



City of St. Charles, Illinois
**Comprehensive Annual
Financial Report**

Year Ended April 30, 2010

CITY OF ST. CHARLES, ILLINOIS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Year Ended
April 30, 2010

Prepared by the Finance Department

Christopher A. Minick
Director of Finance

Brian Townsend
City Administrator

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INTRODUCTORY SECTION

Officers and Officials

Mayor

Donald P. Dewitte

City Administrator

Brian Townsend

City Council

Daniel P. Stellato	Ward 1	William Turner	Ward 3
Jon Monken	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

Kathy A. Livernois
Director of Human Resources

Rita Tungare
Director of Community Development

Mark W. Koenen
Director of Public Works

Christopher C. Aiston
Director of Economic Development

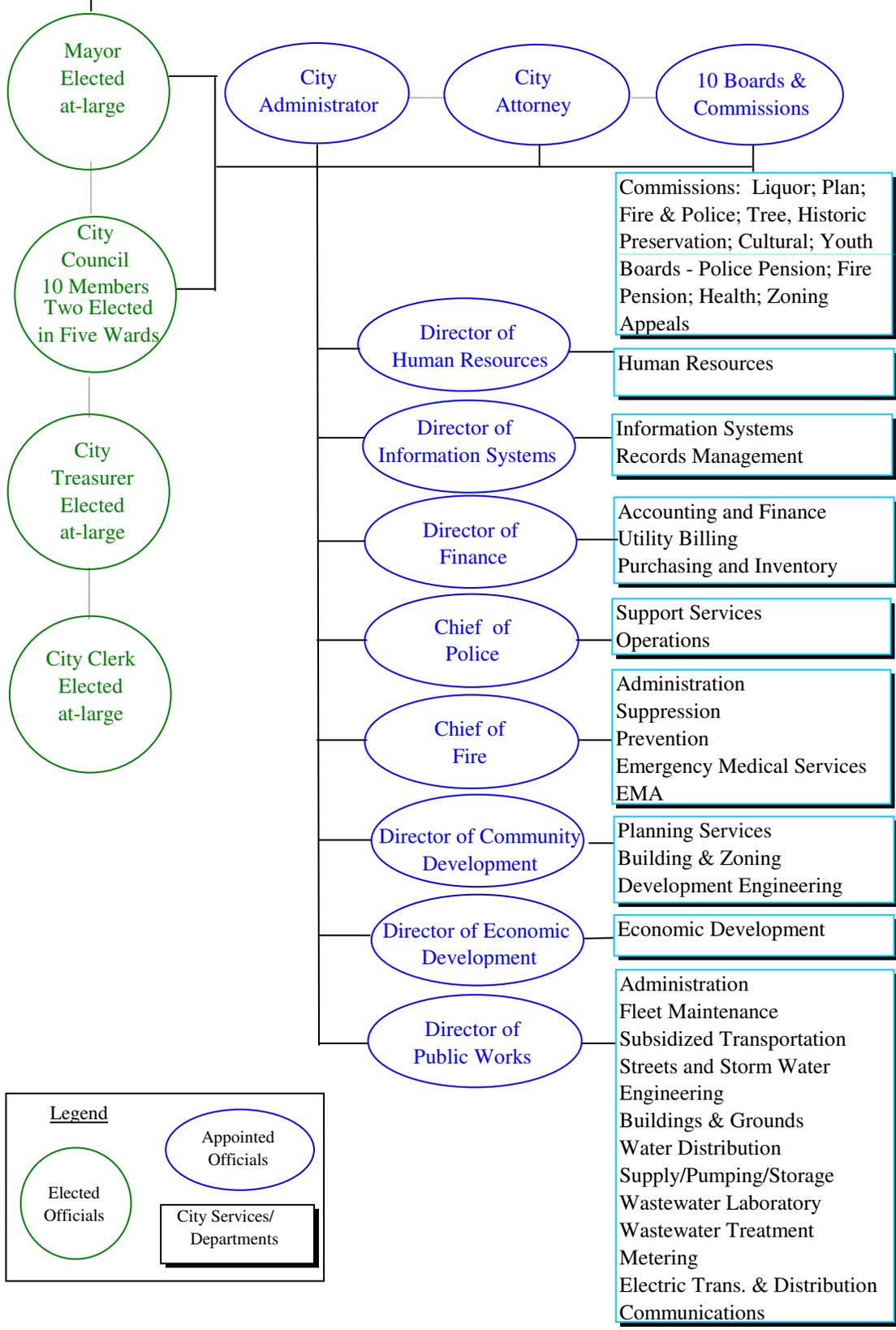
Patrick J. Mullen
Fire Chief

Margaret A. Forster
Director of Information Systems

James E. Lamkin
Police Chief

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, 2009

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.



A stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

President

A handwritten signature in black ink that reads "Jeffrey R. Egan".

Executive Director



September 17, 2010

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, 2010 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 have been audited in accordance with generally accepted auditing standards by an independent firm of certified public accountants. Sikich LLP, a firm of licensed certified public accountants has audited the City's basic financial statements and has issued an unqualified opinion on the basic 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 misstatement. The audit process includes examination, on a test basis, of evidence supporting the amounts and disclosures reported in the financial statements. The independent auditors also assess the accounting principles used and include their report as the first component of the financial section of this Comprehensive Annual Financial Report.

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

DONALD P. DEWITTE *Mayor*

BRIAN TOWNSEND *City Administrator*

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 also for the North Central Narcotics Grant Program.

Profile of the City

The City, incorporated as a town in 1853 and as a City in 1874, is located approximately thirty-four miles west of Chicago with a land area of approximately 16.4 square miles. St. Charles' city government is divided into five wards, with two alderpersons elected from each ward and a mayor elected at large to a four-year term. The internal operations of St. Charles are led by a city administrator and divided among eight departments, including Finance, Human Resources, Information Systems, Community Development, Economic Development, Public Works, Police, and Fire. The City became a Home Rule community in 1995 due to a special census count conducted in 1994, which resulted in a population count of 25,282. As a result of its Home Rule status, the City has greater local authority to regulate and finance its operations. A Special Census, completed in August 2003 reflects the City of St. Charles' population of 31,834. Additional demographic information about the City may be found in the Statistical Section of this report.

The City's budgetary operations are governed by the Budget 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 beginning of the fiscal year the funds will be expended. The City's fiscal year begins May 1.

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

Factors Affecting Financial Condition

Local Economy – Within the City of St. Charles, over 2,000 businesses employ approximately 35,000 people, consisting of a balanced mix of retailers, restaurants, and manufacturing facilities. Also within the City are 1,360 hotel rooms, a world class conference center with an additional 1,042 guest rooms, three shopping districts, and a full service resort and spa. There are two new business parks currently under construction within the City. On the east side of the City is the 36-acre Legacy Business Park that is nearing completion with one more industrial building to be finished. The Corporate Reserve of St. Charles is a 50-acre business park located on the west side of the City. Two of the ten proposed buildings for this site have been completed with a third building anticipated to begin construction shortly. Historically, the City of St. Charles has enjoyed a healthy and growing economy. However, beginning in late FY 2007-2008 and continuing over the next two fiscal years,

the City experienced a decline in sales tax revenue. The current economic challenges facing our country are being felt in the City of St. Charles. While property taxes have increased marginally in FY 09-10 due to an increase in the City's equalized assessed valuation (EAV), property taxes are anticipated to be less in FY 10-11 as the 2009 tax levy resulted in a lower EAV for the City. In addition, other revenues, including state shared taxes, hotel taxes and investment income have decreased. However, there is a bright spot in the City's current and future economic picture, the First St. Redevelopment project. Highlights of the First Street project 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 Supermarket 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
- All phases of the First Street road reconstruction 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
- Parking deck was completed and opened in July 2008
- Former Manor Restaurant demolition/site work for 1 W. Main St has been completed
- Riverwalk construction began September 2008 and was completed summer 2010
- First St. Place (West Plaza) construction was completed summer 2010
- 12,800 square feet of office space and 4,088 square feet of retail space currently occupied in the Plaza Building (Building 4). Currently, over 80% of the office/retail space has been leased. Occupants include an Italian bakery, two restaurants, a jewelry store, a clothing store and two professional service firms.

Major Initiatives

Current Projects

IDOT Projects

- Rt. 64 between 7th 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. The City in FY 10 - 11 has investigated existing utility needs and prepared construction plans for water distribution and sanitary sewer replacement along the IL 64 corridor. To minimize project costs and disruptions to traffic, this utility work will be coordinated with the proposed IDOT project.
- Rt. 64 from Pheasant Run Resort to 38th 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/38th Ave. Construction is anticipated to occur in 2011-2012.

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. The City is anxious for this new County river crossing project to be completed and subsequently measure the impact to reducing traffic congestion in downtown St. Charles.

City Projects

- Fox River Bridge north of Rt. 64 (Red Gate 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 2010. Phase 2 design engineering would follow in 2010-11 with construction most likely in 2011 through 2013.
- Municipal Riverwall and Plaza project located adjacent to the Municipal Downtown Campus – The replacement of the current 70-year old riverwall along the east side of the Fox River began in June 2009. This approximately \$4.0 million project was completed in late May of 2010.
- Construction of Fire Station #1 – Construction of a new fire station adjacent to Century Station began in May 2008. This project was completed and placed in service in early September 2009.
- East Side Lift Station Project – Rehabilitation of the East Side and Riverside Lift Stations began in late fall of 2009. This \$2.4 million project was 50% funded under the American Recovery and Reinvestment Act (ARRA). Of the \$1.2 million in ARRA funds, 50% is in the form of a grant and the other 50% is in the form of a 0% interest loan. The remaining \$1.2 million cost of the project is funded with a 0% loan through the IEPA Wastewater Loan Program. The project is expected to be completed in early fall of 2010.
- Radium Removal Project – This project involves the construction of a building to house radium removal equipment to process and treat raw well water from Wells #3 and #4 in order to reduce radium levels. This will eliminate the current need to blend deep and shallow well water which reduces the capacity of the wells. Construction of this project began in the summer of 2010. It is anticipated the project will be completed in July of 2011. The \$6.3

million project is funded with a low-interest loan from the IEPA Water Supply Loan Program.

Future Projects

Enterprise Resource Planning (ERP) Project

- In late 2007, the City began the long and involved process of searching for a software solution to replace the City's current 25 year old financial and budget software. The City made the decision that an Enterprise Resource Planning (ERP) system would best meet the City's needs. The selection process included engaging the Government Finance Officers Association to assist with the ERP vendor selection. After a multi-year effort that included soliciting proposals; analyzing and grading the six proposals received; selecting three vendors for on-site demonstrations; and elevating two vendors for further discovery; the City selected Lawson software as its ERP solution provider. In August 2010, City Council approved the ERP contracts. Implementation of the ERP software will take place over a two-year period beginning in the fall 2010.

Financial Policies

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

Cash Management. Cash temporarily idle during the year was invested in demand deposits, time deposits, U.S. Treasury bills, notes, U.S. Agency obligations, the Illinois Metropolitan Investment Fund and the Illinois State Treasurer's Pool. The City's finance department records fire pension fund investments; however, the Fire Pension Board of Trustees maintains control of these moneys independent of the City Council. The police pension fund investments are under a money manager and are governed by the Police Pension Board of Trustees. In addition, the Police Pension Board maintains accounting and participant records for the Police Pension Fund. 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 0% of the City's portfolio. This calculation excludes Police or Fire Pension and restricted investments. Approximately 76% of the portfolio matures in less than 1 year and the remaining 24% matures in less than 3 years. The current rate of return on City investments is 0.5587% as of April 30, 2010. 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. The City built upon its previously established safety committees by developing more focused committees, including an Administrative Safety Committee and division-wide committees in Public Works. In addition, the City routinely provides safety and accident investigations training for personnel. To further address employee safety and well-being, the City has created a 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. The State of Illinois and City policy dictate that an annual audit be performed of the financial statements of the City. The City engaged the independent accounting firm of Sikich LLP to render an opinion on the financial statements. All requirements have been completed relative to the audit and the report of independent public 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, 2009. This was the 24th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City satisfied both generally accepted accounting principles and applicable legal requirements.

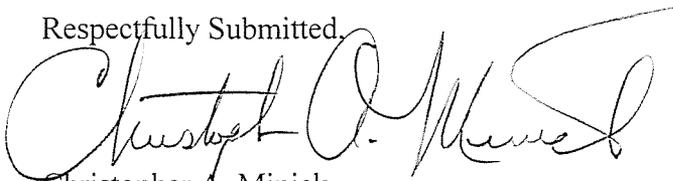
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

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

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

Respectfully Submitted,

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

Christopher A. Minick
Finance Director

FINANCIAL SECTION



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, 2010, 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, 2010, 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 15, 2010 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. We also have previously audited, in accordance with auditing standards generally accepted in the United States, the City's basic financial statements for the year ended April 30, 2009, which are not presented with the accompanying financial statements. In our report dated August 31, 2009, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. In our opinion, the schedule of revenues, expenditures and changes in fund balances budget versus actual last year actual are fairly stated in all material respects in relation to the basic financial statements for the year ended April 30, 2009, 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 15, 2010

A handwritten signature in black ink, appearing to read "A. M. 2010", is located to the right of the date.

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

City of St. Charles, Illinois

Management's Discussion and Analysis

April 30, 2010

As management of the City of St. Charles (the "City"), we offer readers of the Comprehensive Annual Financial Report (CAFR) this narrative overview and analysis of the financial activities of the City for the fiscal year ended April 30, 2010. Since the Management's Discussion and Analysis (MD & A) is designed to focus on the City's current year activities, changes in the City's financial position and identify any material deviations from approved budget and financial plans, it should be read in conjunction with the Transmittal Letter and the City's financial statements.

Financial Highlights

- The City's total assets decreased \$9.0 million or 2.37% for the fiscal year ending April 30, 2010. The governmental activities total assets decreased \$3.6 million (1.50%) while business-type activities total assets decreased \$5.4 million (3.81%).
- The City's total liabilities decreased \$5.9 million or 3.89% for the fiscal year ending April 30, 2010. Governmental activities total liabilities decreased \$4.8 million (3.98%) while business-type activities total liabilities decreased \$1.1 million (3.53%).
- The City's total net assets decreased by \$3.1 million (1.36%) compared to fiscal year 2009. Governmental activities net assets increased by \$1.2 million (1.07%) while net assets for business-type activities decreased \$4.3 million (3.89%).
- The City's total revenues were \$0.2 million (0.17%) less than the prior fiscal year. Governmental activities revenue decreased by \$0.6 million (1.63%) while business-type activities revenue increased by \$0.4 million (1.08%).
- Total expenses of the City decreased by \$11.5 million (1.08%) with governmental expenses decreasing \$10.9 million (20.97%) and business-type activities expenses decreasing by \$0.6 million (1.12%).

Overview of the Financial Statements

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

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

Government-Wide Financial Statements

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

The *Statement of Net 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 statement is intended to summarize and simplify the analysis of the cost of various governmental services and/or subsidy to various business-type activities.

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

Fund Financial Statements

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

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

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

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

statements. By comparing statements, users may better understand the long-term impact of the government's near-term financing decisions.

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

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

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

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

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

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

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

Financial Analysis of the City as a Whole

Statement of Net 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 \$224.4 million as of April 30, 2010. The following table reflects the condensed Statement of Net Assets:

Statement of Net Assets
As of April 30, 2010
(In Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Assets						
Current & Other Assets	\$70.6	\$74.0	\$19.6	\$29.0	\$90.2	\$103.0
Capital Assets	162.3	162.5	117.8	113.8	280.1	276.3
Total Assets	232.9	236.5	137.4	142.8	370.3	379.3
Liabilities						
Current & Other Liabilities	22.0	23.6	5.2	5.2	27.2	28.8
Long-Term Liabilities	93.8	97.0	24.9	26.0	118.7	123.0
Total Liabilities	115.8	120.6	30.1	31.2	145.9	151.8
Net Assets						
Invested in Capital Assets, Net of Debt	95.2	99.6	94.5	89.8	189.7	189.4
Restricted	21.3	13.2	0.0	0.0	21.3	13.2
Unrestricted	0.6	3.1	12.8	21.8	13.4	24.9
Total of Net Assets	\$117.1	\$115.9	\$107.3	\$111.6	\$224.4	\$227.5

The City has several outstanding bonds that were issued for the purpose of funding Tax Increment Financing (TIF) activities. These issues include: \$2,860,000 G. O. Bonds Series 2002 (\$2,175,000 as of April 30, 2010); \$4,435,000 G. O. Bonds Series 2003 (\$3,665,000 as of April 30, 2010); \$10,000,000 G.O. Bond Series 2006 (\$10,000,000 as of April 30, 2010); \$4,470,000 G.O. Bond Series 2007A (\$4,470,000 as of April 30, 2010); \$3,530,000 G.O. Bond Series 2007C (\$3,530,000 as of April 30, 2010) and \$10,810,000 G.O. Bond Series 2008A (\$10,810,000 as of April 30, 2010). Of these bond issues, approximately \$30.9 million was used to fund capital assets related to the First Street Redevelopment Project. The remaining debt was not used to produce a capital asset that is owned by the City, and the City

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

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 results from this treatment.

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

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, assets exceeded liabilities by \$224.4 million as of April 30, 2010. At \$189.7 million, 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 next largest portion of the City's net assets are restricted assets in the amount of \$21.3 million. Restricted net assets represents resources that are subject to restrictions as shown below:

Net assets restricted for:	
Retirement Obligations	\$483,086
Ambulance Service	1,091
Mental Health	75,681
Special Service Areas	212
Community Development	16,491,054
Highways and Streets	2,425,370
Public Safety	199,914
Debt Service	1,633,070
Total	\$21,309,478

The final portion of the City's net assets are unrestricted net assets in the amount of \$13.4 million, which can be used to finance the City's day-to-day operations.

Normal Impacts – Statement of Net Assets - 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.

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

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 decreased from \$227.5 million to \$224.4 million. Net assets of the City's governmental activities increased by \$1.2 million during the year and ended the year at \$117.1 million.

The net assets of business-type activities decreased by \$4.3 million during the year and ended the year at \$107.3 million. Unrestricted net assets, available to finance the continuing operation of its business-type activities, were \$12.8 million. Business-type activities include electric, water, sewer, and refuse utilities. The annual operating cost of these services for fiscal year 2010 was approximately \$55.4 million.

The increase in net assets of the governmental activities in the amount of \$1.2 million was the result of a combination of a decrease in total assets of \$3.6 million plus a decrease in total liabilities of \$4.8 million.

The decrease in the net assets of the business-type activities of \$4.3 million was the result of a combination of a decrease in total assets of \$5.4 million plus a decrease in total liabilities of \$1.1 million.

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

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, 2010
(In Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Revenues						
Program Revenues						
Charges for Service	\$3.4	\$3.4	\$48.5	\$48.6	\$51.9	\$52.0
Operating Grants	1.0	1.1	0.0	0.0	1.0	1.1
Capital Grants	0.4	0.1	0.6	0.0	1.0	0.1
General Revenues						
Property Tax/Replacement Tax	14.0	13.2	0.0	0.0	14.0	13.2
Other Taxes	21.9	22.9	0.0	0.0	21.9	22.9
Other	0.8	1.4	0.8	0.9	1.6	2.3
Total Revenues	41.5	42.1	49.9	49.5	91.4	91.6
Expenses						
General Government	2.9	3.2	0.0	0.0	2.9	3.2
Public Health/Safety	20.9	21.2	0.0	0.0	20.9	21.2
Public Works	11.3	14.8	0.0	0.0	11.3	14.8
Comm. Develop	2.0	9.2	0.0	0.0	2.0	9.2
Interest	3.9	3.5	0.0	0.0	3.9	3.5
Electric	0.0	0.0	43.9	43.8	43.9	43.8
Water	0.0	0.0	4.1	4.7	4.1	4.7
Sewer	0.0	0.0	6.8	6.8	6.8	6.8
Refuse	0.0	0.0	0.6	0.7	0.6	0.7
Total Expenses	41.0	51.9	55.4	56.0	96.4	107.9
Excess Before Contributions and Transfers	0.5	(9.8)	(5.5)	(6.5)	(5.0)	(16.3)
Contributions	1.5	1.2	0.4	0.3	1.9	1.5
Transfers	(0.8)	0.3	0.8	(0.3)	0.0	0.0
Change in Net Assets	1.2	(8.3)	(4.3)	(6.5)	(3.1)	(14.8)
Prior Period Adjustment	0.0	0.0	0.0	(2.5)	0.0	(2.5)
Ending Net Assets	\$117.1	\$115.9	\$107.3	\$111.6	\$224.4	\$227.5

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

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

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

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

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

Expenses:

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

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

Salary Increases – the ability to attract and retain human and intellectual resources requires the City to strive to maintain a competitive compensation and benefits package relative to the marketplace.

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 compared to the overall inflation rate.

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

Governmental Activities

Revenue:

Total revenues decreased \$0.6 million, from \$42.1 million to \$41.5 million. The governmental activities program revenues increased \$0.2 million from \$4.6 to \$4.8 million. The governmental activities general revenues decreased \$0.8 million from \$37.5 to \$36.7 million. Other taxes under General revenues decreased \$1.0 million from FY 08/09. Examples of other taxes include sales and use taxes (decreased by \$.4 million). Other general revenues also decreased from FY 08-09 to FY 09-10 by \$0.6 million, mainly due to a decrease in investment income of over \$0.5 million.

Expenses:

Total expenses of governmental activities decreased by \$10.9 million from \$51.9 million to \$41.0 million. The \$41.0 million consists of actual expenditures for the general fund and other governmental funds (\$47.3 million), the amount of the capital assets subtracted out (\$6.9 million), the amount of depreciation added (\$3.5 million), plus the net loss of the internal service funds (\$0.6 million), plus the change in the OPEB liability (\$1.0 million) less the change in long-term debt and compensated absences (\$4.5 million). The \$10.9 million decrease in governmental activities expenses is mainly due to a decrease in Community Development expenses of \$7.2 million. These expenses from last fiscal year were from an economic incentive package that included the issuance of \$8,935,000 in Sales Tax Revenue Bonds. The remaining \$3.7 million decrease is mainly due to a decrease in public works capital projects offset by a slight increase in interest expense.

Business Type Activities

Revenues:

Operating revenues from business-type activities were slightly lower than in the previous fiscal year. Even though utility rates increased 6% in the Electric Fund and 3% in the Water and Sewer Funds as of the end of June 2009, a decrease in usage and consumption negated a majority of the rate increase. Capital grant revenue increased \$0.6 million from FY 08-09 due to a federal grant the City received under the American Recovery and Reinvestment Act (ARRA) for the East Side/Riverside Lift Station Rehabilitation project.

Expenses:

Operating expenses from all business-type activities decreased by \$0.6 million from \$56.0 to \$55.4 million, a 1.0% decrease from the prior fiscal year. While wholesale power costs increased slightly during the fiscal year; this increase was partially offset by decreases in other operating accounts as a result of the eight percent reduction in operating budgets that was mandated for the FY 09-10 budget. This reduction effort was applied to all departmental budgets.

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

Financial Analysis of the Funds

Governmental Funds – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year. For the fiscal year ended April 30, 2010, the Governmental Funds reported a combined ending fund balance of \$41.9 million. This represents a decrease of \$2.3 million over the prior year.

General Fund - 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 \$18.3 million, while total fund balance was \$22.6 million. It may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 57.0 percent of the total General Fund expenditures, while total fund balance represents 71.0 percent of that same amount.

General Fund Budgetary Highlights
For the Fiscal Year Ended April 30, 2010

	Original Budget	Amended Budget	Actual
Revenues/Other Sources			
Taxes	\$36,742,402	\$36,742,402	\$33,687,233
Licenses & Permits	413,020	414,520	422,200
Charges for Services	2,239,270	2,250,184	2,571,116
Grants	480,000	482,265	200,196
Other	1,211,250	1,260,205	1,094,751
Transfers	0	0	3,000,000
Total Revenues/Other Sources	\$41,085,942	\$41,149,576	\$40,975,496
Expenditures/Transfers			
General Government	\$3,124,025	\$3,273,295	\$2,796,052
Public Health/Safety	21,307,395	21,628,795	19,748,449
Public Works	8,525,326	9,213,663	7,405,741
Comm. Develop	2,077,183	2,139,255	1,925,440
Debt Service	84,658	84,658	84,660
Transfers	6,023,437	5,879,622	5,726,926
Total Expenditures/Transfers	\$41,142,024	\$42,219,288	\$37,687,268
Change in Fund Balance	(\$56,082)	(\$1,069,712)	\$3,288,228

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

The General Fund results were due to the combination of General Fund revenues being below expectations by \$174,080 while expenditures were less than the final budget by \$4,532,020.

General Fund Revenues - Actual taxes received were less than budget by \$3,055,169 mainly due to Municipal Sales and Use tax collections being below budget by \$2,116,273. This decline in sales tax collections is a direct result of the current state of the national and local economy. The decrease in taxes was substantially offset by an increase in actual transfers over budget by \$3,000,000. This \$3,000,000 transfer was the result of the elimination of the inter-fund liability between the General Fund and the Sewer and Electric Funds due to the completion of sewer and electric infrastructure for the First Street Redevelopment Project.

General Fund Expenditures - The majority of the positive budget variance is mainly attributable to timing differences in capital projects as well as actual contractual services expenses being less than anticipated. In addition, several positions that were vacated during the fiscal year were not filled in response to the current economic conditions the City is facing. There were also positive variances in materials and supplies and capital outlay purchases.

Budgetary Controls and Revisions. The City's budgetary operations are governed by the Budget Law as provided for in the Illinois Compiled Statutes and are administered by the Director of Finance. Under the Budget Law no appropriation is required to be passed and an annual budget must be adopted prior to the beginning of the fiscal year funds 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, 2010 amounts to \$280,069,901 (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 \$3,700,673.

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

Capital Assets
As of April 30, 2010

	Governmental		Business-Type		Total	
	Activities		Activities			
	2010	2009	2010	2009	2010	2009
Land & Right of Way	\$58.5	\$58.5	\$1.2	\$1.2	\$59.7	\$59.7
Construction in Progress	6.9	14.7	1.4	0.6	8.3	15.3
Bldgs. and Improvements	59.8	49.3	132.7	129.9	192.5	179.2
Infrastructure	103.9	102.7	58.3	53.3	162.2	156.0
Machinery, Vehicles and Equipment	12.5	12.5	10.1	9.8	22.6	22.3
Less:						
Accumulated Depreciation	(79.3)	(75.2)	(85.9)	(80.9)	(165.2)	(156.1)
Total:	\$162.3	\$162.5	\$117.8	\$113.9	\$280.1	\$276.4

Major capital asset events during 2010 included the following:

- The completion of Fire Station #1 construction at a total cost of \$5,634,263, of which \$3,791,870 was reported in Construction in Progress as of the prior fiscal year end.
- The completion of public infrastructure assets relating to the First Street Redevelopment Project in the combined amount of \$8,734,647, of which \$8,141,618 had been reported in Construction in Progress at the end of the previous fiscal year. These assets included water lines, sewer lines, electric infrastructure, a riverwalk and a public plaza area.
- Construction of the East Side and Riverside Lift Station project began during the fiscal year. As of year end, \$1,008,507 was recorded in Construction in Progress for this project.

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 \$110,918,175 (excluding compensated absences and net pension obligations). Of this amount, \$87,875,000 comprises general obligation bonds backed by the full faith and credit of the City of St. Charles. The City also issues general obligation bonds and notes where it pledges incremental tax income derived from separately created tax increment financing (TIF) districts in addition to the general obligation pledge. This TIF district debt represents \$39,140,000 of the total debt outstanding. In addition, the City has \$13,926,307 in IEPA loans and \$181,868 in installment

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

contracts. For information regarding the City's debt, see note 6 in the notes to the financial statements.

During fiscal year 2010, the City issued General Obligation refunding bonds in the amount of \$6,695,000. This bond issue refunded four separate bond issues, including one TIF bond issue. The refunding issue has a ten year maturity schedule and is estimated to save the City almost \$475,000 in debt service costs.

Also during fiscal year 2010, the City was approved for two low interest IEPA loans. The first loan is to fund the East Side/Riverside Lift Station Rehabilitation Project, as mentioned previously. One half of the project's \$2.4 million cost was funded by ARRA funds, of which one half is a grant and the other half is a no interest loan. The remainder of the project is funded with a no interest loan from the IEPA. The project is expected to be completed in the early fall of 2010. As of the end of the fiscal year, \$310,528 had been recognized as a loan payable. The other low interest IEPA loan is for the \$6.3 million radium removal project which began construction in the summer of 2010. As of the end of the fiscal year, \$240,000 in engineering design costs had been incurred which resulted in a loan payable for the same amount.

Economic Factors and Next Year's Budget and Rates

The City's composition is primarily residential with a smaller commercial and industrial component. The property tax revenue derived from the residential, commercial, and industrial properties has been historically stable over the last five years. In fact, through the 2008 tax levy year, which was collected during FY 09-10, the City's Equalized Assessed Valuation has increased every year. For FY 09-10, property tax revenue increased \$0.8 million, or 6.13% from the prior year. Other major sources of revenue including sales tax revenues, hotel tax revenues and state shared income tax revenues all decreased from the prior year.

The unemployment rate for the City is currently 8.7%, which is an increase from a rate of 6.5% at the end of the prior fiscal year.

The fiscal year 2011 budget includes a slight increase in property tax revenues. Other revenues are anticipated to be at the same level or below FY 09-10 actual results. The fiscal 2011 budget does reflect a new revenue source. A 2% alcohol tax was approved by City Council which will go into effect on June 1. This new tax is estimated to result in \$890,000 in additional revenue to the General Fund. Electric rates are set to increase 6% during the next fiscal year while water and sewer rates will increase by 3.0%.

On the expenditure side of the fiscal 2011 budget, all departments were required to reduce their proposed budgets by 3%. This is in addition to the 10% reductions that were incorporated into the fiscal 2011 budget during the fiscal 2010 budget process. Budget cuts that were made during the fiscal 2010 budget will be maintained in the fiscal 2011 budget, including reducing training and travel and reducing non-essential services. Other budgetary impacts include eliminating funding for positions that had been vacated due to the voluntary retirement incentive package that was offered by the City as well as eliminating funding for

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

eight additional positions that were authorized but unfilled. In addition, a number of planned capital projects were either eliminated or deferred.

As the economic conditions the City is facing appear to be more of a long-term nature, the City is looking at efforts to create a sustainable financial plan for the City's future. This effort, known as the City of St. Charles Sustainability Initiative, began in earnest in June of 2010. This initiative involved a City wide campaign to solicit ideas and suggestions that will identify new revenues, identify opportunities for increased efficiencies, identify underutilized resources, and identify services that should be discontinued. The suggestions received will be carefully reviewed and analyzed prior to presentation to City Council in late fall of 2010.

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.

City of St. Charles, Illinois

Statement of Net Assets

April 30, 2010

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 46,099,977	\$ 12,437,828	\$ 58,537,805
Restricted Cash and Investments	-	459,066	459,066
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	13,965,039	23,556	13,988,595
Accounts Receivable	39,357	4,503,730	4,543,087
Miscellaneous	889,335	625,563	1,514,898
Prepaid Items	696,958	121,452	818,410
Internal Balances	(1,233,272)	1,233,272	-
Due from Other Governments	5,677,743	-	5,677,743
Due from Fiduciary Funds	292,361	-	292,361
Inventory	2,822,831	54,614	2,877,445
Deferred Charges	1,215,849	168,099	1,383,948
Net Pension Asset	139,609	-	139,609
Capital Assets Not Being Depreciated	65,365,763	2,613,705	67,979,468
Capital Assets (Net of Accumulated Depreciation)	96,947,528	115,142,905	212,090,433
 Total Assets	 232,919,078	 137,383,790	 370,302,868
LIABILITIES			
Accounts Payable	1,621,373	3,231,247	4,852,620
Claims Payable	1,565,217	391,479	1,956,696
Contracts Payable	69,926	71,298	141,224
Accrued Salaries	687,486	166,858	854,344
Accrued Interest Payable	1,501,852	288,219	1,790,071
Escrows and Refundable Deposits	2,388,114	1,049,329	3,437,443
Unearned Revenue			
Property Taxes	13,965,039	23,556	13,988,595
Other Unearned Revenue	164,648	-	164,648
Long-Term Liabilities			
Due Within One Year	7,521,413	2,661,374	10,182,787
Due in More than One Year	86,300,950	22,219,895	108,520,845
 Total Liabilities	 115,786,018	 30,103,255	 145,889,273
NET ASSETS			
Invested in Capital Assets Net of Related Debt	95,258,795	94,444,575	189,703,370
Restricted For:			
Retirement Obligations	483,086	-	483,086
Ambulance Service	1,091	-	1,091
Mental Health	75,681	-	75,681
Special Service Areas	212	-	212
Community Development	16,491,054	-	16,491,054
Highways and Streets	2,425,370	-	2,425,370
Public Safety	199,914	-	199,914
Debt Service	1,633,070	-	1,633,070
Unrestricted	564,787	12,835,960	13,400,747
 Total Net Assets	 \$117,133,060	 \$107,280,535	 \$224,413,595

See accompanying notes to financial statements.

City of St. Charles, Illinois

Statement of Activities

For the Year Ended April 30, 2010

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Capital Grants</u>
<u>Primary Government</u>				
<u>Governmental Activities</u>				
General Government	\$ 2,959,301	\$ 235,721	\$ -	\$ -
Public Health and Safety	20,932,430	2,492,351	152,457	-
Public Works	11,262,837	288,865	828,726	357,245
Community Development	1,990,403	411,719	-	-
Interest	3,872,452	-	-	-
Total Governmental Activities	<u>41,017,423</u>	<u>3,428,656</u>	<u>981,183</u>	<u>357,245</u>
<u>Business-Type Activities</u>				
Electric	43,918,182	39,716,828	-	-
Water	4,037,587	2,800,859	-	-
Sewer	6,803,134	5,514,181	-	601,490
Refuse	608,738	489,325	-	-
Total Business-Type Activities	<u>55,367,641</u>	<u>48,521,193</u>	<u>-</u>	<u>601,490</u>
Total Primary Government	<u>\$ 96,385,064</u>	<u>\$ 51,949,849</u>	<u>\$ 981,183</u>	<u>\$ 958,735</u>

See accompanying notes to financial statements.

City of St. Charles, Illinois

Statement of Activities

For the Year Ended April 30, 2010

	Net (Expense) Revenue and Change in Net Assets		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (2,723,580)	\$ -	\$ (2,723,580)
	(18,287,622)	-	(18,287,622)
	(9,788,001)	-	(9,788,001)
	(1,578,684)	-	(1,578,684)
	(3,872,452)	-	(3,872,452)
	(36,250,339)	-	(36,250,339)
	-	(4,201,354)	(4,201,354)
	-	(1,236,728)	(1,236,728)
	-	(687,463)	(687,463)
	-	(119,413)	(119,413)
	-	(6,244,958)	(6,244,958)
	(36,250,339)	(6,244,958)	(42,495,297)
General Revenues			
Taxes			
Property	13,936,514	-	13,936,514
Personal Property Replacement	88,607	-	88,607
Municipal Sales and Use	14,363,468	-	14,363,468
Electric Franchise Fee	1,885,399	-	1,885,399
Hotel Occupation	1,624,075	-	1,624,075
Telecommunications Fee	1,421,576	-	1,421,576
State Income	2,528,377	-	2,528,377
Other	56,660	-	56,660
Investment Income	222,192	54,556	276,748
Connection Charges	-	448,899	448,899
Miscellaneous	579,114	314,883	893,997
Gain (Loss) on Sale of Capital Assets	14,741	-	14,741
Contributions	1,573,396	287,799	1,861,195
Transfers In (Out)	(798,099)	798,099	-
Total	37,496,020	1,904,236	39,400,256
Change in Net Assets	1,245,681	(4,340,722)	(3,095,041)
Net Assets, May 1	115,887,379	111,621,257	227,508,636
Net Assets, April 30	\$ 117,133,060	\$ 107,280,535	\$ 224,413,595

See accompanying notes to financial statements.

City of St. Charles, Illinois

Balance Sheet

Governmental Funds

April 30, 2010

	<u>General</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
ASSETS			
Cash and Investments	\$17,069,390	\$22,393,214	\$39,462,604
Receivables			
Property Taxes	12,535,896	1,429,143	13,965,039
Accounts Receivable	-	39,357	39,357
Miscellaneous, net	632,800	-	632,800
Prepaid Items	437,547	-	437,547
Due from Other Funds	20,003	392,114	412,117
Due from Fiduciary Funds	292,361	-	292,361
Due from Other Governments	5,608,690	69,053	5,677,743
Advances to Other Funds	2,776,258	76,441	2,852,699
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$39,372,945	\$24,399,322	\$63,772,267
	<hr/>	<hr/>	<hr/>
LIABILITIES			
Accounts Payable	\$ 583,634	\$ 816,374	\$ 1,400,008
Contracts Payable	20,278	49,648	69,926
Accrued Salaries	652,506	-	652,506
Escrows and Refundable Deposits	2,388,114	-	2,388,114
Due to Other Funds	392,114	20,003	412,117
Advances From Other Funds	-	2,776,258	2,776,258
Deferred Revenue			
Property Taxes	12,535,896	1,429,143	13,965,039
Other Deferred Revenue	164,648	-	164,648
	<hr/>	<hr/>	<hr/>
Total Liabilities	16,737,190	5,091,426	21,828,616
	<hr/>	<hr/>	<hr/>
FUND BALANCES			
Reserved for			
Retirement Obligations	483,086	-	483,086
Ambulance Service	1,091	-	1,091
Mental Health	75,681	-	75,681
Special Service Areas	212	-	212
Prepaid Items	437,547	-	437,547
Capital Outlay	539,045	-	539,045
Advances to Other Funds	2,776,258	76,441	2,852,699
Community Development	-	16,491,054	16,491,054
Highways and Streets	-	2,425,370	2,425,370
Public Safety	-	199,914	199,914
Debt Service	-	1,556,629	1,556,629
Unreserved - Designated			
Community Development Debt Service	2,609,932	-	2,609,932
Employer's IMRF/SLEP Obligation	390,068	-	390,068
Unreserved - Undesignated (Deficit)			
General Fund	15,322,835	-	15,322,835
Special Revenue Funds	-	(2,573,701)	(2,573,701)
Capital Project Funds	-	1,132,189	1,132,189
	<hr/>	<hr/>	<hr/>
Total Fund Balances	22,635,755	19,307,896	41,943,651
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	\$39,372,945	\$24,399,322	\$63,772,267
	<hr/>	<hr/>	<hr/>

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, 2010

Fund Balances of Governmental Funds	\$ 41,943,651
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	158,229,373
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	(87,186,930)
Compensated Absences Payable	(3,132,555)
Interest Payable	(1,501,852)
Other Post Employment Benefits	(2,929,121)
Developer Agreement Payable	(358,063)
The net assets of the internal service fund are included in the governmental activities in the statement of net assets	10,713,099
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	1,215,849
The net pension asset is not a current financial resource and, is therefore, not reported in the governmental funds	<u>139,609</u>
Net Assets of Governmental Activities	<u>\$ 117,133,060</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, 2010

	<u>General</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues:			
Property Taxes	\$12,489,985	\$ 1,446,529	\$13,936,514
Personal Property Replacement Taxes	88,607	-	88,607
Municipal Sales and Use Taxes	13,634,270	729,198	14,363,468
Electric Franchise Fee	1,885,399	-	1,885,399
Hotel Occupations Tax	1,582,359	41,716	1,624,075
Telecommunications Fee	1,421,576	-	1,421,576
Admissions Tax	56,660	-	56,660
Licenses and Permits	422,200	-	422,200
Fines and Court Fees	435,340	-	435,340
Grants	200,196	232,244	432,440
Illinois State Income Tax Allotments	2,528,377	-	2,528,377
Motor Fuel Tax Allotments	-	828,725	828,725
Charges for Current Services	2,571,116	-	2,571,116
Investment Income	100,395	121,797	222,192
Miscellaneous	559,016	97,359	656,375
Total Revenues	<u>37,975,496</u>	<u>3,497,568</u>	<u>41,473,064</u>
Expenditures:			
Current-			
General Government	2,796,052	211,127	3,007,179
Public Health and Safety	19,748,449	179,084	19,927,533
Public Works	7,405,741	791,523	8,197,264
Community Development	1,925,440	-	1,925,440
Debt Service-			
Principal	75,732	3,721,704	3,797,436
Interest and Fiscal Charges	8,928	4,099,028	4,107,956
Capital Outlay	-	6,334,564	6,334,564
Total Expenditures	<u>31,960,342</u>	<u>15,337,030</u>	<u>47,297,372</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>6,015,154</u>	<u>(11,839,462)</u>	<u>(5,824,308)</u>
Other Financing Sources (Uses):			
Issuance of Bonds	-	5,481,550	5,481,550
Premium on Bonds	-	161,547	161,547
Payment to Escrow Agent	-	(5,570,590)	(5,570,590)
Proceeds from the Sale of Capital Assets	-	391,993	391,993
Transfers In	3,000,000	7,330,710	10,330,710
Transfers Out	(5,726,926)	(1,526,911)	(7,253,837)
Total Other Financing Sources (Uses)	<u>(2,726,926)</u>	<u>6,268,299</u>	<u>3,541,373</u>
Net Change in Fund Balances	3,288,228	(5,571,163)	(2,282,935)
Fund Balance, May 1	<u>19,347,527</u>	<u>24,879,059</u>	<u>44,226,586</u>
Fund Balance, April 30	<u>\$22,635,755</u>	<u>\$19,307,896</u>	<u>\$41,943,651</u>

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, 2010

Net Change in Fund Balances -	
Total Governmental Funds	\$ (2,282,935)
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	6,933,971
Contributions of capital assets are reported only in the statement of activities	1,573,396
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	(377,252)
Transfer of capital assets from the governmental activities to the enterprise funds	(4,172,003)
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	(5,481,550)
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	3,797,436
The payment to advance refund a portion of long-term debt was reported as an other financing use in governmental funds but as a reduction of principal outstanding in the statement of activities	5,655,273
The change in compensated absences is an increase of expenses on the statement of activities	101,563
The premium on bonds issued is an other financing source in governmental funds but is amortized on the statement of activities	(161,547)
The amortization of bond discount and premium is not reported as an expenditure in governmental funds	8,095
The bond issuance costs are an expenditure on the governmental funds but are amortized on the statement of activities	70,427
The amortization of bond issuance costs is not reported as an expenditure in governmental funds	(75,494)
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	142,726
The change in other post employment benefit payable is reported as an expense on the statement of activities	(1,022,470)
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	(3,502,796)
The change in payable to developers is a decrease of expenses on the statement of activities	358,062
The addition (reduction) in net assets of certain activities of internal service funds is included in governmental funds	(282,598)
The change in net pension asset is not a current financial resource and, therefore, is not reported in the governmental funds	(17,255)
Change in Net Assets of Governmental Activities	\$ 1,245,681

See accompanying notes to financial statements.

City of St. Charles, Illinois

Statement of Net Assets

Proprietary Funds

April 30, 2010

	Business-Type Activities					Governmental
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Fund (Refuse)	Total	Internal
						Service Funds
Current Assets						
Cash and Investments	\$ 50,447	\$ 5,353,079	\$ 6,806,541	\$ 227,761	\$ 12,437,828	\$ 6,637,373
Restricted Cash and Investments	370,508	88,558	-	-	459,066	-
Receivables-						
Property Tax	23,556	-	-	-	23,556	-
Billed	669,142	348,222	242,919	24,360	1,284,643	-
Unbilled	2,644,403	187,474	390,913	36,055	3,258,845	-
Allowance for Doubtful Accounts	(33,758)	(2,000)	(3,000)	(1,000)	(39,758)	-
Miscellaneous, net	21,103	2,526	601,834	100	625,563	256,535
	3,324,446	536,222	1,232,666	59,515	5,152,849	256,535
Prepaid Expenses	68,410	23,275	29,767	-	121,452	259,410
Due From Other Funds	-	1,375,000	-	-	1,375,000	-
Advance To Other Funds	1,233,272	-	-	-	1,233,272	-
Deferred Charges	81,123	49,990	36,986	-	168,099	-
Inventory	54,614	-	-	-	54,614	2,822,831
Total Current Assets	5,182,820	7,426,124	8,105,960	287,276	21,002,180	9,976,149
Capital Assets						
Capital Assets Not Being Depreciated	991,180	404,472	1,218,053	-	2,613,705	-
Capital Assets Being Depreciated	94,465,161	33,508,067	73,004,941	163,687	201,141,856	8,719,181
Accumulated Depreciation	(36,711,136)	(15,839,191)	(33,325,408)	(123,216)	(85,998,951)	(4,635,263)
Net Capital Assets	58,745,205	18,073,348	40,897,586	40,471	117,756,610	4,083,918
Total Assets	63,928,025	25,499,472	49,003,546	327,747	138,758,790	14,060,067
Current Liabilities						
Accounts Payable	2,821,581	34,358	346,162	29,146	3,231,247	221,365
Claims Payable	305,435	-	86,044	-	391,479	1,565,217
Contracts Payable	-	-	71,298	-	71,298	-
Accrued Salaries	89,795	35,122	41,941	-	166,858	34,980
Accrued Interest Payable	96,326	29,958	161,935	-	288,219	-
Escrows and Customer Deposits	257,103	634,462	157,764	-	1,049,329	-
Due to Other Funds	1,375,000	-	-	-	1,375,000	-
Advances from Other Funds	-	-	-	-	-	1,309,713
Accrued Compensated Absences	287,705	201,591	132,443	-	621,739	90,987
General Obligation Bonds Payable	719,012	65,000	75,000	-	859,012	-
IEPA Loan Payable	-	-	1,180,623	-	1,180,623	-
Unearned Revenue						
Property Tax	23,556	-	-	-	23,556	-
Total Current Liabilities	5,975,513	1,000,491	2,253,210	29,146	9,258,360	3,222,262
Long-Term Liabilities						
General Obligation Bonds Payable	5,586,782	1,640,000	1,710,000	-	8,936,782	-
Unamortized Discount/Premium on GO Bonds Payable	28,489	15,052	5,459	-	49,000	-
IEPA Loan Payable	-	240,000	12,505,684	-	12,745,684	-
Net OPEB Obligation	141,854	176,010	170,565	-	488,429	124,706
Total Long-Term Liabilities	5,757,125	2,071,062	14,391,708	-	22,219,895	124,706
Total Liabilities	11,732,638	3,071,553	16,644,918	29,146	31,478,255	3,346,968
Net Assets						
Invested in Capital Assets Net of Related Debt	52,781,430	16,201,854	25,420,820	40,471	94,444,575	4,083,918
Unrestricted	(586,043)	6,226,065	6,937,808	258,130	12,835,960	6,629,181
Total Net Assets	\$52,195,387	\$22,427,919	\$32,358,628	\$ 298,601	\$107,280,535	\$10,713,099

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, 2010

	Business-Type Activities				Governmental	
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Fund (Refuse)	Total Enterprise Funds	Internal Service Funds
Operating Revenues:						
Charges for Services, net	\$39,267,298	\$ 2,781,408	\$ 5,493,989	\$ 489,325	\$48,032,020	\$ 2,233,347
Insurance Premiums	-	-	-	-	-	5,047,586
Sale of Inventory	-	-	-	-	-	2,576,794
Miscellaneous Revenues	449,530	19,451	20,192	-	489,173	882,114
Total Operating Revenues	39,716,828	2,800,859	5,514,181	489,325	48,521,193	10,739,841
Operating Expenses:						
Administration	2,553,293	1,843,622	2,632,467	86,711	7,116,093	1,257,161
Operations	37,170,480	1,286,241	2,193,506	519,267	41,169,494	9,432,885
Provision for Depreciation	4,106,731	859,275	1,546,138	11,550	6,523,694	666,353
Total Operating Expenses	43,830,504	3,989,138	6,372,111	617,528	54,809,281	11,356,399
Operating Income (Loss)	(4,113,676)	(1,188,279)	(857,930)	(128,203)	(6,288,088)	(616,558)
Non-Operating Revenues (Expenses)						
Gain on Sale of Property	178,790	24,379	-	8,790	211,959	1,600
Pole Rental	65,894	-	-	-	65,894	-
Grants	-	-	601,490	-	601,490	-
Investment Income	4,835	21,365	27,797	559	54,556	35,327
Connection Charges	63,092	89,446	296,361	-	448,899	-
Rental Income	-	62,657	-	5,080	67,737	-
Interest Expense	(266,468)	(72,828)	(431,023)	-	(770,319)	-
Other Income	118,675	41,869	18,582	2,126	181,252	-
Non-Operating Revenues, net	164,818	166,888	513,207	16,555	861,468	36,927
Net Income (Loss) Before Transfers	(3,948,858)	(1,021,391)	(344,723)	(111,648)	(5,426,620)	(579,631)
Transfers In	1,527,951	758,898	2,079,640	154,442	4,520,931	300,515
Transfers Out	(1,364,618)	(123,630)	(2,234,584)	-	(3,722,832)	(3,482)
Net Income (Loss)	(3,785,525)	(386,123)	(499,667)	42,794	(4,628,521)	(282,598)
Contributions	-	211,958	75,841	-	287,799	-
Change in Net Assets	(3,785,525)	(174,165)	(423,826)	42,794	(4,340,722)	(282,598)
Net Assets, May 1	55,980,912	22,602,084	32,782,454	255,807	111,621,257	10,995,697
Net Assets, April 30	\$52,195,387	\$22,427,919	\$32,358,628	\$ 298,601	\$107,280,535	\$10,713,099

See accompanying notes to financial statements.

City of St. Charles, Illinois

Statement of Cash Flows

Proprietary Funds

For the Year Ended April 30, 2010

	Business Type Activities					Governmental
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Funds (Refuse)	Total	Internal Service Funds
Cash Flows from Operating Activities						
Receipts from Customers and Users	\$ 39,525,927	\$ 2,541,727	\$ 4,913,644	\$ 489,685	\$ 47,470,983	\$ -
Receipts from Interfund Users		-	-	-	-	9,511,874
Receipts from Miscellaneous Revenues	162,170	104,526	18,582	7,206	292,484	1,006,968
Payments to Suppliers	(37,157,878)	(1,324,173)	(1,928,041)	(527,388)	(40,937,480)	(8,994,686)
Payments to Employees	(592,469)	(1,212,189)	(1,520,539)	(3,250)	(3,328,447)	(1,252,716)
Payments to Other Funds	(1,761,695)	(790,939)	(1,169,535)	(83,461)	(3,805,630)	-
Net Cash from Operating Activities	176,055	(681,048)	314,111	(117,208)	(308,090)	271,440
Cash Flows from Noncapital Financing Activities						
Due to/from Other Funds	1,375,000	(1,375,000)	-	-	-	-
Connection Charges	63,092	89,446	296,361	-	448,899	-
Property taxes	23,544	-	-	-	23,544	-
Transfers In	194,486	-	-	154,442	348,928	300,514
Transfers Out	(364,618)	(123,630)	(234,584)	-	(722,832)	(38,582)
Net Cash From Noncapital Financing Activities	1,291,504	(1,409,184)	61,777	154,442	98,539	261,932
Cash Flows from Capital and Related Financing Activities						
Capital Assets Purchased	(4,594,267)	(446,586)	(930,382)	-	(5,971,235)	(4,368)
Proceeds on Sale of Capital Assets	178,790	24,379	-	8,790	211,959	1,600
Grants Received	-	-	601,490	-	601,490	-
Proceeds of Long-Term Debt	-	240,000	310,528	-	550,528	-
Principal Payments on Long-Term Debt	(598,296)	(60,000)	(1,222,104)	-	(1,880,400)	-
Interest Payments on Long-Term Debt	(302,227)	(71,913)	(438,363)	-	(812,503)	-
Net Cash from Capital and Related Financing Activities	(5,316,000)	(314,120)	(1,678,831)	8,790	(7,300,161)	(2,768)
Cash Flows from Investing Activities						
Purchase of Investment Securities	(783,315)	(4,003,894)	(1,308,396)	-	(6,095,605)	(2,601,635)
Proceeds from Sale and Maturities of Investment Securities	1,167,701	6,563,586	2,542,403	-	10,273,690	987,011
Interest Received	4,835	36,053	42,485	559	83,932	27,323
Net Cash from Investing Activities	389,221	2,595,745	1,276,492	559	4,262,017	(1,587,301)
Net Increase (Decrease) in Cash and Cash Equivalents	(3,459,220)	191,393	(26,451)	46,583	(3,247,695)	(1,056,697)
Cash and Cash Equivalents, May 1	554,335	196,736	2,440,086	181,178	3,372,335	5,077,086
Cash and Cash Equivalents, April 30	\$ (2,904,885)	\$ 388,129	\$ 2,413,635	\$ 227,761	\$ 124,640	\$ 4,020,389

(This statement is continued on the following page.)

City of St. Charles, Illinois

Statement of Cash Flows

Proprietary Funds

For the Year Ended April 30, 2010

	Business Type Activities				Total	Governmental
	Electric Fund	Water Fund	Sewer Fund	Other Nonmajor Enterprise Funds (Refuse)		Internal Service Funds
Cash and Investments						
Cash and Cash Equivalents	\$ (2,904,885)	\$ 388,129	\$ 2,413,635	\$ 227,761	\$ 124,640	\$ 4,020,390
Investments	3,325,841	5,053,508	4,392,906	-	12,772,255	2,616,983
Total Cash and Investments	\$ 420,956	\$ 5,441,637	\$ 6,806,541	\$ 227,761	\$ 12,896,895	\$ 6,637,373
Noncash Transactions						
Contributions of Capital Assets from Developers	\$ -	\$ 211,958	\$ 75,841	\$ -	\$ 287,799	\$ -
Transfer of property, plant, and equipment from governmental activities to business type activities	1,333,465	758,898	2,079,640	-	4,172,003	-
GO Refunding Bonds General Obligation	1,213,450	-	-	-	1,213,450	-
Total Noncash Transactions	\$ 2,546,915	\$ 970,856	\$ 2,155,481	\$ -	\$ 5,673,252	\$ -
Cash Flows from Operating Activities						
Operating Income (Loss)	\$ (4,113,676)	\$ (1,188,279)	\$ (857,930)	\$ (128,203)	\$ (6,288,088)	\$ (616,558)
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities						
Depreciation	4,106,731	859,275	1,546,138	11,550	6,523,694	666,353
Other Non-Operating Revenues	162,170	104,526	18,582	7,206	292,484	-
Changes in Assets and Liabilities						
Receivables	(186,486)	(260,411)	(600,855)	360	(1,047,392)	(220,998)
Inventory	-	-	-	-	-	226,781
Prepays	(20,832)	(2,795)	3,490	-	(20,137)	15,683
Accounts and Claims Payable	143,997	(271,073)	168,063	(8,121)	32,866	135,563
Accrued Salaries	10,967	1,607	4,074	-	16,648	(887)
Accrued Compensated Absences	2,741	4,209	(46,457)	-	(39,507)	4,233
Net OPEB Obligation	74,858	70,614	78,688	-	224,160	61,270
Customer Deposits	(4,415)	1,279	318	-	(2,818)	-
Net Cash from Operating Activities	\$ 176,055	\$ (681,048)	\$ 314,111	\$ (117,208)	\$ (308,090)	\$ 271,440

See accompanying notes to financial statements.

City of St. Charles, Illinois
Statement of Fiduciary Net Assets
Fiduciary Funds
April 30, 2010

	Pension Trust Funds	Agency Funds
Assets		
Cash and Short-Term Investments	\$ 3,634,836	\$ 2,134,025
Investments, at Fair Value		
U.S. Treasury and Agency Securities	21,681,665	-
Mutual Funds	9,244,615	-
Equity Securities	11,341,096	-
Receivables		
Accounts Receivable	3,657	757,671
Accrued Interest on Investments	109,005	-
	46,014,874	\$ 2,891,696
Liabilities		
Accounts Payable	16,875	28,761
Due to Other Funds	-	292,361
Due to Other Governments	-	2,472,862
Due to Bondholders	-	97,712
	16,875	\$ 2,891,696
Net Assets Held In Trust		
For Pension Benefits	\$45,997,999	

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, 2010

Additions:	
Contributions -	
Employer	\$2,315,695
Employee	824,439
Total Contributions	<u>3,140,134</u>
Investment Income -	
Net Appreciation in the	
Fair Value of Investments	5,658,749
Interest	1,050,108
Total Investment Income	<u>6,708,857</u>
Less Investment Expense	<u>(278,127)</u>
Net Investment Income	<u>6,430,730</u>
Total Additions	<u>9,570,864</u>
Deductions:	
Pension Benefits	2,203,584
Miscellaneous	60,835
	<u>2,264,419</u>
Total Deductions	<u>2,264,419</u>
Net Increase	7,306,445
Net Assets Held In Trust	
For Pension Benefits	
May 1	<u>38,691,554</u>
April 30	<u>\$45,997,999</u>

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

April 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

The City operates under a Mayor-Council form of government consisting of five wards and ten aldermen. The Mayor is elected at large to a four-year term and the Council is elected by ward to staggered four-year terms. The day-to-day affairs of the City are conducted by full-time staff and are administered by seven 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 32,276).

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 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, workers' 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 #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 nonoperating.

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 nonnegotiable 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, 2010 for debt and equity securities. Mutual funds, investment funds and insurance separate accounts are valued at contract value as of April 30, 2010.

F. Interfund Receivables/Payables

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

G. Inventories

Inventories are valued at cost, which approximates market, using the average cost method.

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 \$25,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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 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, Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value) and the Illinois Metropolitan Investment Fund (IMET), a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold. The City's investment policy does limit their deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

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

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, 2010:

Investment Type	Fair Value	Investment Maturities in Years			
		Less Than 1	1-5	6-10	Greater than 10
Money Market Mutual Funds	\$ 5,471,961	\$ 5,471,961	\$ -	\$ -	\$ -
Illinois Metropolitan Investment Fund	34,797,224	19,676,050	15,121,174	-	-
Illinois Funds	320,039	320,039	-	-	-
TOTAL	\$ 40,589,224	\$ 25,468,050	\$ 15,121,174	\$ -	\$ -

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

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 Funds' share price, the price for which the investment could be sold.

2. DEPOSITS AND INVESTMENTS (Continued)

A. City Investments (Continued)

Investments (Continued)

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

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

B. Police Pension Investments

The Police Pension Fund's investment policy authorizes the Police Pension Fund to invest in all investments allowed by the Illinois Pension Code contained in Chapter 40 of Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, equity security and 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, 2010 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, 2010:

Investment Type	Fair Value	Investment Maturities in Years			
		Less Than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 4,429,037	\$ 465,856	\$ 1,573,439	\$ 1,350,982	\$ 1,038,760
U.S. Agency Obligations	6,394,018	1,407,726	1,086,283	774,298	3,125,711
Money Market Mutual Funds	2,495,418	2,495,418	-	-	-
TOTAL	\$ 13,318,473	\$ 4,369,000	\$ 2,659,722	\$ 2,125,280	\$ 4,164,471

The pension fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. Treasury and U.S. agency obligations. The U.S. agency obligations are all rated AAA as is the money market mutual funds.

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, 2010 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, 2010:

Investment Type	Fair Value	Investment Maturities in Years			
		Less Than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 2,308,646	\$ -	\$ 783,926	\$ 988,369	\$ 536,351
U.S. Agency Obligations	8,549,964	-	467,177	881,962	7,200,825
Money Market Mutual Funds	820,823	820,823	-	-	-
Illinois Funds	2,625	2,625	-	-	-
TOTAL	\$ 11,682,058	\$ 823,448	\$ 1,251,103	\$ 1,870,331	\$ 7,737,176

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

The pension fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. Treasury and U.S. agency obligations. The U.S. agency obligations are all rated AAA as are Illinois Funds and the money market mutual funds.

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 2009 levy year attach as an enforceable lien on January 1, 2009, 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, 2010 and August 1, 2010, and are payable in two installments, on or about June 1, 2010 and September 1, 2010. The County collects such taxes and remits them periodically.

The 2009 taxes are intended to finance the 2011 fiscal year and are not considered available or earned for current operations and are, therefore, shown as deferred/unearned revenue. The 2010 tax levy has not been recorded as a receivable at April 30, 2010, as the tax attached as a lien on property as of January 1, 2010; however, the tax will not be levied until December 2010 and, accordingly, is not measurable at April 30, 2010.

4. DUE FROM OTHER GOVERNMENTS

Due from other governments consisted of the following amounts at April 30, 2010.

GOVERNMENTAL ACTIVITIES

Sales Tax	\$ 2,046,208
Home Rule Sales Tax	1,200,139
Income Tax	878,708
Local Use Tax	95,240
Auto Rental	7,200
Motor Fuel Tax	69,053
Simplified Telecommunications Tax	349,358
Court Fines	16,097
Due from Grantor Agency (Dept of Transportation)	<u>1,015,740</u>

TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 5,677,743</u>
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5. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2010 is as follows:

	Balances May 1	Increases	Decreases	Balances April 30
GOVERNMENTAL ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 17,851,511	\$ -	\$ 377,252	\$ 17,474,259
Land Right of Ways	40,637,841	371,488	-	41,009,329
Construction in Progress	14,687,265	6,890,349	14,695,439	6,882,175
Total Capital Assets not Being Depreciated	<u>73,176,617</u>	<u>7,261,837</u>	<u>15,072,691</u>	<u>65,365,763</u>

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

5. CAPITAL ASSETS (Continued)

	Balances May 1	Increases	Decreases	Balances April 30
GOVERNMENTAL ACTIVITIES (Continued)				
Capital Assets Being Depreciated				
Buildings	\$ 42,758,022	\$ 5,634,263	\$ -	\$ 48,392,285
Improvements Other Than Buildings	6,524,261	4,889,173	-	11,413,434
Equipment and Fixtures	12,520,718	47,991	81,779	12,486,930
Streets	61,513,178	1,066,362	-	62,579,540
Traffic Signals	211,500	-	-	211,500
Storm Sewers	35,062,839	135,546	-	35,198,385
Bridges	4,347,653	-	-	4,347,653
Culverts	1,599,906	-	-	1,599,906
Total Capital Assets Being Depreciated	164,538,077	11,773,335	81,779	176,229,633
Less Accumulated Depreciation for				
Buildings	8,197,774	1,256,612	-	9,454,386
Improvements Other Than Buildings	1,002,199	253,924	-	1,256,123
Equipment and Fixtures	5,125,855	794,318	81,779	5,838,394
Streets	38,207,689	1,100,550	-	39,308,239
Traffic Signals	1,898	3,254	-	5,152
Storm Sewers	19,690,508	663,588	-	20,354,096
Bridges	1,659,378	85,386	-	1,744,764
Culverts	1,309,433	11,518	-	1,320,951
Total Accumulated Depreciation	75,194,734	4,169,150	81,779	79,282,105
Total Capital Assets Being Depreciated, Net	89,343,343	7,604,185	-	96,947,528
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 162,519,960	\$ 14,866,022	\$ 15,072,691	\$ 162,313,291
BUSINESS-TYPE ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 1,248,518	\$ -	\$ -	\$ 1,248,518
Construction in Progress	632,543	1,235,711	503,067	1,365,187
Total Capital Assets not Being Depreciated	1,881,061	1,235,711	503,067	2,613,705
Capital Assets Being Depreciated				
Refuse Equipment	163,687	-	-	163,687
Electric Property	90,125,383	4,778,681	438,903	94,465,161
Water and Sewer Plant and Equipment	102,742,347	3,770,661	-	106,513,008
Total Capital Assets Being Depreciated	193,031,417	8,549,342	438,903	201,141,856

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

5. CAPITAL ASSETS (Continued)

	Balances May 1	Increases	Decreases	Balances April 30
BUSINESS-TYPE ACTIVITIES (Continued)				
Less Accumulated Depreciation for				
Refuse Equipment	\$ 111,665	\$ 11,551	\$ -	\$ 123,216
Electric Property	34,192,358	2,957,681	438,903	36,711,136
Water and Sewer Plant and Equipment	46,759,187	2,405,412	-	49,164,599
Total Accumulated Depreciation	<u>81,063,210</u>	<u>5,374,644</u>	<u>438,903</u>	<u>85,998,951</u>
 Total Capital Assets Being Depreciated, net	 <u>111,968,207</u>	 <u>3,174,698</u>	 <u>-</u>	 <u>115,142,905</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$113,849,268</u>	<u>\$ 4,410,409</u>	<u>\$ 503,067</u>	<u>\$117,756,610</u>

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

GOVERNMENTAL ACTIVITIES

General Government	\$ 165,603
Public Health and Safety	542,960
Public Works, Including Depreciation of General Infrastructure Assets	3,452,818
Community Development	<u>7,769</u>

**TOTAL DEPRECIATION EXPENSE -
 GOVERNMENTAL ACTIVITIES**

\$ 4,169,150

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:

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
\$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	\$ 1,430,000	\$ -	\$ 1,430,000	\$ -	\$ -
\$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	2,595,000	-	2,595,000	-	-
\$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	1,360,651	-	1,360,651	-	-
	Electric	624,349	-	624,349	-	-
\$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	1,278,731	-	1,278,731	-	-
	Electric	836,269	-	836,269	-	-
\$10,000,000 General Obligation Bonds of 2000, annual installments of \$525,000 to \$950,000 through December 1, 2016, interest at 4.75% to 4.80% payable each June 1 and December 1.	Debt Service	5,800,000	-	725,000	5,075,000	750,000
\$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	2,300,000	-	125,000	2,175,000	125,000

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	\$ 201,810	\$ -	\$ 19,154	\$ 182,656	\$ 19,782
	Electric	3,013,190	-	285,846	2,727,344	295,218
\$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	3,865,000	-	200,000	3,665,000	205,000
\$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	5,625,000	-	260,000	5,365,000	270,000
\$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	15,225,000	-	675,000	14,550,000	700,000
\$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	2,365,000	-	200,000	2,165,000	220,000
\$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	-
\$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	-

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
\$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	\$ 1,860,000	\$ -	\$ 75,000	\$ 1,785,000	\$ 75,000
\$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	1,765,000	-	60,000	1,705,000	65,000
\$13,440,000 General Obligation Bonds of 2008C, annual installments of \$465,000 to \$775,000, interest at 3.60% to 5.40% payable each June 1 and December 1.	Electric	2,440,000	-	75,000	2,365,000	85,000
	Debt Service	11,000,000	-	390,000	10,610,000	425,000
\$6,695,000 General Obligation Refunding Bonds, Series 2009, annual installments of \$305,000 - \$1,520,000, interest at 2.00% - 5.00% payable each June 1 and December 1.	TIF	-	2,325,000	-	2,325,000	265,000
	Debt Service	-	3,156,550	-	3,156,550	881,234
	Electric	-	1,213,450	-	1,213,450	338,766
TOTAL GENERAL OBLIGATION BONDS		\$ 92,395,000	\$ 6,695,000	\$ 11,215,000	\$ 87,875,000	\$ 4,720,000

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

6. LONG-TERM DEBT (Continued)

B. Revenue Bonds

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

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

The revenue bonds and the interest thereon are limited obligations of the City payable solely from the pledged taxes. Pledged taxes are 75% of the increase, if any, in local sales taxes and 75% of the increase, if any, in home rule sales taxes derived from the specified project area over the amount of taxes collected in the base year. These pledges will remain until all bonds are retired or mature in 2025 as disclosed in Note 6-F, Governmental Activities Revenue Bonds. During the current fiscal year, the pledge of sales taxes (local and home rule) was approximately 4.57% of total sales taxes (local and home rule).

C. IEPA Loans

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

	Fund Debt Retired by	Balances May 1	Additions	Retirements	Balances April 30	Current Portion
EPA Loan I	Sewer	\$ 833,159	\$ -	\$ 324,020	\$ 509,139	\$ 336,268
EPA Loan II	Sewer	147,457	-	40,279	107,178	41,734
EPA Loan III	Sewer	4,806,678	-	347,418	4,459,260	356,281
EPA Loan IV	Sewer	8,735,589	-	435,387	8,300,202	446,340
EPA Loan V*	Sewer	-	310,528	-	310,528	-
EPA Loan VI*	Sewer	-	240,000	-	240,000	-
TOTAL		\$ 14,522,883	\$ 550,528	\$ 1,147,104	\$ 13,926,307	\$ 1,180,623

* The new Illinois EPA loans are still in the construction phase and, therefore, no repayment schedule has been determined as of April 30, 2010.

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

6. LONG-TERM DEBT (Continued)

D. Installment Contracts

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

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
\$1,050,000 Installment Contract dated November 18, 2002 with monthly installments of \$14,352 including interest at 4%.	General	\$ 257,600	\$ -	\$ 75,732	\$ 181,868	\$ 78,820
TOTAL		\$ 257,600	\$ -	\$ 75,732	\$ 181,868	\$ 78,820

E. Developer Agreements

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 payable on June 1. The first installment was due on June 1, 2007. As of April 30, 2010, \$1,074,187 has been paid related to this agreement.

F. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year	Governmental Activities General Obligation Bonds		Governmental Activities Revenue Bonds	
	Principal	Interest	Principal	Interest
2011	\$ 3,860,988	\$ 3,212,750	\$ -	\$ 620,982
2012	3,972,267	3,069,125	280,000	620,982
2013	4,132,541	2,933,289	320,000	601,522
2014	4,654,871	2,774,357	360,000	579,282
2015	4,743,271	2,598,770	405,000	554,262
2016	4,884,178	2,412,560	450,000	526,116
2017	4,180,120	2,207,454	505,000	494,840
2018	4,015,970	2,035,848	560,000	459,742
2019	3,900,000	1,866,595	620,000	420,822
2020	4,080,000	1,703,370	685,000	377,732
2021	4,355,000	1,531,719	750,000	330,126
2022	4,710,000	1,347,105	775,000	278,000
2023	5,025,000	1,146,543	840,000	224,138
2024	5,290,000	933,818	915,000	165,758

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 General Obligation Bonds		Governmental Activities Revenue Bonds	
	Principal	Interest	Principal	Interest
2025	\$ 5,310,000	\$ 710,673	\$ 1,470,000	\$ 102,166
2026	5,165,000	485,333	-	-
2027	4,300,000	264,624	-	-
2028	730,000	84,000	-	-
2029	770,000	43,120	-	-
TOTAL	\$ 78,079,206	\$ 31,361,053	\$ 8,935,000	\$ 6,356,470

Fiscal Year	Governmental Activities Installment Contracts	
	Principal	Interest
2011	\$ 78,820	\$ 5,840
2012	82,029	2,629
2013	21,019	140
TOTAL	\$ 181,868	\$ 8,609

Fiscal Year	Business-Type Activities IEPA Loans		Business-Type Activities General Obligation Bonds	
	Principal	Interest	Principal	Interest
2011	\$ 1,180,623	\$ 334,948	\$ 859,012	\$ 393,819
2012	1,039,049	300,412	887,733	366,033
2013	865,972	274,781	777,459	337,990
2014	865,128	253,025	790,129	309,740
2015	887,027	231,126	706,729	282,113
2016	909,482	208,671	630,822	255,681
2017	932,505	185,648	654,880	230,618
2018	956,110	162,043	684,030	204,293
2019	980,313	137,840	305,000	176,578
2020	1,005,128	113,025	320,000	163,496
2021	1,030,571	87,582	335,000	149,497
2022	586,620	64,453	345,000	134,597
2023	601,376	49,697	360,000	119,087
2024	616,505	34,568	385,000	102,857
2025	632,017	19,056	400,000	85,285
2026	287,353	3,592	420,000	66,735
2027	-	-	440,000	47,035
2028	-	-	310,000	26,235
2029	-	-	185,000	10,360
TOTAL	\$ 13,375,779	\$ 2,460,467	\$ 9,795,794	\$ 3,462,049

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

6. LONG-TERM DEBT (Continued)

G. Changes in Long-Term Liabilities

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

	Balances May 1	Issuances	Retirements /Refundings	Balances April 30	Current Portion
General Obligation Bonds Payable	\$ 81,856,191	\$ 5,481,550	\$ 9,258,535	\$ 78,079,206	\$ 3,860,988
Revenue Bonds Payable	8,935,000	-	-	8,935,000	-
Unamortized (Discount) Premium on Bonds Payable	91,423	161,547	8,095	244,875	-
Unamortized Loss on Refunding	(154,945)	(118,442)	(19,369)	(254,018)	-
Installment Contracts Payable - Governmental Funds	257,600	-	75,732	181,868	78,820
Developer Agreements - Governmental Funds	716,125	-	358,062	358,063	358,063
Compensated Absences Payable - Governmental Funds (General Fund)	3,234,118	3,132,555	3,234,118	3,132,555	3,132,555
Compensated Absences Payable - Internal Service Funds	86,755	90,987	86,755	90,987	90,987
Net OPEB Obligation (General Fund)	1,906,651	1,022,470	-	2,929,121	-
Net OPEB Obligation - Internal Service Funds	63,436	61,270	-	124,706	-
TOTAL	\$ 96,992,354	\$ 9,831,937	\$ 13,001,928	\$ 93,822,363	\$ 7,521,413

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	\$ 10,538,808	\$ 1,213,450	\$ 1,956,464	\$ 9,795,794	\$ 859,012
Unamortized (Discount) Premium on Bonds Payable	12,238	26,191	(10,571)	49,000	-
IEPA Loans Payable	14,522,883	550,528	1,147,104	13,926,307	1,180,623
Compensated Absences Payable	661,246	621,739	661,246	621,739	621,739
Net OPEB Obligation	264,269	224,160	-	488,429	-
TOTAL	\$ 25,999,444	\$ 2,636,068	\$ 3,754,243	\$ 24,881,269	\$ 2,661,374

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 \$3,045,000. 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, 2010, there were five series of IDRBs outstanding. The aggregate principal amount payable for the IDRBs outstanding could not be determined at April 30, 2010. The original principal balance is \$25,492,164.

6. LONG-TERM DEBT (Continued)

K. Advance Refunding

On October 29, 2009, the City issued \$6,695,000 General Obligation Refunding Bonds Series 2009 to advance refund \$980,000 of the General Obligation Bonds, Series 1997, \$1,620,000 of the General Obligation Bonds, Series 1998, \$1,805,000 of the General Obligation Bonds, Series 1999A and \$2,355,000 of the General Obligation Bonds, Series 1999, which were called and paid on December 1, 2009. As a result of the refunding, the City realized a cash flow savings of approximately \$504,065 and an economic gain of \$474, 538.

7. RISK MANAGEMENT

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

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

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

Health Insurance - The City is self-insured with a specific stop loss of \$75,000 per individual per year.

Workers' Compensation Insurance - The City is self-insured with a specific stop loss of \$600,000 per occurrence for Police, Fire and Electric Utility employees and \$400,000 per occurrence for all other employees.

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

7. RISK MANAGEMENT (Continued)

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, 2009 and 2010 is as follows:

	2009	2010
CLAIMS PAYABLE, MAY 1	\$ 1,621,161	\$ 1,936,989
Add Claims Incurred	3,781,775	3,986,811
Less Claims Paid	3,465,947	3,967,104
CLAIMS PAYABLE, APRIL 30	<u>\$ 1,936,989</u>	<u>\$ 1,956,696</u>

8. INDIVIDUAL FUND DISCLOSURES

As of April 30, 2010, individual fund interfund receivables and payables were as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 20,003
Water	Electric	1,375,000
Nonmajor Governmental	General	<u>392,114</u>
TOTAL DUE TO/FROM OTHER FUNDS		<u>\$ 1,787,117</u>

Major interfund receivables and payables resulted from the following:

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

As of April 30, 2010, major individual fund advances between funds were as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 2,776,258
Nonmajor Governmental	Internal Service	76,441
Electric	Internal Service	<u>1,233,272</u>
TOTAL		<u>\$ 4,085,971</u>

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

8. INDIVIDUAL FUND DISCLOSURES (Continued)

During the fiscal year ended April 30, 2010, the General Fund advanced the TIF District #3 and TIF District #5 special revenue funds of \$66,768 and \$127,401, respectively. In prior years, \$2,398,183 was advanced to cover debt service for TIF District #2, TIF District #3 and TIF District #5. The \$2,776,258 advanced as of April 30, 2010 will be repaid from tax increments in future years. The Electric Fund advanced the Communications Fund \$1,233,272 for the purchase of fiber optic cable.

Interfund transfers during the year ended April 30, 2010 were as follows:

	Transfers In	Transfers Out
General		
Electric	\$ 1,000,000	\$ 194,486
Sewer	2,000,000	-
Nonmajor Governmental	-	5,077,483
Nonmajor Enterprise	-	154,442
Internal Service	-	300,515
Total General	<u>3,000,000</u>	<u>5,726,926</u>
Nonmajor Governmental		
General	5,077,483	-
Electric	364,618	-
Water	123,630	-
Sewer	234,584	-
Nonmajor Governmental	1,526,911	1,526,911
Internal Service	3,482	-
Total Nonmajor Governmental	<u>7,330,708</u>	<u>1,526,911</u>
Electric		
General	194,486	1,000,000
Nonmajor Governmental	-	364,618
Governmental Activities	1,333,465	-
Total Electric	<u>1,527,951</u>	<u>1,364,618</u>
Water		
Nonmajor Governmental	-	123,630
Governmental Activities	758,898	-
Total Water	<u>758,898</u>	<u>123,630</u>

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

8. INDIVIDUAL FUND DISCLOSURES (Continued)

	Transfers In	Transfers Out
Sewer		
General	\$ -	\$ 2,000,000
Nonmajor Governmental	-	234,584
Governmental Activities	2,079,640	-
Total Sewer	<u>2,079,640</u>	<u>2,234,584</u>
Nonmajor Enterprise		
General	<u>154,442</u>	-
Internal Service		
General	300,515	-
Nonmajor Governmental	-	3,482
Total Internal Service	<u>300,515</u>	<u>3,482</u>
TOTAL	<u><u>\$15,152,154</u></u>	<u><u>\$10,980,151</u></u>

Transfers between funds do not agree due to the transfer of capital assets from governmental activities to the Enterprise Funds.

Major interfund transfers resulted from the following:

- \$5,077,483 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.
- \$1,526,911 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.
- \$722,832 transfers from the Enterprise Funds to Debt Service Fund. This transaction relates to money transferred to debt service funds for payments of principal and interest on general obligation debt (Public Works Garage).
- \$194,486 transfer to the Electric Fund from the General Fund for maintenance of streetlights and Christmas light decorations.
- \$154,442 transfer to the Refuse Fund from the General Fund to cover expenses not covered by user fees.

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

8. INDIVIDUAL FUND DISCLOSURES (Continued)

- \$300,515 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.
- \$3,000,000 transfers from the Enterprise Funds to the General Fund. This transaction relates to reclass of First Street loan.

The following funds reported deficit fund balances/net assets at April 30, 2010:

Fund	Deficit Balance
TIF District #2 Special Revenue Fund	\$ 1,203,541
TIF District #3 Special Revenue Fund	668,324
TIF District #5 Special Revenue Fund	686,469
Subsidized Transportation Special Revenue Fund	15,367

- Projects in TIF District #2 are still under construction without full occupancy and the TIF has not generated sufficient property tax revenue to cover the debt service.
- The deficit in TIF District #3 is from insufficient property tax revenue to support the debt service.
- The deficit in TIF District #5 is from insufficient property tax revenue to support the debt service.
- The deficit in Subsidized Transportation is from operating expenses exceeding revenues under the Ride in Kane program. This deficit will be addressed by future operating revenues or subsidies.

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.

9. CONTINGENT LIABILITIES (Continued)

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. Thresholds were met by the developer and the City made payments in accordance with the agreement. The last payment of \$120,000 was paid during the year ended April 30, 2010.

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, 2010 under this agreement as the thresholds have not been met in the current year. The total incentives incurred under this agreement through April 30, 2010 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, 2010 under this agreement as the thresholds have not yet been met.

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, 2010, \$1,074,188 has been paid related to this agreement.

The City has entered into an agreement with car dealer to provide economic incentives over a five-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, 2010, no amounts have been paid related to this agreement.

10. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

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

B. Benefits Provided

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

All health care benefits are provided through the City's health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Eligibility in city sponsored health care plans is discontinued upon eligibility for federally sponsored health care benefits.

C. Membership

At April 30, 2010, membership consisted of:

Retirees and beneficiaries currently receiving benefits	26
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>252</u>
 TOTAL	 <u><u>278</u></u>
 Participating employers	 <u><u>1</u></u>

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

D. Funding Policy

The City negotiates the contribution percentages between the City and employees through the union contracts and personnel policy. All retirees contribute 100% of the actuarially determined premium to the plan to cover the cost of providing the benefits to the current members via the insured plan (pay as you go) which results in an implicit subsidy to the City as defined by the GASB Statement No. 45. For the fiscal year ended April 30, 2010, retirees contributed \$194,582 and the City contributed \$253,882. 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). The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the last three years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2008	\$ 1,451,947	380,000	24.2%	\$ 1,071,947
April 30, 2009	1,542,409	380,000	24.6%	2,234,356
April 30, 2010	1,561,782	253,882	16.3%	3,542,256

The net OPEB obligation (NOPEBO) as of April 30, 2010 was calculated as follows:

Annual required contribution	\$ 1,524,543
Interest on net OPEB obligation	111,718
Adjustment to annual required contribution	<u>(74,479)</u>
Annual OPEB cost	1,561,782
Contributions made	<u>253,882</u>
Increase in net OPEB obligation	1,307,900
Net OPEB obligation, beginning of year	<u>2,234,356</u>
NET OPEB OBLIGATION, END OF YEAR	<u><u>\$ 3,542,256</u></u>

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Funded Status and Funding Progress. The funded status of the plan as of April 30, 2010 was as follows:

Actuarial accrued liability (AAL)	\$ 9,245,209
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	9,245,209
Funded ratio (actuarial value of plan assets/AAL)	0.0%
Covered payroll (active plan members)	\$ 22,735,860
UAAL as a percentage of covered payroll	40.7%

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

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

In the April 30, 2010 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 30 year open basis.

11. DEFINED BENEFIT PENSION PLANS

The City contributes to four defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Sheriff's Law Enforcement Personnel Fund (SLEP), an agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and the Firefighters' Pension Plan which is also a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all plans are governed by 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' Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. 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 IMRF as specified by statute. The employer contribution for the year ended December 31, 2009 was 9.68% of covered payroll.

Sheriff's Law Enforcement Personnel

SLEP members, having accumulated at least 30 years of SLEP service and terminating IMRF participation on or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. SLEP members meeting these two qualifications are entitled to an annual retirement benefit, payable monthly for life, in an amount generally equal to 2.50% 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 SLEP as specified by statute. The employer contribution rates for the year ended December 31, 2009 was 12.58% 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, 2010, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	35
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Current Employees	
Vested	39
Nonvested	12
	<hr/>
TOTAL	<hr/> <u>86</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, 2010, the City's contribution was 25.55% 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, 2010, the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	13
Terminated Employees Entitled to Benefits but not yet Receiving Them	1
Current Employees	
Vested	28
Nonvested	19
	<hr/>
TOTAL	<u>61</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.

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, 2010, the City's contribution was 19.86% 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 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, 2007	December 31, 2007	April 30, 2009	April 30, 2009
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	23 Years, Closed	23 Years, Closed	24 Years, Closed	24 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 11.60%	.40 to 11.60%	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)	2008	\$ 1,262,228	\$ 32,327	2008	\$ 1,005,139	\$ 839,571
	2009	1,236,592	62,591	2009	1,139,966	874,647
	2010	1,306,334	64,156	2010	1,270,327	1,062,623
Actual Contribution	2008	\$ 1,262,228	\$ 32,327	2008	\$ 1,006,125	\$ 842,855
	2009	1,236,592	62,591	2009	1,113,728	846,143
	2010	1,306,334	64,156	2010	1,261,628	1,054,067
Percentage of APC Contributed	2008	100%	100%	2008	100.1%	100.4%
	2009	100%	100%	2009	97.7%	96.7%
	2010	100%	100%	2010	99.3%	99.2%
NPO (Asset)	2008	\$ -	\$ -	2008	\$ (163,810)	\$ (47,796)
	2009	-	-	2009	(137,572)	(19,292)
	2010	-	-	2010	(128,873)	(10,736)

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	\$ 1,272,762	\$ 1,062,964
Interest on Net Pension Obligation	(9,630)	(1,350)
Adjustment to Annual Required Contribution	7,195	1,009
Annual Pension Cost	1,270,327	1,062,623
Contributions Made	1,261,628	1,054,067
Increase in Net Pension Obligation (Asset)	8,699	8,556
Net Pension Obligation (Asset), Beginning of Year	(137,572)	(19,292)
NET PENSION OBLIGATION (ASSET), END OF YEAR	<u>\$ (128,873)</u>	<u>\$ (10,736)</u>

D. Funded Status

The funded status of the plans as of April 30, 2010, based on actuarial valuations performed as of the same date for Police and Firefighters' Pension Plans and as of December 31, 2009 for IMRF and SLEP, is as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC of the plans as disclosed in Note 11-C:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Actuarial Accrued Liability (AAL)	\$ 33,949,606	\$ -	\$ 38,049,970	\$ 28,088,702
Actuarial Value of Plan Assets	25,358,631	(390,068)	23,519,175	22,478,824
Unfunded Actuarial Accrued Liability (UAAL)	8,590,975	390,068	14,530,795	5,609,878
Funded Ratio (Actuarial Value of Plan Assets/AAL)	74.69%	0.00%	61.8%	80.0%
Covered Payroll (Active Plan Members)	\$ 12,774,715	\$ -	\$ 4,048,323	\$ 4,080,399
UAAL as a Percentage of Covered Payroll	67.25%	0.00%	358.9%	137.5%

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, 2010 for the Police and Firefighters' Pension Plans is as follows:

Combining Statement of Fiduciary Net Assets

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ASSETS			
Cash and Short-Term Investments	\$ 2,658,226	\$ 976,610	\$ 3,634,836
Investments, at Fair Value			
U.S. Treasury and Agency Securities	10,823,055	10,858,610	21,681,665
Mutual Funds	3,851,216	5,393,399	9,244,615
Equity Securities	6,147,644	5,193,452	11,341,096
Receivables			
Accrued Interest on Investments	51,959	57,046	109,005
Miscellaneous	-	3,657	3,657
Total Assets	23,532,100	22,482,774	46,014,874
LIABILITIES			
Accounts Payable	12,925	3,950	16,875
Total Liabilities	12,925	3,950	16,875
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$ 23,519,175	\$ 22,478,824	\$ 45,997,999

Combining Statement of Changes in Plan Net Assets

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ADDITIONS			
Contributions			
Employer	\$ 1,261,628	\$ 1,054,067	\$ 2,315,695
Employee	425,962	398,477	824,439
Total Contributions	1,687,590	1,452,544	3,140,134

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 in Fair Value of Investments	\$ 2,770,489	\$ 2,888,260	\$ 5,658,749
Interest	584,790	465,318	1,050,108
Total Investment Income	3,355,279	3,353,578	6,708,857
Less Investment Expenses	(167,642)	(110,485)	(278,127)
Net Investment Income	3,187,637	3,243,093	6,430,730
Total Additions	4,875,227	4,695,637	9,570,864
DEDUCTIONS			
Pension Benefits and Refunds	1,536,927	666,657	2,203,584
Administrative Expenses	49,058	11,777	60,835
Total Deductions	1,585,985	678,434	2,264,419
NET INCREASE	3,289,242	4,017,203	7,306,445
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
May 1	20,229,933	18,461,621	38,691,554
April 30	\$ 23,519,175	\$ 22,478,824	\$45,997,999

REQUIRED SUPPLEMENTARY INFORMATION

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, 2010
(with comparative actual)

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Last Year <u>Actual</u>
Revenues:				
Property Taxes	\$12,599,167	\$12,599,167	\$12,489,985	\$12,021,399
Personal Property Replacement Taxes	74,400	74,400	88,607	100,102
Municipal Sales and Use Taxes	15,750,543	15,750,543	13,634,270	14,501,985
Electric Franchise Fee	2,038,177	2,038,177	1,885,399	1,882,001
Hotel Occupations Tax	1,828,568	1,828,568	1,582,359	1,737,237
Telecommunications Fee	1,350,000	1,350,000	1,421,576	1,510,057
Admissions Tax	80,500	80,500	56,660	49,626
Business Licenses and Permits	191,770	193,270	218,610	228,225
Non-business License and Permits	221,250	221,250	203,590	269,137
Fines and Court Fees	351,800	398,300	435,340	376,626
Grants	480,000	482,265	200,196	207,385
Illinois State Income Tax Allotments	3,021,047	3,021,047	2,528,377	2,900,549
Charges for Current Services	2,239,270	2,250,184	2,571,116	2,357,393
Investment Income	362,500	362,500	100,395	246,494
Miscellaneous	494,450	496,905	559,016	665,771
Total Revenues	41,083,442	41,147,076	37,975,496	39,053,987
Expenditures:				
General Government	3,124,025	3,273,295	2,796,052	3,102,405
Public Health and Safety	21,307,395	21,628,795	19,748,449	20,507,678
Public Works	8,525,326	9,213,663	7,405,741	9,005,568
Community Development	2,077,183	2,139,255	1,925,440	1,853,650
Debt Service				
Principal	75,732	75,732	75,732	80,317
Interest and Fiscal Charges	8,926	8,926	8,928	12,142
Total Expenditures	35,118,587	36,339,666	31,960,342	34,561,760
Excess of Revenues Over Expenditures	5,964,855	4,807,410	6,015,154	4,492,227
Other Financing Sources (Uses):				
Issuance of Bonds	-	-	-	1,183,694
Premium on Bonds	-	-	-	5,960
Proceeds from the Sale of Capital Assets	2,500	2,500	-	2,500
Transfers In	-	-	3,000,000	-
Transfers Out	(6,023,437)	(5,879,622)	(5,726,926)	(4,786,826)
Total Other Financing Sources (Uses)	(6,020,937)	(5,877,122)	(2,726,926)	(3,594,672)
Net Change in Fund Balance	(\$ 56,082)	(\$ 1,069,712)	3,288,228	897,555
Fund Balance, May 1			19,347,527	18,449,972
Fund Balance, April 30			\$22,635,755	\$19,347,527

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2010

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 2008 Revenue Bond Fund expenditures exceeded its budget by \$3,999.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2010

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)
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%
2008	25,122,053	33,371,937	75.28%	8,249,884	12,959,224	63.66%
2009	25,358,631	33,949,606	74.69%	8,590,975	12,774,715	67.25%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

April 30, 2010

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)
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%
2008	(433,870)	-	0.00%	433,870	-	0.00%
2009	(390,068)	-	0.00%	390,068	-	0.00%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
POLICE PENSION FUND

April 30, 2010

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)
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%
2009	20,229,933	37,767,555	53.56%	17,537,622	4,359,694	402.27%
2010	23,519,175	38,049,970	61.81%	14,530,795	4,048,323	358.93%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
FIREFIGHTERS' PENSION FUND

April 30, 2010

Actuarial Valuation Date April 30,	(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)
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%
2009	18,461,621	26,293,219	70.21%	7,831,598	4,260,854	183.80%
2010	22,478,824	28,088,702	80.03%	5,609,878	4,080,399	137.48%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

April 30, 2010

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%
2009	N/A	N/A	N/A	N/A	N/A	N/A
2010	-	9,245,209	0.00%	9,245,209	22,735,860	40.66%

The City implemented GASB Statement No. 45 for the fiscal year ended April 30, 2008. Information for 2009 is not available, the City only has a bi-annual valuation.

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2010

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
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%
2008	1,262,228	1,262,228	100.00%
2009	1,236,592	1,236,595	100.00%
2010	1,306,334	1,306,334	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, 2010

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2005	\$ 28,744	\$ 28,744	100.00%
2006	30,581	30,581	100.00%
2007	31,866	31,866	100.00%
2008	32,327	32,327	100.00%
2009	62,591	62,591	100.00%
2010	64,156	64,156	100.00%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

April 30, 2010

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation (Asset)</u>
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)
2009	1,113,728	1,143,136	97.43%	(137,572)
2010	1,261,628	1,272,762	99.13%	(128,873)

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND

April 30, 2010

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation (Asset)</u>
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)
2009	846,143	875,572	96.64%	(19,292)
2010	1,054,067	1,062,964	99.16%	(10,736)

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

April 30, 2010

<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%
2009	380,000	1,524,544	24.93%
2010	253,882	1,524,544	16.65%

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.

NONMAJOR GOVERNMENTAL FUNDS

City of St. Charles, Illinois
Combining Balance Sheet
Nonmajor Governmental Funds
April 30, 2010

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS				
Cash and Investments	\$ 4,243,672	\$ 1,348,422	\$16,801,120	\$22,393,214
Receivables				
Property Taxes	1,429,143	-	-	1,429,143
Accounts Receivable	5,779	-	33,578	39,357
Due from Other Governments	69,053	-	-	69,053
Due From Other Funds	-	392,114	-	392,114
Advances to Other Funds	-	76,441	-	76,441
	<hr/>			
TOTAL ASSETS	<u>\$ 5,747,647</u>	<u>\$ 1,816,977</u>	<u>\$16,834,698</u>	<u>\$24,399,322</u>
LIABILITIES				
Accounts Payable	\$ 12,088	\$ -	\$ 804,286	\$ 816,374
Contracts Payable	-	-	49,648	49,648
Due to Other Funds	20,003	-	-	20,003
Advances From Other Funds	2,592,351	183,907	-	2,776,258
Deferred Property Tax Revenue	1,429,143	-	-	1,429,143
	<hr/>			
Total Liabilities	<u>4,053,585</u>	<u>183,907</u>	<u>853,934</u>	<u>5,091,426</u>
FUND BALANCES				
Reserved for Advances to Other Funds	-	76,441	-	76,441
Reserved for Community Development	1,642,479	-	14,848,575	16,491,054
Reserved for Highways and Streets	2,425,370	-	-	2,425,370
Reserved for Public Safety	199,914	-	-	199,914
Reserved for Debt Service	-	1,556,629	-	1,556,629
Unreserved				
Undesignated (Deficit) - Special Revenue Funds	(2,573,701)	-	-	(2,573,701)
Undesignated - Capital Projects Funds	-	-	1,132,189	1,132,189
	<hr/>			
Total Fund Balances	<u>1,694,062</u>	<u>1,633,070</u>	<u>15,980,764</u>	<u>19,307,896</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,747,647</u>	<u>\$ 1,816,977</u>	<u>\$16,834,698</u>	<u>\$24,399,322</u>

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, 2010

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:				
Property Taxes	\$ 1,446,529	\$ -	\$ -	\$ 1,446,529
Municipal Sales and Use Taxes	27,606	701,592	-	729,198
Hotel Occupation Tax	41,716	-	-	41,716
Grants	-	-	232,244	232,244
Motor Fuel Tax Allotments	828,725	-	-	828,725
Investment Income	27,834	1,785	92,178	121,797
Miscellaneous	77,260	-	20,099	97,359
Total Revenues	<u>2,449,670</u>	<u>703,377</u>	<u>344,521</u>	<u>3,497,568</u>
Expenditures:				
Current Operating-				
General Government	136,701	74,426	-	211,127
Public Health and Safety	7,602	-	171,482	179,084
Public Works	486,224	-	305,299	791,523
Debt Service-				
Principal	-	3,721,704	-	3,721,704
Interest and Fiscal Charges	-	4,099,028	-	4,099,028
Capital Outlay	-	-	6,334,564	6,334,564
Total Expenditures	<u>630,527</u>	<u>7,895,158</u>	<u>6,811,345</u>	<u>15,337,030</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,819,143</u>	<u>(7,191,781)</u>	<u>(6,466,824)</u>	<u>(11,839,462)</u>
Other Financing Sources (Uses):				
Issuance of Bonds	-	5,481,550	-	5,481,550
Premium on Bonds	-	161,547	-	161,547
Payment to Escrow Agent	-	(5,570,590)	-	(5,570,590)
Proceeds from Sale of Capital Assets	-	-	391,993	391,993
Transfers In	160,137	6,307,924	862,649	7,330,710
Transfers Out	(1,442,528)	(76,441)	(7,942)	(1,526,911)
Total Other Financing Sources (Uses)	<u>(1,282,391)</u>	<u>6,303,990</u>	<u>1,246,700</u>	<u>6,268,299</u>
Net Change in Fund Balances	536,752	(887,791)	(5,220,124)	(5,571,163)
Fund Balance, May 1	<u>1,157,310</u>	<u>2,520,861</u>	<u>21,200,888</u>	<u>24,879,059</u>
Fund Balance, April 30	<u>\$ 1,694,062</u>	<u>\$ 1,633,070</u>	<u>\$15,980,764</u>	<u>\$19,307,896</u>

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, 2010

	TIF District #1	TIF District #2	TIF District #3	TIF District #4	TIF District #5	Motor Fuel Tax Fund	Subsidized Transport Fund	Foreign Fire Insurance	Total
<u>Assets</u>									
Cash and Investments Receivables	\$ 272,551	\$ 33,924	\$ 45	\$ 1,364,149	\$ 48	\$ 2,356,317	\$ 16,724	\$ 199,914	\$ 4,243,672
Property Taxes, net	159,224	378,914	173,801	520,740	196,464	-	-	-	1,429,143
Accounts Receivable	5,779	-	-	-	-	-	-	-	5,779
Due From Other Governments	-	-	-	-	-	69,053	-	-	69,053
<u>Total Assets</u>	<u>\$ 437,554</u>	<u>\$ 412,838</u>	<u>\$ 173,846</u>	<u>\$ 1,884,889</u>	<u>\$ 196,512</u>	<u>\$ 2,425,370</u>	<u>\$ 16,724</u>	<u>\$ 199,914</u>	<u>\$ 5,747,647</u>
<u>Liabilities and Fund Balance</u>									
Liabilities									
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,088	\$ -	\$ 12,088
Due To Other Funds	-	-	-	-	-	-	20,003	-	20,003
Advance from Other Funds	-	1,237,465	668,369	-	686,517	-	-	-	2,592,351
Deferred Property Tax Revenue	159,224	378,914	173,801	520,740	196,464	-	-	-	1,429,143
<u>Total Liabilities</u>	<u>159,224</u>	<u>1,616,379</u>	<u>842,170</u>	<u>520,740</u>	<u>882,981</u>	<u>-</u>	<u>32,091</u>	<u>-</u>	<u>4,053,585</u>
Fund Balance (Deficit)									
Reserved for Community Development	278,330	-	-	1,364,149	-	-	-	-	1,642,479
Reserved for Highways and Streets	-	-	-	-	-	2,425,370	-	-	2,425,370
Reserved for Public Safety	-	-	-	-	-	-	-	199,914	199,914
Unreserved (Deficit)	-	(1,203,541)	(668,324)	-	(686,469)	-	(15,367)	-	(2,573,701)
<u>Total Fund Balance (Deficit)</u>	<u>278,330</u>	<u>(1,203,541)</u>	<u>(668,324)</u>	<u>1,364,149</u>	<u>(686,469)</u>	<u>2,425,370</u>	<u>(15,367)</u>	<u>199,914</u>	<u>1,694,062</u>
<u>Total Liabilities and Fund Balance</u>	<u>\$ 437,554</u>	<u>\$ 412,838</u>	<u>\$ 173,846</u>	<u>\$ 1,884,889</u>	<u>\$ 196,512</u>	<u>\$ 2,425,370</u>	<u>\$ 16,724</u>	<u>\$ 199,914</u>	<u>\$ 5,747,647</u>

See independent auditor's report.

City of St. Charles, Illinois

Combining Statement of Revenues, Expenditures

and Changes in Fund Balance

Nonmajor Special Revenue Funds

For the Year Ended April 30, 2010

	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	\$ 156,411	\$ 351,465	\$ 166,300	\$ 589,661	\$ 182,692	\$ -	\$ -	\$ -	\$ 1,446,529
Sales and Use Tax	27,606	-	-	-	-	-	-	-	27,606
Hotel Occupation Tax	41,716	-	-	-	-	-	-	-	41,716
Motor Fuel Tax Allotments	-	-	-	-	-	828,725	-	-	828,725
Investment Income	690	266	122	11,366	165	14,992	69	164	27,834
Miscellaneous Revenues	-	-	-	-	-	-	-	77,260	77,260
Total Revenues	226,423	351,731	166,422	601,027	182,857	843,717	69	77,424	2,449,670
Expenditures:									
General Government	-	-	-	-	-	-	136,701	-	136,701
Public Health and Safety	-	-	-	-	-	-	-	7,602	7,602
Public Works	-	-	-	-	-	486,224	-	-	486,224
Total Expenditures	-	-	-	-	-	486,224	136,701	7,602	630,527
Excess (Deficiency) of Revenues over Expenditures	226,423	351,731	166,422	601,027	182,857	357,493	(136,632)	69,822	1,819,143
Other Financing Sources (Uses):									
Transfers In	-	-	-	-	-	-	160,137	-	160,137
Transfers Out	(310,092)	(317,979)	(233,570)	(234,487)	(346,400)	-	-	-	(1,442,528)
Total Other Financing Sources (Uses)	(310,092)	(317,979)	(233,570)	(234,487)	(346,400)	-	160,137	-	(1,282,391)
Net Change in Fund Balances	(83,669)	33,752	(67,148)	366,540	(163,543)	357,493	23,505	69,822	536,752
Fund Balance (Deficit), May 1	361,999	(1,237,293)	(601,176)	997,609	(522,926)	2,067,877	(38,872)	130,092	1,157,310
Fund Balance (Deficit), April 30	\$ 278,330	(\$ 1,203,541)	(\$ 668,324)	\$ 1,364,149	(\$ 686,469)	\$ 2,425,370	(\$ 15,367)	\$ 199,914	\$ 1,694,062

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, 2010

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Property Taxes	\$ 153,983	\$ 153,983	\$ 156,411	\$ 147,994
Sales and Use Tax	38,428	38,428	27,606	29,272
Hotel Occupation Tax	74,000	74,000	41,716	58,288
Investment Income	3,399	3,399	690	5,728
Total Revenues	<u>269,810</u>	<u>269,810</u>	<u>226,423</u>	<u>241,282</u>
Expenditures:				
Community Development:				
None	-	-	-	-
Excess of Revenues Over Expenditures	<u>269,810</u>	<u>269,810</u>	<u>226,423</u>	<u>241,282</u>
Other Financing Uses:				
Transfers Out	<u>(310,092)</u>	<u>(310,092)</u>	<u>(310,092)</u>	<u>(292,705)</u>
Net Change in Fund Balance	<u>(\$ 40,282)</u>	<u>(\$ 40,282)</u>	<u>(83,669)</u>	<u>(51,423)</u>
Fund Balance, May 1			<u>361,999</u>	<u>413,422</u>
Fund Balance, April 30			<u>\$ 278,330</u>	<u>\$ 361,999</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, 2010

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Property Taxes	\$ 327,735	\$ 327,735	\$ 351,465	\$ 315,068
Investment Income	-	-	266	1,754
Total Revenues	<u>327,735</u>	<u>327,735</u>	<u>351,731</u>	<u>316,822</u>
Expenditures:				
Community Development:				
None	-	-	-	-
Excess of Revenues Over Expenditures	<u>327,735</u>	<u>327,735</u>	<u>351,731</u>	<u>316,822</u>
Other Financing Uses:				
Transfers Out	<u>(327,735)</u>	<u>(341,092)</u>	<u>(317,979)</u>	<u>(358,578)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>(\$ 13,357)</u>	<u>33,752</u>	<u>(41,756)</u>
Fund Balance (Deficit), May 1			<u>(1,237,293)</u>	<u>(1,195,537)</u>
Fund Balance (Deficit), April 30			<u>(\$1,203,541)</u>	<u>(\$1,237,293)</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, 2010

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Property Taxes	\$ 167,979	\$ 167,979	\$ 166,300	\$ 161,475
Investment Income	-	-	122	977
Total Revenues	<u>167,979</u>	<u>167,979</u>	<u>166,422</u>	<u>162,452</u>
Expenditures:				
Community Development:				
None	-	-	-	-
Excess of Revenues Over Expenditures	<u>167,979</u>	<u>167,979</u>	<u>166,422</u>	<u>162,452</u>
Other Financing Uses:				
Transfers Out	<u>(167,979)</u>	<u>(233,570)</u>	<u>(233,570)</u>	<u>(233,906)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ 65,591</u>	<u>(67,148)</u>	<u>(71,454)</u>
Fund Balance (Deficit), May 1			<u>(601,176)</u>	<u>(529,722)</u>
Fund Balance (Deficit), April 30			<u>(\$ 668,324)</u>	<u>(\$ 601,176)</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, 2010

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Property Taxes	\$ 451,750	\$ 451,750	\$ 589,661	\$ 341,983
Investment Income	12,000	12,000	11,366	11,541
Total Revenues	<u>463,750</u>	<u>463,750</u>	<u>601,027</u>	<u>353,524</u>
Expenditures:				
Community Development:				
None	-	-	-	-
Excess of Revenues Over Expenditures	<u>463,750</u>	<u>463,750</u>	<u>601,027</u>	<u>353,524</u>
Other Financing Uses:				
Transfers Out	<u>(239,374)</u>	<u>(239,374)</u>	<u>(234,487)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 224,376</u>	<u>\$ 224,376</u>	366,540	353,524
Fund Balance, May 1			<u>997,609</u>	<u>644,085</u>
Fund Balance, April 30			<u>\$1,364,149</u>	<u>\$ 997,609</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, 2010

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Property Taxes	\$ 160,753	\$ 160,753	\$ 182,692	\$ 143,344
Investment Income	-	-	165	2,668
Total Revenues	<u>160,753</u>	<u>160,753</u>	<u>182,857</u>	<u>146,012</u>
Expenditures:				
Community Development:				
None	-	-	-	-
Excess of Revenues Over Expenditures	<u>160,753</u>	<u>160,753</u>	<u>182,857</u>	<u>146,012</u>
Other Financing Uses:				
Transfers Out	<u>(196,849)</u>	<u>(346,400)</u>	<u>(346,400)</u>	<u>(347,250)</u>
Total Other Financing Sources	<u>(196,849)</u>	<u>(346,400)</u>	<u>(346,400)</u>	<u>(347,250)</u>
Net Change in Fund Balance	<u>(\$ 36,096)</u>	<u>(\$185,647)</u>	<u>(163,543)</u>	<u>(201,238)</u>
Fund Balance (Deficit), May 1			<u>(522,926)</u>	<u>(321,688)</u>
Fund Balance (Deficit), April 30			<u>(\$ 686,469)</u>	<u>(\$ 522,926)</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, 2010

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Motor Fuel Tax Allotments	\$ 837,234	\$ 837,234	\$ 828,725	\$ 857,445
Investment Income	22,942	22,942	14,992	27,508
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	860,176	860,176	843,717	884,953
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Public Works:				
Contractual	750,000	496,225	486,224	758,462
	<hr/>	<hr/>	<hr/>	<hr/>
Net Change in Fund Balance	<u>\$ 110,176</u>	<u>\$ 363,951</u>	357,493	126,491
Fund Balance, May 1			<hr/> 2,067,877	<hr/> 1,941,386
Fund Balance, April 30			<hr/> \$2,425,370	<hr/> \$2,067,877

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, 2010
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Charges to Other Government Units	\$ -	\$ -	\$ -	\$ 41,355
Regional Transportation				
Authority Reimbursements	25,000	25,000	-	80,215
Investment Income	-	-	69	495
Miscellaneous Revenues	-	-	-	14,199
	<hr/>			
Total Revenues	25,000	25,000	69	136,264
	<hr/>			
Expenditures:				
General Government:				
Personal Services	82,677	138,894	95,283	159,924
Contractual Services	98,000	98,000	41,418	136,798
Materials and Supplies	-	-	-	11,096
Miscellaneous	-	-	-	24,931
	<hr/>			
Total Expenditures	180,677	236,894	136,701	332,749
	<hr/>			
Excess (Deficiency) of Revenues Over Expenditures	(155,677)	(211,894)	(136,632)	(196,485)
	<hr/>			
Other Financing Uses:				
Transfers In	160,137	160,137	160,137	128,807
	<hr/>			
Net Change in Fund Balance	<u>\$ 4,460</u>	<u>(\$ 51,757)</u>	23,505	(67,678)
	<hr/>			
Fund Balance (Deficit), May 1			(38,872)	28,806
	<hr/>			
Fund Balance (Deficit), April 30			<u>(\$ 15,367)</u>	<u>(\$ 38,872)</u>

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.

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

City of St. Charles, Illinois
Combining Balance Sheet
Nonmajor Debt Service Funds
April 30, 2010

<u>Assets</u>	<u>TIF</u> <u>District #1</u>	<u>TIF</u> <u>District #2</u>	<u>TIF</u> <u>District #3</u>	<u>TIF</u> <u>District #4</u>	<u>TIF</u> <u>District #5</u>	<u>1997</u> <u>G.O.</u> <u>Bond</u> <u>Issue</u>	<u>1998</u> <u>G.O.</u> <u>Bond</u> <u>Issue</u>	<u>1999</u> <u>G.O.</u> <u>Bond</u> <u>Issue</u>
Cash and Investments	\$ -	\$ 1,692	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due From Other Funds	-	-	-	-	-	-	-	-
Advances To Other Funds	-	-	-	-	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 1,692</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Liabilities and Fund Balance</u>								
Liabilities								
Advance from Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-	-	-	-	-
Fund Balance								
Reserved For Advances to Other Funds	-	-	-	-	-	-	-	-
Reserved For Debt Service	-	1,692	-	-	-	-	-	-
Total Fund Balance	-	1,692	-	-	-	-	-	-
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ 1,692</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

City of St. Charles, Illinois
Combining Balance Sheet
Nonmajor Debt Service Funds

April 30, 2010

	<u>2000</u>	<u>2002A</u>	<u>2004</u>	<u>2005A</u>	<u>2008C</u>	<u>2008</u>	<u>2009</u>	<u>Total</u>
	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	<u>G.O.</u>	<u>Revenue</u>	<u>Refunding</u>	<u>Total</u>
	<u>Bond</u>	<u>Bond</u>	<u>Bond</u>	<u>Bond</u>	<u>Bond</u>	<u>Bond</u>	<u>G.O. Bond</u>	<u>Total</u>
	<u>Issue</u>	<u>Issue</u>	<u>Issue</u>	<u>Issue</u>	<u>Issue</u>	<u>Issue</u>	<u>Issue</u>	<u>Total</u>
<u>Assets</u>								
Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,346,087	\$ 643	\$1,348,422
Due From Other Funds	-	-	-	-	-	392,114	-	392,114
Advances to Other Funds	-	-	-	-	-	-	76,441	76,441
Total Assets	<u>\$ -</u>	<u>\$1,738,201</u>	<u>\$ 77,084</u>	<u>\$1,816,977</u>				
<u>Liabilities and Fund Balance</u>								
Liabilities								
Advance from Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 183,907	\$ -	\$ 183,907
Total Liabilities	-	-	-	-	-	183,907	-	183,907
Fund Balance								
Reserved For Advances to Other Funds	-	-	-	-	-	-	76,441	76,441
Reserved For Debt Service	-	-	-	-	-	1,554,294	643	1,556,629
Total Fund Balance	-	-	-	-	-	1,554,294	77,084	1,633,070
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$1,738,201</u>	<u>\$ 77,084</u>	<u>\$1,816,977</u>				

See independent auditor's report.

City of St. Charles, Illinois

Combining Statement of Revenues, Expenditures

and Changes in Fund Balance

Nonmajor Debt Service Funds

For the Year Ended April 30, 2010

	TIF District #1	TIF District #2	TIF District #3	TIF District #4	TIF District #5	1997 GO Bonds	1998 GO Bonds	1999 GO Bonds
Revenues:								
Sales and Use Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	-	252	-	1,399	-	-	-	-
Total Revenues	-	252	-	1,399	-	-	-	-
Expenditures:								
General Government:								
Contractual	-	29,881	-	-	-	-	-	-
Debt Service	200,000	240,000	125,000	-	200,000	450,000	250,303	187,247
Principal Retirement	110,092	77,980	108,570	1,139,372	146,400	44,650	32,638	36,268
Interest and Fiscal Charges								
Total Expenditures	310,092	347,861	233,570	1,139,372	346,400	494,650	282,941	223,515
Excess (Deficiency) of Revenues Over Expenditures	(310,092)	(347,609)	(233,570)	(1,137,973)	(346,400)	(494,650)	(282,941)	(223,515)
Other Financing Sources (Uses):								
Issuance of Bonds	-	2,325,000	-	-	-	-	-	-
Premium on Bonds	-	93,416	-	-	-	-	-	-
Payment to Escrow Agent	-	(2,387,095)	-	-	-	-	-	-
Transfers In	310,092	317,980	233,570	234,487	346,400	459,550	282,941	223,515
Transfers Out	-	-	-	-	-	(76,441)	-	-
Total Other Financing Sources (Uses)	310,092	349,301	233,570	234,487	346,400	383,109	282,941	223,515
Net Change In Fund Balances	-	1,692	-	(903,486)	-	(111,541)	-	-
Fund Balance, May 1	-	-	-	903,486	-	111,541	-	-
Fund Balance, April 30	\$ -	\$ 1,692	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2010

	2000 GO Bonds	2002A GO Bonds	2004 GO Bonds	2005A GO Bonds	2008C GO Bonds	2008 Revenue Bonds	2009 Refunding Bonds	Total
Revenues:								
Sales and Use Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 701,592	\$ -	\$ 701,592
Investment Income	-	-	-	-	-	132	2	1,785
Total Revenues	-	-	-	-	-	701,724	2	703,377
Expenditures:								
General Government:								
Contractual	-	-	-	-	-	4,000	40,545	74,426
Debt Service								
Principal Retirement	725,000	19,154	260,000	675,000	390,000	-	-	3,721,704
Interest and Fiscal Charges	278,400	7,804	215,550	631,875	540,896	657,206	71,327	4,099,028
Total Expenditures	1,003,400	26,958	475,550	1,306,875	930,896	661,206	111,872	7,895,158
Excess (Deficiency) of Revenues Over Expenditures	(1,003,400)	(26,958)	(475,550)	(1,306,875)	(930,896)	40,518	(111,870)	(7,191,781)
Other Financing Sources (Uses):								
Issuance of Bonds	-	-	-	-	-	-	3,156,550	5,481,550
Premium on Bonds	-	-	-	-	-	-	68,131	161,547
Payment to Escrow Agent	-	-	-	-	-	-	(3,183,495)	(5,570,590)
Transfers In	1,003,400	26,958	475,550	1,306,875	930,896	7,942	147,768	6,307,924
Transfers Out	-	-	-	-	-	-	-	(76,441)
Total Other Financing Sources (Uses)	1,003,400	26,958	475,550	1,306,875	930,896	7,942	188,954	6,303,990
Net Change In Fund Balances	-	-	-	-	-	48,460	77,084	(887,791)
Fund Balance, May 1	-	-	-	-	-	1,505,834	-	2,520,861
Fund Balance, April 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,554,294	\$ 77,084	\$1,633,070

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, 2010

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures:				
Principal Retirement	200,000	200,000	200,000	175,000
Interest and Fiscal Charges	110,092	110,092	110,092	117,705
Total Expenditures	310,092	310,092	310,092	292,705
Excess (Deficiency) of Revenues Over Expenditures	(310,092)	(310,092)	(310,092)	(292,705)
Other Financing Sources:				
Transfers In	310,092	310,092	310,092	292,705
Total Other Financing Sources	310,092	310,092	310,092	292,705
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	-
Fund Balance, May 1			-	-
Fund Balance, April 30			<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

City of St. Charles, Illinois

TIF District #2 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2010

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Investment Income	\$ -	\$ -	\$ 252	\$ -
Total Revenues	-	-	252	-
Expenditures:				
General Government:				
Contractual	-	30,350	29,881	-
Debt Service:				
Principal Retirement	240,000	240,000	240,000	230,000
Interest and Fiscal Charges	119,166	164,618	77,980	128,595
Total Expenditures	359,166	434,968	347,861	358,595
Excess (Deficiency) of Revenues Over Expenditures	(359,166)	(434,968)	(347,609)	(358,595)
Other Financing Sources (Uses):				
Issuance of Bonds	-	2,325,000	2,325,000	-
Premium on Bonds	-	93,416	93,416	-
Payment to Escrow Agent	-	(2,400,452)	(2,387,095)	-
Transfers In	359,166	372,523	317,980	358,578
Total Other Financing Sources (Uses)	359,166	390,487	349,301	358,578
Net Change In Fund Balance	\$ -	\$ 44,481	1,692	(17)
Fund Balance, May 1			-	17
Fund Balance, April 30			\$ 1,692	\$ -

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, 2010

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures:				
Principal Retirement	125,000	125,000	125,000	120,000
Interest and Fiscal Charges	108,570	108,570	108,570	113,910
Total Expenditures	233,570	233,570	233,570	233,910
Excess (Deficiency) of Revenues Over Expenditures	(233,570)	(233,570)	(233,570)	(233,910)
Other Financing Sources:				
Transfers In	233,570	233,570	233,570	233,907
Total Other Financing Sources	233,570	233,570	233,570	233,907
Net Change In Fund Balance	\$ -	\$ -	-	(3)
Fund Balance, May 1			-	3
Fund Balance, April 30			\$ -	\$ -

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, 2010

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Investment Income	\$ -	\$ -	\$ 1,399	\$ 20,295
Total Revenues	-	-	1,399	20,295
Expenditures:				
Interest and Fiscal Charges	1,139,374	1,139,374	1,139,372	1,093,926
Total Expenditures	1,139,374	1,139,374	1,139,372	1,093,926
Excess (Deficiency) of Revenues Over Expenditures	(1,139,374)	(1,139,374)	(1,137,973)	(1,073,631)
Other Financing Sources:				
Transfers In	239,374	239,374	234,487	-
Total Other Financing Sources	239,374	239,374	234,487	-
Net Change In Fund Balance	<u>(\$ 900,000)</u>	<u>(\$ 900,000)</u>	(903,486)	(1,073,631)
Fund Balance, May 1			<u>903,486</u>	<u>1,977,117</u>
Fund Balance, April 30			<u>\$ -</u>	<u>\$ 903,486</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, 2010

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures:				
Principal Retirement	200,000	200,000	200,000	195,000
Interest and Fiscal Charges	146,400	146,400	146,400	152,250
Total Expenditures	346,400	346,400	346,400	347,250
Excess (Deficiency) of Revenues Over Expenditures	(346,400)	(346,400)	(346,400)	(347,250)
Other Financing Sources:				
Transfers In	346,400	346,400	346,400	347,250
Total Other Financing Sources	346,400	346,400	346,400	347,250
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	-
Fund Balance, May 1			-	-
Fund Balance, April 30			<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

City of St. Charles, Illinois
1997 General Obligation Bond Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2010
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Principal Retirement	450,000	450,000	450,000	430,000
Interest and Fiscal Charges	67,926	67,926	44,650	88,350
Total Expenditures	<u>517,926</u>	<u>517,926</u>	<u>494,650</u>	<u>518,350</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(517,926)</u>	<u>(517,926)</u>	<u>(494,650)</u>	<u>(518,350)</u>
Other Financing Sources (Uses):				
Transfers In	517,926	517,926	459,550	484,810
Transfers Out	-	(76,441)	(76,441)	-
Total Other Financing Sources (Uses)	<u>517,926</u>	<u>441,485</u>	<u>383,109</u>	<u>484,810</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>(\$ 76,441)</u>	<u>(111,541)</u>	<u>(33,540)</u>
Fund Balance, May 1			<u>111,541</u>	<u>145,081</u>
Fund Balance, April 30			<u>\$ -</u>	<u>\$ 111,541</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, 2010
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Investment Income	\$ -	\$ -	\$ -	\$ 15
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>15</u>
Expenditures:				
Principal Retirement	250,171	250,171	250,303	243,317
Interest and Fiscal Charges	55,270	55,270	32,638	65,002
Total Expenditures	<u>305,441</u>	<u>305,441</u>	<u>282,941</u>	<u>308,319</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(305,441)</u>	<u>(305,441)</u>	<u>(282,941)</u>	<u>(308,304)</u>
Other Financing Sources:				
Transfers In	<u>305,441</u>	<u>305,441</u>	<u>282,941</u>	<u>306,439</u>
Total Other Financing Sources	<u>305,441</u>	<u>305,441</u>	<u>282,941</u>	<u>306,439</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	(1,865)
Fund Balance, May 1			<u>-</u>	1,865
Fund Balance, April 30			<u>\$ -</u>	<u>\$ -</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, 2010
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Principal Retirement	187,457	187,457	187,247	175,363
Interest and Fiscal Charges	63,352	63,352	36,268	71,943
Total Expenditures	<u>250,809</u>	<u>250,809</u>	<u>223,515</u>	<u>247,306</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(250,809)</u>	<u>(250,809)</u>	<u>(223,515)</u>	<u>(247,306)</u>
Other Financing Sources:				
Transfers In	<u>250,809</u>	<u>250,809</u>	<u>223,515</u>	<u>247,306</u>
Total Other Financing Sources	<u>250,809</u>	<u>250,809</u>	<u>223,515</u>	<u>247,306</u>
Net Change In Fund Balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>-</u>	<u>-</u>
Fund Balance, May 1			<u>-</u>	<u>-</u>
Fund Balance, April 30			<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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, 2010
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Principal Retirement	725,000	725,000	725,000	675,000
Interest and Fiscal Charges	278,400	278,400	278,400	310,800
Total Expenditures	<u>1,003,400</u>	<u>1,003,400</u>	<u>1,003,400</u>	<u>985,800</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,003,400)</u>	<u>(1,003,400)</u>	<u>(1,003,400)</u>	<u>(985,800)</u>
Other Financing Sources:				
Transfers In	<u>1,003,400</u>	<u>1,003,400</u>	<u>1,003,400</u>	<u>985,799</u>
Total Other Financing Sources	<u>1,003,400</u>	<u>1,003,400</u>	<u>1,003,400</u>	<u>985,799</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	(1)
Fund Balance, May 1			<u>-</u>	<u>1</u>
Fund Balance, April 30			<u>\$ -</u>	<u>\$ -</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, 2010
(with comparative actual)

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Last Year</u> <u>Actual</u>
Revenues:				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Principal Retirement	19,154	19,154	19,154	18,526
Interest and Fiscal Charges	7,804	7,804	7,804	8,360
Total Expenditures	<u>26,958</u>	<u>26,958</u>	<u>26,958</u>	<u>26,886</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(26,958)</u>	<u>(26,958)</u>	<u>(26,958)</u>	<u>(26,886)</u>
Other Financing Sources:				
Transfers In	26,958	26,958	26,958	26,886
Total Other Financing Sources	<u>26,958</u>	<u>26,958</u>	<u>26,958</u>	<u>26,886</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	-
Fund Balance, May 1			<u>-</u>	<u>-</u>
Fund Balance, April 30			<u>\$ -</u>	<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, 2010
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Principal Retirement	260,000	260,000	260,000	255,000
Interest and Fiscal Charges	215,550	215,550	215,550	223,200
Total Expenditures	<u>475,550</u>	<u>475,550</u>	<u>475,550</u>	<u>478,200</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(475,550)</u>	<u>(475,550)</u>	<u>(475,550)</u>	<u>(478,200)</u>
Other Financing Sources:				
Transfers In	475,550	475,550	475,550	478,192
Total Other Financing Sources	<u>475,550</u>	<u>475,550</u>	<u>475,550</u>	<u>478,192</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	(8)
Fund Balance, May 1			<u>-</u>	<u>8</u>
Fund Balance, April 30			<u>\$ -</u>	<u>\$ -</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, 2010
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Principal Retirement	675,000	675,000	675,000	650,000
Interest and Fiscal Charges	631,875	631,875	631,875	654,625
Total Expenditures	<u>1,306,875</u>	<u>1,306,875</u>	<u>1,306,875</u>	<u>1,304,625</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,306,875)</u>	<u>(1,306,875)</u>	<u>(1,306,875)</u>	<u>(1,304,625)</u>
Other Financing Sources:				
Transfers In	<u>1,306,875</u>	<u>1,306,875</u>	<u>1,306,875</u>	<u>1,304,625</u>
Total Other Financing Sources	<u>1,306,875</u>	<u>1,306,875</u>	<u>1,306,875</u>	<u>1,304,625</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	-
Fund Balance, May 1			<u>-</u>	<u>-</u>
Fund Balance, April 30			<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

City of St. Charles, Illinois
2008C General Obligation Bond Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2010
(with comparative actual)

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Last Year</u> <u>Actual</u>
Revenues:				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Principal Retirement	390,000	390,000	390,000	-
Interest and Fiscal Charges	540,898	540,898	540,896	-
Total Expenditures	<u>930,898</u>	<u>930,898</u>	<u>930,896</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(930,898)</u>	<u>(930,898)</u>	<u>(930,896)</u>	<u>-</u>
Other Financing Sources:				
Transfers In	930,898	930,898	930,896	-
Total Other Financing Sources	<u>930,898</u>	<u>930,898</u>	<u>930,896</u>	<u>-</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	-
Fund Balance, May 1			<u>-</u>	<u>-</u>
Fund Balance, April 30			<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

City of St. Charles, Illinois

2008 Revenue Bond Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2010

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Sales and Use Tax	\$1,370,989	\$1,370,989	\$ 701,592	\$ 268,873
Investment Income	-	-	132	460
Total Revenues	<u>1,370,989</u>	<u>1,370,989</u>	<u>701,724</u>	<u>269,333</u>
Expenditures:				
General Government:				
Contractual	-	-	4,000	-
Debt Service				
Interest and Fiscal Charges	<u>657,207</u>	<u>657,207</u>	<u>657,206</u>	<u>-</u>
Total Expenditures	<u>657,207</u>	<u>657,207</u>	<u>661,206</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>713,782</u>	<u>713,782</u>	<u>40,518</u>	<u>268,873</u>
Other Financing Sources:				
Issuance of Bonds	-	-	-	1,236,501
Transfers In	<u>-</u>	<u>7,942</u>	<u>7,942</u>	<u>-</u>
Total Other Financing Sources	<u>-</u>	<u>7,942</u>	<u>7,942</u>	<u>1,236,501</u>
Net Change In Fund Balance	<u>\$ 713,782</u>	<u>\$ 721,724</u>	48,460	1,505,834
Fund Balance, May 1			<u>1,505,834</u>	<u>-</u>
Fund Balance, April 30			<u>\$1,554,294</u>	<u>\$1,505,834</u>

See independent auditor's report.

City of St. Charles, Illinois
2009 Refunding General Obligation Bond Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2010
(with comparative actual)

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Last Year</u> <u>Actual</u>
Revenues:				
Investment Income	\$ -	\$ -	\$ 2	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>
Expenditures:				
General Government:				
Contractual	-	41,205	40,545	-
Debt Service				
Interest and Fiscal Charges	<u>-</u>	<u>71,327</u>	<u>71,327</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>112,532</u>	<u>111,872</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(112,532)</u>	<u>(111,870)</u>	<u>-</u>
Other Financing Sources (Uses):				
Issuance of Bonds	-	3,156,550	3,156,550	-
Premium on Bonds	-	68,131	68,131	-
Payment to Escrow Agent	-	(3,183,495)	(3,183,495)	-
Transfers In	<u>-</u>	<u>147,768</u>	<u>147,768</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>188,954</u>	<u>188,954</u>	<u>-</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ 76,422</u>	77,084	-
Fund Balance, May 1			<u>-</u>	<u>-</u>
Fund Balance, April 30			<u>\$ 77,084</u>	<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.

Riverwall Project - to account for the resources used for the reconstruction of a portion of the riverwall along City Hall.

Zylstra Project - to account for the proceeds of the 2008 Series Reserve Bonds used for commercial development on the City's west side.

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

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

City of St. Charles, Illinois

Combining Balance Sheet

Nonmajor Capital Projects Funds

April 30, 2010

<u>Assets</u>	<u>Redgate Bridge</u>	<u>Fire Station</u>	<u>Public Works Garage</u>	<u>Riverwall Project</u>	<u>Zylstra Project</u>	<u>TIF District #4</u>	<u>Special Service Area #21</u>	<u>Total</u>
Cash and Investments	\$ 6,400,665	\$ -	\$ 1,062,651	\$ 847,332	\$ -	\$ 7,614,857	\$ 875,615	\$16,801,120
Receivables								
Accounts Receivable	33,578	-	-	-	-	-	-	33,578
Total Assets	\$ 6,434,243	\$ -	\$ 1,062,651	\$ 847,332	\$ -	\$ 7,614,857	\$ 875,615	\$16,834,698
<u>Liabilities and Fund Balance</u>								
Liabilities								
Accounts Payable	\$ 67,230	\$ -	\$ 17,158	\$ 710,988	\$ -	\$ 8,910	\$ -	\$ 804,286
Contracts Payable	-	-	-	49,648	-	-	-	49,648
Total Liabilities	67,230	-	17,158	760,636	-	8,910	-	853,934
Fund Balance								
Reserved for Community Development	6,367,013	-	-	-	-	7,605,947	875,615	14,848,575
Unreserved	-	-	1,045,493	86,696	-	-	-	1,132,189
Total Fund Balance	6,367,013	-	1,045,493	86,696	-	7,605,947	875,615	15,980,764
Total Liabilities and Fund Balance	\$ 6,434,243	\$ -	\$ 1,062,651	\$ 847,332	\$ -	\$ 7,614,857	\$ 875,615	\$16,834,698

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, 2010

	Redgate Bridge	Fire Station	Public Works Garage	Riverwall Project	Zylstra Project	TIF District #4	Special Service Area #21	Total
Revenues:								
Grants	\$ 232,244	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 232,244
Investment Income	61,174	1,680	3,467	5,966	-	19,759	132	92,178
Miscellaneous	-	-	-	-	-	20,099	-	20,099
Total Revenues	293,418	1,680	3,467	5,966	-	39,858	132	344,521
Expenditures:								
Public Health and Safety:								
Contractual	-	171,482	-	-	-	-	-	171,482
Public Works:								
Contractual	240,515	-	-	-	-	64,784	-	305,299
Capital Outlay	-	1,740,248	19,613	3,639,419	-	935,284	-	6,334,564
Total Expenditures	240,515	1,911,730	19,613	3,639,419	-	1,000,068	-	6,811,345
Excess (Deficiency) of Revenues Over Expenditures	52,903	(1,910,050)	(16,146)	(3,633,453)	-	(960,210)	132	(6,466,824)
Other Financing Sources (Uses):								
Proceeds from the Sale of Capital Assets	-	-	-	-	-	391,993	-	391,993
Transfers In	824,952	37,697	-	-	-	-	-	862,649
Transfers Out	-	-	-	-	(7,942)	-	-	(7,942)
Total Other Financing Sources (Uses)	824,952	37,697	-	-	(7,942)	391,993	-	1,246,700
Net Change in Fund Balances	877,855	(1,872,353)	(16,146)	(3,633,453)	(7,942)	(568,217)	132	(5,220,124)
Fund Balance, May 1	5,489,158	1,872,353	1,061,639	3,720,149	7,942	8,174,164	875,483	21,200,888
Fund Balance, April 30	\$6,367,013	\$ -	\$1,045,493	\$ 86,696	\$ -	\$7,605,947	\$ 875,615	\$15,980,764

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, 2010

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Grants	\$ -	\$ -	\$ 232,244	\$ -
Investment Income	102,648	102,648	61,174	84,921
Total Revenues	<u>102,648</u>	<u>102,648</u>	<u>293,418</u>	<u>84,921</u>
Expenditures:				
Public Works:				
Contractual	<u>2,000,000</u>	<u>2,002,931</u>	<u>240,515</u>	<u>359,818</u>
Total Expenditures	<u>2,000,000</u>	<u>2,002,931</u>	<u>240,515</u>	<u>359,818</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,897,352)</u>	<u>(1,900,283)</u>	<u>52,903</u>	<u>(274,897)</u>
Other Financing Sources:				
Transfers In	<u>836,486</u>	<u>836,486</u>	<u>824,952</u>	<u>790,615</u>
Total Other Financing Sources	<u>836,486</u>	<u>836,486</u>	<u>824,952</u>	<u>790,615</u>
Net Change In Fund Balance	<u>(\$1,060,866)</u>	<u>(\$1,063,797)</u>	<u>877,855</u>	<u>515,718</u>
Fund Balance, May 1			<u>5,489,158</u>	<u>4,973,440</u>
Fund Balance, April 30			<u>\$6,367,013</u>	<u>\$5,489,158</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, 2010

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Investment Income	\$ -	\$ -	\$ 1,680	\$ 6,933
Total Revenues	<u>-</u>	<u>-</u>	<u>1,680</u>	<u>6,933</u>
Expenditures:				
Public Health and Safety:				
Contractual	-	170,437	171,482	582,859
Capital Outlay	200,000	1,931,101	1,740,248	3,029,715
Total Expenditures	<u>200,000</u>	<u>2,101,538</u>	<u>1,911,730</u>	<u>3,612,574</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(200,000)</u>	<u>(2,101,538)</u>	<u>(1,910,050)</u>	<u>(3,605,641)</u>
Other Financing Sources:				
Issuance of Bonds	-	-	-	5,771,307
Discount on Bonds	-	-	-	(814)
Transfers In	-	37,696	37,697	-
Total Other Financing Sources	<u>-</u>	<u>37,696</u>	<u>37,697</u>	<u>5,770,493</u>
Net Change In Fund Balance	<u>(\$ 200,000)</u>	<u>(\$2,063,842)</u>	<u>(1,872,353)</u>	<u>2,164,852</u>
Fund Balance (Deficit), May 1			<u>1,872,353</u>	<u>(292,499)</u>
Fund Balance, April 30			<u>\$ -</u>	<u>\$1,872,353</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, 2010
(with comparative actual)

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Last Year</u> <u>Actual</u>
Revenues:				
Investment Income	\$ -	\$ -	\$ 3,467	\$ 24,671
Total Revenues	<u>-</u>	<u>-</u>	<u>3,467</u>	<u>24,671</u>
Expenditures:				
Public Works:				
Contractual	-	-	-	9,903
Capital Outlay	-	20,214	19,613	386,454
Total Expenditures	<u>-</u>	<u>20,214</u>	<u>19,613</u>	<u>396,357</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>(\$ 20,214)</u>	<u>(16,146)</u>	<u>(371,686)</u>
Fund Balance, May 1			<u>1,061,639</u>	<u>1,433,325</u>
Fund Balance, April 30			<u>\$1,045,493</u>	<u>\$1,061,639</u>

See independent auditor's report.

City of St. Charles, Illinois

Riverwall Project Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2010

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Investment Income	\$ 6,000	\$ 6,000	\$ 5,966	\$ 8,557
Total Revenues	<u>6,000</u>	<u>6,000</u>	<u>5,966</u>	<u>8,557</u>
Expenditures:				
Public Works:				
Contractual	-	-	-	65,327
Capital Outlay	<u>3,718,000</u>	<u>3,723,788</u>	<u>3,639,419</u>	<u>267,466</u>
Total Expenditures	<u>3,718,000</u>	<u>3,723,788</u>	<u>3,639,419</u>	<u>332,793</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,712,000)</u>	<u>(3,717,788)</u>	<u>(3,633,453)</u>	<u>(324,236)</u>
Other Financing Sources:				
Issuance of Bonds	-	-	-	4,045,000
Discount on Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>(615)</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,044,385</u>
Net Change In Fund Balance	<u>(\$3,712,000)</u>	<u>(\$3,717,788)</u>	<u>(3,633,453)</u>	<u>3,720,149</u>
Fund Balance, May 1			<u>3,720,149</u>	<u>-</u>
Fund Balance, April 30			<u>\$ 86,696</u>	<u>\$3,720,149</u>

See independent auditor's report.

City of St. Charles, Illinois

Zylstra Project Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2010

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Investment Income	\$ -	\$ -	\$ -	\$ 3
Total Revenues	-	-	-	3
Expenditures:				
Community Development:				
Contractual	-	-	-	7,638,222
Total Expenditures	-	-	-	7,638,222
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	(7,638,219)
Other Financing Sources (Uses):				
Issuance of Bonds	-	-	-	7,698,498
Discount on Bonds	-	-	-	(52,337)
Transfers Out	-	(7,942)	(7,942)	-
Total Other Financing Sources (Uses)	-	(7,942)	(7,942)	7,646,161
Net Change In Fund Balance	\$ -	(\$ 7,942)	(7,942)	7942
Fund Balance, May 1			7,942	-
Fund Balance, April 30			\$ -	\$ 7,942

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, 2010

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Grants	\$ -	\$ -	\$ -	\$ 100,000
Investment Income	48,331	48,331	19,759	300,200
Miscellaneous	-	-	20,099	-
Total Revenues	<u>48,331</u>	<u>48,331</u>	<u>39,858</u>	<u>400,200</u>
Expenditures:				
Public Works:				
Contractual	46,755	498,899	64,784	746,191
Capital Outlay	<u>1,733,909</u>	<u>7,303,457</u>	<u>935,284</u>	<u>4,428,676</u>
Total Expenditures	<u>1,780,664</u>	<u>7,802,356</u>	<u>1,000,068</u>	<u>5,174,867</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,732,333)</u>	<u>(7,754,025)</u>	<u>(960,210)</u>	<u>(4,774,667)</u>
Other Financing Sources:				
Proceeds from the Sale of Capital Assets	<u>-</u>	<u>391,993</u>	<u>391,993</u>	<u>-</u>
Total Other Financing Sources	<u>-</u>	<u>391,993</u>	<u>391,993</u>	<u>-</u>
Net Change In Fund Balance	<u>(\$1,732,333)</u>	<u>(\$7,362,032)</u>	<u>(568,217)</u>	<u>(4,774,667)</u>
Fund Balance, May 1			<u>8,174,164</u>	<u>12,948,831</u>
Fund Balance, April 30			<u>\$7,605,947</u>	<u>\$8,174,164</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, 2010
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Investment Income	\$ 8,752	\$ 8,752	\$ 132	\$ 7,391
Total Revenues	<u>8,752</u>	<u>8,752</u>	<u>132</u>	<u>7,391</u>
Expenditures:				
None	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	<u>\$ 8,752</u>	<u>\$ 8,752</u>	132	7,391
Fund Balance, May 1			<u>875,483</u>	<u>868,092</u>
Fund Balance, April 30			<u>\$ 875,615</u>	<u>\$ 875,483</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.

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

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

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

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

City of St. Charles, Illinois

Internal Service Funds

Combining Statement of Net Assets

April 30, 2010

	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>
Assets						
Cash and Investments	\$1,701,701	\$1,099,433	\$ 289,967	\$2,923,644	\$ 622,628	\$6,637,373
Miscellaneous Receivables	31,733	224,802	-	-	-	256,535
Inventory (net of allowance for excess and obsolete inventory of \$90,000)	-	-	2,822,831	-	-	2,822,831
Prepaid Items	25,703	232,612	-	1,095	-	259,410
Capital Assets Being Depreciated	-	-	73,023	7,365,235	1,280,923	8,719,181
Accumulated Depreciation	-	-	(36,077)	(4,575,447)	(23,739)	(4,635,263)
Total Assets	1,759,137	1,556,847	3,149,744	5,714,527	1,879,812	14,060,067
Liabilities						
Accounts Payable	70	507	195,967	21,199	3,622	221,365
Claims Payable	537,247	1,026,870	-	1,100	-	1,565,217
Accrued Salaries	-	-	13,054	18,071	3,855	34,980
Advances from Other Funds	-	-	-	76,441	1,233,272	1,309,713
Accrued Compensated Absences	-	-	53,466	33,985	3,536	90,987
Net OPEB Obligation	-	-	36,934	72,601	15,171	124,706
Total Liabilities	537,317	1,027,377	299,421	223,397	1,259,456	3,346,968
Net Assets						
Invested in Capital Assets	-	-	36,946	2,789,788	1,257,184	4,083,918
Unrestricted (Deficit)	1,221,820	529,470	2,813,377	2,701,342	(636,828)	6,629,181
Total Net Assets	\$1,221,820	\$ 529,470	\$2,850,323	\$5,491,130	\$ 620,356	\$10,713,099

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, 2010

	Health Insurance Fund	W/C Liability Insurance Fund	Inventory Fund	Motor Vehicle Replacement Fund	Communications Fund	Total
Operating Revenues:						
Charges for Services	\$ -	\$ -	\$ -	\$1,899,306	\$ 334,041	\$2,233,347
Insurance Premiums	3,903,661	1,143,925	-	-	-	5,047,586
Sale of Inventory	-	-	2,576,794	-	-	2,576,794
Miscellaneous	111	217,044	664,959	-	-	882,114
Total Operating Revenues	3,903,772	1,360,969	3,241,753	1,899,306	334,041	10,739,841
Operating Expenses:						
Personal Services	14,408	-	441,769	666,532	134,452	1,257,161
Fleet Maintenance	-	-	-	961,225	-	961,225
Insurance Claims	3,422,077	614,736	-	-	-	4,036,813
Insurance Premiums	276,652	384,993	-	-	-	661,645
Cost of Inventory	-	-	2,576,377	-	-	2,576,377
Provision for Depreciation	-	-	2,879	639,735	23,739	666,353
Miscellaneous	449,446	137,346	443,406	-	166,627	1,196,825
Total Operating Expenses	4,162,583	1,137,075	3,464,431	2,267,492	324,818	11,356,399
Operating Income (Loss)	(258,811)	223,894	(222,678)	(368,186)	9,223	(616,558)
Nonoperating Revenues:						
Gain on Sale of Property	-	-	-	1,600	-	1,600
Investment Income	14,551	4,042	(265)	15,471	1,528	35,327
Total Nonoperating Revenues	14,551	4,042	(265)	17,071	1,528	36,927
Change in Net Assets	(244,260)	227,936	(222,943)	(351,115)	10,751	(579,631)
Transfers:						
Transfers In	-	300,515	-	-	-	300,515
Transfers Out	-	-	-	(3,482)	-	(3,482)
Total Transfers	-	300,515	-	(3,482)	-	297,033
Change in Net Assets	(244,260)	528,451	(222,943)	(354,597)	10,751	(282,598)
Net Assets, May 1	1,466,080	1,019	3,073,266	5,845,727	609,605	10,995,697
Net Assets, April 30	\$1,221,820	\$ 529,470	\$2,850,323	\$5,491,130	\$ 620,356	\$10,713,099

See independent auditor's report.

City of St. Charles, Illinois

Internal Service Funds

Combining Statement of Cash Flows

For the Year Ended April 30, 2010

	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	\$ 3,117,650	\$ 919,123	\$ 3,241,754	\$ 1,899,306	\$ 334,041	\$ 9,511,874
Receipts from Miscellaneous Revenue	789,926	217,042	-	-	-	1,006,968
Payments to Suppliers	(3,997,856)	(1,308,889)	(2,584,348)	(936,548)	(167,045)	(8,994,686)
Payments to Employees	(14,408)	-	(439,778)	(665,792)	(132,738)	(1,252,716)
Net Cash from Operating Activities	(104,688)	(172,724)	217,628	296,966	34,258	271,440
Cash Flows from Noncapital Financing Activities						
Transfers In	-	300,514	-	-	-	300,514
Transfers Out	-	-	-	(38,582)	-	(38,582)
Net Cash from Noncapital Financing Activities	-	300,514	-	(38,582)	-	261,932
Cash Flows from Capital and Related Financing Activities						
Capital Assets Purchased	-	-	-	(4,368)	-	(4,368)
Proceeds on Sale of Capital Assets	-	-	-	1,600	-	1,600
Net Cash from Capital and Related Financing Activities	-	-	-	(2,768)	-	(2,768)
Cash Flows from Investing Activities						
Purchase of Investments	(900,000)	(701,635)	-	(1,000,000)	-	(2,601,635)
Proceeds from Sale and Maturities of Investment Securities	-	-	-	987,011	-	987,011
Interest Received (Deducted)	7,281	4,042	(265)	14,737	1,528	27,323
Net Cash from Investing Activities	(892,719)	(697,593)	(265)	1,748	1,528	(1,587,301)
Net Increase (Decrease) in Cash and Cash Equivalents	(997,407)	(569,803)	217,363	257,364	35,786	(1,056,697)
Cash and Cash Equivalents, May 1	1,791,838	967,600	72,604	1,658,202	586,842	5,077,086
Cash and Cash Equivalents, April 30	\$ 794,431	\$ 397,797	\$ 289,967	\$ 1,915,566	\$ 622,628	\$ 4,020,389
Cash and Investments						
Cash and Cash Equivalents	\$ 794,431	\$ 397,798	\$ 289,967	\$ 1,915,566	\$ 622,628	\$ 4,020,390
Investments (00, 06, 11)	907,270	701,635	-	1,008,078	-	2,616,983
Total Cash and Investments	\$ 1,701,701	\$ 1,099,433	\$ 289,967	\$ 2,923,644	\$ 622,628	\$ 6,637,373
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES						
Operating Income (Loss)	\$ (258,811)	\$ 223,894	\$ (222,678)	\$ (368,186)	\$ 9,223	\$ (616,558)
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities						
Depreciation	-	-	2,879	639,735	23,739	666,353
Changes in Assets and Liabilities						
Receivables	3,804	(224,802)	-	-	-	(220,998)
Inventory	-	-	226,781	-	-	226,781
Prepays	10,000	6,778	-	(1,095)	-	15,683
Accounts and Claims Payable	140,319	(178,594)	180,237	282	(6,681)	135,563
Accrued Salaries	-	-	(1,133)	(1,313)	1,559	(887)
Compensated Absences Payable	-	-	3,125	953	155	4,233
Net OPEB Obligation	-	-	28,417	26,590	6,263	61,270
Net Cash from Operating Activities	\$ (104,688)	\$ (172,724)	\$ 217,628	\$ 296,966	\$ 34,258	\$ 271,440

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.

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

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

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

Fiduciary Funds

April 30, 2010

	<u>Pension Trust Funds</u>			<u>Agency Funds</u>
	<u>Police Pension Fund</u>	<u>Fire Pension Fund</u>	<u>Total</u>	
Assets				
Cash and Short-Term Investments	\$ 2,658,226	\$ 976,610	\$ 3,634,836	\$ 2,134,025
Investments, at Fair Value				
U.S. Treasury and Agency Securities	10,823,055	10,858,610	21,681,665	-
Mutual Funds	3,851,216	5,393,399	9,244,615	-
Equity Securities	6,147,644	5,193,452	11,341,096	-
Receivables				
Accounts Receivable	-	3,657	3,657	757,671
Accrued Interest on Investments	51,959	57,046	109,005	-
Total Assets	<u>23,532,100</u>	<u>22,482,774</u>	<u>46,014,874</u>	<u>2,891,696</u>
Liabilities				
Accounts Payable	12,925	3,950	16,875	28,761
Due to Other Funds	-	-	-	292,361
Due to Other Governments	-	-	-	2,472,862
Due to Bondholders	-	-	-	97,712
Total Liabilities	<u>12,925</u>	<u>3,950</u>	<u>16,875</u>	<u>\$ 2,891,696</u>
Net Assets Held In Trust For Pension Benefits	<u>\$23,519,175</u>	<u>\$22,478,824</u>	<u>\$45,997,999</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, 2010

	<u>Police</u>	<u>Fire</u>	<u>Total</u>
	<u>Pension Fund</u>	<u>Pension Fund</u>	
Additions:			
Contributions -			
Employer	\$ 1,261,628	\$ 1,054,067	\$ 2,315,695
Employee	425,962	398,477	824,439
Total Contributions	<u>1,687,590</u>	<u>1,452,544</u>	<u>3,140,134</u>
Investment Income -			
Net Appreciation in the			
Fair Value of Investments	2,770,489	2,888,260	5,658,749
Interest	584,790	465,318	1,050,108
Total Investment Income	<u>3,355,279</u>	<u>3,353,578</u>	<u>6,708,857</u>
Less Investment Expense	(167,642)	(110,485)	(278,127)
Net Investment Income	<u>3,187,637</u>	<u>3,243,093</u>	<u>6,430,730</u>
Total Additions	<u>4,875,227</u>	<u>4,695,637</u>	<u>9,570,864</u>
Deductions:			
Pension Benefits and Refunds	1,536,927	666,657	2,203,584
Administrative Expenses	49,058	11,777	60,835
Total Deductions	<u>1,585,985</u>	<u>678,434</u>	<u>2,264,419</u>
Net Increase	3,289,242	4,017,203	7,306,445
Net Assets Held In Trust			
For Pension Benefits			
May 1	<u>20,229,933</u>	<u>18,461,621</u>	<u>38,691,554</u>
April 30	<u>\$23,519,175</u>	<u>\$22,478,824</u>	<u>\$45,997,999</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, 2010

	<u>Balance</u> <u>May 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>April 30</u>
Tri-City Ambulance Fund:				
Assets -				
Cash and Investments	\$ 906,901	\$ 4,027,321	\$ 3,688,559	\$ 1,245,663
Accounts Receivable, net	1,080,074	3,496,589	3,818,991	757,672
	<u>\$ 1,986,975</u>	<u>\$ 7,523,910</u>	<u>\$ 7,507,550</u>	<u>\$ 2,003,335</u>
Liabilities -				
Accounts Payable	\$ 14,023	\$ 2,908,249	\$ 2,895,328	\$ 26,944
Due to Other Governments	1,972,952	4,023,563	4,020,124	1,976,391
	<u>\$ 1,986,975</u>	<u>\$ 6,931,812</u>	<u>\$ 6,915,452</u>	<u>\$ 2,003,335</u>
Special Service Area 21:				
Assets -				
Cash and Investments	\$ 392,982	\$ 295,453	\$ 298,362	\$ 390,073
	<u>\$ 392,982</u>	<u>\$ 295,453</u>	<u>\$ 298,362</u>	<u>\$ 390,073</u>
Liabilities -				
Due to Other Funds	\$ -	\$ 292,361	\$ -	\$ 292,361
Due to Bondholders	392,982	92	295,362	97,712
	<u>\$ 392,982</u>	<u>\$ 292,453</u>	<u>\$ 295,362</u>	<u>\$ 390,073</u>
North Central Narcotics Task Force:				
Assets -				
Cash and Investments	\$ 654,644	\$ 528,208	\$ 684,564	\$ 498,288
	<u>\$ 654,644</u>	<u>\$ 528,208</u>	<u>\$ 684,564</u>	<u>\$ 498,288</u>
Liabilities -				
Accounts Payable	\$ -	\$ 338,975	\$ 337,158	\$ 1,817
Due to Other Governments	654,644	216,293	374,466	496,471
	<u>\$ 654,644</u>	<u>\$ 555,268</u>	<u>\$ 711,624</u>	<u>\$ 498,288</u>
Total:				
Assets -				
Cash and Investments	\$ 1,954,527	\$ 4,850,982	\$ 4,671,485	\$ 2,134,024
Accounts Receivable	1,080,074	3,496,589	3,818,991	757,672
	<u>\$ 3,034,601</u>	<u>\$ 8,347,571</u>	<u>\$ 8,490,476</u>	<u>\$ 2,891,696</u>
Liabilities -				
Accounts Payable	\$ 14,023	\$ 3,247,224	\$ 3,232,486	\$ 28,761
Due to Other Governments	2,627,596	4,239,856	4,394,590	2,472,862
Due to Other Funds	-	292,361	-	292,361
Due to Bondholders	392,982	92	295,362	97,712
	<u>\$ 3,034,601</u>	<u>\$ 7,779,533</u>	<u>\$ 7,922,438</u>	<u>\$ 2,891,696</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, 2010

Capital Assets

Land	\$58,483,588
Buildings	48,248,285
Improvements Other Than Buildings	114,261,146
Equipment	5,001,021
Construction in Progress	6,882,175
Accumulated Depreciation	<u>(74,646,841)</u>
Total Capital Assets	<u>\$158,229,374</u>

Investment in Capital Assets

Adjusted Balance, May 1	\$157,774,058
Current Year Additions	3,958,112
Current Year Depreciation	<u>(3,502,796)</u>
Balance, April 30	<u>\$158,229,374</u>

See independent auditor's report.

City of St. Charles, Illinois

Governmental Funds - Capital Assets

Schedule by Function and Activity

April 30, 2010

<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	\$12,851,206	\$ -	\$ 45,113	\$ -	\$15,834,094
Central Support Services	-	-	-	310,645	-	310,645
Total General Government	<u>2,937,775</u>	<u>12,851,206</u>	<u>-</u>	<u>355,758</u>	<u>-</u>	<u>16,144,739</u>
Public Health and Safety:						
Police Department	-	772,213	-	93,746	-	865,959
Fire Department	-	6,333,044	366,965	105,619	-	6,805,628
Total Public Health and Safety	<u>-</u>	<u>7,105,257</u>	<u>366,965</u>	<u>199,365</u>	<u>-</u>	<u>7,671,587</u>
Public Works:	<u>55,545,813</u>	<u>28,435,821</u>	<u>113,750,181</u>	<u>4,445,898</u>	<u>-</u>	<u>202,177,713</u>
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,882,175</u>	<u>6,882,175</u>
Accumulated Depreciation	<u>-</u>	<u>(9,454,386)</u>	<u>(63,989,326)</u>	<u>(1,203,128)</u>	<u>-</u>	<u>(74,646,840)</u>
Total Capital Assets	<u>\$58,483,588</u>	<u>\$38,937,898</u>	<u>\$50,127,820</u>	<u>\$ 3,797,893</u>	<u>\$ 6,882,175</u>	<u>\$158,229,374</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, 2010

<u>Function and Activity</u>	<u>Capital Assets May 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Accumulated Depreciation</u>	<u>Capital Assets April 30</u>
General Government:					
General Administration	\$10,199,832	\$ 6,005,750	(\$ 377,252)	(\$ 3,592,169)	\$12,236,161
Central Support Services	<u>310,645</u>	<u>-</u>	<u>-</u>	<u>(310,645)</u>	<u>-</u>
Total General Government	<u>10,510,477</u>	<u>6,005,750</u>	<u>(377,252)</u>	<u>(3,902,814)</u>	<u>12,236,161</u>
Public Health and Safety:					
Police Department	865,959	-	-	(197,468)	668,491
Fire Department	<u>6,805,628</u>	<u>-</u>	<u>-</u>	<u>(1,415,524)</u>	<u>5,390,104</u>
Total Public Health and Safety	<u>7,671,587</u>	<u>-</u>	<u>-</u>	<u>(1,612,992)</u>	<u>6,058,595</u>
Public Works:	<u>196,048,776</u>	<u>6,134,703</u>	<u>-</u>	<u>(69,131,035)</u>	<u>133,052,444</u>
Construction in Progress:	<u>14,687,264</u>	<u>6,890,350</u>	<u>(14,695,439)</u>	<u>-</u>	<u>6,882,175</u>
Total Capital Assets	<u><u>\$228,918,103</u></u>	<u><u>\$19,030,803</u></u>	<u><u>(\$15,072,691)</u></u>	<u><u>(\$74,646,841)</u></u>	<u><u>\$158,229,374</u></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, 2010

	<u>Debit Balance</u>	<u>Credit Balance</u>
Amount Available in Debt Service Funds for Repayment of Principal	\$ 1,556,629	\$ -
Amounts to be Provided From Future Tax Levies and Other Sources for Payment of -		
Accrued Compensated Absences	3,132,555	-
General Obligation Bond Principal	78,076,871	-
Revenue Bond Principal	7,380,706	-
Installment Purchase Contracts	181,868	-
Other Postemployment Benefits	2,929,121	-
Developer Agreement Payable	358,062	-
Payable From Future Tax Levies and Other Sources-		
Accrued Compensated Absences	-	3,132,555
General Obligation Bond Principal	-	78,079,206
Revenue Bond Principal	-	8,935,000
Installment Purchase Contracts	-	181,868
Other Post Employment Benefits	-	2,929,121
Developer Agreement Payable	-	358,062
	<u>\$93,615,812</u>	<u>\$93,615,812</u>

See independent auditor's report.

City of St. Charles, Illinois

General Corporate Fund

Balance Sheet

April 30, 2010

Assets

Cash and Investments		\$17,069,390
Receivables		
Property Taxes, net	12,535,896	
Miscellaneous, net	<u>632,800</u>	13,168,696
Prepaid Items		437,547
Due From Other Funds		20,003
Due From Fiduciary Funds		292,361
Due From Other Governments		5,608,690
Advance to Other Funds		<u>2,776,258</u>
Total Assets		<u><u>\$39,372,945</u></u>

Liabilities and Fund Balance

Liabilities

Accounts Payable		\$ 583,634
Contracts Payable		20,278
Accrued Salaries		652,506
Escrows and Refundable Deposits		2,388,114
Due to Other Funds		392,114
Deferred Revenue		
Property Taxes	12,535,896	
Other Deferred Revenue	<u>164,648</u>	12,700,544
Total Liabilities		<u><u>16,737,190</u></u>

Fund Balance

Reserved for		
Retirement Obligations		483,086
Ambulance Service		1,091
Mental Health		75,681
Special Service Areas		212
Prepaid Items		437,547
Capital Outlay		539,045
Advances to Other Funds		2,776,258
Unreserved - Designated		
Community Development Debt Service		2,609,932
Employer's IMRF/SLEP Obligation		390,068
Unreserved - Undesignated		<u>15,322,835</u>
Total Fund Balance		<u><u>22,635,755</u></u>
Total Liabilities and Fund Balance		<u><u>\$39,372,945</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, 2010
(with comparative actual)

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Last Year</u> <u>Actual</u>
General Government:				
General Administrative-				
Office of the Mayor-				
Personal Services	\$ 41,015	\$ 41,015	\$ 39,209	\$ 49,977
Contractual Services	23,869	40,389	38,116	20,302
Materials and Supplies	11,914	10,764	5,851	11,381
Allocations To Other Funds	<u>(58,130)</u>	<u>(58,130)</u>	<u>(55,633)</u>	<u>(54,573)</u>
	<u>18,668</u>	<u>34,038</u>	<u>27,543</u>	<u>27,087</u>
City Council-				
Personal Services	85,147	87,397	76,432	79,405
Contractual Services	424,054	424,054	414,391	413,896
Materials and Supplies	100,371	100,371	-	3
Allocations To Other Funds	<u>(120,346)</u>	<u>(120,346)</u>	<u>(237,203)</u>	<u>(238,394)</u>
	<u>489,226</u>	<u>491,476</u>	<u>253,620</u>	<u>254,910</u>
City Administrator-				
Personal Services	361,241	361,762	369,840	368,504
Contractual Services	698,637	730,967	724,123	820,955
Materials and Supplies	16,482	29,013	15,517	25,075
Allocations To Other Funds	<u>(297,746)</u>	<u>(297,746)</u>	<u>(230,019)</u>	<u>(263,375)</u>
	<u>778,614</u>	<u>823,996</u>	<u>879,461</u>	<u>951,159</u>
Community & Public Affairs-				
Personal Services	95,782	95,681	63,758	104,578
Contractual Services	26,713	26,096	18,980	15,762
Materials and Supplies	<u>2,591</u>	<u>1,841</u>	<u>121</u>	<u>49</u>
	<u>125,086</u>	<u>123,618</u>	<u>82,859</u>	<u>120,389</u>
City Clerk-				
Personal Services	4,845	4,845	4,862	5,082
Contractual Services	<u>3,800</u>	<u>3,800</u>	<u>1,650</u>	<u>2,170</u>
	<u>8,645</u>	<u>8,645</u>	<u>6,512</u>	<u>7,252</u>
City Treasurer-				
Personal Services	1,939	1,939	1,945	2,032
Contractual Services	2,280	2,688	2,688	2,280
Allocations To Other Funds	<u>(1,414)</u>	<u>(1,414)</u>	<u>(1,702)</u>	<u>(1,600)</u>
	<u>2,805</u>	<u>3,213</u>	<u>2,931</u>	<u>2,712</u>
Board of Police and Fire-				
Contractual Services	12,785	20,985	8,825	39,003
Materials and Supplies	<u>530</u>	<u>530</u>	<u>8</u>	<u>164</u>
	<u>13,315</u>	<u>21,515</u>	<u>8,833</u>	<u>39,167</u>
Total General Administrative	<u>1,436,359</u>	<u>1,506,501</u>	<u>1,261,759</u>	<u>1,402,676</u>

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
General Government (continued):				
Central Support Services-				
Purchasing-				
Personal Services	\$ 207,043	\$ 207,043	\$ 208,787	\$ 210,984
Contractual Services	73,189	73,201	44,117	48,384
Materials and Supplies	19,572	19,572	12,584	15,085
Capital Outlay	-	-	-	-
Miscellaneous	136	136	114	258
Allocations To Other Funds	<u>(279,063)</u>	<u>(279,063)</u>	<u>(270,216)</u>	<u>(274,711)</u>
	<u>20,877</u>	<u>20,889</u>	<u>(4,614)</u>	<u>-</u>
Human Resources-				
Personal Services	634,940	643,740	611,777	645,145
Contractual Services	106,576	154,664	83,119	77,324
Materials and Supplies	65,969	79,722	45,161	90,571
Capital Outlay	-	-	-	-
Miscellaneous	39	39	136	404
Allocations To Other Funds	<u>(379,220)</u>	<u>(379,220)</u>	<u>(328,547)</u>	<u>(359,420)</u>
	<u>428,304</u>	<u>498,945</u>	<u>411,646</u>	<u>454,024</u>
Information Systems-				
Personal Services	1,290,022	1,305,663	1,312,706	1,314,075
Contractual Services	185,670	225,521	97,425	196,262
Materials and Supplies	103,855	120,731	98,464	115,586
Capital Outlay	117,550	40,959	35,667	93,196
Miscellaneous	1,805	1,805	1,263	2,074
Allocations To Other Funds	<u>(684,582)</u>	<u>(684,582)</u>	<u>(645,806)</u>	<u>(698,923)</u>
	<u>1,014,320</u>	<u>1,010,097</u>	<u>899,719</u>	<u>1,022,270</u>
Finance Administration-				
Personal Services	1,074,340	1,076,374	1,079,870	1,065,757
Contractual Services	225,803	235,347	207,179	251,737
Materials and Supplies	45,968	46,367	44,431	45,174
Capital Outlay	-	721	713	-
Miscellaneous	658	658	2,803	600
Allocations To Other Funds	<u>(1,122,604)</u>	<u>(1,122,604)</u>	<u>(1,107,454)</u>	<u>(1,139,833)</u>
	<u>224,165</u>	<u>236,863</u>	<u>227,542</u>	<u>223,435</u>
Total Central Support Services	<u>1,687,666</u>	<u>1,766,794</u>	<u>1,534,293</u>	<u>1,699,729</u>
Total General Government	<u>3,124,025</u>	<u>3,273,295</u>	<u>2,796,052</u>	<u>3,102,405</u>
Public Health and Safety:				
Police Department-				
Administration-				
Personal Services	3,061,900	3,247,025	3,098,131	2,991,958
Contractual Services	923,853	959,169	906,174	909,859
Materials and Supplies	78,774	74,977	60,410	54,905
Capital Outlay	-	1,400	1,397	20,134
Miscellaneous	2,079	2,079	2,788	3,515
	<u>4,066,606</u>	<u>4,284,650</u>	<u>4,068,900</u>	<u>3,980,371</u>

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Public Health and Safety (Continued):				
Police Department (Continued)-				
Police Operations-				
Personal Services	\$ 5,458,125	\$ 5,427,166	\$ 5,388,324	\$ 5,602,682
Contractual Services	331,009	331,009	406,712	581,158
Materials and Supplies	194,915	189,194	130,180	137,649
Capital Outlay	-	75,292	2,067	142,622
Miscellaneous	27,096	27,096	25,525	49,000
	<u>6,011,145</u>	<u>6,049,757</u>	<u>5,952,808</u>	<u>6,513,111</u>
Total Police Department	<u>10,077,751</u>	<u>10,334,407</u>	<u>10,021,708</u>	<u>10,493,482</u>
Fire Department-				
Administration-				
Personal Services	1,819,695	1,808,110	1,827,781	1,565,277
Contractual Services	161,269	198,661	156,246	181,831
Materials and Supplies	19,623	19,623	18,008	14,045
Miscellaneous	195	195	347	468
	<u>2,000,782</u>	<u>2,026,589</u>	<u>2,002,382</u>	<u>1,761,621</u>
Fire Suppression-				
Personal Services	814,140	814,140	628,288	781,954
Contractual Services	90,177	90,177	89,368	86,507
Materials and Supplies	12,101	5,597	3,475	8,984
Miscellaneous	69	69	75	183
	<u>916,487</u>	<u>909,983</u>	<u>721,206</u>	<u>877,628</u>
Fire Station Activities-				
Personal Services	3,613,221	3,613,221	3,758,862	3,791,670
Contractual Services	433,245	430,160	435,193	815,008
Materials and Supplies	127,771	132,398	93,896	99,710
Capital Outlay	993,655	1,000,814	64,191	63,398
Miscellaneous	15,937	15,937	13,047	26,334
	<u>5,183,829</u>	<u>5,192,530</u>	<u>4,365,189</u>	<u>4,796,120</u>
Fire Training-				
Personal Services	717,224	733,612	706,208	692,713
Materials and Supplies	7,340	7,340	5,871	10,172
Capital Outlay	10,000	10,000	-	-
	<u>734,564</u>	<u>750,952</u>	<u>712,079</u>	<u>702,885</u>
Fire Prevention-				
Personal Services	602,700	663,072	482,600	451,808
Contractual Services	35,848	27,598	17,977	8,309
Materials and Supplies	7,834	7,834	4,664	4,541
Capital Outlay	22,625	-	-	8,090
Miscellaneous	27	27	-	-
	<u>669,034</u>	<u>698,531</u>	<u>505,241</u>	<u>472,748</u>
Emergency Medical Services-				
Personal Services	527,942	527,942	376,870	387,830
Contractual Services	411,389	401,244	359,860	219,091
Materials and Supplies	6,681	6,681	6,808	6,818
Capital Outlay	500	500	483	255
	<u>946,512</u>	<u>936,367</u>	<u>744,021</u>	<u>613,994</u>

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Public Health and Safety (Continued):				
Fire Department (Continued)-				
Emergency Service and Disaster-				
Personal Services	\$ 72,102	\$ 71,837	\$ 48,734	\$ 53,550
Contractual Services	34,263	36,013	20,921	41,202
Materials and Supplies	2,882	2,397	968	2,123
Capital Outlay	-	-	-	1,325
	<u>109,247</u>	<u>110,247</u>	<u>70,623</u>	<u>98,200</u>
 Total Fire Department	 <u>10,560,455</u>	 <u>10,625,199</u>	 <u>9,120,741</u>	 <u>9,323,196</u>
 Public Health Planning				
Contractual Services	669,189	669,189	606,000	691,000
	<u>669,189</u>	<u>669,189</u>	<u>606,000</u>	<u>691,000</u>
 Total Public Health and Safety	 <u>21,307,395</u>	 <u>21,628,795</u>	 <u>19,748,449</u>	 <u>20,507,678</u>
Public Works:				
Administration-				
Personal Services	542,753	530,443	506,738	584,502
Contractual Services	157,212	188,277	171,706	62,304
Materials and Supplies	4,815	9,650	8,095	6,772
Capital Outlay	-	1,000	984	7,500
Miscellaneous	402	402	268	498
Allocations To Other Funds	(142,359)	(142,359)	(122,699)	(137,193)
	<u>562,823</u>	<u>587,413</u>	<u>565,092</u>	<u>524,383</u>
 Engineering-				
Personal Services	337,319	337,531	341,755	527,788
Contractual Services	55,614	54,715	37,577	293,486
Materials and Supplies	10,650	12,117	9,307	14,314
Capital Outlay	-	-	-	18,000
Miscellaneous	1,142	1,142	710	2,256
Allocations To Other Funds	(102,564)	(102,564)	(76,062)	(160,923)
	<u>302,161</u>	<u>302,941</u>	<u>313,287</u>	<u>694,921</u>
 Street and Bridge Maintenance-				
Personal Services	1,499,910	1,547,026	1,473,512	1,516,884
Contractual Services	1,927,809	2,050,191	1,807,698	2,349,889
Materials and Supplies	467,889	468,947	362,532	394,332
Capital Outlay	-	16,300	14,046	8,535
Miscellaneous	31,931	31,931	29,971	60,727
Allocations To Other Funds	(681,337)	(681,337)	(602,737)	(679,179)
	<u>3,246,202</u>	<u>3,433,058</u>	<u>3,085,022</u>	<u>3,651,188</u>
 Storm Sewer Maintenance-				
Personal Services	315,702	315,702	303,886	350,211
Contractual Services	92,309	119,309	46,361	19,405
Materials and Supplies	104,747	105,517	97,937	98,841
Capital Outlay	45,000	304,890	44,679	30,115
Miscellaneous	32,215	32,215	24,357	30,949
	<u>589,973</u>	<u>877,633</u>	<u>517,220</u>	<u>529,521</u>

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Public Works (Continued):				
Street and Bridge Engineering-				
Contractual Services	\$ 310,045	\$ 197,388	\$ 96,805	\$ 397,657
Capital Outlay	1,228,972	1,282,060	682,133	543,896
Miscellaneous	461	461	-	-
	<u>1,539,478</u>	<u>1,479,909</u>	<u>778,938</u>	<u>941,553</u>
Snow and Ice Removal-				
Personal Services	258,619	254,767	295,072	382,180
Contractual Services	67,872	92,302	85,685	147,388
Materials and Supplies	333,548	333,723	349,797	394,955
Capital Outlay	55,957	55,957	50,702	7,725
Miscellaneous	1,226	1,226	1,028	1,410
	<u>717,222</u>	<u>737,975</u>	<u>782,284</u>	<u>933,658</u>
Street Cleaning-				
Personal Services	118,625	118,625	113,068	109,531
Contractual Services	-	-	-	41,948
Materials and Supplies	17,354	17,354	10,710	15,940
Miscellaneous	3,739	3,739	2,796	6,497
	<u>139,718</u>	<u>139,718</u>	<u>126,574</u>	<u>173,916</u>
Buildings and Grounds-				
Personal Services	508,182	584,244	397,809	491,797
Contractual Services	990,422	1,133,731	1,002,312	1,156,537
Materials and Supplies	113,258	113,969	78,759	100,584
Capital Outlay	-	-	-	36,935
Miscellaneous	11,938	11,938	10,508	21,345
Allocations To Other Funds	(722,878)	(722,878)	(671,993)	(738,653)
	<u>900,922</u>	<u>1,121,004</u>	<u>817,395</u>	<u>1,068,545</u>
Curbs and Sidewalks-				
Personal Services	344,389	331,293	265,911	305,241
Contractual Services	68,241	74,124	69,571	86,129
Materials and Supplies	113,397	127,795	83,904	95,444
Miscellaneous	800	800	543	1,069
	<u>526,827</u>	<u>534,012</u>	<u>419,929</u>	<u>487,883</u>
Total Public Works	<u>8,525,326</u>	<u>9,213,663</u>	<u>7,405,741</u>	<u>9,005,568</u>
Community Development:				
Planning Services-				
Personal Services	402,743	402,743	383,878	458,276
Contractual Services	458,423	435,661	384,834	476,057
Materials and Supplies	4,866	4,866	1,713	3,435
Capital Outlay	-	-	-	971
Allocations To Other Funds	(95,161)	(95,161)	(69,420)	(88,354)
	<u>770,871</u>	<u>748,109</u>	<u>701,005</u>	<u>850,385</u>

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Community Development (Continued):				
Planning Commission- Contractual Services	\$ 16,310	\$ 18,810	\$ 14,259	\$ 11,373
	<u>16,310</u>	<u>18,810</u>	<u>14,259</u>	<u>11,373</u>
Building and Zoning Inspections- Personal Services	717,115	717,115	698,569	738,354
Contractual Services	57,235	105,214	54,819	81,414
Materials and Supplies	32,297	42,262	24,681	26,096
Miscellaneous	1,747	1,747	1,100	2,280
Allocations To Other Funds	(76,007)	(76,007)	(66,221)	(72,096)
	<u>734,657</u>	<u>791,911</u>	<u>712,948</u>	<u>776,048</u>
Zoning Board of Appeals- Personal Services	-	-	-	149
Contractual Services	3,544	3,544	365	369
	<u>3,544</u>	<u>3,544</u>	<u>365</u>	<u>518</u>
Development Engineering- Personal Services	273,178	273,428	267,732	-
Contractual Services	148,694	161,789	101,203	-
Materials and Supplies	14,403	14,353	8,440	-
Capital Outlay	-	-	-	-
Allocations To Other Funds	(102,564)	(102,564)	(73,080)	-
	<u>333,711</u>	<u>347,006</u>	<u>304,295</u>	<u>-</u>
Economic Development- Personal Services	267,471	251,456	224,687	259,883
Contractual Services	18,760	47,553	35,973	29,604
Materials and Supplies	5,766	4,773	2,848	3,783
Capital Outlay	-	-	-	1,011
Allocations To Other Funds	(73,907)	(73,907)	(70,940)	(78,955)
	<u>218,090</u>	<u>229,875</u>	<u>192,568</u>	<u>215,326</u>
Total Community Development	<u>2,077,183</u>	<u>2,139,255</u>	<u>1,925,440</u>	<u>1,853,650</u>
Debt Service:				
Principal	75,732	75,732	75,732	80,317
Interest and Fiscal Charges	8,926	8,926	8,928	12,142
	<u>84,658</u>	<u>84,658</u>	<u>84,660</u>	<u>92,459</u>
Total Expenditures	<u>\$35,118,587</u>	<u>\$36,339,666</u>	<u>\$31,960,342</u>	<u>\$34,561,760</u>

See independent auditor's report.



998 Corporate Boulevard • Aurora, IL 60502

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, 2010, and have issued our report thereon dated September 15, 2010. 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 15, 2010

A handwritten signature in black ink, appearing to read 'A. K. 2010'.

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.	139-143
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	144-148
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.	149-153
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.	154-155
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.	156-158

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 2004; schedules presenting government-wide information include information beginning in that year.

CITY OF ST. CHARLES, ILLINOIS

NET ASSETS BY COMPONENT

Last Seven Years

	2004	2005	2006	Fiscal Year 2007	2008	2009	2010
Governmental Activities							
Invested in Capital Assets Net of Related Debt	\$ 24,370,894	\$ 90,799,534	\$ 102,371,583	\$ 99,460,021	\$ 99,140,750	\$ 99,628,444	\$ 95,258,795
Restricted	4,561,791	6,563,203	7,585,288	8,583,125	11,617,447	13,196,304	21,309,478
Unrestricted	(3,446,244)	(1,439,033)	4,591,049	9,956,490	13,430,037	3,062,631	564,787
Total Governmental Activities	\$ 25,486,441	\$ 95,923,704	\$ 114,547,920	\$ 117,999,636	\$ 124,188,234	\$ 115,887,379	\$ 117,133,060
Business-type Activities							
Invested in Capital Assets Net of Related Debt	\$ 72,599,863	\$ 75,257,744	\$ 87,666,921	\$ 91,359,113	\$ 94,294,449	\$ 89,806,332	\$ 94,444,575
Restricted	-	-	-	-	-	-	-
Unrestricted	35,849,445	35,097,563	32,642,266	32,322,467	26,346,235	21,814,925	12,835,960
Total Business-type Activities	\$ 108,449,308	\$ 110,355,307	\$ 120,309,187	\$ 123,681,580	\$ 120,640,684	\$ 111,621,257	\$ 107,280,535
Primary Government							
Invested in Capital Assets Net of Related Debt	\$ 96,970,757	\$ 166,057,278	\$ 190,038,504	\$ 190,819,134	\$ 193,435,199	\$ 189,434,776	\$ 189,703,370
Restricted	4,561,791	6,563,203	7,585,288	8,583,125	11,617,447	13,196,304	21,309,478
Unrestricted	32,403,201	33,658,530	37,233,315	42,278,957	39,776,272	24,877,556	13,400,747
Total Primary Government	\$ 133,935,749	\$ 206,279,011	\$ 234,857,107	\$ 241,681,216	\$ 244,828,918	\$ 227,508,636	\$ 224,413,595

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 Seven Years

	2004	2005	2006	Fiscal Year 2007	2008	2009	2010
Expenses							
Governmental Activities							
General Government	\$ 2,645,240	\$ 2,956,654	\$ 3,228,166	\$ 3,252,423	\$ 4,635,671	\$ 3,204,672	\$ 2,959,301
Public Health and Safety	15,244,895	16,838,854	18,061,021	19,405,061	20,569,266	21,200,071	20,932,430
* Public Works	9,968,410	12,678,531	12,359,124	12,906,010	12,137,618	14,834,725	11,262,837
Community Development	1,585,173	1,544,190	1,829,862	1,735,687	1,852,758	9,204,338	1,990,403
Interest	1,444,074	1,538,765	2,139,487	2,339,115	2,787,860	3,455,958	3,872,452
Total Governmental Activities Expenses	30,887,792	35,556,994	37,617,660	39,638,296	41,983,173	51,899,764	41,017,423
Business-type Activities							
Electric	32,992,279	33,562,224	35,649,910	36,695,935	42,530,760	43,795,302	43,918,182
Water	3,416,200	3,754,829	3,986,311	4,165,139	4,389,280	4,708,626	4,037,587
Sewer	5,843,212	5,889,733	6,360,374	6,277,893	7,427,906	6,764,238	6,803,134
Refuse	612,022	663,533	644,067	582,798	802,619	728,318	608,738
Total Business-type Activities Expenses	42,863,713	43,870,319	46,640,662	47,721,765	55,150,565	55,996,484	55,367,641
Total Primary Government Expenses	\$ 73,751,505	\$ 79,427,313	\$ 84,258,322	\$ 87,360,061	\$ 97,133,738	\$ 107,896,248	\$ 96,385,064
Program Revenues							
Governmental Activities							
Charges for Services							
General Government	\$ 460,999	\$ 408,211	\$ 334,307	\$ 351,432	\$ 330,721	\$ 380,742	\$ 235,721
Public Health and Safety	1,390,678	1,590,371	1,671,728	1,893,485	1,836,614	2,202,465	2,492,351
* Public Works	110,873	136,893	92,665	170,412	253,635	189,408	288,865
Community Development	904,712	785,864	916,423	682,379	636,193	580,337	411,719
Operating Grants and Contributions	906,906	1,099,495	1,177,318	1,271,476	1,151,030	1,092,490	981,183
Capital Grants and Contributions	185,335	359,406	2,424,847	444,673	4,322,602	143,008	357,245
Total Governmental Activities Program Revenues	3,959,503	4,380,240	6,617,288	4,813,857	8,530,795	4,588,450	4,767,084
Business-type Activities							
Charges for Services							
Electric	33,697,494	34,604,347	37,268,760	37,450,772	39,657,173	39,670,266	39,716,828
Water	3,051,019	2,946,010	3,195,610	2,962,401	2,970,946	2,851,707	2,800,859
Sewer	5,267,320	5,397,512	5,533,228	5,392,115	5,570,674	5,555,699	5,514,181
Refuse	446,940	474,387	474,374	475,550	486,012	493,399	489,325
Operating Grants and Contributions	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	-	601,490
Total Business-type Activities Program Revenues	42,462,773	43,422,256	46,471,972	46,280,838	48,684,805	48,571,071	49,122,683
Total Primary Government Program Revenues	\$ 46,422,276	\$ 47,802,496	\$ 53,089,260	\$ 51,094,695	\$ 57,215,600	\$ 53,159,521	\$ 53,889,767

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
Net (Expense) Revenue							
Governmental Activities	\$ (26,928,289)	\$ (31,176,754)	\$ (31,000,372)	\$ (34,824,439)	\$ (33,452,378)	\$ (47,311,314)	\$ (36,250,339)
Business-type Activities	(400,940)	(448,063)	(168,690)	(1,440,927)	(6,465,760)	(7,425,413)	(6,244,958)
Total Primary Government Net (Expense) Revenue	\$ (27,329,229)	\$ (31,624,817)	\$ (31,169,062)	\$ (36,265,366)	\$ (39,918,138)	\$ (54,736,727)	\$ (42,495,297)
General Revenues and Other Changes in Net Assets							
Governmental Activities							
Taxes							
Property	\$ 8,806,833	\$ 9,711,044	\$ 10,299,727	\$ 11,472,282	\$ 12,076,065	\$ 13,131,263	\$ 13,936,514
Personal Property Replacement	59,983	68,379	88,202	95,854	109,332	100,102	88,607
Municipal Sales and Use	12,541,228	15,248,168	16,216,501	16,356,138	16,077,769	14,800,130	14,363,468
Electric Franchise Fee	1,581,833	1,614,553	1,754,659	1,747,190	1,867,683	1,882,001	1,885,399
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	1,795,525	1,624,075
Telecommunications Fee	1,932,387	1,619,756	1,388,891	1,255,382	1,491,882	1,510,057	1,421,576
State Income	1,769,025	2,155,151	2,432,504	2,683,079	2,931,062	2,900,549	2,528,377
Other	127,898	123,493	66,773	63,224	55,253	49,626	56,660
Investment Income	111,732	220,649	1,007,520	1,514,343	1,665,889	750,645	222,192
Miscellaneous	409,648	419,899	469,322	535,968	534,877	667,320	593,855
Contributions	4,543,807	291,037	125,748	495,437	389,677	1,205,121	1,573,396
Transfers	(388,292)	(457,401)	(374,556)	121,876	317,945	251,524	(798,099)
Total Governmental Activities	33,944,975	33,391,701	36,034,183	38,462,429	39,640,976	39,043,863	37,496,020
Business-type Activities							
Investment Income	411,391	516,990	1,178,272	1,718,477	1,443,180	374,971	54,556
Connection Charges	899,884	567,281	653,933	566,479	645,504	255,960	448,899
Miscellaneous	597,884	325,269	222,169	128,966	235,518	205,265	314,883
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	280,286	287,799
Transfers	388,292	457,401	374,556	(121,876)	(317,945)	(251,524)	798,099
Total Business-type Activities	2,745,611	2,404,446	3,681,202	4,813,320	3,424,864	864,958	1,904,236
Total Primary Government	\$ 36,690,586	\$ 35,796,147	\$ 39,715,385	\$ 43,275,749	\$ 43,065,840	\$ 39,908,821	\$ 39,400,256
Change in Net Assets							
Governmental Activities	\$ 7,016,686	\$ 2,214,947	\$ 5,033,811	\$ 3,637,990	\$ 6,188,598	\$ (8,267,451)	\$ 1,245,681
Business-type Activities	2,344,671	1,956,383	3,512,512	3,372,393	(3,040,896)	(6,560,455)	(4,340,722)
Total Primary Government Change in Net Assets	\$ 9,361,357	\$ 4,171,330	\$ 8,546,323	\$ 7,010,383	\$ 3,147,702	\$ (14,827,906)	\$ (3,095,041)

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ -	\$ 1,389,012	\$ 1,304,739	\$ 910,957	\$ 1,620,598	\$ 1,837,441	\$ 2,216,128	\$ 2,868,908	\$ 4,490,108	\$ 4,312,920
Unreserved - Designated	-	-	-	-	-	-	-	-	-	3,000,000
Unreserved - Undesignated	8,392,840	6,139,573	7,933,233	10,550,829	14,086,350	16,142,675	14,950,556	15,581,064	14,857,419	15,322,835
Total General Fund	\$ 8,392,840	\$ 7,528,585	\$ 9,237,972	\$ 11,461,786	\$ 15,706,948	\$ 17,980,116	\$ 17,166,684	\$ 18,449,972	\$ 19,347,527	\$ 22,635,755
All Other Governmental Funds										
Reserved	\$ 832,953	\$ 1,124,843	\$ 1,202,790	\$ 7,687,901	\$ 6,201,601	\$ 7,337,916	\$ 8,192,033	\$ 11,061,906	\$ 12,443,079	\$ 20,749,408
Unreserved, reported in										
Special Revenue Funds	2,256,003	2,398,788	2,236,210	(730,523)	(884,548)	(1,262,637)	(1,525,467)	(2,018,141)	(2,400,267)	(2,573,701)
Debt Service Funds	-	(253,793)	(575,199)	-	-	-	-	-	-	-
Capital Project Funds	7,257,371	4,968,761	1,837,664	(4,036,175)	(2,765,572)	1,067,982	6,588,564	14,089,657	14,836,247	1,132,189
Total All Other Governmental Funds	\$ 10,346,327	\$ 8,238,599	\$ 4,701,465	\$ 2,921,203	\$ 2,551,481	\$ 7,143,261	\$ 13,255,130	\$ 23,133,422	\$ 24,879,059	\$ 19,307,896

Data Source

Audited Financial Statements

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

Last Ten Fiscal Years

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes	\$ 19,298,543	\$ 20,570,134	\$ 24,259,646	\$ 27,441,388	\$ 30,705,355	\$ 32,373,645	\$ 33,111,726	\$ 33,801,526	\$ 33,268,704	\$ 33,376,299
Licenses and Permits	798,396	749,020	804,284	749,547	773,173	643,110	572,974	558,917	497,362	422,200
Intergovernmental	6,335,594	6,231,132	6,334,096	2,925,337	3,678,720	5,013,059	4,441,018	8,037,262	4,106,734	3,789,542
Fines and Forfeitures	251,065	227,311	190,732	204,199	256,476	303,022	339,740	290,130	376,626	435,340
Charges for Services	1,931,274	1,633,819	1,566,332	1,756,396	1,787,463	2,005,440	2,076,491	2,117,275	2,357,393	2,571,116
Investment Income	818,973	502,341	294,162	111,727	220,649	1,007,520	1,514,343	1,665,889	750,645	222,192
Miscellaneous	885,810	599,713	747,093	658,921	516,468	1,553,284	602,679	986,042	815,705	656,375
Total Revenues	30,319,655	30,513,470	34,196,345	33,847,515	37,938,304	42,899,080	42,658,971	47,457,041	42,173,169	41,473,064
Expenditures										
General Government	4,319,583	4,334,129	4,557,010	2,629,794	2,731,972	3,301,517	3,067,426	3,469,160	3,435,154	3,007,179
Public Health and Safety	11,185,290	12,449,340	13,563,220	15,623,341	16,870,083	18,630,320	19,474,760	19,947,430	20,643,649	19,824,807
Public Works	11,444,776	14,497,563	12,063,803	9,949,117	11,656,979	11,684,822	16,354,003	10,634,198	10,882,985	7,700,583
Community Development	1,689,303	1,747,015	2,070,972	1,611,077	1,542,692	1,816,208	1,975,058	1,952,881	9,491,872	1,925,440
Debt Service										
Principal	587,571	825,472	1,393,373	1,622,782	1,846,493	2,007,291	2,530,582	3,165,327	3,247,523	3,797,436
Interest	862,253	1,299,150	1,376,317	1,404,128	1,493,863	1,600,410	2,470,500	2,609,282	3,040,808	4,107,956
Capital Outlay	3,672,345	2,681,482	1,836,888	4,473,526	3,917,320	12,661,134	5,557,550	8,993,205	8,644,334	6,933,971
Total Expenditures	33,761,121	37,834,151	36,861,583	37,313,765	40,059,402	51,701,702	51,429,879	50,771,483	59,386,325	47,297,372
Excess of Revenues over (under) Expenditures	(3,441,466)	(7,320,681)	(2,665,238)	(3,466,250)	(2,121,098)	(8,802,622)	(8,770,908)	(3,314,442)	(17,213,156)	(5,824,308)
Other Financing Sources (Uses)										
Transfers In	2,000,137	2,655,364	2,176,949	3,264,662	3,138,348	4,863,371	8,698,763	9,851,717	5,985,919	10,330,710
Transfers Out	(2,480,264)	(3,066,166)	(2,619,183)	(1,407,790)	(3,583,327)	(5,507,721)	(8,902,149)	(9,882,915)	(6,019,265)	(7,253,837)
Bonds Issued	9,900,000	2,831,406	1,357,000	4,435,000	6,375,000	19,115,000	14,470,000	14,340,000	19,935,000	5,481,550
Premium (Discount) on Bonds Issued	-	-	-	(30,538)	(56,457)	83,687	(10,995)	157,970	(47,806)	161,547
Issuance of Installment Contracts	-	-	-	112,500	122,975	-	-	-	-	-
Payment to Escrow Agent	-	-	-	-	-	(2,738,049)	-	-	-	(5,570,590)
Sale of Capital Assets	7,233	10,493	9,102	-	-	1,200	-	9,250	2,500	391,993
Total Other Financing Sources (Uses)	9,427,106	2,431,097	923,868	6,373,834	5,996,539	15,817,488	14,255,619	14,476,022	19,856,348	3,541,373
Net Change in Fund Balances	\$ 5,985,640	\$ (4,889,584)	\$ (1,741,370)	\$ 2,907,584	\$ 3,875,441	\$ 7,014,866	\$ 5,484,711	\$ 11,161,580	\$ 2,643,192	\$ (2,282,935)
Debt Service as a Percentage of Noncapital Expenditures	4.82%	6.04%	7.91%	9.22%	9.24%	9.24%	10.90%	13.82%	12.39%	19.59%

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
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%
2008	1,130,538,083	363,806,483	154,181,792	1,648,526,358	0.7300	4,945,579,074	33.3333%
2009	1,114,552,074	374,248,479	153,004,247	1,641,804,800	0.7300	4,925,414,400	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	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Kane County										
City of St. Charles	0.5426	0.7260	0.7489	0.7506	0.7490	0.7537	0.7314	0.7300	0.7300	0.7300
County	0.4877	0.4529	0.4292	0.3578	0.3467	0.3417	0.3456	0.3322	0.3336	0.3398
St. Charles Forest Preserve	0.1634	0.1520	0.1395	0.1270	0.1432	0.1929	0.1770	0.1974	0.1932	0.1997
St. Charles Township	0.0574	0.0559	0.1294	0.0509	0.0501	0.0506	0.0464	0.0329	0.0327	0.0413
St. Charles Township Road	-	-	-	0.0726	0.0715	0.0738	0.0788	0.0643	0.0647	0.0659
St. Charles Cemetery	0.0008	0.0187	0.0007	0.0159	0.0005	0.0005	0.0132	0.0002	0.0002	0.0117
St. Charles Park District	0.3957	0.4318	0.4201	0.4457	0.4572	0.4453	0.4390	0.3958	0.4211	0.4613
St. Charles Library District	0.3013	0.2924	0.2787	0.2661	0.2613	0.3107	0.3277	0.2356	0.2372	0.2415
School District # 303	4.1770	4.0110	4.1156	4.1659	4.2668	4.3107	4.2071	4.0516	4.0916	4.1645
Elgin Community College	0.3822	0.3721	0.3636	0.3854	0.4154	0.4418	0.3804	0.3406	0.3275	0.3833
Waubensee Community College	0.4295	0.4131	0.4043	0.4134	0.4099	0.4066	0.4272	0.3950	0.3995	0.4043
Total Representative Tax *	6.9376	6.9259	7.0300	7.0513	7.1716	7.3283	7.1738	6.7756	6.8313	7.0433
DuPage County										
City of St. Charles	0.5311	0.7168	0.7508	0.8131	0.7111	0.8018	0.4290	0.6353	0.6249	0.6237
County	0.2536	0.2353	0.2154	0.1999	0.1850	0.1797	0.1713	0.1651	0.1557	0.1554
Forest Preserve	0.1742	0.1654	0.1534	0.1419	0.1358	0.1271	0.1303	0.1187	0.1206	0.1217
Wayne Township	0.0829	0.0812	0.0763	0.0727	0.0696	0.0680	0.0666	0.0647	0.0649	0.0658
St. Charles Park District	0.3980	0.4311	0.4195	0.4697	0.4383	0.4156	0.4161	0.3971	0.4207	0.4812
St. Charles Library District	0.2928	0.2909	0.2794	0.2849	0.2509	0.2474	0.2458	0.2385	0.2348	0.2415
West Chicago Mosquito District	0.0069	0.0068	0.0065	0.0063	0.0109	0.0105	0.0101	0.0099	0.0099	0.0101
Dupage Airport Authority	-	-	0.0248	-	-	-	-	-	-	-
Unit School District # 303	4.1979	4.0055	4.1067	4.4122	3.9271	4.2550	4.2494	4.0836	4.0604	4.1646
Elgin Community College	0.3638	0.3690	0.3488	0.3602	0.4150	0.4140	0.3396	0.3294	0.3298	0.3760
Total Representative Tax	6.301	6.302	6.382	6.761	6.144	6.519	6.058	6.042	6.022	6.240

Data Source

Office of the County Clerk

*Note : School Districts 46 and 304 not included.

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

Taxpayer	2009			2000		
	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	\$ 15,306,735	1	0.93%	\$ 18,505,818	1	2.09%
Pheasant Run Resort	13,652,270	2	0.83%	11,759,412	3	1.33%
AMLI	12,498,750	3	0.76%	6,344,242	4	0.72%
Main Street Commons	8,665,800	4	0.53%			
Meijer Stores Limited Partnership	6,154,385	5	0.37%	3734652	8	0.42%
St. Charles Country Club	6,052,856	6	0.37%			
Target Corp	5,904,974	7	0.36%			
Covington Court	5,805,059	8	0.35%			
Delnor Community Residential Living	5,800,786	9	0.35%			
Pier One	5,483,572	10	0.33%	5,335,883	6	0.60%
Charlestown Mall				16,435,175	2	1.86%
Wallace				4,986,864	7	0.56%
General Mills				3,209,032	10	0.36%
First Industrial				5,508,174	5	0.62%
Swift & Company				3,217,085	9	0.36%
	<u>\$ 85,325,187</u>		<u>5.18%</u>	<u>\$ 79,036,337</u>		<u>8.92%</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
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	9,331,159	9,315,535	99.83%	-	9,315,535	99.83%
2005	10,212,017	10,193,370	99.82%	-	10,193,370	99.82%
2006	10,693,667	10,669,842	99.78%	-	10,669,842	99.78%
2007	11,543,740	11,521,398	99.81%	-	11,521,398	99.81%
2008	12,035,959	12,033,470	99.98%	-	12,033,470	99.98%
2009	11,987,421	9,727,016	81.14%	-	9,727,016	81.14%

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	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Merchandise	\$ 1,237,795	\$ 1,460,194	\$ 1,819,995	\$ 2,296,390	\$ 2,305,983	\$ 2,069,906	\$ 2,197,842	\$ 2,141,297	\$ 1,980,070	\$ 1,758,126
Food	1,419,627	1,876,763	1,956,162	1,991,415	1,273,736	1,373,818	1,343,516	1,350,218	1,281,233	1,192,639
Drinking and Eating Places	1,432,960	1,154,733	1,205,717	1,270,850	1,517,923	1,796,047	1,762,717	1,801,937	1,693,616	1,598,774
Apparel	347,157	327,479	325,113	306,322	294,436	339,638	320,838	285,813	192,502	148,348
Furniture & H.H. & Radio	263,524	196,546	164,699	166,869	282,051	307,876	323,634	270,167	202,537	160,847
Lumber, Building Hardware	774,854	470,626	456,669	740,711	1,166,569	1,271,738	1,175,745	1,090,319	958,927	758,083
Automobile and Filling Stations	2,360,336	2,469,264	2,335,905	2,416,006	3,462,891	4,004,024	4,021,130	4,059,866	4,005,061	4,444,623
Drugs and Miscellaneous Retail	1,089,183	1,276,525	1,342,638	1,366,251	1,677,816	1,855,388	2,026,345	2,151,516	1,960,829	1,886,071
Agriculture and All Others	1,087,981	1,130,531	1,206,813	1,104,489	1,467,375	1,655,949	1,956,813	2,074,016	1,831,132	1,262,633
Manufacturers	399,705	(49,959)	155,534	165,198	213,726	243,428	155,625	(1,463)	141,690	152,211
TOTAL	\$ 10,413,122	\$ 10,312,702	\$ 10,969,245	\$ 11,824,501	\$ 13,662,506	\$ 14,917,812	\$ 15,284,205	\$ 15,223,686	\$ 14,247,597	\$ 13,362,355
City direct sales tax rate	1.50%	1.50%	1.50%	1.50%	1.50%	2.00%	2.00%	2.00%	2.00%	2.00%

Data Source
Illinois Department of Revenue

Note: Revised Sales Tax information-include homerule tax

CITY OF ST. CHARLES, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Fiscal Years

Fiscal Year	City Direct Rate	County Rate	RTA Rate	State Rate
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%
2009	2.00%	0.25%	0.75%	5.00%
2010	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 <u>Ended</u>	Governmental Activities			Business-Type Activities			Total Primary <u>Government</u>	Percentage of Personal Income*	Per Capita*
	General Obligation <u>Bonds</u>	Installment Notes <u>Payable</u>	Revenue <u>Bonds</u>	General Obligation <u>Bonds</u>	Installment Notes <u>Payable</u>	Revenue <u>Bonds</u>			
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
2009	81,856,192	257,600	8,935,000	10,538,808	14,522,883	-	116,110,483	9.41%	3,597.42
2010	78,079,206	181,868	8,935,000	9,795,794	13,926,307	-	110,918,175	8.72%	3,436.55

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

* See the schedule of Demographic and Economic Information on page 154 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
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
2009	92,395,000	903,486	91,491,514	5.55%	2,834.66
2010	87,875,000	2,335	87,872,665	5.35%	2,722.54

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

* See the Schedule of Assessed Value and Actual Value of Taxable Property on page 144 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	
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	432,574	3.68
2009	5,555,699	1,114,571	400,998	3.67
2010	5,514,181	1,147,104	357,797	3.66

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

CITY OF ST CHARLES, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

April 30, 2010

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	\$ 87,975,000	100.00%	\$ 87,975,000
Kane County	4,760,000	10.348%	492,565
Kane County Forest Preserve District	235,480,866	10.348%	24,367,560
Dupage County	50,425,000	0.097%	48,912
Dupage County Forest Preserve	227,207,982	0.097%	220,392
St. Charles Park District Schools	30,271,395	63.872%	19,334,945
Community Unit SD #303	146,295,000	48.222%	70,546,375
Community Unit SD #304	162,434,702	0.163%	264,769
Community College #509	96,432,414	11.657%	11,241,126
Community College #516	68,171,922	0.023%	15,680
Subtotal:	<u>1,021,479,281</u>		<u>126,532,324</u>
Total:	<u>\$ 1,109,454,281</u>		<u>\$ 214,507,324</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

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
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%
2009	32,276	1,234,298,792	38,242	6.5%
2010	32,276	1,272,707,232	39,432	8.7%

Data Source:
 Various City Departments
 Illinois Department Employee Security

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

2009		2000					
Employer	Rank	# of Employees	% of Total Employment	Rank	# of Employees	% of Total Employment	% of Total City Population
St. Charles Community School District	1	1,780	8.25%	1	1,312	6.62%	4.70%
System Sensor	2	550	2.55%	2	1,138	5.74%	4.07%
Omron Automotive	3	500	2.32%	3	1,000	5.04%	3.58%
Pheasant Run Resort	4	450	2.09%	4	558	2.81%	2.00%
City of St. Charles	5	350	1.62%	5	500	2.52%	1.79%
St. Charles Park District	6	300	1.39%	6	460	2.32%	1.65%
Illinois Youth Center	7	275	1.27%	7	450	2.27%	1.61%
Meijer Retail Store	8	255	1.18%	8	443	2.23%	1.59%
Target Retail Store	9	240	1.11%	9	438	2.21%	1.57%
Power Packaging	10	240	1.11%	10	350	1.77%	1.25%
				11	319	1.61%	1.14%
				12	276	1.39%	0.99%
				13	250	1.26%	0.89%
				14	243	1.23%	0.87%
			15.28%				27.70%

Data Source
 Municipal Research Services

Note: Information only available up to ten years ago.

CITY OF ST. CHARLES, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Administration	35.60	39.30	38.80	41.90	44.50	46.20	44.80	46.60	43.00	40.60
Public Health & Safety	139.70	132.30	131.00	142.40	150.80	157.60	157.40	148.80	147.10	130.20
M & C of Public Right-of-Ways	58.50	61.60	62.70	64.00	61.70	62.20	62.40	61.90	52.20	40.50
M & C of Public Utilities	65.10	68.90	68.70	71.20	68.70	67.10	65.80	65.50	61.70	61.10
Community and Economic Development	15.80	17.00	16.00	16.80	16.90	15.90	17.00	16.50	17.90	17.50
Total:	314.70	319.10	317.20	336.30	342.60	349.00	347.40	339.30	321.90	289.90

Data Source
City budget office

Note: M&C= maintenance and construction

CITY OF ST. CHARLES, ILLINOIS

OPERATING INDICATORS

Last Ten Calendar Years

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public Safety										
Police										
Physical arrests	1,522	1,606	1,616	1,772	1,779	1,910	1,581	1,796	1,613	1,404
Parking violations	-	-	-	-	1656	1547	1,792	1,733	1,500	1,400
Traffic violations	8,821	8,530	9,580	8,838	8,408	9,947	7,066	6,573	6,316	4,491
Fire										
Emergency responses	3,924	4,100	4,183	4,879	5,068	5,126	5,212	5,113	5,044	4,831
Fires Extinguished	17	29	19	60	68	85	161	158	134	103
Public Works										
Streeting (miles)	158.09	162.69	162.69	162.69	162.69	171.3	568	180.5	183	184
Electric										
Number of Customers	11,161	11,161	14,161	13,690	14,700	14,675	15,082	15,196	15,233	15,364
Water										
Maximum Day Consumption	7,519,000	7,519,000	7,230,000	7,230,000	7,230,000	7,412,000	9,741,000	9,741,000	9,741,000	9,741,000
# of water mains (miles)	184	188.6	190.6	191.9	192.8	196.6	196.5	197.5	202	220
Wastewater										
Average daily storage (flow)	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	5,289,000	5,289,000	6,562,758	6,060,000

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	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area Beats	5	5	5	5	5	5	4	4	4	4
Patrol Officer	-	-	-	-	-	44	31	31	33	34
Fire										
Fire stations	3	3	3	3	3	3	3	3	3	3
Fire engines	-	-	-	-	-	11	6	6	6	6
Public Works										
Arterial streets (miles)	46	46	46	46	46	49	50	49	49	49
Residential streets (miles)	117	117	117	117	117	123	123	134	134.2	135.5
Streetlights	2,915	3,092	3,129	3,172	3,190	3,203	3,200	3,234	3,271	3,291
Traffic signals	6	6	7	5	5	5	6	6	6	6
Water										
Water mains (miles)	184	189	191	192	193	197	197	197.5	202	219.9
Fire hydrants	-	-	2,416	-	2,462	2,516	2,706	2,742	2,742	2,820
Storage capacity (gallons)	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	2,425,000	2,425,000	2,425,000	2,425,000
Wastewater										
Sanitary sewers (miles)	-	-	-	-	-	-	171	171.3	174.5	174.6
Storm sewers (miles)	-	-	-	-	-	-	157	159.9	159.9	160.8
Treatment capacity (gallons)	-	-	-	-	-	-	9,700,000	9,700,000	9,700,000	9,700,000

Data Source

Various City departments

Note: Wastewater information is unavailable for previous years.