>36,308</u>	<u>5,172</u>	<u>41,480</u>
Total Deductions	<u>1,565,988</u>	<u>425,963</u>	<u>1,991,951</u>
Net Increase	96,992	1,422,601	1,519,593
Net Assets Held In Trust For Pension Benefits			
May 1	<u>23,064,224</u>	<u>18,513,335</u>	<u>41,577,559</u>
April 30	<u>\$23,161,216</u>	<u>\$19,935,936</u>	<u>\$43,097,152</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, 2008

	<u>Balance</u> <u>May 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>April 30</u>
<b>Tri-City Ambulance Fund:</b>				
Assets -				
Cash and Investments	\$ 1,100,165	\$ 2,975,282	\$ 2,644,306	\$ 1,431,141
Accounts Receivable, net	994,941	3,779,059	3,880,240	893,760
	<u>\$ 2,095,106</u>	<u>\$ 6,754,341</u>	<u>\$ 6,524,546</u>	<u>\$ 2,324,901</u>
Liabilities -				
Accounts Payable	\$ 8,815	\$ 2,389,308	\$ 2,375,500	\$ 22,623
Due to Other Governments	2,086,291	4,092,737	3,876,750	2,302,278
	<u>\$ 2,095,106</u>	<u>\$ 6,482,045</u>	<u>\$ 6,252,250</u>	<u>\$ 2,324,901</u>
<b>Special Service Area 21:</b>				
Assets -				
Cash and Investments	\$ 368,688	\$ 315,197	\$ 295,631	\$ 388,254
	<u>\$ 368,688</u>	<u>\$ 315,197</u>	<u>\$ 295,631</u>	<u>\$ 388,254</u>
Liabilities -				
Due to Bondholders	\$ 368,688	\$ 315,197	\$ 295,631	\$ 388,254
	<u>\$ 368,688</u>	<u>\$ 315,197</u>	<u>\$ 295,631</u>	<u>\$ 388,254</u>
<b>North Central Narcotics Task Force:</b>				
Assets -				
Cash and Investments	\$ 965,540	\$ 802,604	\$ 919,801	\$ 848,343
	<u>\$ 965,540</u>	<u>\$ 802,604</u>	<u>\$ 919,801</u>	<u>\$ 848,343</u>
Liabilities -				
Due to Other Governments	\$ 965,540	\$ 741,649	\$ 858,846	\$ 848,343
	<u>\$ 965,540</u>	<u>\$ 741,649</u>	<u>\$ 858,846</u>	<u>\$ 848,343</u>
<b>Total:</b>				
Assets -				
Cash and Investments	\$ 2,434,393	\$ 4,093,083	\$ 3,859,738	\$ 2,667,738
Accounts Receivable	994,941	3,779,059	3,880,240	893,760
	<u>\$ 3,429,334</u>	<u>\$ 7,872,142</u>	<u>\$ 7,739,978</u>	<u>\$ 3,561,498</u>
Liabilities -				
Accounts Payable	\$ 8,815	\$ 2,389,308	\$ 2,375,500	\$ 22,623
Due to Other Governments	3,051,831	4,834,386	4,735,596	3,150,621
Due to Bondholders	368,688	315,197	295,631	388,254
	<u>\$ 3,429,334</u>	<u>\$ 7,538,891</u>	<u>\$ 7,406,727</u>	<u>\$ 3,561,498</u>

See independent auditor's report.

## 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, 2008

Capital Assets

Land	\$51,863,821
Buildings	37,150,695
Improvements Other Than Buildings	106,584,721
Equipment	5,067,496
Construction in Progress	20,109,525
Accumulated Depreciation	<u>(67,782,668)</u>
Total Capital Assets	<u><u>\$152,993,590</u></u>

Investment in Capital Assets

Adjusted Balance, May 1	\$146,203,235
Current Year Additions	9,714,019
Current Year Depreciation	<u>(2,923,664)</u>
Balance, April 30	<u><u>\$152,993,590</u></u>

See independent auditor's report.

City of St. Charles, Illinois

Governmental Funds - Capital Assets

Schedule by Function and Activity

April 30, 2008

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements other than Buildings</u>	<u>Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
General Government:						
General Administration	\$ 2,937,775	\$ 7,216,944	\$ -	\$ 45,113	\$ -	\$10,199,832
Central Support Services	-	-	-	310,645	-	310,645
Total General Government	<u>2,937,775</u>	<u>7,216,944</u>	<u>-</u>	<u>355,758</u>	<u>-</u>	<u>10,510,477</u>
Public Health and Safety:						
Police Department	-	772,213	-	134,931	-	907,144
Fire Department	-	6,333,044	279,927	128,584	-	6,741,555
Total Public Health and Safety	<u>-</u>	<u>7,105,257</u>	<u>279,927</u>	<u>263,515</u>	<u>-</u>	<u>7,648,699</u>
Public Works:	<u>48,926,046</u>	<u>22,828,495</u>	<u>106,304,794</u>	<u>4,448,223</u>	<u>-</u>	<u>182,507,558</u>
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,109,525</u>	<u>20,109,525</u>
Accumulated Depreciation	<u>-</u>	<u>(6,976,561)</u>	<u>(59,785,069)</u>	<u>(1,021,039)</u>	<u>-</u>	<u>(67,782,669)</u>
Total Capital Assets	<u>\$51,863,821</u>	<u>\$30,174,135</u>	<u>\$46,799,652</u>	<u>\$ 4,046,457</u>	<u>\$20,109,525</u>	<u>\$152,993,590</u>

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, 2008

<u>Function and Activity</u>	<u>Capital Assets</u> <u>May 1</u>	*	<u>Additions</u>	<u>Deductions</u>	<u>Accumulated</u> <u>Depreciation</u>	<u>Capital Assets</u> <u>April 30</u>
General Government:						
General Administration	\$10,199,832		\$ -	\$ -	(\$ 3,266,722)	\$ 6,933,110
Central Support Services	345,695		-	(35,050)	(300,785)	9,860
Total General Government	<u>10,545,527</u>		<u>-</u>	<u>(35,050)</u>	<u>(3,567,507)</u>	<u>6,942,970</u>
Public Health and Safety:						
Police Department	907,144		-	-	(150,668)	756,476
Fire Department	6,707,355		34,199	-	(973,630)	5,767,924
Total Public Health and Safety	<u>7,614,499</u>		<u>34,199</u>	<u>-</u>	<u>(1,124,298)</u>	<u>6,524,400</u>
Public Works:	<u>166,296,376</u>		<u>16,511,703</u>	<u>(300,521)</u>	<u>(63,090,863)</u>	<u>119,416,695</u>
Construction in Progress:	<u>26,932,158</u>		<u>8,918,781</u>	<u>(15,741,414)</u>	<u>-</u>	<u>20,109,525</u>
Total Capital Assets	<u>\$211,388,560</u>		<u>\$25,464,683</u>	<u>(\$16,076,985)</u>	<u>(\$67,782,668)</u>	<u>\$152,993,590</u>

See independent auditor's report.

## Long-Term Debt Payable by Governmental Funds

Long-Term Debt Payable by Governmental Funds accounts for long-term debt legally payable from general revenues and backed by the full faith and credit of the City.

City of St. Charles, Illinois

Long-Term Debt Payable by Governmental Funds

Schedule of General Long-Term Debt

April 30, 2008

	<u>Debit Balance</u>	<u>Credit Balance</u>
Amount Available in Debt Service Funds for Repayment of Principal	\$ 1,979,011	\$ -
Amounts to be Provided From Future Tax Levies and Other Sources for Payment of -		
Accrued Compensated Absences	3,209,457	-
General Obligation Bond Principal	72,044,387	-
Installment Purchase Contracts	337,917	-
Other Post Employment Benefits	914,768	-
Developer Agreement Payable	1,074,187	-
Payable From Future Tax Levies and Other Sources-		
Accrued Compensated Absences	-	3,209,457
General Obligation Bond Principal	-	74,023,398
Installment Purchase Contracts	-	337,917
Other Post Employment Benefits	-	914,768
Developer Agreement Payable	-	1,074,187
	<u>\$79,559,727</u>	<u>\$79,559,727</u>

See independent auditor's report.

City of St. Charles, Illinois

General Corporate Fund

Balance Sheet

April 30, 2008

Assets

Cash and Investments		\$14,073,393
Receivables		
Property Taxes, net	12,045,452	
Accrued Interest on Investments	83,373	
Miscellaneous, net	<u>400,451</u>	12,529,276
Prepaid Items		102,142
Due From Other Funds		246,250
Due From Other Governments		8,106,284
Advance to Other Funds		<u>2,211,226</u>
Total Assets		<u><u>\$37,268,571</u></u>

Liabilities and Fund Balance

Liabilities		
Accounts Payable		\$ 756,850
Contracts Payable		20,278
Accrued Salaries		399,542
Escrows and Refundable Deposits		2,362,919
Due to Other Funds		3,000,000
Deferred Revenue		
Property Taxes	12,045,452	
Other Deferred Revenue	<u>233,558</u>	12,279,010
Total Liabilities		<u>18,818,599</u>
Fund Balance		
Reserved for Retirement Obligations		381,491
Reserved for Ambulance Service		106,236
Reserved for Mental Health		42,175
Reserved for Special Service Areas		25,639
Reserved for Prepaid Items		102,142
Reserved for Advances to Other Funds		2,211,225
Unreserved		<u>15,581,064</u>
Total Fund Balance		<u>18,449,972</u>
Total Liabilities and Fund Balance		<u><u>\$37,268,571</u></u>

See independent auditor's report.

City of St. Charles, Illinois  
General Corporate Fund  
Schedule of Detailed Expenditures - Budget and Actual  
For the Year Ended April 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
General Government:			
General Administrative-			
Office of the Mayor-			
Personal Services	\$ 39,181	\$ 38,181	\$ 52,097
Contractual Services	11,629	23,279	22,311
Materials and Supplies	18,528	15,128	14,489
Capital Outlay	922	922	-
Allocations To Other Funds	(69,837)	(69,837)	(60,203)
	<u>423</u>	<u>7,673</u>	<u>28,694</u>
City Council-			
Personal Services	92,923	95,959	91,834
Contractual Services	49,281	402,949	414,799
Materials and Supplies	107,910	104,373	136
Allocations To Other Funds	(106,742)	(106,742)	(118,397)
	<u>143,372</u>	<u>496,539</u>	<u>388,372</u>
City Administrator-			
Personal Services	478,823	480,823	455,076
Contractual Services	923,372	960,372	804,942
Materials and Supplies	22,336	25,569	22,850
Capital Outlay	24,472	16,975	-
Allocations To Other Funds	(279,228)	(279,228)	(278,968)
	<u>1,169,775</u>	<u>1,204,511</u>	<u>1,003,900</u>
City Clerk-			
Personal Services	4,845	4,845	4,657
Contractual Services	4,500	4,500	2,807
	<u>9,345</u>	<u>9,345</u>	<u>7,464</u>
City Treasurer-			
Personal Services	1,939	1,939	1,863
Contractual Services	5,400	5,400	1,856
Allocations To Other Funds	(1,877)	(1,877)	(1,444)
	<u>5,462</u>	<u>5,462</u>	<u>2,275</u>
Board of Police and Fire-			
Contractual Services	12,750	19,650	2,101
Materials and Supplies	800	800	391
	<u>13,550</u>	<u>20,450</u>	<u>2,492</u>
Total General Administrative	<u>1,341,927</u>	<u>1,743,980</u>	<u>1,433,197</u>

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
General Government (continued):			
Central Support Services-			
Purchasing-			
Personal Services	\$ 193,170	\$ 193,170	\$ 203,831
Contractual Services	91,094	91,094	73,015
Materials and Supplies	22,715	22,715	18,376
Capital Outlay	773	773	-
Miscellaneous	64	64	224
Allocations To Other Funds	<u>(261,353)</u>	<u>(261,353)</u>	<u>(278,047)</u>
	<u>46,463</u>	<u>46,463</u>	<u>17,399</u>
Human Resources-			
Personal Services	692,577	698,816	639,764
Contractual Services	139,217	182,117	147,537
Materials and Supplies	117,311	117,311	98,854
Capital Outlay	3,250	3,250	-
Miscellaneous	78	78	47
Allocations To Other Funds	<u>(303,667)</u>	<u>(303,667)</u>	<u>(315,234)</u>
	<u>648,766</u>	<u>697,905</u>	<u>570,968</u>
Information Systems			
Personal Services	1,245,125	1,241,169	1,234,072
Contractual Services	287,549	367,399	229,674
Materials and Supplies	124,540	126,753	108,749
Capital Outlay	191,892	132,897	105,172
Miscellaneous	1,965	1,965	2,111
Allocations To Other Funds	<u>(600,537)</u>	<u>(600,537)</u>	<u>(665,072)</u>
	<u>1,250,534</u>	<u>1,269,646</u>	<u>1,014,706</u>
Finance Administration			
Personal Services	1,123,787	1,120,887	1,118,071
Contractual Services	269,244	193,582	167,114
Materials and Supplies	46,847	47,697	39,724
Capital Outlay	5,831	5,831	-
Miscellaneous	921	921	1,265
Allocations To Other Funds	<u>(1,128,335)</u>	<u>(1,128,335)</u>	<u>(1,123,927)</u>
	<u>318,295</u>	<u>240,583</u>	<u>202,247</u>
Total Central Support Services	<u>2,264,058</u>	<u>2,254,597</u>	<u>1,805,320</u>
Total General Government	<u>3,605,985</u>	<u>3,998,577</u>	<u>3,238,517</u>
Public Health and Safety:			
Police Department-			
Administration-			
Personal Services	2,783,057	2,783,057	2,730,440
Contractual Services	827,014	879,464	862,168
Materials and Supplies	121,507	125,707	77,261
Capital Outlay	182,556	252,547	192,771
Miscellaneous	2,150	2,150	3,072
	<u>3,916,284</u>	<u>4,042,925</u>	<u>3,865,712</u>

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Public Health and Safety (Continued):			
Police Department (Continued)-			
Police Operations-			
Personal Services	\$ 5,470,390	\$ 5,470,390	\$ 5,476,738
Contractual Services	463,836	445,336	382,952
Materials and Supplies	164,334	164,334	154,272
Capital Outlay	169,310	146,261	115,923
Miscellaneous	23,244	23,244	40,174
	<u>6,291,114</u>	<u>6,249,565</u>	<u>6,170,059</u>
Total Police Department	<u>10,207,398</u>	<u>10,292,490</u>	<u>10,035,771</u>
Fire Department-			
Administration-			
Personal Services	1,437,969	1,437,969	1,685,305
Contractual Services	169,218	210,653	193,514
Materials and Supplies	17,585	17,525	17,143
Miscellaneous	198	198	324
	<u>1,624,970</u>	<u>1,666,345</u>	<u>1,896,286</u>
Fire Suppression-			
Personal Services	842,501	842,501	628,697
Contractual Services	85,000	85,000	80,921
Materials and Supplies	12,900	12,900	7,242
Miscellaneous	79	79	49
	<u>940,480</u>	<u>940,480</u>	<u>716,909</u>
Fire Station Activities-			
Personal Services	3,073,869	3,073,869	3,604,360
Contractual Services	715,917	720,672	606,040
Materials and Supplies	131,850	130,495	122,282
Capital Outlay	142,379	124,873	58,251
Miscellaneous	14,434	14,434	23,575
	<u>4,078,449</u>	<u>4,064,343</u>	<u>4,414,508</u>
Fire Training-			
Personal Services	711,507	711,507	656,621
Materials and Supplies	14,825	14,825	12,379
	<u>726,332</u>	<u>726,332</u>	<u>669,000</u>
Fire Prevention-			
Personal Services	502,595	502,595	416,631
Contractual Services	42,740	33,840	19,628
Materials and Supplies	8,555	8,555	4,865
Miscellaneous	37	37	26
	<u>553,927</u>	<u>545,027</u>	<u>441,150</u>
Emergency Medical Services-			
Personal Services	541,584	541,584	360,212
Contractual Services	421,498	422,138	392,102
Materials and Supplies	7,900	7,260	4,821
Capital Outlay	21,000	20,000	19,969
	<u>991,982</u>	<u>990,982</u>	<u>777,104</u>

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>Public Health and Safety (Continued):</b>			
<b>Fire Department (Continued)-</b>			
Emergency Service and Disaster-			
Personal Services	\$ 77,544	\$ 75,619	\$ 55,492
Contractual Services	24,306	26,731	35,772
Materials and Supplies	5,280	5,280	4,655
Capital Outlay	38,570	38,570	36,036
	<u>145,700</u>	<u>146,200</u>	<u>131,955</u>
 Total Fire Department	 <u>9,061,840</u>	 <u>9,079,709</u>	 <u>9,046,912</u>
 Public Health Planning			
Contractual Services	713,152	694,677	655,600
	<u>713,152</u>	<u>694,677</u>	<u>655,600</u>
 Total Public Health and Safety	 <u>19,982,390</u>	 <u>20,066,876</u>	 <u>19,738,283</u>
 <b>Public Works:</b>			
<b>Administration-</b>			
Personal Services	470,160	455,420	512,747
Contractual Services	79,442	262,282	231,274
Materials and Supplies	7,164	7,807	6,938
Capital Outlay	5,022	5,022	3,092
Miscellaneous	494	494	454
Allocations To Other Funds	(134,952)	(134,952)	(163,026)
	<u>427,330</u>	<u>596,073</u>	<u>591,479</u>
 Engineering-			
Personal Services	804,072	798,792	754,655
Contractual Services	541,774	274,814	238,219
Materials and Supplies	19,762	19,698	14,536
Capital Outlay	5,811	5,811	-
Miscellaneous	1,027	1,027	1,610
Allocations To Other Funds	(174,945)	(174,945)	(244,833)
	<u>1,197,501</u>	<u>925,197</u>	<u>764,187</u>
 Street and Bridge Maintenance-			
Personal Services	1,635,879	1,688,506	1,712,318
Contractual Services	2,468,319	2,179,029	2,158,682
Materials and Supplies	629,425	622,236	657,217
Capital Outlay	2,366	2,366	-
Miscellaneous	28,255	28,255	57,528
Allocations To Other Funds	(627,305)	(627,305)	(849,692)
	<u>4,136,939</u>	<u>3,893,087</u>	<u>3,736,053</u>
 Storm Sewer Maintenance-			
Personal Services	392,166	392,166	289,490
Contractual Services	48,266	38,866	38,618
Materials and Supplies	102,700	112,100	110,412
Miscellaneous	26,486	26,486	33,094
	<u>751,068</u>	<u>654,103</u>	<u>555,904</u>

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Public Works (Continued):			
Street and Bridge Engineering-			
Contractual Services	\$ 591,347	\$ 441,310	\$ 240,007
Capital Outlay	1,854,501	773,638	607,173
Miscellaneous	1,299	1,299	-
	<u>2,447,147</u>	<u>1,216,247</u>	<u>847,180</u>
Snow and Ice Removal-			
Personal Services	253,337	253,337	414,707
Contractual Services	44,558	167,558	167,556
Materials and Supplies	228,320	353,380	350,413
Capital Outlay	7,500	16,194	16,187
Miscellaneous	1,068	1,068	2,052
	<u>534,783</u>	<u>791,537</u>	<u>950,915</u>
Street Cleaning-			
Personal Services	139,202	121,937	114,721
Contractual Services	41,948	41,948	41,948
Materials and Supplies	12,282	12,282	14,802
Miscellaneous	3,440	3,440	4,761
	<u>196,872</u>	<u>179,607</u>	<u>176,232</u>
Buildings and Grounds-			
Personal Services	563,530	563,530	514,842
Contractual Services	1,013,761	1,152,683	936,202
Materials and Supplies	110,140	117,478	114,008
Capital Outlay	154,000	129,963	65,570
Miscellaneous	10,447	10,447	18,802
Allocations To Other Funds	(471,545)	(471,545)	(662,554)
	<u>1,380,333</u>	<u>1,502,556</u>	<u>986,870</u>
Curbs and Sidewalks-			
Personal Services	418,718	382,276	292,730
Contractual Services	153,750	116,827	113,840
Materials and Supplies	114,430	116,353	115,280
Miscellaneous	897	897	1,540
	<u>687,795</u>	<u>616,353</u>	<u>523,390</u>
Total Public Works	<u>11,759,768</u>	<u>10,374,760</u>	<u>9,132,210</u>
Community Development:			
Planning Services-			
Personal Services	530,482	527,482	591,715
Contractual Services	560,458	566,547	495,114
Materials and Supplies	4,430	5,980	4,473
Capital Outlay	1,477	168,177	79,888
Allocations To Other Funds	(80,197)	(80,197)	(95,796)
	<u>1,016,650</u>	<u>1,187,989</u>	<u>1,075,394</u>

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
Community Development (Continued):			
Planning Commission-			
Personal Services	\$ 500	\$ 500	\$ -
Contractual Services	18,025	18,025	12,385
	<u>18,525</u>	<u>18,525</u>	<u>12,385</u>
Building and Zoning Inspections-			
Personal Services	694,244	694,244	677,377
Contractual Services	90,057	122,832	109,971
Materials and Supplies	28,953	29,603	28,925
Capital Outlay	3,300	3,300	-
Miscellaneous	1,521	1,521	2,368
Allocations To Other Funds	(70,912)	(70,912)	(77,172)
	<u>747,163</u>	<u>780,588</u>	<u>741,469</u>
Zoning Board of Appeals-			
Personal Services	900	900	447
Contractual Services	5,000	5,000	2,027
	<u>5,900</u>	<u>5,900</u>	<u>2,474</u>
Economic Development-			
Personal Services	182,032	181,782	148,049
Contractual Services	41,647	48,039	30,664
Materials and Supplies	12,762	12,262	9,327
Capital Outlay	1,221	1,221	-
Allocations To Other Funds	(66,827)	(66,827)	(66,881)
	<u>170,835</u>	<u>176,477</u>	<u>121,159</u>
Total Community Development	<u>1,959,073</u>	<u>2,169,479</u>	<u>1,952,881</u>
Debt Service:			
Principal	34,030	129,532	129,763
Interest and Fiscal Charges	5,555	16,974	16,374
	<u>39,585</u>	<u>146,506</u>	<u>146,137</u>
Total Expenditures	<u>\$37,346,801</u>	<u>\$36,756,198</u>	<u>\$34,208,028</u>

See independent auditor's report.

City of St. Charles, Illinois

TIF District 4 Capital Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2008

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>
Revenues:			
Grants	\$ -	\$ -	\$ 100,000
Investment Income	556,063	556,063	196,909
Total Revenues	<u>556,063</u>	<u>556,063</u>	<u>296,909</u>
Expenditures:			
Public Works:			
Contractual	728,860	1,263,860	613,971
Capital Outlay	8,738,667	12,285,795	7,567,419
Total Expenditures	<u>9,467,527</u>	<u>13,549,655</u>	<u>8,181,390</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(8,911,464)</u>	<u>(12,993,592)</u>	<u>(7,884,481)</u>
Other Financing Sources:			
Issuance of Bonds	13,372,200	13,372,200	12,963,854
Premium on Bonds	-	-	157,970
Transfers In	3,762,000	3,762,000	3,762,000
Total Other Financing Sources	<u>17,134,200</u>	<u>17,134,200</u>	<u>16,883,824</u>
Net Change In Fund Balance	<u>\$8,222,736</u>	<u>\$4,140,608</u>	8,999,343
Fund Balance, May 1			<u>3,949,488</u>
Fund Balance, April 30			<u>\$12,948,831</u>

See independent auditor's report.



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
STATE OF ILLINOIS PUBLIC ACT 85-1142

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information which collectively comprise the basic financial statements of the City of St. Charles, Illinois as of and for the year ended April 30, 2008, and have issued our report thereon dated September 25, 2008. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on the eligibility for costs incurred incidental to the implementation of the redevelopment plan and redevelopment projects associated with the Downtown Redevelopment TIF District, the Hotel Baker TIF District, the St. Charles Mall TIF District, the St. Charles Kitchen TIF District and the Moline TIF District pursuant to Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act.

Our audit was conducted in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The City of St. Charles, Illinois' management is responsible for the City's compliance with laws and regulations. In connection with our audit referred to above, we selected and tested transactions and records to determine the government's compliance with State of Illinois Public Act 85-1142, "An Act in Relation to Tax Increment Financing".

The results of our test indicate that for the items tested, the City of St. Charles, Illinois complied with Subsection (q) of Section 11-74.4-3 of Public Act 85-1142.

Aurora, Illinois  
September 25, 2008

A handwritten signature in black ink, appearing to read 'AK 22P'.

## 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.	134-138
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	139-143
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.	144-148
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.	149-150
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.	151-153

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement No. 34 in 2005; schedules presenting government-wide information include information beginning in that year.

CITY OF ST. CHARLES, ILLINOIS

NET ASSETS BY COMPONENT

Last Five Years

	2004	2005	Fiscal Year 2006	2007	2008
<b>Governmental Activities</b>					
Invested in Capital Assets Net of Related Debt	\$ 24,370,894	\$ 90,799,534	\$ 102,371,583	\$ 99,460,021	\$ 99,140,750
Restricted	4,561,791	6,563,203	7,585,288	8,583,125	11,617,447
Unrestricted	(3,446,244)	(1,439,033)	4,591,049	9,956,490	13,430,037
<b>Total Governmental Activities</b>	<b>\$ 25,486,441</b>	<b>\$ 95,923,704</b>	<b>\$ 114,547,920</b>	<b>\$ 117,999,636</b>	<b>\$ 124,188,234</b>
<b>Business-type Activities</b>					
Invested in Capital Assets Net of Related Debt	\$ 72,599,863	\$ 75,257,744	\$ 87,666,921	\$ 91,359,113	\$ 94,294,449
Restricted	-	-	-	-	-
Unrestricted	35,849,445	35,097,563	32,642,266	32,322,467	26,346,235
<b>Total Business-type Activities</b>	<b>\$ 108,449,308</b>	<b>\$ 110,355,307</b>	<b>\$ 120,309,187</b>	<b>\$ 123,681,580</b>	<b>\$ 120,640,684</b>
<b>Primary Government</b>					
Invested in Capital Assets Net of Related Debt	\$ 96,970,757	\$ 166,057,278	\$ 190,038,504	\$ 190,819,134	\$ 193,435,199
Restricted	4,561,791	6,563,203	7,585,288	8,583,125	11,617,447
Unrestricted	32,403,201	33,658,530	37,233,315	42,278,957	39,776,272
<b>Total Primary Government</b>	<b>\$ 133,935,749</b>	<b>\$ 206,279,011</b>	<b>\$ 234,857,107</b>	<b>\$ 241,681,216</b>	<b>\$ 244,828,918</b>

Data Source

Audited Financial Statements

Note: GASB S-34 was implemented in FY 2004. Retroactive reporting of governmental activities infrastructure capital assets was implemented in FY 2005.

## CITY OF ST. CHARLES, ILLINOIS

## CHANGE IN NET ASSETS

Last Five Years

	Fiscal Year				
	2004	2005	2006	2007	2008
<b>Expenses</b>					
<b>Governmental Activities</b>					
General Government	\$ 2,645,240	\$ 2,956,654	\$ 3,228,166	\$ 3,252,423	\$ 4,635,671
Public Health and Safety	15,244,895	16,838,854	18,061,021	19,405,061	20,569,266
* Public Works	9,968,410	12,678,531	12,359,124	12,906,010	12,137,618
Community Development	1,585,173	1,544,190	1,829,862	1,735,687	1,852,758
Interest	1,444,074	1,538,765	2,139,487	2,339,115	2,787,860
<b>Total Governmental Activities Expenses</b>	<b>30,887,792</b>	<b>35,556,994</b>	<b>37,617,660</b>	<b>39,638,296</b>	<b>41,983,173</b>
<b>Business-type Activities</b>					
Electric	32,992,279	33,562,224	35,649,910	36,695,935	42,530,760
Water	3,416,200	3,754,829	3,986,311	4,165,139	4,389,280
Sewer	5,843,212	5,889,733	6,360,374	6,277,893	7,427,906
Refuse	612,022	663,533	644,067	582,798	802,619
<b>Total Business-type Activities Expenses</b>	<b>42,863,713</b>	<b>43,870,319</b>	<b>46,640,662</b>	<b>47,721,765</b>	<b>55,150,565</b>
<b>Total Primary Government Expenses</b>	<b>\$ 73,751,505</b>	<b>\$ 79,427,313</b>	<b>\$ 84,258,322</b>	<b>\$ 87,360,061</b>	<b>\$ 97,133,738</b>
<b>Program Revenues</b>					
<b>Governmental Activities</b>					
<b>Charges for Services</b>					
General Government	\$ 460,999	\$ 408,211	\$ 334,307	\$ 351,432	\$ 330,721
Public Health and Safety	1,390,678	1,590,371	1,671,728	1,893,485	1,836,614
* Public Works	110,873	136,893	92,665	170,412	253,635
Community Development	904,712	785,864	916,423	682,379	636,193
Operating Grants and Contributions	906,906	1,099,495	1,177,318	1,271,476	1,151,030
Capital Grants and Contributions	185,335	359,406	2,424,847	444,673	4,322,602
<b>Total Governmental Activities Program Revenues</b>	<b>3,959,503</b>	<b>4,380,240</b>	<b>6,617,288</b>	<b>4,813,857</b>	<b>8,530,795</b>
<b>Business-type Activities</b>					
<b>Charges for Services</b>					
Electric	33,697,494	34,604,347	37,268,760	37,450,772	39,657,173
Water	3,051,019	2,946,010	3,195,610	2,962,401	2,970,946
Sewer	5,267,320	5,397,512	5,533,228	5,392,115	5,570,674
Refuse	446,940	474,387	474,374	475,550	486,012
Operating Grants and Contributions	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-
<b>Total Business-type Activities Program Revenues</b>	<b>42,462,773</b>	<b>43,422,256</b>	<b>46,471,972</b>	<b>46,280,838</b>	<b>48,684,805</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 46,422,276</b>	<b>\$ 47,802,496</b>	<b>\$ 53,089,260</b>	<b>\$ 51,094,695</b>	<b>\$ 57,215,600</b>

	Fiscal Year				
	2004	2005	2006	2007	2008
Net (Expense) Revenue					
Governmental Activities	\$ (26,928,289)	\$ (31,176,754)	\$ (31,000,372)	\$ (34,824,439)	\$ (33,452,378)
Business-type Activities	(400,940)	(448,063)	(168,690)	(1,440,927)	(6,465,760)
<b>Total Primary Government Net (Expense) Revenue</b>	<b>\$ (27,329,229)</b>	<b>\$ (31,624,817)</b>	<b>\$ (31,169,062)</b>	<b>\$ (36,265,366)</b>	<b>\$ (39,918,138)</b>
<b>General Revenues and Other Changes in Net Assets</b>					
<b>Governmental Activities</b>					
<b>Taxes</b>					
Property	\$ 8,806,833	\$ 9,711,044	\$ 10,299,727	\$ 11,472,282	\$ 12,076,065
Personal Property Replacement	59,983	68,379	88,202	95,854	109,332
Municipal Sales and Use	12,541,228	15,248,168	16,216,501	16,356,138	16,077,769
Electric Franchise Fee	1,581,833	1,614,553	1,754,659	1,747,190	1,867,683
Food and Beverage	1,066,042	692,047	588,720	101,016	-
Hotel Occupation	1,382,851	1,684,926	1,970,172	2,020,640	2,123,542
Telecommunications Fee	1,932,387	1,619,756	1,388,891	1,255,382	1,491,882
State Income	1,769,025	2,155,151	2,432,504	2,683,079	2,931,062
Other	127,898	123,493	66,773	63,224	55,253
Investment Income	111,732	220,649	1,007,520	1,514,343	1,665,889
Miscellaneous	409,648	419,899	469,322	535,968	534,877
Contributions	4,543,807	291,037	125,748	495,437	389,677
Transfers	(388,292)	(457,401)	(374,556)	121,876	317,945
<b>Total Governmental Activities</b>	<b>33,944,975</b>	<b>33,391,701</b>	<b>36,034,183</b>	<b>38,462,429</b>	<b>39,640,976</b>
<b>Business-type Activities</b>					
Investment Income	411,391	516,990	1,178,272	1,718,477	1,443,180
Connection Charges	899,884	567,281	653,933	566,479	645,504
Miscellaneous	597,884	325,269	222,169	128,966	235,518
Gain on Sale of Capital Assets	153,229	107,855	164,951	-	-
Contributions	294,931	429,650	1,087,321	2,521,274	1,418,607
Transfers	388,292	457,401	374,556	(121,876)	(317,945)
<b>Total Business-type Activities</b>	<b>2,745,611</b>	<b>2,404,446</b>	<b>3,681,202</b>	<b>4,813,320</b>	<b>3,424,864</b>
<b>Total Primary Government</b>	<b>\$ 36,690,586</b>	<b>\$ 35,796,147</b>	<b>\$ 39,715,385</b>	<b>\$ 43,275,749</b>	<b>\$ 43,065,840</b>
<b>Change in Net Assets</b>					
Governmental Activities	\$ 7,016,686	\$ 2,214,947	\$ 5,033,811	\$ 3,637,990	\$ 6,188,598
Business-type Activities	2,344,671	1,956,383	3,512,512	3,372,393	(3,040,896)
<b>Total Primary Government Change in Net Assets</b>	<b>\$ 9,361,357</b>	<b>\$ 4,171,330</b>	<b>\$ 8,546,323</b>	<b>\$ 7,010,383</b>	<b>\$ 3,147,702</b>

Data Source

Audited Financial Statements

Note: GASB S-34 was implemented in FY 2004

\* The large number of increase in expenses between 2004-2005 is due to retroactive reporting of infrastructure and full year of depreciation expense being charged.

CITY OF ST. CHARLES, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund	\$ -	\$ -	\$ -	\$ 1,389,012	\$ 1,304,739	\$ 910,957	\$ 1,620,598	\$ 1,837,441	\$ 2,216,128	\$ 2,868,908
Reserved	3,549,540	6,416,075	8,392,840	6,139,573	7,933,233	10,550,829	14,086,350	16,142,675	14,950,556	15,581,064
Unreserved	\$ 3,549,540	\$ 6,416,075	\$ 8,392,840	\$ 7,528,585	\$ 9,237,972	\$ 11,461,786	\$ 15,706,948	\$ 17,980,116	\$ 17,166,684	\$ 18,449,972
Total General Fund	\$ 3,549,540	\$ 6,416,075	\$ 8,392,840	\$ 7,528,585	\$ 9,237,972	\$ 11,461,786	\$ 15,706,948	\$ 17,980,116	\$ 17,166,684	\$ 18,449,972
All Other Governmental Funds										
Reserved	\$ 4,070,305	\$ 997,842	\$ 832,953	\$ 1,124,843	\$ 1,202,790	\$ 7,687,901	\$ 6,201,601	\$ 7,337,916	\$ 8,192,033	\$ 11,061,906
Unreserved, reported in										
Special Revenue Funds	1,457,536	1,760,816	2,256,003	2,398,788	2,236,210	(730,523)	(884,548)	(1,262,637)	(1,525,467)	(2,018,141)
Debt Service Funds	-	-	-	(253,793)	(575,199)	-	-	-	-	-
Capital Project Funds	9,445,861	3,578,794	7,257,371	4,968,761	1,837,664	(4,036,175)	(2,765,572)	1,067,982	6,588,564	14,089,657
Total All Other Governmental Funds	\$ 14,973,702	\$ 6,337,452	\$ 10,346,327	\$ 8,238,599	\$ 4,701,465	\$ 2,921,203	\$ 2,551,481	\$ 7,143,261	\$ 13,255,130	\$ 23,133,422

Data Source

Audited Financial Statements

CITY OF ST. CHARLES, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Revenues</b>										
Taxes	\$ 16,181,199	\$ 17,667,546	\$ 19,298,543	\$ 20,570,134	\$ 24,259,646	\$ 27,441,388	\$ 30,705,355	\$ 32,373,645	\$ 33,111,726	\$ 33,801,526
Licenses and Permits	594,007	713,646	798,396	749,020	804,284	749,547	773,173	643,110	572,974	558,917
Intergovernmental	6,598,383	5,812,206	6,335,594	6,231,132	6,334,096	2,925,337	3,678,720	5,013,059	4,441,018	8,037,262
Fines and Forfeitures	218,419	312,051	251,065	227,311	190,732	204,199	256,476	303,022	339,740	290,130
Charges for Services	2,377,265	1,898,092	1,931,274	1,633,819	1,566,332	1,756,396	1,787,463	2,005,440	2,076,491	2,117,275
Investment Income	535,265	653,057	818,973	502,341	294,162	111,727	220,649	1,007,520	1,514,343	1,665,889
Miscellaneous	1,296,335	717,852	885,810	599,713	747,093	658,921	516,468	1,553,284	602,679	986,042
<b>Total Revenues</b>	<b>27,800,873</b>	<b>27,774,450</b>	<b>30,319,655</b>	<b>30,513,470</b>	<b>34,196,345</b>	<b>33,847,515</b>	<b>37,938,304</b>	<b>42,899,080</b>	<b>42,658,971</b>	<b>47,457,041</b>
<b>Expenditures</b>										
General Government	3,542,004	3,313,608	4,319,583	4,334,129	4,557,010	2,629,794	2,731,972	3,301,517	3,067,426	3,469,160
Public Health and Safety	11,784,607	10,407,218	11,185,290	12,449,340	13,563,220	15,623,341	16,870,083	18,630,320	19,474,760	19,947,430
Public Works	11,562,707	11,276,506	11,444,776	14,497,563	12,063,803	9,949,117	11,656,979	11,684,822	16,354,003	10,634,198
Community Development	1,860,124	2,140,282	1,689,303	1,747,015	2,070,972	1,611,077	1,542,692	1,816,208	1,975,058	1,952,881
Debt Service										
Principal	320,000	449,803	587,571	825,472	1,393,373	1,622,782	1,846,493	2,007,291	2,530,582	3,165,327
Interest	643,861	735,795	862,253	1,299,150	1,376,317	1,404,128	1,493,863	1,600,410	2,470,500	2,609,282
Capital Outlay	1,043,946	5,264,042	3,672,345	2,681,482	1,836,888	4,473,526	3,917,320	12,661,134	5,537,550	8,993,205
<b>Total Expenditures</b>	<b>30,757,249</b>	<b>33,587,254</b>	<b>33,761,121</b>	<b>37,834,151</b>	<b>36,861,583</b>	<b>37,313,765</b>	<b>40,059,402</b>	<b>51,701,702</b>	<b>51,429,879</b>	<b>50,771,483</b>
Excess of Revenues over (under) Expenditures	(2,956,376)	(5,812,804)	(3,441,466)	(7,320,681)	(2,665,238)	(3,466,250)	(2,121,098)	(8,802,622)	(8,770,908)	(3,314,442)
<b>Other financing Sources (Uses)</b>										
Transfers In	1,171,566	1,598,176	2,000,137	2,655,364	2,176,949	3,264,662	3,138,348	4,863,371	8,698,763	9,851,717
Transfers Out	(1,600,827)	(2,068,078)	(2,480,264)	(3,066,166)	(2,619,183)	(1,407,790)	(3,583,327)	(5,507,721)	(8,902,149)	(9,882,915)
Bonds Issued	11,164,213	2,574,023	9,900,000	2,831,406	1,357,000	4,435,000	6,375,000	19,115,000	14,470,000	14,340,000
Premium (Discount) on Bonds Issued	-	-	-	-	-	(30,538)	(56,457)	83,687	(10,995)	157,970
Issuance of Installment Contracts	-	-	-	-	-	112,500	122,975	-	-	-
Payment to Escrow Agent	-	-	-	-	-	-	-	(2,738,049)	-	-
Sale of Capital Assets	-	550,952	7,233	10,493	9,102	-	-	1,200	-	9,250
<b>Total Other Financing Sources (Uses)</b>	<b>10,734,952</b>	<b>2,655,073</b>	<b>9,427,106</b>	<b>2,431,097</b>	<b>923,868</b>	<b>6,373,834</b>	<b>5,996,539</b>	<b>15,817,488</b>	<b>14,255,619</b>	<b>14,476,022</b>
<b>Net Change in Fund Balances</b>	<b>\$ 7,778,576</b>	<b>\$ (3,157,731)</b>	<b>\$ 5,985,640</b>	<b>\$ (4,889,584)</b>	<b>\$ (1,741,370)</b>	<b>\$ 2,907,584</b>	<b>\$ 3,875,441</b>	<b>\$ 7,014,866</b>	<b>\$ 5,484,711</b>	<b>\$ 11,161,580</b>
Debt Service as a Percentage of Noncapital Expenditures	3.24%	4.19%	4.82%	6.04%	7.91%	9.22%	9.24%	9.24%	10.90%	13.82%

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
1998	511,797,976	161,427,268	90,139,284	763,364,528	0.4925	2,290,093,584	33.3333%
1999	533,345,454	174,563,894	90,684,368	798,593,716	0.5500	2,395,781,148	33.3333%
2000	582,888,161	204,057,380	96,208,458	883,153,999	0.5426	2,649,461,997	33.3333%
2001	654,428,390	221,015,883	99,328,931	974,773,204	0.7260	2,924,319,612	33.3333%
2002	737,062,340	229,901,820	106,413,084	1,073,377,244	0.7489	3,220,131,732	33.3333%
2003	824,930,416	250,380,336	107,284,531	1,182,595,283	0.7506	3,547,785,849	33.3333%
2004	876,989,053	260,848,331	109,413,588	1,247,250,972	0.7490	3,741,752,916	33.3333%
2005	944,422,898	281,505,774	126,398,861	1,352,327,533	0.7537	4,056,982,599	33.3333%
2006	1,007,971,270	317,706,581	135,486,864	1,461,164,715	0.7314	4,383,494,145	33.3333%
2007	1,093,511,982	340,689,027	146,061,935	1,580,262,944	0.7300	4,740,788,832	33.3333%

Data Source

Office of the County Clerk

Note : Property in the City is reassessed each year. Property is assessed at 33% of actual value.

CITY OF ST. CHARLES, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Calendar Years

Tax Calendar Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Kane County										
City of St. Charles	0.4925	0.5500	0.5426	0.7260	0.7489	0.7506	0.7490	0.7537	0.7314	0.7300
County	0.4912	0.4772	0.4877	0.4529	0.4292	0.3578	0.3467	0.3417	0.3456	0.3322
St. Charles Forest Preserve	0.1171	0.1985	0.1634	0.1520	0.1395	0.1270	0.1432	0.1929	0.1770	0.1974
St. Charles Township	0.1483	0.1481	0.0574	0.0559	0.1294	0.0509	0.0501	0.0506	0.0464	0.0329
St. Charles Township Road	-	-	-	-	-	0.0726	0.0715	0.0738	0.0788	0.0643
St. Charles Cemetery	0.0239	0.0009	0.0008	0.0187	0.0007	0.0159	0.0005	0.0005	0.0132	0.0002
St. Charles Park District	0.3871	0.3856	0.3957	0.4318	0.4201	0.4457	0.4572	0.4453	0.4390	0.3958
St. Charles Library District	0.2516	0.2982	0.3013	0.2924	0.2787	0.2661	0.2613	0.3107	0.3277	0.2356
School District# 303	4.2605	4.2155	4.1770	4.0110	4.1156	4.1659	4.2668	4.3107	4.2071	4.0516
Elgin Community College	0.3831	0.3920	0.3822	0.3721	0.3636	0.3854	0.4154	0.4418	0.3804	0.3406
Waubensee Community College	0.4459	0.4358	0.4295	0.4131	0.4043	0.4134	0.4099	0.4066	0.4272	0.3950
Total Representative Tax *	7.0012	7.1018	6.9376	6.9259	7.0300	7.0513	7.1716	7.3283	7.1738	6.7756
DuPage County										
City of St. Charles	0.5043	0.5400	0.5311	0.7168	0.7508	0.8131	0.7111	0.8018	0.4290	0.6353
County	0.2831	0.2683	0.2536	0.2353	0.2154	0.1999	0.1850	0.1797	0.1713	0.1651
Forest Preserve	0.1849	0.1797	0.1742	0.1654	0.1534	0.1419	0.1358	0.1271	0.1303	0.1187
Wayne Township	0.1736	0.0847	0.0829	0.0812	0.0763	0.0727	0.0696	0.0680	0.0666	0.0647
St. Charles Park District	0.4011	0.3945	0.3980	0.4311	0.4195	0.4697	0.4383	0.4156	0.4161	0.3971
St. Charles Library District	0.2516	0.2494	0.2928	0.2909	0.2794	0.2849	0.2509	0.2474	0.2458	0.2385
West Chicago Mosquito District	0.0071	0.0070	0.0069	0.0068	0.0065	0.0063	0.0109	0.0105	0.0101	0.0099
Dupage Airport Authority	0.0322	-	-	-	0.0248	-	-	-	-	-
Unit School District # 303	4.2606	4.2151	4.1979	4.0055	4.1067	4.4122	3.9271	4.2550	4.2494	4.0836
Elgin Community College	0.4085	0.3655	0.3638	0.3690	0.3488	0.3602	0.4150	0.4140	0.3396	0.3294
Total Representative Tax	6.507	6.304	6.301	6.302	6.382	6.761	6.144	6.519	6.058	6.042

Data Source  
Office of the County Clerk

\*Note : School Districts 46 and 304 not included.

CITY OF ST. CHARLES, ILLINOIS  
 PRINCIPAL PROPERTY TAX PAYERS  
 CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2007			1998		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation
Arthur Anderson/Q-Centre	\$ 17,145,629	1	1.08%	\$ 18,096,934	2	2.37%
Pheasant Run Resort	13,460,140	2	0.85%	5,421,601	3	0.71%
AMLI	9,665,701	3	0.61%	1,564,350	23	0.20%
Main Street Commons	8,332,500	4	0.53%			
Meijer	6,830,632	5	0.43%			
Charlestowne 1998 MS XL1 LLC	6,567,291	6	0.42%			
St. Charles Country Club	6,023,012	7	0.38%	2,119,552	18	0.28%
Delnor	5,712,463	8	0.36%			
Pier One	5,491,877	9	0.35%	3,006,189	7	0.39%
Covington Court	5,396,538	10	0.34%	3,255,667	6	0.43%
Charlestown Mall				24,126,047	1	3.16%
Wallace				5,356,131	4	0.70%
Center Point Properties Corp./Dopaco				3,663,729	5	0.48%
Fox Field Commons				2,887,311	9	0.38%
Armour Swift-Eckrich, Inc				2,913,355	8	0.38%
Omron Tateisi Electronics				2,864,885	10	0.38%
	<u>\$ 84,625,783</u>		<u>5.35%</u>	<u>\$ 75,275,751</u>		<u>9.86%</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
1998	\$ 3,760,000	\$ 3,769,392	100.25%	-	\$ 3,769,392	100.25%
1999	4,394,383	4,474,389	101.82%	-	4,474,389	101.82%
2000	4,777,880	4,771,112	99.86%	-	4,771,112	99.86%
2001	7,048,600	7,109,387	100.86%	-	7,109,387	100.86%
2002	8,041,507	8,029,341	99.85%	-	8,029,341	99.85%
2003	8,896,719	8,849,951	99.47%	-	8,849,951	99.47%
2004	10,044,628	10,043,490	99.99%	-	10,043,490	99.99%
2005	10,739,027	9,915,804	92.33%	-	9,915,804	92.33%
2006	10,756,768	10,402,776	96.71%	-	10,402,776	96.71%
2007	11,521,167	11,240,403	97.56%	-	11,240,403	97.56%

Data Source  
Office of the County Clerk

Note : Property in the City is reassessed each year. Property is assessed at 33% of actual value.

CITY OF ST. CHARLES, ILLINOIS

SALES TAXES BY CATEGORY

Last Ten Calendar Years

Calendar Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Merchandise	\$ 406,763	\$ 589,805	\$ 453,353	\$ 586,762	\$ 811,461	\$ 1,177,035	\$ 1,118,409	\$ 1,096,360	\$ 1,166,890	\$ 1,474,740
Food	944,030	1,024,960	1,187,206	1,557,238	1,623,567	1,656,916	1,029,308	1,050,954	1,032,045	1,037,969
Drinking and Eating Places	528,037	566,275	864,675	554,100	608,241	667,141	845,416	913,083	884,657	909,340
Apparel	227,235	219,380	205,880	176,591	189,244	186,227	164,267	169,600	160,463	142,906
Furniture & H.H. & Radio	159,938	144,306	146,128	106,935	91,764	98,584	152,414	154,594	160,472	135,181
Lumber, Building Hardware	427,414	500,308	517,444	314,087	305,123	489,745	671,452	636,863	588,022	545,574
Automobile and Filling Stations	1,865,426	2,033,295	2,217,302	2,327,655	2,190,301	2,059,797	2,817,453	3,155,752	3,200,551	3,303,143
Drugs and Miscellaneous Retail	669,877	701,438	762,702	915,227	962,834	981,715	1,005,046	986,917	1,060,430	1,259,425
Agriculture and All Others	861,038	690,982	707,326	735,644	785,575	702,070	833,583	838,978	983,411	1,055,833
Manufacturers	229,486	168,597	239,014	(53,712)	86,422	92,396	118,294	121,240	78,754	(2,473)
TOTAL	\$ 6,319,244	\$ 6,639,346	\$ 7,301,030	\$ 7,220,527	\$ 7,654,532	\$ 8,111,626	\$ 8,755,642	\$ 9,124,341	\$ 9,315,695	\$ 9,861,638

City direct sales tax rate 1.50% 1.50% 1.50% 1.50% 1.50% 1.50% 1.50% 1.50% 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

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Fiscal Year	City Direct Rate	County Rate	RTA Rate	State Rate
1999	1.50%	0.25%	0.25%	5.00%
2000	1.50%	0.25%	0.25%	5.00%
2001	1.50%	0.25%	0.25%	5.00%
2002	1.50%	0.25%	0.25%	5.00%
2003	1.50%	0.25%	0.25%	5.00%
2004	1.50%	0.25%	0.25%	5.00%
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%

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	General Obligation Bonds	Installment Notes Payable	Revenue Bonds			
1999	\$ 15,582,158	\$ -	\$ 1,572,842	\$ 3,970,819	\$ 1,180,000	\$ 22,305,819	2.05%	\$ 812.45
2000	17,732,355	-	3,192,645	5,878,035	1,090,000	27,893,035	2.49%	1,007.88
2001	27,144,784	-	3,030,216	10,205,436	995,000	41,375,436	3.69%	1,483.20
2002	29,179,312	-	2,860,688	10,142,415	895,000	43,077,415	4.39%	1,532.89
2003	28,092,939	995,376	7,267,061	9,622,276	-	45,977,652	4.37%	1,483.15
2004	31,040,023	973,010	6,834,977	10,671,803	-	49,519,813	4.58%	1,555.56
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

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 149 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
1999	\$ 17,155,000	\$ 2,038,764	\$ 15,116,236	1.98%	\$ 550.58
2000	20,925,000	997,842	19,927,158	2.49%	720.04
2001	30,175,000	832,953	29,342,047	3.32%	1,051.84
2002	32,040,000	1,124,046	30,915,954	3.17%	1,100.13
2003	35,360,000	1,202,790	34,157,210	3.18%	1,101.85
2004	37,875,000	1,204,198	36,670,802	3.10%	1,151.94
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

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 139 for property value data.

CITY OF ST. CHARLES, ILLINOIS

PLEDGED REVENUE COVERAGE  
LAST TEN FISCAL YEARS

BUSINESS-TYPE ACTIVITIES  
Revenue Bonds/IEPA Loans

Fiscal Year	Debt Service			Coverage
	Operating Revenue	Principal	Interest	
1999	\$ 7,980,415	\$ 327,698	\$ 234,351	14.20
2000	7,987,029	341,827	220,590	14.20
2001	8,109,891	356,299	205,988	14.42
2002	8,151,115	504,588	254,831	10.73
2003	8,276,676	1,423,362	293,753	4.82
2004	5,267,320	590,589	273,907	6.09
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	398,620	3.76

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

April 30, 2008

Governmental Unit	Gross Debt	Percentage Debt Applicable to the City of St. Charles (1)	City of St. Charles Share of Debt
City of St Charles	\$ 82,860,000	100.00%	\$ 82,860,000
Kane County	9,180,000	10.418%	956,372
Kane County Forest Preserve District	252,115,866	10.418%	26,265,431
Dupage County	52,780,000	0.101%	53,308
Dupage County Forest Preserve	221,623,677	0.101%	223,840
St. Charles Park District	6,916,870	63.700%	4,406,046
Schools			
Community Unit SD #303	145,445,000	47.891%	69,655,065
Community Unit SD #304	177,643,241	0.173%	307,323
Community College #509	9,995,000	12.125%	1,211,894
Community College #516	74,225,796	0.025%	18,556
Subtotal:	<u>949,925,450</u>		<u>103,097,835</u>
Total:	<u>\$ 1,032,785,450</u>		<u>\$ 185,957,835</u>

(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

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Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
1999	27,455	\$ 1,089,194,760	\$ 39,672	3.5%
2000	27,675	1,112,950,125	40,215	3.4%
2001	27,896	1,121,837,640	40,215	7.0%
2002	28,102	981,743,370	34,935	6.4%
2003	31,000	1,053,039,000	33,969	6.8%
2004	31,834	1,081,369,146	33,969	6.1%
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%

Data Source:  
 Various City Departments  
 Illinois Department Employee Security

CITY OF ST. CHARLES, ILLINOIS  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND SEVEN YEARS AGO

		2007				2000			
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	1,248	5.49%	3.80%	Andersen Worldwide	1	1,312	6.62%	4.74%
System Sensor	2	570	2.51%	1.74%	St. Charles Community School District	2	1,138	5.74%	4.11%
Wallace	3	360	1.58%	1.10%	System Sensor	3	1,000	5.04%	3.61%
Omron Automotive	4	350	1.54%	1.07%	Dukane Corporation	4	558	2.81%	2.02%
Armour Eckrich	5	350	1.54%	1.07%	Pheasant Run Resort	5	500	2.52%	1.81%
Mason Corporation	6	320	1.41%	0.97%	Armour Swift-Eckrich St. Charles	6	460	2.32%	1.66%
Illinois Youth Center	7	300	1.32%	0.91%	Aramark Food Service	7	450	2.27%	1.63%
Pheasant Run Resort	8	250	1.10%	0.76%	Jewel Company	8	443	2.23%	1.60%
Coca-Cola Bottling Co.	9	250	1.10%	0.76%	Teltrend	9	438	2.21%	1.58%
Dopaco Inc.	10	235	1.03%	0.72%	Wallace, Inc.	10	350	1.77%	1.26%
City of St. Charles	11	232	1.02%	0.71%	City of St. Charles	11	319	1.61%	1.15%
Dukane Corporation	12	230	1.01%	0.70%	Perfect Plastics Printing	12	276	1.39%	1.00%
Aramark Services	13	180	0.79%	0.55%	Wal-Mart	13	250	1.26%	0.90%
Compact Industries, Inc.	14	175	0.77%	0.53%	Coca-Cola Bottling Co.	14	228	1.15%	0.82%
				15.39%					27.89%

Data Source

Municipal Research Services

Note: Information only available up to seven years ago.

CITY OF ST. CHARLES, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Administration	34.00	36.80	35.60	39.30	38.80	41.90	44.50	46.20	44.80	46.60
Public Health & Safety	121.00	126.30	139.70	132.30	131.00	142.40	150.80	157.60	157.40	148.80
M & C of Public Right-of-Ways	55.40	59.60	58.50	61.60	62.70	64.00	61.70	62.20	62.40	61.90
M & C of Public Utilities	61.30	66.70	65.10	68.90	68.70	71.20	68.70	67.10	65.80	65.50
Community and Economic Development	13.40	14.60	15.80	17.00	16.00	16.80	16.90	15.90	17.00	16.50
Total:	285.10	304.00	314.70	319.10	317.20	336.30	342.60	349.00	347.40	339.30

Data Source

City budget office

Note: M&C= maintenance and construction

CITY OF ST. CHARLES, ILLINOIS

OPERATING INDICATORS

Last Ten Calendar Years

Function/Program	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Public Safety										
Police										
Physical arrests	1,468	1,672	1,522	1,606	1,616	1,772	1,779	1,910	1,581	1,796
Parking violations	-	-	-	-	-	-	1656	1547	1,792	1,733
Traffic violations	8,951	11,353	8,821	8,530	9,580	8,838	8,408	9,947	7,066	6,573
Fire										
Emergency responses	3,577	3,642	3,924	4,100	4,183	4,879	5,068	5,126	5,212	5,113
Fires Extinguished	15	33	17	29	19	60	68	85	161	158
Public Works										
Streeting (miles)	152.58	155.38	158.09	162.69	162.69	162.69	162.69	171.3	568	180.5
Electric										
Number of Customers	11,200	11,200	11,161	11,161	14,161	13,690	14,700	14,675	15,082	15,196
Water										
Maximum Day Consumption	7,297,000	7,340,000	7,519,000	7,519,000	7,230,000	7,230,000	7,230,000	7,412,000	9,741,000	9,741,000
# of water mains (miles)	168	174.5	184	188.6	190.6	191.9	192.8	196.6	196.5	197.5
Wastewater										
Average daily storage	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	5,289,000	5,289,000

Data Source

Various city departments

Note: parking violations were not tracked prior to 2004.

CITY OF ST. CHARLES, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Calendar Years

Function/Program	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area Beats	5	5	5	5	5	5	5	5	4	4
Patrol units								44	18	31
Fire										
Fire stations	3	3	3	3	3	3	3	3	3	3
Fire engines								11	6	6
Public Works										
Arterial streets (miles)	46	46	46	46	46	46	46	49	50	49
Residential streets (miles)	109	112	117	117	117	117	117	123	123	134
Streetlights	2,680	2,796	2,915	3,092	3,129	3,172	3,190	3,203	3,200	3,234
Traffic signals	6	6	6	6	7	5	5	5	6	6
Water										
Water mains (miles)	168	175	184	189	191	192	193	197	197	197.5
Fire hydrants	2,176	-	-	-	2,416	-	2,462	2,516	2,706	2,742
Storage capacity (gallons)	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	2,425,000	2,425,000
Wastewater										
Sanitary sewers (miles)									171	171.3
Storm sewers (miles)									157	159.9
Treatment capacity (gallons)									9,700,000	9,700,000

Data Source

Various city departments

Note: Wastewater information is unavailable for previous years.