

# City of St. Charles, Illinois



## Comprehensive Annual Financial Report



For The Year Ended April 30, 2013

**On the cover:**

**Views of the Red Gate Bridge Pedestrian/Bicycle crossing**

**The Red Gate Bridge Pedestrian/Bicycle crossing opened to the public on May 23, 2013. The pedestrian bridge runs below the roadway deck of the Red Gate Bridge and connects to the Fox River Trail on the east side of the river. On the west, it joins a path that feeds into the Great Western Trail. It also links the Kane County Fox River Bluff West Forest Preserve and Kane County Dog Park near Illinois Route 31 to the eastside preserve near Illinois Route 25.**

**The pedestrian bridge gives people easy access to the network of existing trails and Forest Preserve parks, along with amenities to run, ride their bikes or walk their dogs. While the views are amazing from any vantage point, the bridge features lookout points that provide beautiful vistas to stop and enjoy.**

CITY OF ST. CHARLES, ILLINOIS

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

For the Year Ended  
April 30, 2013

Prepared by the Finance Department

Christopher A. Minick  
Director of Finance

Brian Townsend  
City Administrator

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# Officers and Officials

## Mayor

Donald P. Dewitte

## City Administrator

Brian Townsend

## City Council

Dan P. Stellato	Ward 1	William Turner	Ward 3
Jon Monken	Ward 1	Jo K. Krieger	Ward 4
Clifford X. Carrignan	Ward 2	James E. Martin	Ward 4
Rita Ann Payleitner	Ward 2	Maureen Lewis	Ward 5
Raymond Rogina	Ward 3	Ed Bessner	Ward 5

## City Treasurer

Warren J. Drewes

## City Clerk

Nancy Garrison

## City Attorney

Gerald M. Gorski

## Department Heads

Christopher A. Minick  
*Director of Finance*

Mark Koenen  
*Director of Public Works*

Rita Tungare  
*Director of Community Development*

Joseph R. Schelstreet  
*Acting Fire Chief*

Margaret A. Forster  
*Director of Information Systems*

James E. Lamkin  
*Police Chief*

Kathy A. Livernois  
*Director of Human Resources*

Chris Aiston  
*Director of Economic Development*

# City of St. Charles, IL

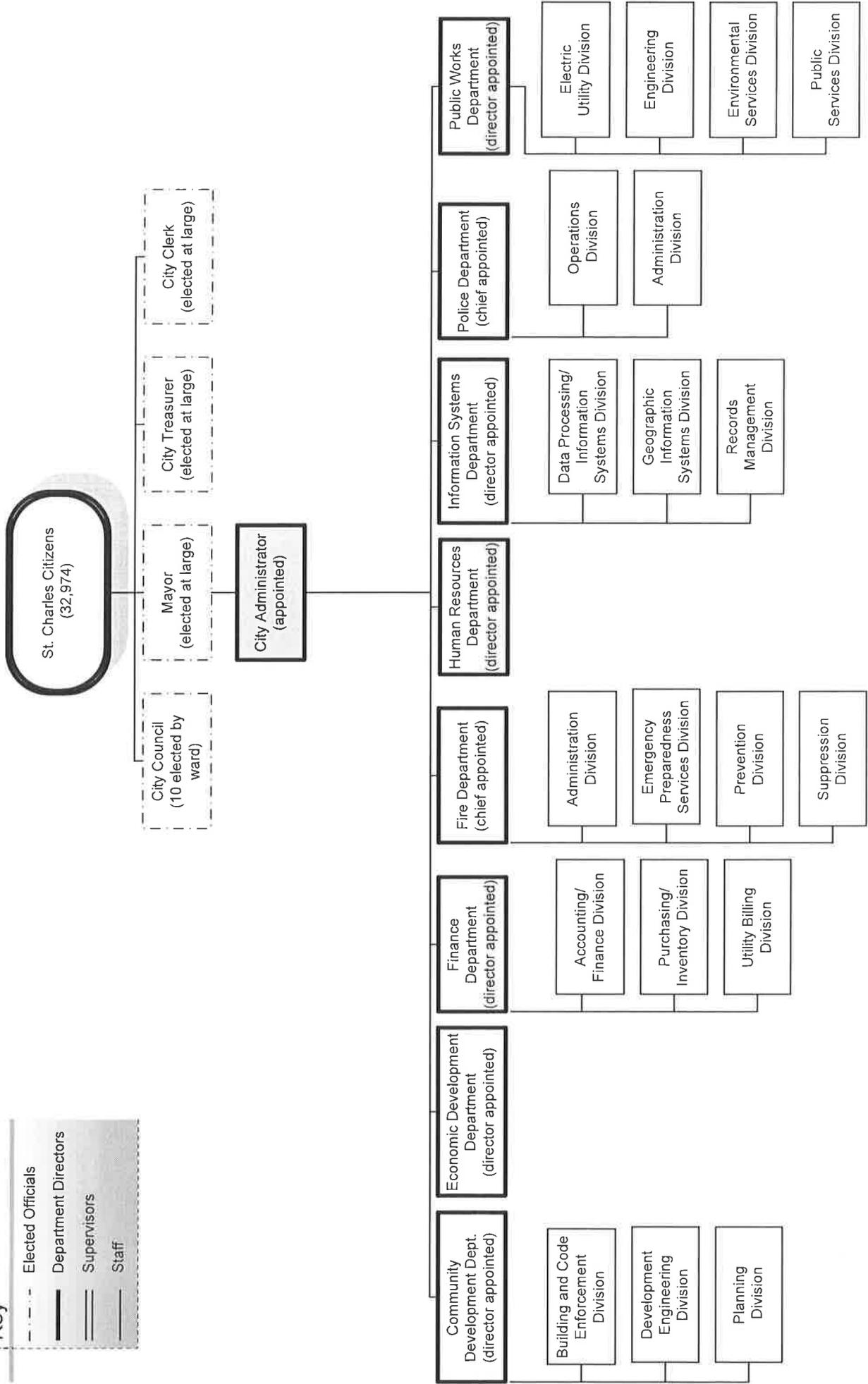
Citywide  
Organizational Chart

2/22/2013



## Key

- Elected Officials
- Department Directors
- Supervisors
- Staff





Government Finance Officers Association

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

Presented to

**City of St. Charles  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**April 30, 2012**

Executive Director/CEO



**#1** City for Families  
by FamilyCircle® 2011

October 1, 2013

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, 2013 is submitted herewith. This report is prepared by the City's Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly set forth the financial position and changes in financial position of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

The financial statements included in this report depict the financial position and changes in financial position presented in conformance with Generally Accepted Accounting Principles (GAAP) and have been audited in accordance with generally accepted auditing standards by an independent firm of certified public accountants. Sikich LLP, a firm of licensed certified public accountants, has audited the City's basic financial statements and has issued an unmodified opinion on the basic financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended April 30, 2013 are free of material misstatement. The audit process includes examination, on a test basis, of evidence supporting the amounts and disclosures reported in the financial statements. The independent auditors also assess the accounting principles used and include their report as the first component of the financial section of the City's Comprehensive Annual Financial Report.

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

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

RAYMOND P. ROGINA *Mayor*

MARK KOENEN, P.E. *City Administrator*  
IV

## **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. The recently completed 2010 census resulted in the City of St. Charles' population of 32,974. Additional demographic information about the City may be found in the Statistical Section of this report.

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

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

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

## **Long-Term Financial Planning**

The City uses a number of processes and documents to address its long-term financial planning goals. The backbone of this process is the City's 5-year Strategic Plan. This document, which was developed in 2009, specifies a mission statement, guiding principles, vision areas, goals and objectives for the City and acts as a roadmap for the future. The Strategic Plan is scheduled to be updated during FY 13-14.

Another key process is the development of the City's annual budget. The City historically has prepared a budget that includes the upcoming fiscal year as well as projections for the following three years. These projections include revenues and operating expenses as well as capital projects and applicable funding sources, such as local, state and federal grants and long-term debt. In addition, the City is currently in the process of developing a 10-Year Capital Improvement Plan (CIP) which includes all capital projects with a value of over \$20,000. This CIP will assist us in identifying priorities and establishing funding sources in order to maintain our fiscal responsibility.

## **Factors Affecting Financial Condition**

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

Historically, the City of St. Charles has enjoyed a healthy and growing economy. Over the last several years, the City has experienced a decline in sales tax revenue as a result of the global economic downturn that began in 2008. However, sales taxes, as well as hotel taxes, have rebounded over the past few years and are approaching pre-2008 levels. The City's equalized assessed valuation has declined for the third straight year. In order to offset this decline in EAV, beginning in FY 10-11, City Council directed that the amount of taxes levied be consistent with the previous year. This methodology has continued over the years, including in the development of the FY 13-14 tax levy. Despite the decline in EAV, there are some bright spots in the City's current and future economic picture. Examples 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. Redevelopment plans consist of residential, office and commercial space with attractive, functional public spaces. Features include:

- 7.42 acres of retail, office/commercial and residential redevelopment
- 80 proposed condos, 16 rental apartments
- Approximately 943 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)

Phases 1 and 2 of the 5-Phase First Street Redevelopment project have been completed. Phase 3 of the project is currently on hold, awaiting developer financing. Currently, 20,000 square feet of office space and 24,000 square feet of retail space are occupied in the Plaza Building (Building 4). Occupants include an Italian bakery, three restaurants, a jewelry store, a women's clothing boutique, a nail spa, a salon, and four professional service firms.

**Charlestowne Mall** – Early in calendar year 2013, a Chicago-based property developer emerged as a “would-be” buyer for the Charlestowne Mall property and, in fact, is now under contract to purchase this currently underutilized regional shopping center. The City anticipates the purchase to be completed by the end of the calendar year and that the new property owner will be submitting formal plans to redevelop and re-brand the mall in early 2014, with hopes of completing such a redevelopment project by the Summer of 2015. City Staff and the contract purchaser believe that by revitalizing the mall property, combined with the opening of the newly reconstructed IL Rte 64 on which it is centrally located, the City’s East Main Street commercial corridor is well-positioned to realize an economic resurgence.

**Lexington Homes Tax Increment Financing District and Redevelopment** – In January, 2013, the City Council established a new tax increment financing district to assist in the environmental clean-up and redevelopment of a former industrial property. In doing so, the City also approved a residential subdivision that, when built out, will be comprised of 102 townhomes and 28 single-family, detached homes. This property redevelopment will, no doubt, increase area property values and increase the buying power for our retail, restaurant and service sectors.

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

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

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

**Sales Tax Incentives** – Over the past two years, the City has approved three sales tax reimbursements to auto dealerships and one for a motorcycle dealer to create an incentive for these retailers to choose St. Charles in their site selection decisions.

**Business Improvement District (BID)** – The City is currently exploring the possibility of creating a Business Improvement District to revitalize the community’s East Main Street commercial corridor. Should the district be approved, per state statute, the City will have the opportunity to incentivize private property redevelopment, make improvements to the public infrastructure and to develop programs to target and attract new retailers to commercial properties within the proposed district boundaries, with particular attention paid to revitalizing the aforesaid Charlestown Mall. Financing for any potential public improvements would come from a separate sales tax for goods sold within the BID.

## **Major Initiatives**

### **Current Projects**

#### **IDOT Projects**

- Rt. 64 between 7th Avenue and Dunham Road reconstruction - This project improvement includes a bi-directional center turn lane, and pavement and drainage reconstruction. The contract was awarded to Martam Construction in March 2012. Work commenced in May of 2012 and is now substantially complete. This section of Route 64 opened to four lanes of traffic during August 2013. This project included roadway widening, street lighting and public walkway improvements, installation of two retaining walls, and improvements to IDOT’s storm sewer system. Minor finishing work will occur during the remainder of the 2013 and early into the 2014 constructions seasons.
- 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/38<sup>th</sup> Ave. This IDOT contract was released at the same time as the Rt. 64 (7<sup>th</sup> Avenue to Dunham Road) contract. This contract was awarded in March 2012 and work commenced in May 2012. This contract is also a multi-year project with an anticipated completion date of October 1, 2013.

#### **City Projects**

- Fox River Bridge north of Rt. 64 (Red Gate Bridge (RGB) project) –
  - Phase I engineering was completed in early 2011. Phase II design engineering for the RGB Project was completed in December 2011.
  - The Advanced Work Contract was approved by the City Council on July 5, 2011 and construction activities began July 25, 2011. The completion date for the Advanced Work Contract was November 2011.
  - The RGB Main Bridge Contract was released for bidding in December 2011 and was approved by IDOT in March 2012. The Contractor awarded the contract was McHugh Construction. The bridge was opened to traffic in December 2012. The completion of the pedestrian walkway along the west side of the Fox River was completed and opened to the public on May 24, 2013. The remaining landscaping and final completion of the project occurred on July 1, 2013.

## Upcoming Projects

### City Projects

- Municipal Complex Parking Lot Improvements - The project will include the removal of the existing asphalt parking lot and respective storm sewer, approximately 3.2 acres. The new parking lot will include the creation of increased green space along the Fox River, will provide “source” treatment for storm water runoff utilizing various best management practices (BMP’s), and will see the installation of a new rain garden, permeable pavement, brick paver walkway, new bike path, bioswales, and enhanced landscaping improvements. The City has applied for various grants to assist with the funding for this project. Should this funding be obtained, the City is anticipating that the design of the parking lot will be completed by March 2013 and construction to begin in June 2014.
- In December 2011, the City implemented a new Enterprise Resource Planning (ERP) system. Even though the implementation was completed, the City’s commitment to improving the system and adapting it to our needs continues. As part of this commitment, the City will soon be undertaking a visioning project which will involve the input of the City Administrator, Department Directors, managers and other key staff members. The goal of this project is to determine the reporting needs for both financial and non-financial data and how our ERP system can be configured to meet these needs in the most efficient and effective manner as possible. The project is slated to be underway in November of 2013.

### Financial Policies

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

*Cash Management.* Cash temporarily idle during the year was invested in demand deposits, time deposits, U.S. Treasury Bills, Notes, U.S. Agency Obligations, the Illinois Metropolitan Investment Fund, various municipal bonds and the Illinois State Treasurer's Pool. The City’s Finance department records both Police Pension Fund and Fire Pension Fund investments and maintains accounting records for both funds. However, the respective Pension Board of Trustees maintains control of these monies independent of the City Council. Both the Fire Pension Fund and the Police Pension Fund investments are under a money manager and are governed by the individual Boards of Trustees.

The City has a formal investment policy, which includes requirements regarding the amount it will invest in various types of securities and the types of collateral it will accept. U.S. government securities and government agencies account for 12.4% of the City's portfolio. This calculation excludes Police or Fire Pension and restricted investments. Approximately 59.5% of the portfolio matures in less than 1 year and the remaining 40.5% matures in less than 3 years. The current rate of return on City investments is 0.2358% as of April 30, 2013. The City investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than

102% of the fair market value of the funds secured, with the collateral held by the City, an independent third party or the Federal Reserve Bank of New York in the City's name. In addition, the City's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis, with the underlying investments held by a third party acting as the City's agent, separate from where the investment was purchased, or by the trust department of the bank where purchased, in the City's name. This is the lowest custodial credit risk as defined by the Governmental Accounting Standards Board. For further information on the City's investments please see the notes to the financial statements.

*Risk Management.* The City built upon its previously established safety committees by developing more focused committees, including an Administrative Safety Committee and division-wide committees in Public Works. In addition, the City routinely provides safety and accident investigations training for personnel. To further address employee safety and well-being, the City has created a 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, 2012. This was the 27th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City satisfied both generally accepted accounting principles and applicable legal requirements.

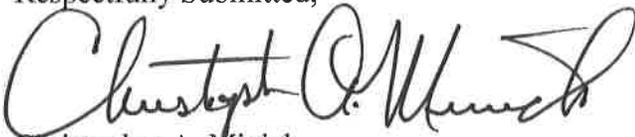
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

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

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

Respectfully Submitted,

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

Christopher A. Minick  
Finance Director



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

Certified Public Accountants & Advisors  
*Members of American Institute of Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of St. Charles, Illinois, as of and for the year ended April 30, 2013, and the notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of St. Charles, Illinois, as of April 30, 2013, 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.

## **Emphasis of Matter**

The City adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* during the year ended April 30, 2013. Statement No. 63 added new classifications on the statements of position and changed net assets to net position. Statement No. 65 changed the classifications of certain items on the statement of position to the new classifications contained in GASB Statement No 63. Our opinions are not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, supplemental financial information, and statistical section as listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules and the supplemental financial information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional

procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them. We 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, 2012, which are not presented with the accompanying financial statements. In our report dated August 30, 2012, 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, 2012, taken as a whole.

Naperville, Illinois  
September 18, 2013

A handwritten signature in dark ink, appearing to be 'A. M. P.', is located to the right of the date.

# City of St. Charles, Illinois

## Management's Discussion and Analysis

April 30, 2013

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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, 2013. Since the Management's Discussion and Analysis (MD & A) is designed to focus on the City's current year activities, changes in the City's financial position, and to identify any material deviations from approved budget and financial plans, it should be read in conjunction with the Transmittal Letter and the City's financial statements.

### Financial Highlights

- The City's total assets and deferred outflows for the year ending April 30, 2013 increased \$10.4 million or 2.77%. The governmental activities, total assets and deferred outflows increased \$8.1 million (3.43%), while business-type activities, total assets and deferred outflows increased \$2.3 million (1.68%).
- The City's total liabilities and deferred inflows increased \$9.7 million, or 6.79% for the fiscal year ending April 30, 2013. Governmental activities total liabilities and deferred inflows increased \$6.9 million (6.12%), while business-type activities total liabilities and deferred inflows increased \$2.8 million (6.47%).
- The City's total net position increased by \$0.8 million (0.35%), compared to fiscal year 2012. Governmental activities net position increased by \$1.2 million (0.95%), while net position for business-type activities decreased \$0.4 million (0.41%).
- The City's total revenues were \$6.7 million (6.54%) greater than the prior fiscal year. Governmental activities revenue increased by \$1.5 million (3.39%) while business-type activities revenue increased by \$5.3 million (8.81%).
- Total expenses of the City increased by \$3.5 million (3.35%), with governmental expenses increasing \$1.5 million (3.67%), and business-type activities expenses increasing by \$2.0 million (3.15%).

### Overview of the Financial Statements

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

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**Government-Wide Financial Statements**

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

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

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

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

**Fund Financial Statements**

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

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

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)**

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

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

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

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

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

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

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

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

**Financial Analysis of the City as a Whole**

**Statement of Net Position**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City of St. Charles, assets exceeded liabilities by \$221.6 million as of April 30, 2013. The following table reflects the condensed Statement of Net Position:

**Statement of Net Position**  
**As of April 30, 2013 and 2012**  
**(In Millions)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>Assets</b>						
Current & Other Assets	\$68.8	\$72.3	\$15.0	\$15.2	\$83.8	\$87.5
Capital Assets	171.9	163.7	127.6	125.0	299.5	288.7
Deferred outflows of Resources	3.8	0.4	0.0	0.1	3.8	0.5
<b>Total Assets and Deferred Outflows</b>	<b>244.5</b>	<b>236.4</b>	<b>142.6</b>	<b>140.3</b>	<b>387.1</b>	<b>376.7</b>
<b>Liabilities</b>						
Current & Other Liabilities	21.0	15.2	10.2	8.7	31.2	23.9
Long-Term Liabilities	84.9	83.8	35.2	33.9	120.1	117.7
Deferred Inflows of Resources	14.2	14.2	0.0	0.0	14.2	14.2
<b>Total Liabilities and Deferred Inflows</b>	<b>120.1</b>	<b>113.2</b>	<b>45.4</b>	<b>42.6</b>	<b>165.5</b>	<b>155.8</b>
<b>Net Position</b>						
Net Investment in Capital Assets	111.5	104.3	95.0	93.9	206.5	198.2
Restricted	5.0	5.9	0.0	0.0	5.0	5.9
Unrestricted	7.9	13.0	2.2	3.7	10.1	16.7
<b>Total of Net Position</b>	<b>\$124.4</b>	<b>\$123.2</b>	<b>\$97.2</b>	<b>\$97.6</b>	<b>\$221.6</b>	<b>\$220.8</b>

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

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

- \$2,615,000 G.O. Refunding Bonds Series 2005B (\$305,000 as of April 30, 2013)
- \$10,000,000 G.O. Bond Series 2006 (\$1,190,000 as of April 30, 2013)
- \$4,470,000 G.O. Bond Series 2007A (\$590,000 as of April 30, 2013)
- \$3,530,000 G.O. Bond Series 2007C (\$245,000 as of April 30, 2013)
- \$10,810,000 G.O. Bond Series 2008A (\$1,165,000 as of April 30, 2013)
- \$2,325,000 G.O. Refunding Bonds Series 2009 (\$1,515,000 as of April 30, 2013)
- \$1,920,000 G.O. Refunding Bonds Series 2010C (\$1,765,000 as of April 30, 2013)
- \$3,090,000 G.O. Refunding Bonds Series 2011D (\$2,880,000 as of April 30, 2013)
- \$1,190,000 G.O. Refunding Bonds Series 2012C (\$1,190,000 as of April 30, 2013)
- \$22,355,000 G.O. Refunding Bonds Series 2013A (\$22,355,000 as of April 30, 2013)

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

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of St. Charles, assets exceeded liabilities by \$221.6 million as of April 30, 2013. At \$206.5 million, the largest portion of the City's net position is its investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The next portion of the City's net position are restricted assets in the amount of \$5.0 million. Restricted net assets represent resources that are subject to restrictions as shown below:

<b>Net assets restricted for:</b>	
Mental Health	\$33,996
Capital Outlay	94,844
Community Development	27,830
Highways and Streets	2,572,265
Public Safety	278,756
Debt Service	2,004,235
<b>Total</b>	<b>\$5,011,926</b>

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

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The final portion of the City's net position is unrestricted net position in the amount of \$10.1 million, which can be used to finance the City's day-to-day operations.

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

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

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

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

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

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

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

**Current Year Impacts – Net Position**

The City's combined net position increased from \$220.8 million to \$221.6 million. Net position of the City's governmental activities increased by \$1.2 million during the year and ended the year at \$124.4 million.

The net position of business-type activities decreased by \$0.4 million during the year and ended the year at \$97.2 million. Unrestricted net position—available to finance the continuing operations of its business-type activities—were \$2.2 million. Business-type activities include electric, water, sewer, and refuse utilities. The annual operating cost of these services for fiscal year 2013 was approximately \$64.7 million.

The increase in the net position of the governmental activities in the amount of \$1.2 million was the result of a combination of an increase in total assets and deferred outflows of \$8.1 million plus an increase in total liabilities and deferred inflows of \$6.9 million.

The decrease in the net position of the business-type activities of \$0.4 million was the result of an increase in total assets and deferred outflows of \$2.4 million as well as an increase in total liabilities and deferred inflows of \$2.8 million.

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

**Changes in Net Position - Statement of Changes in Net Position**

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

**Changes in Net Position**  
**For the Fiscal Year Ended April 30, 2013**  
**(In Millions)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>Revenues</b>						
Program Revenues						
Charges for Service	\$1.7	\$1.6	\$64.3	\$58.9	\$65.9	\$60.5
Operating Grants/Contributions	1.1	1.2	0.0	0.0	1.1	1.2
Capital Grants/Contributions	1.4	0.6	0.1	0.2	1.5	0.8
General Revenues						
Property Tax/Replacement Tax	14.2	14.2	0.0	0.0	14.2	14.2
Other Taxes	22.4	22.1	0.0	0.0	22.4	22.1
Other	3.8	3.4	0.5	0.5	4.3	3.9
<b>Total Revenues</b>	<b>44.6</b>	<b>43.1</b>	<b>64.9</b>	<b>59.6</b>	<b>109.4</b>	<b>102.7</b>
<b>Expenses</b>						
General Government	3.5	3.0	0.0	0.0	3.5	3.0
Public Health/Safety	19.8	20.6	0.0	0.0	19.8	20.6
Public Works	13.7	11.4	0.0	0.0	13.7	11.4
Comm. Develop	2.4	2.4	0.0	0.0	2.4	2.4
Interest	3.2	3.6	0.0	0.0	3.2	3.6
Electric	0.0	0.0	51.8	50.8	51.8	50.8
Water	0.0	0.0	4.5	4.8	4.5	4.8
Sewer	0.0	0.0	7.8	6.7	7.8	6.7
Refuse	0.0	0.0	0.6	0.5	0.6	0.5
<b>Total Expenses</b>	<b>42.5</b>	<b>41.0</b>	<b>64.7</b>	<b>62.8</b>	<b>107.2</b>	<b>103.8</b>
<b>Excess Before Transfers</b>	<b>2.1</b>	<b>2.1</b>	<b>0.1</b>	<b>(3.2)</b>	<b>2.2</b>	<b>(1.1)</b>
Transfers	0.3	0.4	(0.3)	(0.4)	0.0	0.0
<b>Change in Net Position</b>	<b>2.4</b>	<b>2.5</b>	<b>(0.2)</b>	<b>(3.6)</b>	<b>2.2</b>	<b>(1.1)</b>
Prior Period Adjustment	(1.2)	0.0	(0.2)	0.0	(1.4)	0.0
<b>Ending Net Position</b>	<b>\$124.4</b>	<b>\$123.2</b>	<b>\$97.2</b>	<b>\$97.6</b>	<b>\$221.6</b>	<b>\$220.8</b>

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

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

**Revenues:**

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

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

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

**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 increase, compared to the overall inflation rate.

**Governmental Activities**

**Revenues:**

Total revenues increased \$1.5 million, from \$43.1 million to \$44.6 million. The governmental activities program revenues increased \$0.8 million from \$3.4 to \$4.2 million.

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

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The governmental activities general revenues increased \$0.7 million from \$39.7 to \$40.4 million. Other taxes under General revenues increased \$0.3 million from FY 11-12. Examples of other taxes include sales and use taxes and electric franchise fees. Other general revenues also increased from FY 11-12 to FY 12-13 by \$0.4 million.

Expenses:

Total expenses of governmental activities increased \$1.5 million from \$41.0 million in FY 11-12 to \$42.5 million in FY 12-13. The \$42.5 million consists of actual expenditures for the general fund and other governmental funds (\$63.9 million), the amount of the capital assets subtracted out (\$12.3 million), the amount of depreciation added (\$4.2 million), less the net gain of the internal service funds (\$1.9 million), plus the change in the OPEB liability (\$0.4 million) less the change in long-term debt and compensated absences (\$11.8 million).

**Business Type Activities**

Revenues:

Operating revenues from business-type activities increased a total of \$5.4 million or 8.8% from the previous fiscal year. This was primarily due to utility rate increases during FY 12-13 as well as higher utility consumption due to the hot and dry conditions experienced during the summer of 2012.

Expenses:

Operating expenses from all business-type activities increased by \$1.9 million from \$62.8 to \$64.7 million; a 2.0% increase from the prior fiscal year. This increase is mainly attributable to an increase in wholesale power costs due to the higher consumption levels noted above.

**Financial Analysis of the Funds**

**Governmental Funds** – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Specifically, unrestricted fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year. For the fiscal year ended April 30, 2013, the Governmental Funds reported a combined ending fund balance of \$31.5 million. This represents a decrease of \$10.0 million over the prior year. This decrease is due to the expenditure of accumulated cash for the construction of the Red Gate Bridge as well as the use of cash on hand to help finance the restructuring of debt for the First Street TIF project.

**General Fund** - The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unrestricted fund balance of the General Fund was \$18.0 million, of which \$3.0 million is assigned for debt service. Total fund balance was \$23.8 million. It may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unrestricted fund balance represents 47.3 percent of the total General Fund expenditures, while total fund balance represents 62.6 percent of that same amount. This compares to prior year results of 49.7 percent and 58.0 percent, respectively. The decrease in unrestricted fund balance as a percentage of total General Fund expenditures is due to an

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

increase in Nonspendable fund balance as a result of a \$1.9 million internal borrowing between the General Fund and the Electric, Water and Sewer Funds. The increase in total fund balance as a percentage of total General Fund expenditures is due to a slight increase in total fund balance combined with a decrease in General Fund expenditures.

As an additional measure of fiscal conservatism, the City has established a policy of maintaining a minimum of 25% of the amount of General Fund expenditures and Transfers Out in Unassigned Fund Balance. For the year ended April 30, 2013, the level of Unassigned Fund Balance in the City's General Fund amounted to \$15 million which equates to a level of 39%. In FY 2012, the amounts were \$16.2 million and 42% respectively.

**General Fund Budgetary Highlights**  
**For the Fiscal Year Ended April 30, 2013**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>Revenues and Other Financing Sources:</b>			
Taxes	\$35,187,751	\$35,187,751	\$33,809,045
Licenses & Permits	434,930	434,930	444,620
Charges for Services	735,011	741,304	734,242
Illinois State Income Tax	2,637,920	2,637,920	2,971,635
Allotments			
Other	1,444,130	1,492,227	1,303,621
Transfers	250,000	255,390	255,390
<b>Total</b>	<b>\$40,689,742</b>	<b>\$40,749,522</b>	<b>\$39,518,553</b>
<b>Expenditures/Transfers:</b>			
General Government	\$3,169,778	\$3,418,255	\$2,720,417
Public Health/Safety	20,862,368	21,017,676	20,247,223
Public Works	7,872,172	8,213,588	6,788,587
Comm. Develop	2,740,343	2,924,238	2,641,168
Debt Service	4,584	4,584	4,586
Transfers	6,765,057	6,851,126	5,652,582
<b>Total</b>	<b>\$41,414,302</b>	<b>\$42,429,467</b>	<b>\$38,054,563</b>
<b>Change in Fund Balance</b>	<b>(\$724,560)</b>	<b>(\$1,679,945)</b>	<b>\$1,463,990</b>

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

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The General Fund results were due to the combination of General Fund revenues being below expectations by \$1,230,969 while expenditures were less than the final amended budget by \$4,374,904.

**General Fund Revenues** - Actual taxes received were less than budget by \$1,378,706 mainly due to Municipal Sales and Use tax collections being below budgeted expectations by \$1,141,847, a result of the on-going state of the national and local economy. Other actual general fund revenues had slight increases and decreases when compared with budget.

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

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

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

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

### **Capital Assets**

The City's total capital assets for its Governmental and Business-Type Activities as of April 30, 2013 amounts to \$299,427,967 (net of accumulated depreciation). The capital assets include land, buildings, equipment, and improvements other than buildings, underground systems, infrastructure, intangibles and construction in progress. This amount represents a net increase (including additions and deductions) of \$10,741,451.

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

**Capital Assets**  
**As of April 30, 2013**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Land & Right of Way	\$58.8	\$58.7	\$2.2	\$2.2	\$61.0	\$60.9
Construction in Progress	15.3	6.5	5.2	2.0	20.5	8.5
Bldgs. and Improvements	63.5	62.3	151.5	147.8	215.0	210.1
Infrastructure	109.8	108.2	60.4	58.9	170.2	167.1
Machinery, Vehicles and Equipment	13.5	13.4	10.1	10.1	23.6	23.5
Intangible Assets	2.8	2.1	0.4	0.4	3.2	2.5
Accumulated Depreciation	(91.8)	(87.5)	(102.2)	(96.4)	(194.0)	(183.9)
<b>Total:</b>	<b>\$171.9</b>	<b>\$163.7</b>	<b>\$127.6</b>	<b>\$125.0</b>	<b>\$299.5</b>	<b>\$288.7</b>

Major capital asset events during FY 2012-2013 included the following:

- The construction of the Wastewater Biosolids Building began during FY 12-13. It is anticipated that construction will be completed during FY 13-14. Cumulative project costs as reported in Construction in Progress were approximately \$2.6 million.
- The construction of a watermain along Route 64 continued during FY 12-13. As of April 30, 2013, a total of \$631,238 has been reported in Construction in Progress. The project is scheduled to be completed in late summer of 2013.
- Construction of the Red Gate Bridge continued into FY 12-13. Total cumulative capital project costs as of April 30, 2013 were \$14,538,792. A majority of the construction costs of the bridge is being funded with federal and state grants. The State, as the lead agency, entered into a contract with the construction contractor. The State is paying all invoices related to the construction and is applying the applicable grants based on the funding percentages. The City will be billed for its share of the bridge in periodic installments. The bridge was opened to traffic during December of 2012 and all remaining work at the site is scheduled to be completed during the summer of 2013.
- In conjunction with the Red Gate Bridge construction, there is a waterline and electrical improvements that are in the process of being constructed. As of April 30, 2013, a total of \$1,042,224 and \$374,000, respectively, has been reported in Construction in Progress.

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

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

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**Debt Outstanding**

At the end of the fiscal year, the City had total debt outstanding of \$118,683,380 (excluding compensated absences and net pension obligations). Of this amount, \$90,095,000 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 \$33,200,000 of the total debt outstanding. In addition, the City has \$19,483,598 in IEPA loans and \$84,451 in installment contracts. For information regarding the City's debt, see note 6 in the notes to the financial statements.

In March 2013, the City issued \$22,355,000 in General Obligation refunding bonds to advance refund three separate bond issues that were all related to the First St. TIF. Due to the economic conditions of the last few years, the development of the 3<sup>rd</sup> phase of the First St Redevelopment project has been delayed. The purpose of the advance refunding was to extend the debt service maturity on these bonds in order to minimize the financial impacts of the delay in the construction of Phase 3 of the development.

**Economic Factors and Next Year's Budget and Rates**

The City's composition is primarily residential with a smaller commercial and industrial component. The property tax revenue derived from the residential, commercial, and industrial properties has been historically stable over the last five years. In fact, through the 2008 tax levy year, which was collected during FY 09-10, the City's Equalized Assessed Valuation had increased every year. For FY 11-12, property tax revenue increased \$246,335 or 1.8% from the prior year. Other major sources of revenue including sales tax revenues, hotel tax revenues and state shared income tax revenues all increased from the prior year as the economy began to rebound.

The City has a demonstrated history of reducing expenditures to match the revenue streams that the City receives. In FY 07-08 the City's actual expenditures and transfers out in the General Fund amounted to \$42.7 million. In two years this amount had been reduced to \$37.7 million for the City's FY 2009-2010, an 11.7% reduction from the FY 07-08 total. The General Fund's expenditures and transfers out total \$38.1 million for FY 12-13. This level remains approximately 10.8% below the 2007-2008 level and demonstrates the City's commitment to continue matching expenditure levels to anticipated revenue streams. As of June 2013, the unemployment rate for the City is currently 7.7%, which is a decrease from a rate of 9% at the end of the prior fiscal year.

The FY 13-14 budget includes a slight increase in property tax revenues due to anticipated increased revenue from the City's TIF and Special Service Area districts. The City has held the amount of its operating property tax levy consistent for 5 consecutive years. The City is anticipating approximately 3.7% total growth in its major operating tax revenue streams for FY 13-14.

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

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In April of 2011, the City accepted an external rate study report on all of its utilities. The rate study outlines a multi-year plan to bring the City's utility rate structure in line with its expenses. The City is performing an annual analysis of the revenues, expenses, and reserve levels of the individual utilities and adjusting user rates accordingly in conjunction with the results of the rate study. As a result of the rate study, rates have been adjusted each year since the study was adopted. The changes to the rate structure have resulted in a positive Change in Net Position of \$838,000 in the Electric Fund and \$141,000 in the Water Fund. The City Council has committed to continuing to adjust rates to provide positive reserve levels and sustainable rate structures in the City's utility funds in future fiscal years.

The City continued its practice of matching revenues and expenditure streams for fiscal year 13-14. The General Fund was initially budgeted to "break even" for FY 13-14. Timing differences related to projects have resulted in a significant positive Net Change in Fund Balance in the General Fund for FY 12-13. These resources have been re-budgeted in the current fiscal year and are resulting in an anticipated negative Net Change in Fund Balance for FY 13-14. However, we are anticipating that the negative Net Change in Fund Balance for FY 13-14 will be smaller than the positive Net Change in Fund Balance for FY 12-13, providing a positive financial result for the General Fund for the two fiscal years combined once the effects of the timing differences have cleared.

Continued vigilance and management of expenditures will be required in future years to maintain the City's fiscal good health. The City's budget projections beyond FY 2013-2014 reflect deficit General Fund operations in the event that revenues do not increase. Additionally, the utility funds will require future rate adjustments to provide adequate operational and capital resources. The City will continue to monitor the situation and make fiscally appropriate adjustments to assure the continued financial health and adequate reserve levels of the City.

**Contacting the City's Financial Management**

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

## CITY OF ST. CHARLES, ILLINOIS

## STATEMENT OF NET POSITION

April 30, 2013

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 38,443,452	\$ 10,774,340	\$ 49,217,792
Restricted Cash and Investments	-	3,512,027	3,512,027
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	14,224,664	29,278	14,253,942
Accounts Receivable	8,542	7,005,369	7,013,911
Accrued Interest on Investments	16,859	20,896	37,755
Miscellaneous	463,858	66,183	530,041
Prepaid Items	395,361	148,077	543,438
Internal Balances	6,590,056	(6,590,056)	-
Due from Other Governments	4,518,428	-	4,518,428
Inventory	4,057,787	-	4,057,787
Net Pension Asset	122,413	-	122,413
Capital Assets Not Being Depreciated	74,487,578	7,371,921	81,859,499
Capital Assets (Net of Accumulated Depreciation)	97,368,969	120,199,499	217,568,468
<b>Total Assets</b>	<b>240,697,967</b>	<b>142,537,534</b>	<b>383,235,501</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charges on Refunding	3,812,186	64,987	3,877,173
<b>Total Deferred Outflows of Resources</b>	<b>3,812,186</b>	<b>64,987</b>	<b>3,877,173</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>244,510,153</b>	<b>142,602,521</b>	<b>387,112,674</b>
<b>LIABILITIES</b>			
Accounts Payable	869,764	4,953,870	5,823,634
Claims Payable	1,760,432	243,128	2,003,560
Contracts Payable	6,795,443	229,735	7,025,178
Accrued Salaries	827,355	210,147	1,037,502
Accrued Interest Payable	1,146,775	381,395	1,528,170
Escrows and Refundable Deposits	1,003,964	1,115,473	2,119,437
Unearned Revenue	174,851	-	174,851
Long-Term Liabilities			
Due Within One Year	8,450,260	3,065,306	11,515,566
Due in More than One Year	84,887,743	35,150,053	120,037,796
<b>Total Liabilities</b>	<b>105,916,587</b>	<b>45,349,107</b>	<b>151,265,694</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Property Taxes	14,224,664	29,278	14,253,942
<b>Total Deferred Inflows of Resources</b>	<b>14,224,664</b>	<b>29,278</b>	<b>14,253,942</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>120,141,251</b>	<b>45,378,385</b>	<b>165,519,636</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	111,517,071	94,974,541	206,491,612
Restricted			
Mental Health	33,996	-	33,996
Capital Outlay	94,844	-	94,844
Community Development	27,830	-	27,830
Highways and Streets	2,572,265	-	2,572,265
Public Safety	278,756	-	278,756
Debt Service	2,004,235	-	2,004,235
Unrestricted	7,839,905	2,249,595	10,089,500
<b>TOTAL NET POSITION</b>	<b>\$ 124,368,902</b>	<b>\$ 97,224,136</b>	<b>\$ 221,593,038</b>

See accompanying notes to financial statements.

## CITY OF ST. CHARLES, ILLINOIS

## STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2013

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions
<b>Primary Government</b>				
Governmental Activities				
General Government	\$ 3,450,520	\$ 247,539	\$ -	\$ -
Public Health and Safety	19,765,029	745,094	111,679	-
Public Works	13,669,557	336,322	962,201	1,409,288
Community Development	2,386,567	325,558	-	-
Interest	3,220,116	-	-	-
Total Governmental Activities	42,491,789	1,654,513	1,073,880	1,409,288
Business-Type Activities				
Electric	51,824,029	52,522,963	-	69,487
Water	4,532,692	4,607,863	-	-
Sewer	7,770,772	6,750,315	-	-
Refuse	601,327	396,283	-	-
Total Business-Type Activities	64,728,820	64,277,424	-	69,487
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 107,220,609</b>	<b>\$ 65,931,937</b>	<b>\$ 1,073,880</b>	<b>\$ 1,478,775</b>

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS  
STATEMENT OF ACTIVITIES (continued)  
For the Year Ended April 30, 2013

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (3,202,981)	\$ -	\$ (3,202,981)
	(18,908,256)	-	(18,908,256)
	(10,961,746)	-	(10,961,746)
	(2,061,009)	-	(2,061,009)
	(3,220,116)	-	(3,220,116)
	<u>(38,354,108)</u>	<u>-</u>	<u>(38,354,108)</u>
	-	768,421	768,421
	-	75,171	75,171
	-	(1,020,457)	(1,020,457)
	-	(205,044)	(205,044)
	<u>-</u>	<u>(381,909)</u>	<u>(381,909)</u>
	<u>(38,354,108)</u>	<u>(381,909)</u>	<u>(38,736,017)</u>
General Revenues			
Taxes			
Property	14,102,024	-	14,102,024
Personal Property Replacement	85,873	-	85,873
Municipal Sales and Use	15,784,687	-	15,784,687
Electric Franchise Fee	2,512,106	-	2,512,106
Liquor	992,079	-	992,079
Hotel Occupation	1,838,057	-	1,838,057
Telecommunications Fee	1,221,476	-	1,221,476
Other	80,495	-	80,495
State Income Tax	2,971,635	-	2,971,635
Investment Income	105,306	29,573	134,879
Connection Charges	-	207,086	207,086
Miscellaneous	725,287	283,102	1,008,389
Gain (Loss) on Sale of Capital Assets	4,350	-	4,350
Transfers In (Out)	306,097	(306,097)	-
Total	<u>40,729,472</u>	<u>213,664</u>	<u>40,943,136</u>
CHANGE IN NET POSITION	2,375,364	(168,245)	2,207,119
NET POSITION, MAY 1	<u>123,196,484</u>	<u>97,629,205</u>	<u>220,825,689</u>
Prior Period Adjustments	(1,202,946)	(236,824)	(1,439,770)
NET POSITION, MAY 1, RESTATED	<u>121,993,538</u>	<u>97,392,381</u>	<u>219,385,919</u>
NET POSITION, APRIL 30	<u>\$ 124,368,902</u>	<u>\$ 97,224,136</u>	<u>\$ 221,593,038</u>

See accompanying notes to financial statements.

## CITY OF ST. CHARLES, ILLINOIS

## BALANCE SHEET

## GOVERNMENTAL FUNDS

April 30, 2013

	<u>General Fund</u>	<u>TIF #4 Debt Service Fund</u>	<u>Redgate Bridge Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
<b>ASSETS</b>					
Cash and Investments	\$ 9,635,659	\$ 5,775	\$ 7,971,364	\$10,051,381	\$27,664,179
Receivables					
Property Taxes	12,533,468	-	-	1,691,196	14,224,664
Accounts Receivable	-	-	-	8,542	8,542
Accrued Interest on Investments	14,204	-	-	-	14,204
Miscellaneous, net	444,609	-	-	-	444,609
Prepaid Items	101,858	-	-	50,000	151,858
Due from Other Funds	6,697,872	-	-	557,741	7,255,613
Due from Other Governments	4,461,721	-	-	56,707	4,518,428
Advances to Other Funds	5,616,890	-	-	-	5,616,890
<b>Total Assets</b>	<b>39,506,281</b>	<b>5,775</b>	<b>7,971,364</b>	<b>12,415,567</b>	<b>59,898,987</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
None	-	-	-	-	-
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$39,506,281</b>	<b>\$ 5,775</b>	<b>\$ 7,971,364</b>	<b>\$12,415,567</b>	<b>\$59,898,987</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 619,078	\$ -	\$ 107,163	\$ 123,858	\$ 850,099
Contracts Payable	-	-	6,777,210	18,233	6,795,443
Accrued Salaries	789,520	-	-	-	789,520
Escrows and Refundable Deposits	1,003,964	-	-	-	1,003,964
Due to Other Funds	557,741	-	-	282,872	840,613
Advances From Other Funds	-	-	-	3,716,891	3,716,891
Unearned Revenue	174,851	-	-	-	174,851
<b>Total Liabilities</b>	<b>3,145,154</b>	<b>-</b>	<b>6,884,373</b>	<b>4,141,854</b>	<b>14,171,381</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Property Tax	12,533,468	-	-	1,691,196	14,224,664
<b>Total Deferred Inflows of Resources</b>	<b>12,533,468</b>	<b>-</b>	<b>-</b>	<b>1,691,196</b>	<b>14,224,664</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>15,678,622</b>	<b>-</b>	<b>6,884,373</b>	<b>5,833,050</b>	<b>28,396,045</b>

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS  
BALANCE SHEET (Continued)  
GOVERNMENTAL FUNDS  
April 30, 2013

	<u>General Fund</u>	<u>TIF #4 Debt Service Fund</u>	<u>Redgate Bridge Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>FUND BALANCES</b>					
Nonspendable					
Prepaid Items	\$ 101,858	\$ -	\$ -	\$ -	\$ 101,858
Advances to Other Funds	5,616,890	-	-	-	5,616,890
Restricted					
Mental Health	33,996	-	-	-	33,996
Capital Outlay	94,844	-	-	2,860,750	2,955,594
Community Development	-	-	-	2,021,760	2,021,760
Highways and Streets	-	-	-	2,572,265	2,572,265
Public Safety	-	-	-	278,756	278,756
Debt Service	-	-	-	2,004,235	2,004,235
Assigned					
Capital Improvement Projects	-	-	1,086,991	397,795	1,484,786
Debt Service	3,000,000	5,775	-	3,101	3,008,876
Unassigned					
General Fund	14,980,071	-	-	-	14,980,071
Special Revenue Funds (Deficit)	-	-	-	(3,556,145)	(3,556,145)
Total Fund Balances	<u>23,827,659</u>	<u>5,775</u>	<u>1,086,991</u>	<u>6,582,517</u>	<u>31,502,942</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
	<u>\$39,506,281</u>	<u>\$ 5,775</u>	<u>\$ 7,971,364</u>	<u>\$12,415,567</u>	<u>\$59,898,987</u>

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS

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

April 30, 2013

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FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 31,502,942
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	167,382,975
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	(82,105,425)
Compensated Absences Payable	(3,209,117)
Interest Payable	(1,146,775)
Other Post Employment Benefits	(4,383,448)
Developer Agreement Payable	(311,444)
Net Pension Obligation	(793)
Premiums or discounts on long-term liabilities and gains and losses on debt refundings are capitalized and amortized at the government-wide level	831,422
The net position of the internal service funds are included in the governmental activities in the statement of net assets	15,686,152
The net pension asset is not a current financial resource and is therefore not reported in the governmental funds	<u>122,413</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 124,368,902</u></u>

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
For the Year Ended April 30, 2013

	General	TIF #4 Debt Service Fund	Redgate Bridge Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property Taxes	\$12,489,303	\$ -	\$ -	\$ 1,612,721	\$14,102,024
Personal Property Replacement Taxes	85,873	-	-	-	85,873
Municipal Sales and Use Taxes	14,650,913	-	-	1,133,774	15,784,687
Electric Franchise Fee	2,512,106	-	-	-	2,512,106
Liquor Tax	992,079	-	-	-	992,079
Hotel Occupations Tax	1,778,810	-	-	59,247	1,838,057
Telecommunications Fee	1,221,476	-	-	-	1,221,476
Admissions Tax	78,485	-	-	-	78,485
Licenses and Permits	444,620	-	-	-	444,620
Fines and Court Fees	422,550	-	-	-	422,550
Grants	54,415	-	-	194,463	248,878
Illinois State Income Tax Allotments	2,971,635	-	-	-	2,971,635
Motor Fuel Tax Allotments	-	-	-	951,201	951,201
Charges for Current Services	734,242	-	-	-	734,242
Investment Income	49,758	10	17,533	38,005	105,306
Contributions	-	-	-	903,781	903,781
Miscellaneous	776,898	-	-	71,768	848,666
Total Revenues	<u>39,263,163</u>	<u>10</u>	<u>17,533</u>	<u>4,964,960</u>	<u>44,245,666</u>
<b>EXPENDITURES</b>					
Current					
General Government	2,720,417	253,009	-	196,052	3,169,478
Public Health and Safety	20,247,223	-	-	12,626	20,259,849
Public Works	6,788,587	-	106,900	2,330,684	9,226,171
Community Development	2,641,168	-	-	-	2,641,168
Debt Service					
Principal	4,586	315,000	-	10,935,195	11,254,781
Interest and Fiscal Charges	-	1,139,373	-	2,438,065	3,577,438
Capital Outlay	-	-	8,733,800	5,000,692	13,734,492
Total Expenditures	<u>32,401,981</u>	<u>1,707,382</u>	<u>8,840,700</u>	<u>20,913,314</u>	<u>63,863,377</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>6,861,182</u>	<u>(1,707,372)</u>	<u>(8,823,167)</u>	<u>(15,948,354)</u>	<u>(19,617,711)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of Bonds	-	22,355,000	4,785,000	15,715,000	42,855,000
Premium on Bonds	-	791,997	138,391	1,295,766	2,226,154
Payment to Escrow Agent	-	(22,888,223)	-	(12,916,643)	(35,804,866)
Proceeds from the Sale of Capital Assets	-	-	-	4,350	4,350
Transfers In	255,390	1,454,373	726,596	6,846,424	9,282,783
Transfers Out	(5,652,582)	-	-	(3,243,404)	(8,895,986)
Total Other Financing Sources (Uses)	<u>(5,397,192)</u>	<u>1,713,147</u>	<u>5,649,987</u>	<u>7,701,493</u>	<u>9,667,435</u>
<b>NET CHANGE IN FUND BALANCE</b>	1,463,990	5,775	(3,173,180)	(8,246,861)	(9,950,276)
<b>FUND BALANCES, MAY 1</b>	<u>22,363,669</u>	<u>-</u>	<u>4,260,171</u>	<u>14,829,378</u>	<u>41,453,218</u>
<b>FUND BALANCES, APRIL 30</b>	<u>\$23,827,659</u>	<u>\$ 5,775</u>	<u>\$ 1,086,991</u>	<u>\$ 6,582,517</u>	<u>\$31,502,942</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, 2013

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (9,950,276)
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	12,292,518
Contributions of capital assets are reported only in the statement of activities	311,043
The issuance of long-term debt and related costs are shown on the fund financial statements as other financing sources (uses) and current expenditures, but are recorded as long-term liabilities and deferred outflows of resources on the government-wide statements	
Issuance of bonds	(7,285,000)
Issuance of refunding bonds	(35,570,000)
Payment of refunded bonds	38,920,115
Premium on issuance of bonds	(2,226,154)
Loss on refunding bonds	3,540,725
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	4,598,806
The change in net pension asset is not a current financial resource and therefore is not reported in the governmental funds	(6,524)
The change in accrued interest payable is reported as interest expense on the statement of activities	269,055
The change in compensated absences is an increase of expenses on the statement of activities	(21,624)
The change in other post employment benefit payable is reported as an expense on the statement of activities	(378,700)
The change in payable for development expenses is a decrease of expenses on the statement of activities	212,178
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation	(4,177,383)
Amortization of bond premiums or discounts	88,267
Amortization of gain or loss on refunding	(36,499)
The change in net position of internal service funds is reported with governmental activities	<u>1,794,817</u>
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 2,375,364</u>

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
April 30, 2013

	Business-Type Activities					Governmental
	Electric Fund	Water Fund	Sewer Fund	Nonmajor	Total	Internal Service Funds
				Enterprise Fund (Refuse)		
<b>CURRENT ASSETS</b>						
Cash and Investments	\$ 1,134,638	\$ 5,163,400	\$ 4,021,981	\$ 454,321	\$ 10,774,340	\$ 10,779,273
Restricted Cash and Investments	765,254	1,883,152	863,621	-	3,512,027	-
Receivables						
Property Tax	29,278	-	-	-	29,278	-
Billed	1,297,075	176,342	1,459,321	25,575	2,958,313	-
Unbilled	3,350,717	248,746	463,539	23,812	4,086,814	-
Allowance for Doubtful Accounts	(33,758)	(2,000)	(3,000)	(1,000)	(39,758)	-
Accrued Interest on Investments	-	17,242	3,654	-	20,896	2,655
Miscellaneous, net	44,969	1,547	19,667	-	66,183	19,249
	4,688,281	441,877	1,943,181	48,387	7,121,726	21,904
Prepaid Items	79,377	29,254	39,446	-	148,077	243,503
Inventory	-	-	-	-	-	4,057,787
<b>Total Current Assets</b>	<b>6,667,550</b>	<b>7,517,683</b>	<b>6,868,229</b>	<b>502,708</b>	<b>21,556,170</b>	<b>15,102,467</b>
<b>NONCURRENT ASSETS</b>						
Advance To Other Funds	1,109,944	-	-	-	1,109,944	-
Capital Assets						
Capital Assets Not Being Depreciated	1,613,432	2,902,556	2,855,933	-	7,371,921	-
Capital Assets Being Depreciated	103,519,676	41,743,181	77,031,972	97,908	222,392,737	9,753,726
Accumulated Depreciation	(45,919,464)	(18,550,205)	(37,625,661)	(97,908)	(102,193,238)	(5,280,153)
<b>Net Capital Assets</b>	<b>59,213,644</b>	<b>26,095,532</b>	<b>42,262,244</b>	<b>-</b>	<b>127,571,420</b>	<b>4,473,573</b>
<b>Total Assets</b>	<b>66,991,138</b>	<b>33,613,215</b>	<b>49,130,473</b>	<b>502,708</b>	<b>150,237,534</b>	<b>19,576,040</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred Charges on Refunding	64,987	-	-	-	64,987	-
<b>Total Deferred Outflows of Resources</b>	<b>64,987</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>64,987</b>	<b>-</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>67,056,125</b>	<b>33,613,215</b>	<b>49,130,473</b>	<b>502,708</b>	<b>150,302,521</b>	<b>19,576,040</b>
<b>CURRENT LIABILITIES</b>						
Accounts Payable	3,251,537	1,054,012	618,231	30,090	4,953,870	19,664
Claims Payable	108,008	70	135,050	-	243,128	1,760,432
Contracts Payable	2,257	1,505	225,973	-	229,735	-
Accrued Salaries	102,928	45,736	61,483	-	210,147	37,835
Accrued Interest Payable	127,484	89,500	164,411	-	381,395	-
Escrows and Customer Deposits	319,551	637,422	158,500	-	1,115,473	-
Due to Other Funds	5,800,000	-	-	-	5,800,000	615,000
Accrued Compensated Absences	258,446	149,880	153,777	-	562,103	148,232
Due to Other Governments	-	114,222	-	-	114,222	-
General Obligation Bonds Payable	792,984	181,965	171,726	-	1,146,675	-
IEPA Loan Payable	-	279,285	963,021	-	1,242,306	-
<b>Total Current Liabilities</b>	<b>10,763,195</b>	<b>2,553,597</b>	<b>2,652,172</b>	<b>30,090</b>	<b>15,999,054</b>	<b>2,581,163</b>
Long-Term Liabilities						
Due to Other Governments	-	571,110	-	-	571,110	-
General Obligation Bonds Payable	7,405,488	4,292,471	3,564,392	-	15,262,351	-
Unamortized Discount/Premium on GO Bonds Payable	160,629	63,853	56,786	-	281,268	-
IEPA Loan Payable	-	5,321,222	12,920,071	-	18,241,293	-
Advances from Other Funds	1,100,000	250,000	550,000	-	1,900,000	1,109,944
Net OPEB Obligation	270,704	256,051	267,276	-	794,031	198,781
<b>Total Long-Term Liabilities</b>	<b>8,936,821</b>	<b>10,754,707</b>	<b>17,358,525</b>	<b>-</b>	<b>37,050,053</b>	<b>1,308,725</b>
<b>Total Liabilities</b>	<b>19,700,016</b>	<b>13,308,304</b>	<b>20,010,697</b>	<b>30,090</b>	<b>53,049,107</b>	<b>3,889,888</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue - Property Tax	29,278	-	-	-	29,278	-
<b>Total Deferred Inflows of Resources</b>	<b>29,278</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,278</b>	<b>-</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>19,729,294</b>	<b>13,308,304</b>	<b>20,010,697</b>	<b>30,090</b>	<b>53,078,385</b>	<b>3,889,888</b>
<b>NET POSITION</b>						
Net Investment in Capital Assets	51,684,783	17,839,888	25,449,870	-	94,974,541	4,473,573
Unrestricted	( 4,357,952)	2,465,023	3,669,906	472,618	2,249,595	11,212,579
<b>TOTAL NET POSITION</b>	<b>\$47,326,831</b>	<b>\$20,304,911</b>	<b>\$29,119,776</b>	<b>\$ 472,618</b>	<b>\$97,224,136</b>	<b>\$15,686,152</b>

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

For the Year Ended April 30, 2013

	Business-Type Activities					Governmental
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Fund (Refuse)	Total Enterprise Funds	Internal Service Funds
<b>OPERATING REVENUES</b>						
Charges for Services, net	\$52,142,394	\$4,588,513	\$6,707,711	\$ 392,687	\$63,831,305	\$1,745,559
Insurance Premiums	-	-	-	-	-	5,903,832
Rental Income	-	-	-	-	-	1,097,339
Sale of Inventory	-	-	-	-	-	2,259,305
Miscellaneous Revenues	380,569	19,350	42,604	3,596	446,119	1,177,822
Total Operating Revenues	52,522,963	4,607,863	6,750,315	396,283	64,277,424	12,183,857
<b>OPERATING EXPENSES</b>						
Administration	2,185,014	1,113,939	1,492,206	87,081	4,878,240	1,196,690
Operations	45,888,758	2,308,169	4,174,104	522,411	52,893,442	8,502,669
Provision for Depreciation	3,142,587	905,860	1,696,705	-	5,745,152	654,180
Total Operating Expenses	51,216,359	4,327,968	7,363,015	609,492	63,516,834	10,353,539
<b>OPERATING INCOME (LOSS)</b>	1,306,604	279,895	(612,700)	(213,209)	760,590	1,830,318
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Gain (Loss) on Sale of Property	(307,919)	22,145	4,050	8,165	(273,559)	24,821
Pole Rental	44,523	-	-	-	44,523	-
Investment Income	(3,416)	16,509	15,727	753	29,573	20,378
Connection Charges	68,588	60,492	78,006	-	207,086	-
Rental Income	-	100,366	1,007	5,080	106,453	-
Interest Expense	(299,751)	(226,869)	(411,807)	-	(938,427)	-
Other Income	102,667	23,559	1,302	4,598	132,126	-
Total Non-Operating Revenues, net	(395,308)	(3,798)	(311,715)	18,596	(692,225)	45,199
<b>INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS</b>	911,296	276,097	(924,415)	(194,613)	68,365	1,875,517
<b>TRANSFERS</b>						
Transfers In	240,051	-	-	290,000	530,051	169,300
Transfers Out	(381,891)	(135,088)	(319,169)	-	(836,148)	(250,000)
Total Transfers	(141,840)	(135,088)	(319,169)	290,000	(306,097)	(80,700)
<b>CONTRIBUTIONS</b>	69,487	-	-	-	69,487	-
<b>CHANGE IN NET POSITION</b>	838,943	141,009	(1,243,584)	95,387	(168,245)	1,794,817
<b>NET POSITION, MAY 1</b>	46,595,422	20,233,596	30,422,956	377,231	97,629,205	13,891,335
Prior Period Adjustments	(107,534)	(69,694)	(59,596)	-	(236,824)	-
<b>NET POSITION, MAY 1, RESTATED</b>	46,487,888	20,163,902	30,363,360	377,231	97,392,381	13,891,335
<b>NET POSITION, APRIL 30</b>	\$47,326,831	\$20,304,911	\$29,119,776	\$ 472,618	\$97,224,136	\$15,686,152

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended April 30, 2013

	Business Type Activities				Governmental	
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Funds (Refuse)	Total	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from Customers and Users	\$ 50,038,458	\$ 4,527,934	\$ 6,560,977	\$ 395,585	\$ 61,522,954	\$ -
Receipts from Interfund Users	1,661,448	56,353	43,590	-	1,761,391	10,882,831
Receipts from Miscellaneous Revenues	431,358	144,672	44,912	9,817	630,759	1,307,680
Payments to Suppliers	(43,937,211)	(1,405,353)	(2,551,183)	(493,801)	(48,387,548)	(8,810,175)
Payments to Employees	(1,846,618)	(1,179,669)	(1,492,618)	-	(4,518,905)	(981,131)
Payments to Other Funds	(2,181,863)	(1,002,225)	(1,484,729)	(87,081)	(4,755,898)	(1,013,615)
Net Cash from Operating Activities	4,165,572	1,141,712	1,120,949	(175,480)	6,252,753	1,385,590
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Due to (from) Other Funds	603,000	1,767,000	1,900,000	330,000	4,600,000	615,000
Advances received from (paid to) Other Funds	1,161,664	250,000	550,000	-	1,961,664	(61,664)
Connection Charges	68,588	60,492	78,006	-	207,086	-
Property Taxes	27,072	-	-	-	27,072	-
Transfers In	240,051	-	-	290,000	530,051	169,300
Transfers Out	(381,891)	(135,088)	(319,169)	-	(836,148)	(250,000)
Net Cash From Noncapital Financing Activities	1,718,484	1,942,404	2,208,837	620,000	6,489,725	472,636
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Capital Assets Purchased	(4,625,967)	(1,335,896)	(2,780,161)	-	(8,742,024)	(383,447)
Proceeds on Sale of Capital Assets	116,725	131,069	4,050	8,165	260,009	24,821
Proceeds of Long-Term Debt	962,022	825,242	1,879,847	-	3,667,111	-
Principal Payments on Long-Term Debt	(743,305)	(381,111)	(1,125,660)	-	(2,250,076)	-
Interest Payments on Long-Term Debt	(307,312)	(191,927)	(428,825)	-	(928,064)	-
Net Cash from Capital and Related Financing Activities	(4,597,837)	(952,623)	(2,450,749)	8,165	(7,993,044)	(358,626)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of Investment Securities	(1,759,891)	(1,963,039)	(824,863)	-	(4,547,793)	(559,632)
Proceeds from Sale and Maturities of Investment Securities	463,347	834,441	367,627	-	1,665,415	997,265
Interest Received	(3,416)	215	15,937	753	13,489	19,290
Net Cash from Investing Activities	(1,299,960)	(1,128,383)	(441,299)	753	(2,868,889)	456,923
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(13,741)	1,003,110	437,738	453,438	1,880,545	1,956,523
<b>CASH AND CASH EQUIVALENTS, MAY 1</b>	48,221	815,977	885,285	883	1,750,366	4,200,918
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	\$ 34,480	\$ 1,819,087	\$ 1,323,023	\$ 454,321	\$ 3,630,911	\$ 6,157,441

See accompanying notes to financial statements.

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

PROPRIETARY FUNDS

For the Year Ended April 30, 2013

	Business Type Activities				Total	Governmental
	Electric Fund	Water Fund	Sewer Fund	Other Nonmajor Enterprise Funds (Refuse)		Internal Service Funds
<b>CASH AND INVESTMENTS</b>						
Cash and Cash Equivalents	\$ 34,480	\$ 1,819,087	\$ 1,323,023	\$ 454,321	\$ 3,630,911	\$ 6,157,441
Investments	1,865,412	5,227,465	3,562,579	-	10,655,456	4,621,832
<b>TOTAL CASH AND INVESTMENTS</b>	<b>\$ 1,899,892</b>	<b>\$ 7,046,552</b>	<b>\$ 4,885,602</b>	<b>\$ 454,321</b>	<b>\$ 14,286,367</b>	<b>\$ 10,779,273</b>
<b>NONCASH TRANSACTIONS</b>						
Contributions of Capital Assets from Developers	\$ 69,487	\$ -	\$ -	\$ -	\$ 69,487	\$ -
Land Acquired Through Intergovernmental Agreement	-	-	-	-	-	-
<b>TOTAL NONCASH TRANSACTIONS</b>	<b>\$ 69,487</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 69,487</b>	<b>\$ -</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Operating Income (Loss)	\$ 1,306,604	\$ 279,895	\$ (612,700)	\$ (213,209)	\$ 760,590	\$ 1,830,318
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities						
Depreciation	3,142,587	905,860	1,696,705	-	5,745,152	654,180
Other Non-Operating Revenues	50,789	144,672	2,309	9,817	207,587	-
Changes in Assets and Liabilities						
Receivables	(447,847)	(24,527)	(103,381)	(698)	(576,453)	86,323
Inventory	-	-	-	-	-	(887,416)
Prepays	(8,311)	(2,962)	(2,938)	-	(14,211)	363
Accounts and Claims Payable	40,115	(125,538)	112,223	28,610	55,410	(348,603)
Accrued Liabilities	-	-	-	-	-	-
Accrued Salaries	(11,751)	2,971	10,599	-	1,819	(3,213)
Accrued Compensated Absences	51,309	(57,566)	(5,135)	-	(11,392)	36,199
Due to Other Governments	-	-	-	-	-	-
Net OPEB Obligation	36,718	17,956	23,031	-	77,705	17,439
Customer Deposits	5,359	951	236	-	6,546	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 4,165,572</b>	<b>\$ 1,141,712</b>	<b>\$ 1,120,949</b>	<b>\$ (175,480)</b>	<b>\$ 6,252,753</b>	<b>\$ 1,385,590</b>

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
April 30, 2013

	Pension Trust Funds	Agency Funds
<b>ASSETS</b>		
Cash and Short-Term Investments	\$2,666,689	\$2,159,496
Investments, at Fair Value		
Certificates of Deposit	5,134,544	-
U.S. Treasury and Agency Securities	13,312,766	-
Corporate Bonds	7,915,378	-
Municipal Bonds	20,129	-
Mutual Funds	15,377,622	-
Equity Securities	12,692,043	-
Receivables		
Accounts Receivable	-	509,415
Accrued Interest on Investments	152,196	-
Prepaid Items	35,213	-
TOTAL ASSETS	<u>57,306,580</u>	<u>\$2,668,911</u>
<b>LIABILITIES</b>		
Accounts Payable	19,240	\$ 135,712
Due to Other Governments	-	2,134,331
Due to Bondholders	-	398,868
TOTAL LIABILITIES	<u>19,240</u>	<u>\$2,668,911</u>
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>	<u>\$57,287,340</u>	

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
For the Year Ended April 30, 2013

<b>ADDITIONS</b>	
Contributions	
Employer	\$2,212,778
Employee	920,211
Other	28,496
Total Contributions	<u>3,161,485</u>
Investment Income	
Net Appreciation (Depreciation) in the Fair Value of Investments	3,197,932
Interest	1,644,725
Total Investment Income	<u>4,842,657</u>
Less Investment Expense	<u>(398,379)</u>
Net Investment Income	<u>4,444,278</u>
Total Additions	<u>7,605,763</u>
<b>DEDUCTIONS</b>	
Pension Benefits	2,946,352
Miscellaneous	83,587
Total Deductions	<u>3,029,939</u>
NET INCREASE	4,575,824
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>	
May 1	<u>52,711,516</u>
April 30	<u>\$57,287,340</u>

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS

April 30, 2013

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

The City provides the following services as authorized by its charter: public safety (police and fire), highways and streets, health, social and cultural services, water and sanitation, public improvements, planning and zoning, general administrative services and police and fire 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 the City's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds) and the funds committed, restricted or assigned for the servicing of long-term debt (debt service funds). The general fund is used to account for all activities of the City not accounted for in some other fund.

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

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

C. Government-Wide and Fund Financial Statements

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The City reports the following major governmental funds:

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

The TIF District #4 Fund (debt service) accounts for payment of interest and principal on debt used to finance the construction and revitalization of the First Street area.

The Redgate Bridge Fund accounts for the resources assigned for the construction of a new bridge.

The City reports the following major proprietary funds:

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

Additionally, the City reports the following internal service funds:

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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

E. Cash and Investments

Cash and Cash Equivalents

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

Investments

Investments with a maturity of less than one year when purchased and 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, 2013 for debt and equity securities. Mutual funds, investment funds and insurance separate accounts are valued at contract value as of April 30, 2013.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Interfund Receivables/Payables

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

G. Inventories

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

H. Prepaid Items

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

I. Capital Assets

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets (Continued)

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

J. Compensated Absences

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

K. Long-Term Obligations

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities or from enabling legislation adopted by the City. Committed fund balance is constrained by formal actions of the City Council, which is considered the City's highest level of decision making authority. Formal actions include ordinances approved by the Council. Assigned fund balance represents amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the City's Administrator and Finance Director. Any residual fund balance in the General Fund, including fund balance targets and any deficit fund balance of any other governmental fund is reported as unassigned. The general fund has a target unassigned fund balance of 25% of operating expenditures.

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

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

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

M. Deferred Outflows/Inflows of Resources

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

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.

O. Estimates

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

2. DEPOSITS AND INVESTMENTS

A. City Investments

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

The City's investment policy authorizes the City to invest in all investments allowed by Illinois Compiled Statutes. 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.

2. DEPOSITS AND INVESTMENTS (Continued)

A. City Investments (Continued)

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

Deposits with Financial Institutions

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

Investments

The following table presents the investments and maturities of the City’s debt securities as of April 30, 2013:

Investment Type	Fair Value	Investment Maturities in Years			
		Less Than 1	1-5	6-10	Greater than 10
U.S. Agency Obligations	\$ 2,885,035	\$ 1,026,382	\$ 1,858,653	\$ -	\$ -
State and Municipal Obligations	3,218,423	560,728	2,657,696	-	-
IMET 1-3 Years	15,435,213	-	15,435,213	-	-
<b>TOTAL</b>	<b>\$ 21,538,671</b>	<b>\$ 1,587,110</b>	<b>\$ 19,951,562</b>	<b>\$ -</b>	<b>\$ -</b>

In accordance with its investment policy, the City limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a five-year period. The investment policy limits the maximum maturity length of investments to five years from date of purchase. Investments in reserve funds may be purchased with maturities to match future projects or liability requirements.

The City limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in external investment pools.

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 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, 2013 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, 2013:

Investment Type	Fair Value	Investment Maturities in Years			
		Less Than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 1,933,777	\$ 30,186	\$ 1,012,780	\$ 645,354	\$ 245,457
U.S. Agency Obligations	2,225,805	100,406	791,717	-	1,333,682
Municipal Securities	20,129	-	20,129	-	-
Corporate Bonds	6,422,173	125,905	1,742,083	2,509,301	2,044,884
<b>TOTAL</b>	<b>\$ 10,601,884</b>	<b>\$ 256,497</b>	<b>\$ 3,566,709</b>	<b>\$ 3,154,655</b>	<b>\$ 3,624,023</b>

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 the money market mutual funds. The corporate bonds are rated BB to A+.

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, 2013 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, 2013:

Investment Type	Fair Value	Investment Maturities in Years			
		Less Than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 5,261,534	\$ -	\$ 2,165,948	\$ 2,200,357	\$ 895,229
U.S. Agency Obligations	3,891,650	-	1,903,553	258,715	1,729,383
Corporate Bonds	1,493,205	-	-	-	1,493,205
<b>TOTAL</b>	<b>\$ 10,646,389</b>	<b>\$ -</b>	<b>\$ 4,069,501</b>	<b>\$ 2,459,072</b>	<b>\$ 4,117,817</b>

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

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. The corporate bonds are rated BB to A-.

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 2012 levy year attach as an enforceable lien on January 1, 2012, 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, 2013 and August 1, 2013, and are payable in two installments, on or about June 1, 2013 and September 1, 2013. The County collects such taxes and remits them periodically.

The 2012 taxes are intended to finance the 2014 fiscal year and are not considered available or earned for current operations and are, therefore, shown as unavailable revenue. The 2013 tax levy has not been recorded as a receivable at April 30, 2013, as the tax attached as a lien on property as of January 1, 2013; however, the tax will not be levied until December 2013 and, accordingly, is not measurable at April 30, 2013.

4. DUE FROM OTHER GOVERNMENTS

Due from other governments consisted of the following amounts at April 30, 2013.

GOVERNMENTAL ACTIVITIES

Sales Tax	\$ 2,276,042
Home Rule Sales Tax	1,277,810
Income Tax	479,999
Local Use Tax	121,129
Auto Rental	10,219
Motor Fuel Tax	56,707
Simplified Telecommunications Tax	<u>296,522</u>
 TOTAL GOVERNMENTAL ACTIVITIES	 <u>\$ 4,518,428</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2013 is as follows:

	Balances May 1	Increases	Decreases	Balances April 30
GOVERNMENTAL ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 17,524,254	\$ 223,359	\$ -	\$ 17,747,613
Land Right of Ways	41,026,148	-	-	41,026,148
Construction in Progress	6,531,105	9,981,968	1,231,003	15,282,070
Intangible Assets	183,137	248,610	-	431,747
Total Capital Assets not Being Depreciated	<u>65,264,644</u>	<u>10,453,937</u>	<u>1,231,003</u>	<u>74,487,578</u>

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

5. CAPITAL ASSETS (Continued)

	Balances May 1	Increases	Decreases	Balances April 30
<b>GOVERNMENTAL ACTIVITIES (Continued)</b>				
Capital Assets Being Depreciated				
Buildings	\$ 48,392,285	\$ 236,654	\$ -	\$ 48,628,939
Improvements Other Than Buildings	13,885,373	956,104	-	14,841,477
Equipment and Fixtures	13,404,006	383,449	241,079	13,546,376
Streets	66,333,756	1,487,802	261,992	67,559,566
Traffic Signals	211,500	311,454	-	522,954
Storm Sewers	35,632,545	165,202	-	35,797,747
Bridges	4,347,653	-	-	4,347,653
Culverts	1,599,906	-	-	1,599,906
Intangible Assets	2,114,459	223,408	-	2,337,867
Total Capital Assets Being Depreciated	185,921,483	3,764,073	503,071	189,182,485
Less Accumulated Depreciation for				
Buildings	12,209,538	1,368,523	-	13,578,061
Improvements Other Than Buildings	2,264,124	627,828	-	2,891,952
Equipment and Fixtures	6,303,419	771,237	241,079	6,833,577
Streets	40,956,880	1,156,059	261,992	41,850,947
Traffic Signals	9,370	4,328	-	13,698
Storm Sewers	21,702,485	673,812	-	22,376,297
Bridges	1,915,536	85,386	-	2,000,922
Culverts	1,343,987	11,518	-	1,355,505
Intangible Assets	779,687	132,870	-	912,557
Total Accumulated Depreciation	87,485,026	4,831,561	503,071	91,813,516
Total Capital Assets Being Depreciated, Net	98,436,457	(1,067,488)	-	97,368,969
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$163,701,101</b>	<b>\$ 9,386,449</b>	<b>\$ 1,231,003</b>	<b>\$171,856,547</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital Assets not Being Depreciated				
Land	\$ 2,162,294	\$ -	\$ -	\$ 2,162,294
Construction in Progress	1,964,037	4,840,309	1,594,719	5,209,627
Total Capital Assets not Being Depreciated	4,126,331	4,840,309	1,594,719	7,371,921
Capital Assets Being Depreciated				
Refuse Equipment	97,908	-	-	97,908
Electric Property	99,803,634	4,140,686	424,644	103,519,676
Water and Sewer Plant and Equipment	117,405,627	1,478,450	108,924	118,775,153
Total Capital Assets Being Depreciated	217,307,169	5,619,136	533,568	222,392,737

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

5. CAPITAL ASSETS (Continued)

	Balances May 1	Increases	Decreases	Balances April 30
<b>BUSINESS-TYPE ACTIVITIES (Continued)</b>				
Less Accumulated Depreciation for				
Refuse Equipment	\$ 97,908	\$ -	\$ -	\$ 97,908
Electric Property	42,776,877	3,142,587	-	45,919,464
Water and Sewer Plant and Equipment	53,573,301	2,602,565	-	56,175,866
Total Accumulated Depreciation	96,448,086	5,745,152	-	102,193,238
 Total Capital Assets Being Depreciated, Net	120,859,083	(126,016)	533,568	120,199,499
 <b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$124,985,414</b>	<b>\$ 4,714,293</b>	<b>\$ 2,128,287</b>	<b>\$127,571,420</b>

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

**GOVERNMENTAL ACTIVITIES**

General Government	\$ 340,734
Public Health and Safety	567,956
Public Works, Including Depreciation of General Infrastructure Assets	3,913,730
Community Development	9,141

**TOTAL DEPRECIATION EXPENSE -  
GOVERNMENTAL ACTIVITIES**

\$ 4,831,561

6. LONG-TERM DEBT

A. General Obligation Bonds

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

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements /Refundings	Balances April 30	Current Portion
\$4,890,000 General Obligation Bonds of 2002A, annual installments of \$265,000 to \$415,000, interest at 3.00% to 4.00% payable each June 1 and December 1.	Debt Service	\$ 43,646	\$ -	\$ 21,352	\$ 22,294	\$ 22,294
	Electric	651,354	-	318,648	332,706	332,706

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

6. LONG-TERM DEBT

A. General Obligation Bonds

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements /Refundings	Balances April 30	Current Portion
\$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	\$ 1,910,000	\$ -	\$ 1,910,000	\$ -	\$ -
\$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	13,150,000	-	11,600,000	1,550,000	750,000
\$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	1,695,000	-	1,390,000	305,000	305,000
\$10,000,000 General Obligation Bonds of 2006, annual installments of \$3,065,000 to \$3,605,000, interest at 3.95% payable each June 1 and December 1.	TIF #4	10,000,000	-	8,810,000	1,190,000	-
\$4,470,000 General Obligation Bonds of 2007A, annual installments of \$1,660,000 to \$2,810,000, interest at 3.90% to 3.95% payable each June 1 and December 1.	TIF #4	4,470,000	-	3,880,000	590,000	-
\$2,000,000 General Obligation Bonds of 2007B, annual installments of \$70,000 to \$405,000, interest at 3.70% payable each June 1 and December 1.	Sewer	1,630,000	-	85,000	1,545,000	85,000
\$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	-	3,285,000	245,000	-
\$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	-	9,645,000	1,165,000	260,000

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
\$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	\$ 1,575,000	\$ -	\$ 70,000	\$ 1,505,000	\$ 70,000
\$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 July 1 and January 1.	Electric	2,195,000	-	90,000	2,105,000	90,000
	Debt Service	9,750,000	-	460,000	9,290,000	475,000
\$6,695,000 General Obligation Refunding Bonds of 2009, annual installments of \$305,000 to \$1,520,000, interest at 2.00% to 5.00% payable each June 1 and December 1.	TIF	1,795,000	-	280,000	1,515,000	285,000
	Debt Service	1,368,801	-	556,189	812,612	552,577
	Electric	526,199	-	213,811	312,388	212,423
\$7,090,000 General Obligation Bonds of 2010A, annual installments of \$260,000 to \$505,000 interest at 2.000% to 4.625% payable each June 1 and December 1.	Electric	3,172,192	-	120,846	3,051,346	123,169
	Water	2,239,760	-	85,324	2,154,436	86,965
	Sewer	1,413,048	-	53,830	1,359,218	54,866
\$4,305,000 General Obligation Refunding Bonds of 2010B, annual installments of \$815,000 to \$905,000, interest at 2.00% to 3.00% payable each June 1 and December 1.	Debt Service	3,490,000	-	840,000	2,650,000	870,000
\$1,920,000 General Obligation Refunding Bonds of 2010C, annual installments of \$10,000 to \$215,000, interest at 3.00% to 4.50% payable each June 1 and December 1.	TIF #3	1,910,000	-	145,000	1,765,000	150,000
\$4,860,000 General Obligation Corporate Purpose Bonds of 2011A, annual installments of \$160,000 to \$340,000, interest at 2.00% to 4.00% payable each June 1 and December 1.	Sewer	860,220	-	28,320	831,900	31,860
	Debt Service	3,999,780	-	131,680	3,868,100	148,140

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
\$1,560,000 General Obligation Refunding Bonds of 2011B, annual installments of \$5,000 to \$405,000, interest at 2.00% to 4.00% payable each June 1 and December 1.	Electric	\$ 1,462,032	\$ -	\$ -	\$ 1,462,032	\$ 4,686
	Debt Service	97,968	-	-	97,968	314
\$2,885,000 General Obligation Refunding Bonds of 2011C, annual installments of \$365,000 to \$460,000, interest at 3.00% to 4.00% payable each June 1 and December 1.	Debt Service	2,885,000	-	-	2,885,000	-
\$3,090,000 General Obligation Refunding Bonds of 2011D, annual installments of \$210,000 to \$310,000, interest at 2.00% to 4.00% payable each June 1 and December 1.	TIF #5	3,090,000	-	210,000	2,880,000	220,000
\$9,035,000 General Obligation Corporate Purpose Bonds of 2012A, annual installments of \$335,000 to \$610,000 interest at 2.00% to 4.00% payable each June 1 and December 1.	Electric	-	935,000	-	935,000	30,000
	Water	-	815,000	-	815,000	25,000
	Debt Service	-	7,285,000	-	7,285,000	375,000
\$12,025,000 General Obligation Refunding Bonds of 2012B, annual installments of \$285,000 to \$1,190,000, interest at 2.00% to 4.00% payable each June 1 and December 1.	Debt Service	-	12,025,000	-	12,025,000	285,000
\$1,190,000 Taxable General Obligation Refunding Bonds of 2012C, annual installments of \$30,000 to \$410,000, interest at 0.65% to 1.25% payable each June 1 and December 1.	TIF #1	-	1,190,000	-	1,190,000	30,000
\$22,355,000 General Obligation Corporate Purpose Bonds of 2013A, annual installments of \$1,385,000 to \$2,400,000, interest at 4.00% payable each June 1 and December 1.	TIF #4	-	22,355,000	-	22,355,000	-
<b>TOTAL GENERAL OBLIGATION BONDS</b>		<b>\$ 89,720,000</b>	<b>\$ 44,605,000</b>	<b>\$ 44,230,000</b>	<b>\$ 90,095,000</b>	<b>\$ 5,875,000</b>

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	\$ 8,655,000	\$ -	\$ 320,000	\$ 8,335,000	\$ 360,000
<b>TOTAL</b>		<b>\$ 8,655,000</b>	<b>\$ -</b>	<b>\$ 320,000</b>	<b>\$ 8,335,000</b>	<b>\$ 360,000</b>

The revenue bonds and the interest thereon are limited obligations of the City payable solely from the pledged taxes. Pledged taxes are 75% of the increase, if any, in local sales taxes and 75% of the increase, if any, in home rule sales taxes derived from the specified project area over the amount of taxes collected in the base year. These pledges will remain until all bonds are retired or mature in 2025 as disclosed in Note 6-F, Governmental Activities Revenue Bonds. During the current fiscal year, the principal and interest on the bonds was approximately 83.72% of the pledged sales taxes (local and home rule) in specific project area.

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 II	Sewer	\$ 22,203	\$ -	\$ 22,203	\$ -	\$ -
EPA Loan III	Sewer	3,737,611	-	374,691	3,362,920	384,249
EPA Loan IV	Sewer	7,396,293	-	469,079	6,927,214	480,879
EPA Loan V	Sewer	1,805,648	-	92,537	1,713,111	97,892
EPA Loan VI	Water	5,816,052	10,242	225,788	5,600,506	279,285
EPA Loan VII*	Water	-	1,879,847	-	1,879,847	-
<b>TOTAL</b>		<b>\$ 18,777,807</b>	<b>\$ 1,890,089</b>	<b>\$ 1,184,298</b>	<b>\$ 19,483,598</b>	<b>\$ 1,242,305</b>

\* The Illinois EPA loan VII has not been closed out by the IEPA and, therefore, no repayment schedule has been determined as of April 30, 2013.

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 \$382.	General	\$ 89,036	\$ -	\$ 4,586	\$ 84,450	\$ 4,586
TOTAL		\$ 89,036	\$ -	\$ 4,586	\$ 84,450	\$ 4,586

E. Developer/Intergovernmental Agreements

The City entered into agreements with the owners of real estate purchased by the City in 2004 to provide an inducement for the sale of the property. The agreements terminate the earlier of June 30, 2012 and January 1, 2015 or the occurrence of events as defined in the agreement. A liability of \$311,444 has been accrued as of April 30, 2013 under these agreements.

In 2012, the City entered into an agreement with St. Charles Community School District 303 for the transfer of a title of property to the City. In exchange for the property the City will provide the District with a high school resource officer at no charge as defined in the agreement from June 7, 2011 through June 6, 2019. As of April 30, 2013, a liability of \$685,333 has been accrued and \$114,222 of services have been provided related to this agreement, which is recorded in the water fund. The liability will be reduced as services are provided to the School District.

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
2014	\$ 4,728,325	\$ 2,617,941	\$ 360,000	\$ 579,282
2015	4,395,840	2,636,413	405,000	554,262
2016	4,290,548	2,518,404	450,000	526,116
2017	3,519,977	2,388,929	505,000	494,840
2018	3,235,034	2,268,690	560,000	459,742
2019	3,018,715	2,143,734	620,000	420,822

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
2020	\$ 3,071,945	\$ 2,035,121	\$ 685,000	\$ 377,732
2021	3,210,175	1,906,953	750,000	330,126
2022	3,353,405	1,771,961	775,000	278,000
2023	3,507,520	1,634,922	840,000	224,138
2024	3,170,750	1,491,713	915,000	165,758
2025	2,993,980	1,375,110	1,470,000	102,166
2026	2,637,210	1,261,248	-	-
2027	1,630,440	1,159,657	-	-
2028	2,628,670	1,086,884	-	-
2029	2,751,900	972,808	-	-
2030	2,079,245	852,512	-	-
2031	2,187,475	771,515	-	-
2032	2,304,820	686,268	-	-
2033	2,120,000	596,400	-	-
2034	1,850,000	514,000	-	-
2035	2,005,000	440,000	-	-
2036	2,095,000	359,800	-	-
2037	2,200,000	276,000	-	-
2038	2,300,000	188,000	-	-
2039	2,400,000	96,000	-	-
TOTAL	\$ 73,685,974	\$ 34,050,983	\$ 8,335,000	\$ 4,512,984

Fiscal Year	Governmental Activities Installment Contracts	
	Principal	Interest
2014	\$ 4,586	\$ -
2015	4,586	-
2016	4,586	-
2017	4,586	-
2018	4,586	-
2019	4,586	-
2020	4,586	-
2021	4,586	-
2022	4,586	-
2023	4,586	-
2024	4,586	-
2025	4,586	-
2026	4,586	-
2027	4,586	-
2028	4,586	-
2029	4,586	-
2030	4,586	-
2031	4,586	-
2032	1,902	-
TOTAL	\$ 84,450	\$ -

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

6. LONG-TERM DEBT (Continued)

F. Debt Service Requirements to Maturity (Continued)

Fiscal Year	Business-Type Activities IEPA Loans		Business-Type Activities General Obligation Bonds	
	Principal	Interest	Principal	Interest
2014	\$ 1,242,305	\$ 322,161	\$ 1,146,675	\$ 650,113
2015	1,267,706	296,760	1,079,160	607,446
2016	1,293,707	270,759	1,004,452	579,150
2017	1,320,320	244,146	1,045,023	547,345
2018	1,347,560	216,906	1,084,966	510,164
2019	1,375,444	189,022	726,285	469,763
2020	1,403,987	160,480	753,055	442,129
2021	1,433,203	131,263	784,825	410,808
2022	993,074	104,313	816,595	377,915
2023	1,011,699	85,688	847,480	343,749
2024	1,030,745	66,641	894,250	308,232
2025	1,050,224	47,162	926,020	271,412
2026	709,576	27,682	967,790	231,976
2027	426,290	20,023	1,009,560	190,302
2028	430,408	15,905	906,330	145,544
2029	434,577	11,736	808,100	104,591
2030	438,799	7,514	645,755	67,188
2031	394,128	3,240	672,525	39,114
2032	-	-	175,180	9,882
2033	-	-	115,000	3,738
TOTAL	\$ 17,603,752	\$ 2,221,401	\$ 16,409,026	\$ 6,310,561

G. Changes in Long-Term Liabilities

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

	Balances May 1	Issuances	Retirements /Refundings	Balances April 30	Current Portion
General Obligation Bonds Payable	\$ 73,995,195	\$ 42,855,000	\$ 43,164,221	\$ 73,685,974	\$ 4,728,325
Revenue Bonds Payable	8,655,000	-	320,000	8,335,000	360,000
Unamortized (Discount) Premium on Bonds Payable	969,832	2,226,154	215,222	2,980,764	-
Unamortized Loss on Refunding	(404,800)	(3,540,725)	(133,339)	(3,812,186)	-
Installment Contracts Payable - Governmental Funds	89,036	-	4,586	84,450	4,586
Developer Agreements - Governmental Funds	523,622	-	212,178	311,444	-
Compensated Absences Payable - Governmental Funds (General Fund)	3,187,493	3,209,117	3,187,493	3,209,117	3,209,117
Compensated Absences Payable - Internal Service Funds	112,033	148,232	112,033	148,232	148,232
Net Pension Obligation (General Fund)	-	793	-	793	-
Net OPEB Obligation (General Fund)	4,004,748	378,700	-	4,383,448	-
Net OPEB Obligation - Internal Service Funds	181,342	17,439	-	198,781	-
TOTAL	\$ 91,313,501	\$ 45,294,710	\$ 47,082,394	\$ 89,525,817	\$ 8,450,260

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

6. LONG-TERM DEBT (Continued)

G. Changes in Long-Term Liabilities (Continued)

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	\$ 15,724,805	\$ 1,750,000	\$ 1,065,779	\$ 16,409,026	\$ 1,146,675
Unamortized (Discount) Premium on Bonds Payable	257,784	50,687	27,203	281,268	-
IEPA Loans Payable	18,777,807	1,890,089	1,184,298	19,483,598	1,242,305
Intergovernmental Agreements	799,554	-	114,222	685,332	114,222
Compensated Absences Payable	573,495	562,103	573,495	562,103	562,103
Net OPEB Obligation	716,325	77,706	-	794,031	-
TOTAL	\$ 36,849,770	\$ 4,330,585	\$ 2,964,997	\$ 38,215,358	\$ 3,065,305

H. Legal Debt Margin

The City is a home rule municipality. Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin.

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

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

I. Noncommitment Debt

Special Service Area Bonds

Special service area bonds outstanding as of the date of this report totaled \$1,870,000. 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.

6. LONG-TERM DEBT (Continued)

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, 2013, there were four series of IDRBs outstanding. The aggregate principal amount payable for the IDRBs outstanding could not be determined at April 30, 2013. The original principal balance is \$25,492,164.

K. Advance Refundings

On October 18, 2012, the City issued \$12,025,000 General Obligation Refunding Bonds, Series 2012B to advance refund \$1,620,000 General Obligation Bonds, Series 2004 and \$10,850,000 General Obligation Bonds, Series 2005A which will be called on December 1, 2013, except for the Series 2004, which were called and paid on December 1, 2012. As a result of the refunding, the City realized a cash flow savings of approximately \$1,309,696 and an economic gain of \$1,115,913.

On October 18, 2012, the City issued \$1,190,000 Taxable General Obligation Refunding Bonds, Series 2012C to advance refund \$1,115,000 Taxable General Obligation Refunding Bonds, Series 2005B which will be called and paid on December 1, 2013. As a result of the refunding, the City realized a cash flow savings of approximately \$50,503 and an economic gain of \$52,577.

On March 6, 2013, the City issued \$22,355,000 General Obligation Corporate Purpose Bonds, Series 2013A to advance refund \$8,810,000 General Obligation Bonds, Series 2006, \$3,880,000 General Obligation Bonds, Series 2007A, \$3,285,000 General Obligation Bonds, Series 2007C, and \$9,330,000 General Obligation Bonds, Series 2008A, which will be called and paid on December 1, 2015, December 1, 2016, and December 1, 2017. The City completed this advance refunding to extend the debt service to maturity on these bonds. As a result of the refunding, the City realized an increase in cash flows of approximately (\$6,438,121) and an economic loss of \$2,758,545.

7. RISK MANAGEMENT

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

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

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

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

Workers' Compensation Insurance - The City is self-insured with a specific stop loss of \$600,000 per occurrence for Police, Fire and Electric Utility employees and \$450,000 per occurrence for all other employees.

The City has recorded a liability for claims which were reported but unpaid as of the end of the fiscal year as well as an estimated liability for claims incurred but not reported. A reconciliation of claims payable for the fiscal years ended April 30, 2012 and 2013 is as follows:

	<u>2012</u>	<u>2013</u>
CLAIMS PAYABLE, MAY 1	\$ 2,107,316	\$ 2,390,848
Add Claims Incurred	3,831,007	3,334,789
Less Claims Paid	<u>3,547,475</u>	<u>3,722,077</u>
CLAIMS PAYABLE, APRIL 30	<u>\$ 2,390,848</u>	<u>\$ 2,003,560</u>

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

8. INDIVIDUAL FUND DISCLOSURES

As of April 30, 2013, individual fund interfund receivables and payables were as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 282,872
General	Electric	5,800,000
General	Internal Service	615,000
Nonmajor Governmental	General	557,741
TOTAL DUE TO/FROM OTHER FUNDS		<u>\$ 7,255,613</u>

Major interfund receivables and payables resulted from the following:

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

As of April 30, 2013, major individual fund advances between funds were as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 3,716,890
General	Electric	1,100,000
General	Water	250,000
General	Sewer	550,000
Electric	Internal Service	1,109,944
TOTAL		<u>\$ 6,726,834</u>

During the fiscal year ended April 30, 2013 the General Fund advanced TIF District #3, TIF District #4 and TIF District #5 special revenue funds \$50,184, \$729,692 and \$125,570 respectively. This fiscal year TIF District #2 has paid back \$150,000 towards their advance. In prior years, \$2,961,444 was advanced to cover debt service for TIF District #2, TIF District #3 and TIF District #5. The \$3,716,890 advanced as of April 30, 2013 will be paid from tax increments in future years. The Electric Fund advanced the Communications Fund \$1,233,272 for the purchase of fiber optic cable. Starting last fiscal year, annual payments of \$61,664 will be made. As of April 30, 2013 the balance is \$1,109,944.

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

8. INDIVIDUAL FUND DISCLOSURES (Continued)

Interfund transfers during the year ended April 30, 2013 were as follows:

	Transfers In	Transfers Out
General		
Red Gate Bridge	\$ -	\$ 726,596
Nonmajor Governmental	5,390	4,226,635
Electric	-	240,051
Nonmajor Enterprise	-	290,000
Internal Service	250,000	169,300
Total General	<u>255,390</u>	<u>5,652,582</u>
Red Gate Bridge		
General	<u>726,596</u>	-
First Street TIF		
Nonmajor Governmental	<u>1,454,373</u>	-
Nonmajor Governmental		
General	4,226,635	-
Electric	381,891	-
Water	135,088	-
Sewer	319,169	-
Nonmajor Governmental	1,783,640	3,243,403
Total Nonmajor Governmental	<u>6,846,423</u>	<u>3,243,403</u>
Electric		
General	240,051	-
Nonmajor Governmental	-	381,891
Total Electric	<u>240,051</u>	<u>381,891</u>
Water		
Nonmajor Governmental	<u>-</u>	<u>135,088</u>
Sewer		
Nonmajor Governmental	<u>-</u>	<u>319,169</u>
Nonmajor Enterprise		
General	<u>290,000</u>	-
Internal Service		
General	<u>169,300</u>	<u>250,000</u>
TOTAL	<u>\$ 9,982,133</u>	<u>\$ 9,982,133</u>

8. INDIVIDUAL FUND DISCLOSURES (Continued)

Major interfund transfers resulted from the following:

- \$726,596 transfer from the General Fund to Red Gate Bridge Fund. This transaction relates to money transferred for reimbursement of project costs.
- \$4,226,635 transfer from the General Fund to Nonmajor Funds. This transaction relates to money transferred to debt service funds for payments of principal and interest on general obligation debt and for money transferred to the Capital Project Funds and the Motor Fuel Tax Fund.
- \$3,243,403 transfers from Nonmajor Governmental Funds to the First Street TIF Fund and Nonmajor Governmental Funds. These transactions relate to money transferred from the Special Revenue Funds and Capital Project Fund to Debt Service Funds for payments of principal and interest on general obligation debt.
- \$836,148 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 and to the Motor Fuel Tax Fund for reimbursement of expenses.
- \$240,051 transfer to the Electric Fund from the General Fund for maintenance of streetlights and Christmas light decorations.
- \$290,000 Transfer to the Nonmajor Enterprise (Refuse) Fund from the General Fund to cover expenses not covered by user fees.
- \$169,300 Transfers from the General Fund to Internal Service Funds. This transaction relates to money transferred to the Workers Compensation/Liability Insurance Fund to cover insurance premiums.
- \$250,000 Transfer to the General Fund from the Health Insurance Fund to cover insurance premiums.

The following funds reported deficit fund balances/net position at April 30, 2013:

Fund	Deficit Balance
TIF District #2 Special Revenue Fund	\$ 941,188
TIF District #3 Special Revenue Fund	802,219
TIF District #4 Special Revenue Fund	715,269
TIF District #5 Special Revenue Fund	1,091,469

8. INDIVIDUAL FUND DISCLOSURES (Continued)

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

9. CONTINGENT LIABILITIES

A. Litigation

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

B. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

C. Economic Development Incentives

The City has entered into an agreement with the owners of a local mall to provide an incentive for adding a department store to the mall. The incentive is the lesser amount of a base of \$525,000 in 2002 up to \$700,000 through 2016 or incremental sales taxes generated by the facility, capped at 100% in 2002 decreasing to 32% in 2016. The maximum incentives under this agreement are \$2,000,000. No liability has been accrued as of April 30, 2013 under this agreement as the thresholds have not been met in the current year. The total incentives incurred under this agreement through April 30, 2013 are \$283,521.

9. CONTINGENT LIABILITIES (Continued)

C. Economic Development Incentives (Continued)

The City also entered into an agreement with the developer of another local mall to provide reimbursement of allowable costs and also an incentive for adding auto dealers to the mall. The incentive ranges from \$0 - \$2,500,000, through the calendar year 2012, with a \$500,000 incentive per new auto dealer added to the mall. No liability for the incentives has been accrued as of April 30, 2013 under this agreement as the thresholds have not yet been met.

The City has entered into an agreement with a car dealer to provide economic incentives over a five-year period. The incentive ranges from \$0 - \$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, 2013, no amounts have been paid related to this agreement.

The City has entered into an agreement with a car dealer to provide economic incentives over a ten-year period. The incentives are paid every four months at 50% of the total sales tax generated by the business up to a maximum of \$450,000 through May 31, 2021. As of and for the year ended April 30, 2013, a liability of \$23,817 has been accrued and payments of \$50,617 have been made under this agreement. As of April 30, 2013, the City has incurred total incentives of \$121,560.

The City has entered into an agreement with a local retailer to provide economic incentives over a five-year period. Payments are to be made annually as 50% of sales taxes that exceed a base of \$16,000 and up to a maximum annual reimbursement of \$10,000 through July 31, 2016. No liability for the incentives has been accrued as of April 30, 2013 under this agreement.

The City has entered into an agreement with a car dealer to provide economic incentives over a 15-year period. The incentives are paid annually as 100% of sales taxes generated that exceed a base of \$300,000 up to a maximum total reimbursement of \$1,400,000 through May 31, 2027. No liability for the incentives has been accrued as of April 30, 2013 under this agreement.

The City has entered into an agreement with a car dealer to provide economic incentives over a 15-year period. The incentives are paid every four months as 50% of sales taxes generated up to a maximum total reimbursement of \$800,000 through August 31, 2027. If, in any year, the total sales tax generated is less than \$128,000, the Company will reimburse the City the difference between \$100,000 and its share of the distributions. No liability for the incentives has been accrued as of April 30, 2013 under 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, 2013, membership consisted of:

Retirees and beneficiaries currently receiving benefits	32
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>229</u>
 TOTAL	 <u>261</u>
 Participating employers	 <u>1</u>

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

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

D. Funding Policy

The City negotiates the contribution percentages between the City and employees through the union contracts and personnel policy. All retirees contribute 100% of the actuarially determined premium to the plan to cover the cost of providing the benefits to the current members via the insured plan (pay as you go) which results in an implicit subsidy to the City as defined by the GASB Statement No. 45. For the fiscal year ended April 30, 2013, retirees contributed \$224,300 and the City contributed \$130,849. The City is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

E. Annual OPEB Costs and Net OPEB Obligation

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

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2011	\$ 908,870	\$ 253,882	27.9%	\$ 4,197,244
April 30, 2012	869,721	164,548	18.9%	4,902,416
April 30, 2013	604,693	130,849	21.64%	5,376,260

The net OPEB obligation (NOPEBO) as of April 30, 2013 was calculated as follows:

Annual required contribution	\$ 572,010
Interest on net OPEB obligation	196,097
Adjustment to annual required contribution	<u>(163,414)</u>
Annual OPEB cost	604,693
Contributions made	<u>130,849</u>
Increase in net OPEB obligation	473,844
Net OPEB obligation, beginning of year	<u>4,902,416</u>
<b>NET OPEB OBLIGATION, END OF YEAR</b>	<u><b>\$ 5,376,260</b></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, 2013 was as follows:

Actuarial accrued liability (AAL)	\$ 6,507,582
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	6,507,582
Funded ratio (actuarial value of plan assets/AAL)	0.0%
Covered payroll (active plan members)	\$ 23,092,645
UAAL as a percentage of covered payroll	28.2%

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, 2012 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included a 4.00% 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. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

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

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Participating members are required to contribute 4.50% 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, 2012 was 12.45% of covered payroll.

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continue)

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 ten years of credited service and 1.00% for each year thereafter.

For those SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies. SLEP also provides death and disability benefits. These benefit provisions and all other requirements are established by State statutes. SLEP members are required to contribute 6.50% 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, 2013 was 12.96% 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, 2013, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	39
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Current Employees	
Vested	36
Nonvested	16
	<hr/>
TOTAL	<hr/> <u>91</u>

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to 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.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of  $\frac{1}{2}$  of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e.,  $\frac{1}{2}$ % for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or  $\frac{1}{2}$  of the change in the Consumer Price Index for the proceeding calendar year. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

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, 2013, the City's contribution was 26.59% 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, 2013, the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	16
Terminated Employees Entitled to Benefits but not yet Receiving Them	5
Current Employees	
Vested	24
Nonvested	21
	66
TOTAL	66

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. 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 ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or ½ of the change in the Consumer Price Index for the proceeding calendar year. Benefits and refunds are recognized when due and payable in accordance with the terms of the Firefighters' Pension Plan.

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. Contributions are recognized in the period in which amounts are due pursuant to ILCS. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to finance the Firefighters' Pension Plan, including the costs of administering the Firefighters' Pension Plan, as actuarially determined by an enrolled actuary. Effective July 1, 1993, the City has until the year 2033 to fully fund the past services costs for the Firefighters' Pension Plan. For the year ended April 30, 2013, the City's contribution was 23.01% 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 position for either the Police or the Firefighters' Pension Plans. Information for IMRF and SLEP is not available.

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

C. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Actuarial Valuation Date	December 31, 2010	December 31, 2010	April 30, 2012	April 30, 2012
Actuarial Cost Method	Entry-age Normal	Entry-age Normal	Entry-age Normal	Entry-age Normal
Asset Valuation Method	5 Year Smoothed Market	5 Year Smoothed Market	Market	Market
Amortization Method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll
Amortization Period	30 Years, Open	30 Years, Open	28 Years, Closed	28 Years, Closed
Significant Actuarial Assumptions				
a) Rate of Return on Present and Future Assets	7.50% Compounded Annually	7.50% Compounded Annually	7.00% Compounded Annually	7.00% Compounded Annually
b) Projected Salary Increases - Attributable to Inflation	4.00% Compounded Annually	4.00% Compounded Annually	5.00% Compounded Annually	5.00% Compounded Annually
c) Additional Projected Salary Increases - Seniority/Merit	.40 to 10.00%	.40 to 10.00%	Not Available	Not Available

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

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

C. Annual Pension Costs (Continued)

	Fiscal Year	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2011	\$ 1,478,679	\$ 380,738	\$ 1,554,401	\$ 1,236,791
	2012	1,534,949	743	1,362,433	1,096,373
	2013	1,567,536	-	1,228,321	990,981
Actual Contribution	2011	\$ 1,478,679	\$ 380,738	\$ 1,556,109	\$ 1,236,673
	2012	1,534,949	743	1,356,539	1,089,212
	2013	1,567,536	-	1,226,047	986,731
Percentage of APC Contributed	2011	100%	100%	100.1%	100.0%
	2012	100%	100%	99.6%	99.3%
	2013	100%	100%	99.6%	99.3%
NPO (Asset)	2011	\$ -	\$ -	\$ (130,581)	\$ (10,618)
	2012	-	-	(124,687)	(3,457)
	2013	-	-	(122,413)	793

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

	Police Pension	Firefighters' Pension
Annual Required Contributions	\$ 1,231,413	\$ 991,067
Interest on Net Pension Obligation	(8,728)	(242)
Adjustment to Annual Required Contribution	5,636	156
Annual Pension Cost	1,228,321	990,981
Contributions Made	1,226,047	986,731
Increase in Net Pension Obligation (Asset)	2,274	4,250
Net Pension Obligation (Asset), Beginning of Year	(124,687)	(3,457)
NET PENSION OBLIGATION (ASSET), END OF YEAR	\$ (122,413)	\$ 793

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

D. Funded Status

The funded status of the plans as of April 30, 2013, based on actuarial valuations performed as of the same date for Police and Firefighters' Pension Plans and as of December 31, 2012 for IMRF and SLEP, is as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC of the plans as disclosed in Note 11-C except that the mortality table was changed:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Actuarial Accrued Liability (AAL)	\$ 37,121,899	\$ -	\$ 47,088,115	\$ 39,465,546
Actuarial Value of Plan Assets	26,181,657	9,437	27,960,859	29,326,481
Unfunded Actuarial Accrued Liability (UAAL)	10,940,242	(9,437)	19,127,256	10,139,065
Funded Ratio (Actuarial Value of Plan Assets/AAL)	70.53%	0.00%	59.4%	74.3%
Covered Payroll (Active Plan Members)	\$ 12,391,986	\$ -	\$ 4,611,030	\$ 4,288,510
UAAL as a Percentage of Covered Payroll	88.28%	0.00%	414.8%	236.4%

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

E. Summary Financial Information

Summary financial information at April 30, 2013 for the Police and Firefighters' Pension Plans is as follows:

Combining Statement of Fiduciary Net Position

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
<b>ASSETS</b>			
Cash and Short-Term Investments	\$ 1,325,186	\$ 1,341,503	\$ 2,666,689
Investments, at Fair Value			
Certificates of Deposit	2,446,456	2,688,088	5,134,544
U.S. Treasury and Agency Securities	4,159,582	9,153,184	13,312,766
Municipal Bonds	20,129	-	20,129
Corporate Bonds	6,422,173	1,493,205	7,915,378
Mutual Funds	7,193,440	8,184,182	15,377,622
Equity Securities	6,291,033	6,401,010	12,692,043

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

E. Summary Financial Information (Continued)

Combining Statement of Fiduciary Net Position (Continued)

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
<b>ASSETS (Continued)</b>			
Receivables			
Accrued Interest on Investments	\$ 85,212	\$ 66,984	\$ 152,196
Prepaid Items	35,213	-	35,213
<b>Total Assets</b>	<b>27,978,424</b>	<b>29,328,156</b>	<b>57,306,580</b>
<b>LIABILITIES</b>			
Accounts Payable	17,565	1,675	19,240
<b>Total Liabilities</b>	<b>17,565</b>	<b>1,675</b>	<b>19,240</b>
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>	<b>\$ 27,960,859</b>	<b>\$ 29,326,481</b>	<b>\$ 57,287,340</b>

Combining Statement of Changes in Plan Net Position

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 1,226,047	\$ 986,731	\$ 2,212,778
Employee	457,150	463,061	920,211
Other	28,496	-	28,496
<b>Total Contributions</b>	<b>1,711,693</b>	<b>1,449,792</b>	<b>3,161,485</b>
Investment Income			
Net Appreciation in Fair Value of Investments	1,591,599	1,606,333	3,197,932
Interest	797,786	846,939	1,644,725
<b>Total Investment Income</b>	<b>2,389,385</b>	<b>2,453,272</b>	<b>4,842,657</b>
Less Investment Expenses	(202,663)	(195,716)	(398,379)
<b>Net Investment Income</b>	<b>2,186,722</b>	<b>2,257,556</b>	<b>4,444,278</b>
<b>Total Additions</b>	<b>3,898,415</b>	<b>3,707,348</b>	<b>7,605,763</b>

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

E. Summary Financial Information (Continued)

Combining Statement of Changes in Plan Net Position (Continued)

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
DEDUCTIONS			
Pension Benefits and Refunds	\$ 1,900,319	\$ 1,046,033	\$ 2,946,352
Administrative Expenses	54,783	28,804	83,587
Total Deductions	1,955,102	1,074,837	3,029,939
NET INCREASE	1,943,313	2,632,511	4,575,824
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
May 1	26,017,546	26,693,970	52,711,516
April 30	\$ 27,960,859	\$ 29,326,481	\$ 57,287,340

12. PRIOR PERIOD ADJUSTMENT

Net position of governmental activities and business-type activities were restated as of May 1, 2012 by (\$1,202,946) and (\$236,824), respectively, for the implementation of GASB Statement No. 65. Net position of the Electric, Water and Sewer Funds were restated as of May 1, 2012 by (\$107,534), (\$69,694) and (\$59,596), respectively, for the implementation of GASB Statement No. 65.

CITY OF ST. CHARLES, ILLINOIS  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
For the Year Ended April 30, 2013  
(with comparative actual)

	Original Budget	Final Budget	Actual	Last Year Actual
<b>REVENUES</b>				
Property Taxes	\$12,551,106	\$12,551,106	\$12,489,303	\$12,474,765
Personal Property Replacement Taxes	79,570	79,570	85,873	88,849
Municipal Sales and Use Taxes	15,794,358	15,794,358	14,650,913	14,607,339
Electric Franchise Fee	2,434,417	2,434,417	2,512,106	2,324,248
Liquor Tax	962,800	962,800	992,079	977,452
Hotel Occupations Tax	1,920,000	1,920,000	1,778,810	1,749,895
Telecommunications Fee	1,340,000	1,340,000	1,221,476	1,289,388
Admissions Tax	105,500	105,500	78,485	76,215
Business Licenses and Permits	225,670	225,670	232,595	227,481
Non-business License and Permits	209,260	209,260	212,025	217,376
Fines and Court Fees	478,607	478,607	422,550	415,922
Grants	101,669	122,169	54,415	92,431
Illinois State Income Tax Allotments	2,637,920	2,637,920	2,971,635	2,675,585
Charges for Current Services	735,011	741,304	734,242	677,652
Investment Income	136,600	136,600	49,758	75,365
Miscellaneous	724,754	752,351	776,898	683,983
Total Revenues	<u>40,437,242</u>	<u>40,491,632</u>	<u>39,263,163</u>	<u>38,653,946</u>
<b>EXPENDITURES</b>				
General Government	3,169,778	3,418,255	2,720,417	3,130,003
Public Health and Safety	20,862,368	21,017,676	20,247,223	20,467,253
Public Works	7,872,172	8,213,588	6,788,587	7,588,242
Community Development	2,740,343	2,924,238	2,641,168	2,493,934
Debt Service				
Principal	4,584	4,584	4,586	16,120
Interest and Fiscal Charges	-	-	-	665
Total Expenditures	<u>34,649,245</u>	<u>35,578,341</u>	<u>32,401,981</u>	<u>33,696,217</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>5,787,997</u>	<u>4,913,291</u>	<u>6,861,182</u>	<u>4,957,729</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from the Sale of Capital Assets	2,500	2,500	-	3,551
Transfers In	250,000	255,390	255,390	42,051
Transfers Out	(6,765,057)	(6,851,126)	(5,652,582)	(4,882,768)
Total Other Financing Sources (Uses)	<u>(6,512,557)</u>	<u>(6,593,236)</u>	<u>(5,397,192)</u>	<u>(4,837,166)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(\$ 724,560)</u>	<u>(\$ 1,679,945)</u>	1,463,990	120,563
<b>FUND BALANCE, MAY 1</b>			<u>22,363,669</u>	<u>22,243,106</u>
<b>FUND BALANCE, APRIL 30</b>			<u>\$23,827,659</u>	<u>\$22,363,669</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2013

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1. BUDGETS

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

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

2. EXPENDITURES IN EXCESS OF BUDGET

The TIF District #1 Debt Service Fund and the 2011B Refunding General Obligation Bond Fund expenditures exceeded budget by \$1. The 2008 Revenue Bond Fund expenditures exceeded its budget by \$4,092.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS  
 ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2013

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry - Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) As a Percentage of Covered Payroll (4) / (5)
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%
2010	26,710,158	36,731,443	72.72%	10,021,285	12,948,793	77.39%
2011	24,295,296	35,346,601	68.73%	11,051,305	12,651,495	87.35%
2012	26,181,657	37,121,899	70.53%	10,940,242	12,391,986	88.28%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

April 30, 2013

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)
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%
2010	(31,973)	-	0.00%	31,973	-	0.00%
2011	(9,211)	-	0.00%	9,211	-	0.00%
2012	9,437	-	0.00%	(9,437)	-	0.00%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
POLICE PENSION FUND

April 30, 2013

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)
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%
2011	26,127,210	40,279,564	64.86%	14,152,354	4,212,817	335.94%
2012	26,017,546	43,676,412	59.57%	17,658,866	4,287,075	411.91%
2013	27,960,859	47,088,115	59.38%	19,127,256	4,611,030	414.82%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS  
 FIREFIGHTERS' PENSION FUND

April 30, 2013

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry - Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) As a Percentage of Covered Payroll (4) / (5)
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%
2011	26,118,295	30,718,257	85.03%	4,599,962	4,237,873	108.54%
2012	26,693,970	33,418,008	79.88%	6,724,038	4,182,533	160.76%
2013	29,326,481	39,465,546	74.31%	10,139,065	4,288,510	236.42%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS  
 OTHER POSTEMPLOYMENT BENEFIT PLAN

April 30, 2013

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	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%
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	-	6,507,582	0.00%	6,507,582	23,092,645	28.18%
2013	N/A	N/A	N/A	N/A	N/A	N/A

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

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<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
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%
2011	1,478,679	1,478,679	100.00%
2012	1,534,949	1,534,949	100.00%
2013	1,567,536	1,567,536	100.00%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

April 30, 2013

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<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2008	\$ 32,327	\$ 32,327	100.00%
2009	62,591	62,591	100.00%
2010	64,156	64,156	100.00%
2011	380,738	380,738	100.00%
2012	743	743	100.00%
2013	1,916	1,916	100.00%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 POLICE PENSION FUND

April 30, 2013

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<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation (Asset)</u>
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)
2011	1,556,109	1,556,450	99.98%	(130,581)
2012	1,356,539	1,365,820	99.32%	(124,687)
2013	1,226,047	1,231,413	99.56%	(122,413)

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 FIREFIGHTERS' PENSION FUND

April 30, 2013

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<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation (Asset)</u>
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)
2011	1,236,673	1,236,962	99.98%	(10,618)
2012	1,089,212	1,096,648	99.32%	(3,457)
2013	986,731	991,067	99.56%	793

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 OTHER POSTEMPLOYMENT BENEFIT PLAN

April 30, 2013

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<u>Year Ended April 30,</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage 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%
2011	253,882	849,832	29.87%
2012	164,548	841,739	19.55%
2013	130,849	572,010	22.88%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

TIF DISTRICT #4 DEBT SERVICE FUND

For the Year Ended April 30, 2013

(with comparative actual)

	Original Budget	Final Budget	Actual	Last Year Actual
<b>REVENUES</b>				
Investment Income	\$ -	\$ -	\$ 10	\$ -
Total Revenues	-	-	10	-
<b>EXPENDITURES</b>				
General Government:				
Contractual	-	258,774	253,009	-
Principal Retirement	315,000	315,000	315,000	-
Interest and Fiscal Charges	1,139,374	1,139,374	1,139,373	1,139,373
Total Expenditures	1,454,374	1,713,148	1,707,382	1,139,373
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(1,454,374)	(1,713,148)	(1,707,372)	(1,139,373)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Bonds	-	22,355,000	22,355,000	-
Premium on Bonds	-	791,997	791,997	-
Payment to Escrow Agent	-	(22,888,223)	(22,888,223)	-
Transfers In	1,454,374	1,454,374	1,454,373	1,139,373
Total Other Financing Sources (Uses)	1,454,374	1,713,148	1,713,147	1,139,373
<b>NET CHANGE IN FUND BALANCE</b>	\$ -	\$ -	5,775	-
<b>FUND BALANCE, MAY 1</b>			-	-
<b>FUND BALANCE, APRIL 30</b>			\$ 5,775	\$ -

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

REDGATE BRIDGE CAPITAL FUND

For the Year Ended April 30, 2013

(with comparative actual)

	Original Budget	Final Budget	Actual	Last Year Actual
<b>REVENUES</b>				
Investment Income	\$ -	\$ -	\$ 17,533	\$ 14,183
Contributions	-	-	-	1,000
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>17,533</b>	<b>15,183</b>
<b>EXPENDITURES</b>				
Public Works:				
Contractual	200,000	237,391	104,753	164,846
Materials and Supplies	-	7,500	2,147	-
Capital Outlay	7,425,675	8,901,320	8,733,800	3,224,442
<b>Total Expenditures</b>	<b>7,625,675</b>	<b>9,146,211</b>	<b>8,840,700</b>	<b>3,389,288</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(7,625,675)</b>	<b>(9,146,211)</b>	<b>(8,823,167)</b>	<b>(3,374,105)</b>
<b>OTHER FINANCING SOURCES</b>				
Issuance of Bonds	4,210,944	4,785,000	4,785,000	-
Premium on Bonds	-	138,391	138,391	-
Transfers In	739,416	739,416	726,596	768,802
<b>Total Other Financing Sources</b>	<b>4,950,360</b>	<b>5,662,807</b>	<b>5,649,987</b>	<b>768,802</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(\$2,675,315)</b>	<b>(\$3,483,404)</b>	<b>(3,173,180)</b>	<b>(2,605,303)</b>
FUND BALANCE, MAY 1			4,260,171	6,865,474
FUND BALANCE, APRIL 30			\$1,086,991	\$4,260,171

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 April 30, 2013

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and Investments	\$ 2,924,348	\$ 1,732,467	\$ 5,394,566	\$10,051,381
Receivables				
Property Taxes	1,691,196	-	-	1,691,196
Accounts Receivable	8,542	-	-	8,542
Prepaid Items	50,000	-	-	50,000
Due from Other Governments	56,707	-	-	56,707
Due From Other Funds	-	557,741	-	557,741
<b>Total Assets</b>	<b>4,730,793</b>	<b>2,290,208</b>	<b>5,394,566</b>	<b>12,415,567</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
None	-	-	-	-
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 4,730,793</b>	<b>\$ 2,290,208</b>	<b>\$ 5,394,566</b>	<b>\$12,415,567</b>
<b>LIABILITIES</b>				
Accounts Payable	-	-	123,858	123,858
Contracts Payable	-	-	18,233	18,233
Due to Other Funds	-	282,872	-	282,872
Advances From Other Funds	3,716,891	-	-	3,716,891
<b>Total Liabilities</b>	<b>3,716,891</b>	<b>282,872</b>	<b>142,091</b>	<b>4,141,854</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	1,691,196	-	-	1,691,196
<b>Total Deferred Inflows of Resources</b>	<b>1,691,196</b>	<b>-</b>	<b>-</b>	<b>1,691,196</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>5,408,087</b>	<b>282,872</b>	<b>142,091</b>	<b>5,833,050</b>
<b>FUND BALANCES</b>				
<b>Restricted</b>				
Capital Outlay	-	-	2,860,750	2,860,750
Community Development	27,830	-	1,993,930	2,021,760
Highways and Streets	2,572,265	-	-	2,572,265
Public Safety	278,756	-	-	278,756
Debt Service	-	2,004,235	-	2,004,235
<b>Unrestricted</b>				
<b>Assigned</b>				
Capital Improvement Projects	-	-	397,795	397,795
Debt Service	-	3,101	-	3,101
<b>Unassigned</b>				
Special Revenue Funds (Deficit)	(3,556,145)	-	-	(3,556,145)
<b>Total Fund Balances</b>	<b>(677,294)</b>	<b>2,007,336</b>	<b>5,252,475</b>	<b>6,582,517</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 4,730,793</b>	<b>\$ 2,290,208</b>	<b>\$ 5,394,566</b>	<b>\$12,415,567</b>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2013

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Property Taxes	\$ 1,612,721	\$ -	\$ -	\$ 1,612,721
Municipal Sales and Use Taxes	33,096	1,100,678	-	1,133,774
Hotel Occupation Tax	59,247	-	-	59,247
Grants	-	-	194,463	194,463
Motor Fuel Tax Allotments	951,201	-	-	951,201
Investment Income	7,345	110	30,550	38,005
Contributions	-	-	903,781	903,781
Miscellaneous	71,768	-	-	71,768
Total Revenues	<u>2,735,378</u>	<u>1,100,788</u>	<u>1,128,794</u>	<u>4,964,960</u>
<b>EXPENDITURES</b>				
Current Operating-				
General Government	-	196,052	-	196,052
Public Health and Safety	12,626	-	-	12,626
Public Works	1,418,681	-	912,003	2,330,684
Community Development	-	-	-	-
Debt Service-				
Principal	-	5,445,195	5,490,000	10,935,195
Interest and Fiscal Charges	-	2,438,065	-	2,438,065
Capital Outlay	-	-	5,000,692	5,000,692
Total Expenditures	<u>1,431,307</u>	<u>8,079,312</u>	<u>11,402,695</u>	<u>20,913,314</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,304,071</u>	<u>(6,978,524)</u>	<u>(10,273,901)</u>	<u>(15,948,354)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Bonds	-	13,215,000	2,500,000	15,715,000
Premium on Bonds	-	1,064,479	231,287	1,295,766
Payment to Escrow Agent	-	(12,916,643)	-	(12,916,643)
Proceeds from Sale of Capital Assets	4,350	-	-	4,350
Transfers In	99,144	5,782,080	965,200	6,846,424
Transfers Out	(2,692,649)	-	(550,755)	(3,243,404)
Total Other Financing Sources (Uses)	<u>(2,589,155)</u>	<u>7,144,916</u>	<u>3,145,732</u>	<u>7,701,493</u>
NET CHANGE IN FUND BALANCES	(1,285,084)	166,392	(7,128,169)	(8,246,861)
FUND BALANCES, MAY 1	607,790	1,840,944	12,380,644	14,829,378
FUND BALANCES, APRIL 30	<u>(\$ 677,294)</u>	<u>\$ 2,007,336</u>	<u>\$ 5,252,475</u>	<u>\$ 6,582,517</u>

See independent auditor's report.

## Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

CITY OF ST. CHARLES, ILLINOIS  
COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

April 30, 2013

	TIF District #1 Fund	TIF District #2 Fund	TIF District #3 Fund	TIF District #4 Fund	TIF District #5 Fund	Motor Fuel Tax Fund	Foreign Fire Insurance	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>								
<b>ASSETS</b>								
Cash and Investments Receivables	\$ 23,638	\$ 146,277	\$ 19	\$ 14,423	\$ 27	\$2,515,558	\$ 224,406	\$2,924,348
Property Taxes, net	178,962	486,353	167,342	652,937	205,602	-	-	1,691,196
Accounts Receivable	4,192	-	-	-	-	-	4,350	8,542
Prepaid Items	-	-	-	-	-	-	50,000	50,000
Due From Other Governments	-	-	-	-	-	56,707	-	56,707
Total Assets	206,792	632,630	167,361	667,360	205,629	2,572,265	278,756	4,730,793
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
Note	-	-	-	-	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>	\$ 206,792	\$ 632,630	\$ 167,361	\$ 667,360	\$ 205,629	\$2,572,265	\$ 278,756	\$4,730,793
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
<b>LIABILITIES</b>								
Advance from Other Funds	\$ -	\$1,087,465	\$ 808,238	\$ 729,692	\$1,091,496	\$ -	\$ -	\$3,716,891
Total Liabilities	-	1,087,465	808,238	729,692	1,091,496	-	-	3,716,891
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable Revenue - Property Tax	178,962	486,353	167,342	652,937	205,602	-	-	1,691,196
Total Deferred Inflows of Resources	178,962	486,353	167,342	652,937	205,602	-	-	1,691,196
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	178,962	1,573,818	975,580	1,382,629	1,297,098	-	-	5,408,087
<b>FUND BALANCES (DEFICIT)</b>								
Restricted	27,830	-	-	-	-	-	-	27,830
Community Development	-	-	-	-	-	-	-	-
Highways and Streets	-	-	-	-	-	2,572,265	-	2,572,265
Public Safety	-	-	-	-	-	-	278,756	278,756
Unrestricted	-	-	-	-	-	-	-	-
Unassigned (Deficit)	-	(941,188)	(808,219)	(715,269)	(1,091,469)	-	-	(3,556,145)
Total Fund Balances (Deficit)	27,830	(941,188)	(808,219)	(715,269)	(1,091,469)	2,572,265	278,756	(677,294)
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	\$ 206,792	\$ 632,630	\$ 167,361	\$ 667,360	\$ 205,629	\$2,572,265	\$ 278,756	\$4,730,793

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, 2013

	TIF District #1 Fund	TIF District #2 Fund	TIF District #3 Fund	TIF District #4 Fund	TIF District #5 Fund	Motor Fuel Tax Fund	Foreign Fire Insurance	Total
<b>REVENUES</b>								
Property Taxes	\$ 170,812	\$ 456,069	\$ 167,878	\$ 625,395	\$ 192,567	\$ -	\$ -	\$1,612,721
Sales and Use Tax	33,096	-	-	-	-	-	-	33,096
Hotel Occupation Tax	59,247	-	-	-	-	-	-	59,247
Motor Fuel Tax Allotments	-	-	-	-	-	951,201	-	951,201
Investment Income	180	389	56	372	105	6,127	116	7,345
Miscellaneous Revenues	-	-	-	-	-	-	71,768	71,768
Total Revenues	263,335	456,458	167,934	625,767	192,672	957,328	71,884	2,735,378
<b>EXPENDITURES</b>								
Public Health and Safety	-	-	-	-	-	-	12,626	12,626
Public Works	-	-	-	-	-	1,418,681	-	1,418,681
Total Expenditures	-	-	-	-	-	1,418,681	12,626	1,431,307
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	263,335	456,458	167,934	625,767	192,672	( 461,353)	59,258	1,304,071
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers In	-	-	-	-	-	99,144	-	99,144
Transfers Out	(355,253)	(337,638)	(221,749)	(1,454,373)	(318,246)	-	(5,390)	(2,692,649)
Proceeds from the Sale of Capital Assets	-	-	-	-	-	-	4,350	4,350
Total Other Financing Sources (Uses)	(355,253)	(337,638)	(221,749)	(1,454,373)	(318,246)	99,144	(1,040)	(2,589,155)
<b>NET CHANGE IN FUND BALANCE</b>	(91,918)	118,820	(53,815)	( 828,606)	(125,574)	( 362,209)	58,218	(1,285,084)
<b>FUND BALANCE (DEFICIT), MAY 1</b>	119,748	(1,060,008)	(754,404)	113,337	(965,895)	2,934,474	220,538	607,790
<b>FUND BALANCE (DEFICIT), APRIL 30</b>	\$ 27,830	(\$ 941,188)	(\$ 808,219)	(\$ 715,269)	(\$1,091,469)	\$2,572,265	\$ 278,756	(\$ 677,294)

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

TIF DISTRICT #1 FUND

For the Year Ended April 30, 2013

(with comparative actual)

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Last Year <u>Actual</u>
<b>REVENUES</b>				
Property Taxes	\$ 169,287	\$ 169,287	\$ 170,812	\$ 170,997
Sales and Use Tax	35,376	35,376	33,096	32,260
Hotel Occupation Tax	64,110	64,110	59,247	58,024
Investment Income	1,170	1,170	180	250
Total Revenues	<u>269,943</u>	<u>269,943</u>	<u>263,335</u>	<u>261,531</u>
<b>EXPENDITURES</b>				
Community Development:				
None	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	<u>269,943</u>	<u>269,943</u>	<u>263,335</u>	<u>261,531</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>( 355,252)</u>	<u>( 355,252)</u>	<u>( 355,253)</u>	<u>( 341,503)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(\$ 85,309)</u>	<u>(\$ 85,309)</u>	<u>( 91,918)</u>	<u>( 79,972)</u>
<b>FUND BALANCE, MAY 1</b>			<u>119,748</u>	<u>199,720</u>
<b>FUND BALANCE, APRIL 30</b>			<u>\$ 27,830</u>	<u>\$ 119,748</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

TIF DISTRICT #2 FUND

For the Year Ended April 30, 2013

(with comparative actual)

	Original Budget	Final Budget	Actual	Last Year Actual
<b>REVENUES</b>				
Property Taxes	\$ 432,512	\$ 432,512	\$ 456,069	\$ 436,881
Investment Income	196	196	389	296
Total Revenues	<u>432,708</u>	<u>432,708</u>	<u>456,458</u>	<u>437,177</u>
<b>EXPENDITURES</b>				
Community Development:				
None	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	<u>432,708</u>	<u>432,708</u>	<u>456,458</u>	<u>437,177</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>( 339,338)</u>	<u>( 339,338)</u>	<u>( 337,638)</u>	<u>( 329,638)</u>
<b>NET CHANGE IN FUND BALANCE</b>				
	<u>\$ 93,370</u>	<u>\$ 93,370</u>	118,820	107,539
<b>FUND BALANCE (DEFICIT), MAY 1</b>			<u>(1,060,008)</u>	<u>(1,167,547)</u>
<b>FUND BALANCE (DEFICIT), APRIL 30</b>			<u>(\$ 941,188)</u>	<u>(\$1,060,008)</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

TIF DISTRICT #3 FUND

For the Year Ended April 30, 2013

(with comparative actual)

	Original Budget	Final Budget	Actual	Last Year Actual
<b>REVENUES</b>				
Property Taxes	\$ 183,129	\$ 183,129	\$ 167,878	\$ 184,979
Investment Income	77	77	56	79
Total Revenues	183,206	183,206	167,934	185,058
<b>EXPENDITURES</b>				
Community Development:				
None	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	183,206	183,206	167,934	185,058
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	( 183,207)	( 183,207)	( 221,749)	( 215,885)
<b>NET CHANGE IN FUND BALANCE</b>	\$ 1	\$ 1	( 53,815)	( 30,827)
<b>FUND BALANCE (DEFICIT), MAY 1</b>			( 754,404)	( 723,577)
<b>FUND BALANCE (DEFICIT), APRIL 30</b>			(\$ 808,219)	(\$ 754,404)

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

TIF DISTRICT #4 FUND

For the Year Ended April 30, 2013

(with comparative actual)

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Last Year <u>Actual</u>
<b>REVENUES</b>				
Property Taxes	\$ 612,287	\$ 612,287	\$ 625,395	\$ 607,178
Investment Income	3,253	3,253	372	(7)
Total Revenues	<u>615,540</u>	<u>615,540</u>	<u>625,767</u>	<u>607,171</u>
<b>EXPENDITURES</b>				
Community Development:				
None	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	<u>615,540</u>	<u>615,540</u>	<u>625,767</u>	<u>607,171</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>( 717,827)</u>	<u>( 717,827)</u>	<u>(1,454,373)</u>	<u>(1,139,372)</u>
<b>NET CHANGE IN FUND BALANCE</b>				
	<u>(\$ 102,287)</u>	<u>(\$ 102,287)</u>	(828,606)	(532,201)
<b>FUND BALANCE, MAY 1</b>				
			<u>113,337</u>	<u>645,538</u>
<b>FUND BALANCE (DEFICIT), APRIL 30</b>				
			<u>(\$ 715,269)</u>	<u>\$ 113,337</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

TIF DISTRICT #5 FUND

For the Year Ended April 30, 2013

(with comparative actual)

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Last Year <u>Actual</u>
<b>REVENUES</b>				
Property Taxes	\$ 211,584	\$ 211,584	\$ 192,567	\$ 213,721
Investment Income	48	48	105	47
Total Revenues	<u>211,632</u>	<u>211,632</u>	<u>192,672</u>	<u>213,768</u>
<b>EXPENDITURES</b>				
Community Development:				
None	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	<u>211,632</u>	<u>211,632</u>	<u>192,672</u>	<u>213,768</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>( 211,632)</u>	<u>( 211,632)</u>	<u>( 318,246)</u>	<u>( 344,250)</u>
Total Other Financing Sources (Uses)	<u>( 211,632)</u>	<u>( 211,632)</u>	<u>( 318,246)</u>	<u>( 344,250)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	( 125,574)	( 130,482)
<b>FUND BALANCE (DEFICIT), MAY 1</b>			<u>( 965,895)</u>	<u>( 835,413)</u>
<b>FUND BALANCE (DEFICIT), APRIL 30</b>			<u>(\$1,091,469)</u>	<u>(\$ 965,895)</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

MOTOR FUEL TAX FUND

For the Year Ended April 30, 2013

(with comparative actual)

	Original Budget	Final Budget	Actual	Last Year Actual
<b>REVENUES</b>				
Motor Fuel Tax Allotments	\$ 842,677	\$ 842,677	\$ 951,201	\$ 975,617
Miscellaneous	-	-	-	103
Investment Income	-	-	6,127	7,377
Total Revenues	<u>842,677</u>	<u>842,677</u>	<u>957,328</u>	<u>983,097</u>
<b>EXPENDITURES</b>				
Public Works:				
Contractual	1,449,960	1,449,960	1,418,681	678,677
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(607,283)</u>	<u>(607,283)</u>	<u>(461,353)</u>	<u>304,420</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	99,144	99,144	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>99,144</u>	<u>99,144</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(\$ 607,283)</u>	<u>(\$ 508,139)</u>	<u>( 362,209)</u>	<u>304,420</u>
<b>FUND BALANCE, MAY 1</b>			<u>2,934,474</u>	<u>2,630,054</u>
<b>FUND BALANCE, APRIL 30</b>			<u>\$2,572,265</u>	<u>\$2,934,474</u>

See independent auditor's report.

## Nonmajor Debt Service Funds

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

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

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

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

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

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

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

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

April 30, 2013

	TIF District #1	TIF District #2	TIF District #3	TIF District #5	2002A G.O. Bond Issue	2004 G.O. Bond Issue	2005A G.O. Bond Issue	2008C G.O. Bond Issue
<b>ASSETS</b>								
Cash and Investments	\$ 3,101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due From Other Funds	-	-	-	-	-	-	-	-
Total Assets	<u>\$ 3,101</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>								
<b>LIABILITIES</b>								
Due To Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				
<b>FUND BALANCE</b>								
Restricted For Debt Service	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-
Assigned for Debt Service	3,101	-	-	-	-	-	-	-
Total Fund Balance	<u>3,101</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 3,101</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF ST. CHARLES, ILLINOIS  
 COMBINING BALANCE SHEET (CONTINUED)  
 NONMAJOR DEBT SERVICE FUNDS

April 30, 2013

	2008	2009	2010B	2011A	2011B	2011C	2012B	Total
	Revenue	Refunding	Refunding	G.O.	Refunding	Refunding	Refunding	
	Bond	G.O. Bond	G.O. Bond	Bond	G.O. Bond	G.O. Bond	G.O. Bond	
	Issue	Issue	Issue	Issue	Issue	Issue	Issue	Total
Cash and Investments	\$1,727,563	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,803	\$1,732,467
Due From Other Funds	557,741	-	-	-	-	-	-	557,741
Total Assets	\$2,285,304	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,803	\$2,290,208
<b>LIABILITIES AND FUND BALANCE</b>								
<b>LIABILITIES</b>								
Due To Other Funds	\$ 282,872	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 282,872
Total Liabilities	282,872	-	-	-	-	-	-	282,872
<b>FUND BALANCE</b>								
Restricted For Debt Service	2,002,432	-	-	-	-	-	1,803	2,004,235
Unrestricted	-	-	-	-	-	-	-	3,101
Assigned for Debt Service	-	-	-	-	-	-	-	-
Total Fund Balance	2,002,432	-	-	-	-	-	1,803	2,007,336
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$2,285,304</b>	<b>\$ -</b>	<b>\$ 1,803</b>	<b>\$2,290,208</b>				

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, 2013

	TIF District #1	TIF District #2	TIF District #3	TIF District #5	2002A G.O. Bond Issue	2004 G.O. Bond Issue	2005A G.O. Bond Issue	2008C G.O. Bond Issue
<b>REVENUES</b>								
Sales and Use Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	2	2	-	-	-	-	-	-
<b>Total Revenues</b>	2	2	-	-	-	-	-	-
<b>EXPENDITURES</b>								
General Government:								
Contractual	20,927	-	-	-	-	-	-	-
Principal Retirement	1,440,974	280,000	145,000	210,000	21,352	290,000	460,000	
Interest and Fiscal Charges	80,253	59,338	76,750	112,642	1,746	68,480	477,045	
<b>Total Expenditures</b>	1,542,154	339,338	221,750	322,642	23,098	358,480	937,045	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(1,542,152)	(339,336)	(221,750)	(322,642)	(23,098)	(358,480)	( 937,045)	
<b>OTHER FINANCING SOURCES (USES)</b>								
Issuance of Bonds	1,190,000	-	-	-	-	-	-	-
Premium on Bonds	-	-	-	-	-	-	-	-
Payment to Escrow Agent	-	-	-	-	-	-	-	-
Transfers In	355,253	337,638	221,749	318,247	23,098	358,480	937,045	
<b>Total Other Financing Sources (Uses)</b>	1,545,253	337,638	221,749	318,247	23,098	358,480	937,045	
<b>NET CHANGE IN FUND BALANCE</b>	3,101	(1,698)	(1)	(4,395)	-	-	-	
<b>FUND BALANCE, MAY 1</b>	-	1,698	1	4,395	-	-	-	
<b>FUND BALANCE, APRIL 30</b>	\$ 3,101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

NONMAJOR DEBT SERVICE FUNDS

For the Year Ended April 30, 2013

	2008 Revenue Bond Issue	2009		2010B		2011A		2011B		2011C		2012B		Total
		Refunding G.O. Bond Issue	G.O. Bond Issue											
<b>REVENUES</b>														
Sales and Use Tax	\$1,100,678	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,100,678
Investment Income	97	1	4	1	4	1	4	1	4	1	4	1	4	110
<b>Total Revenues</b>	<b>1,100,775</b>	<b>1</b>	<b>4</b>	<b>1,100,788</b>										
<b>EXPENDITURES</b>														
General Government:														
Contractual	4,091	-	-	-	-	-	-	-	-	-	-	-	-	196,052
Principal Retirement	320,000	556,189	840,000	840,000	131,680	131,680	131,680	-	-	-	-	-	-	5,445,195
Interest and Fiscal Charges	601,523	36,161	87,576	87,576	158,709	158,709	158,709	3,022	3,022	117,320	117,320	-	-	2,438,065
<b>Total Expenditures</b>	<b>925,614</b>	<b>592,350</b>	<b>927,576</b>	<b>927,576</b>	<b>290,389</b>	<b>290,389</b>	<b>290,389</b>	<b>3,022</b>	<b>3,022</b>	<b>117,320</b>	<b>117,320</b>	<b>171,034</b>	<b>171,034</b>	<b>8,079,312</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>175,161</b>	<b>( 592,349)</b>	<b>( 927,572)</b>	<b>( 927,572)</b>	<b>( 290,389)</b>	<b>( 290,389)</b>	<b>( 290,389)</b>	<b>( 3,022)</b>	<b>( 3,022)</b>	<b>( 117,317)</b>	<b>( 117,317)</b>	<b>(171,033)</b>	<b>(171,033)</b>	<b>(6,978,524)</b>
<b>OTHER FINANCING SOURCES (USES)</b>														
Issuance of Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	13,215,000
Premium on Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	1,064,479
Payment to Escrow Agent	-	-	-	-	-	-	-	-	-	-	-	-	-	(12,916,643)
Transfers In	-	591,704	923,799	923,799	290,389	290,389	290,389	3,012	3,012	114,166	114,166	-	-	5,782,080
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>591,704</b>	<b>923,799</b>	<b>923,799</b>	<b>290,389</b>	<b>290,389</b>	<b>290,389</b>	<b>3,012</b>	<b>3,012</b>	<b>114,166</b>	<b>114,166</b>	<b>172,836</b>	<b>172,836</b>	<b>7,144,916</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>175,161</b>	<b>( 645)</b>	<b>( 3,773)</b>	<b>( 3,773)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>( 10)</b>	<b>( 10)</b>	<b>( 3,151)</b>	<b>( 3,151)</b>	<b>1,803</b>	<b>1,803</b>	<b>166,392</b>
<b>FUND BALANCE, MAY 1</b>	<b>1,827,271</b>	<b>645</b>	<b>3,773</b>	<b>3,773</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>10</b>	<b>3,151</b>	<b>3,151</b>	<b>-</b>	<b>-</b>	<b>1,840,944</b>
<b>FUND BALANCE, APRIL 30</b>	<b>\$2,002,432</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,803</b>	<b>\$ 1,803</b>	<b>\$2,007,336</b>								

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

TIF DISTRICT #1 DEBT SERVICE FUND

For the Year Ended April 30, 2013

(with comparative actual)

	Original Budget	Final Budget	Actual	Last Year Actual
<b>REVENUES</b>				
Investment Income	\$ -	\$ -	\$ 2	\$ -
Total Revenues	-	-	2	-
<b>EXPENDITURES</b>				
General Government:				
Contractual	-	20,927	20,927	-
Principal Retirement	275,000	1,440,974	1,440,974	250,000
Interest and Fiscal Charges	80,252	80,252	80,253	91,503
Total Expenditures	355,252	1,542,153	1,542,154	341,503
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>( 355,252)</b>	<b>(1,542,153)</b>	<b>(1,542,152)</b>	<b>( 341,503)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Bonds	-	1,190,000	1,190,000	-
Transfers In	355,252	355,252	355,253	341,503
Total Other Financing Sources (Uses)	355,252	1,545,252	1,545,253	341,503
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 3,099</b>	<b>3,101</b>	<b>-</b>
<b>FUND BALANCE, MAY 1</b>			<b>-</b>	<b>-</b>
<b>FUND BALANCE, APRIL 30</b>			<b>\$ 3,101</b>	<b>\$ -</b>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

TIF DISTRICT #2 DEBT SERVICE FUND

For the Year Ended April 30, 2013

(with comparative actual)

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Last Year <u>Actual</u>
<b>REVENUES</b>				
Investment Income	\$ -	\$ -	\$ 2	\$ 2
Total Revenues	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
<b>EXPENDITURES</b>				
General Government:				
Contractual	-	-	-	-
Principal Retirement	280,000	280,000	280,000	265,000
Interest and Fiscal Charges	59,338	59,338	59,338	64,638
Total Expenditures	<u>339,338</u>	<u>339,338</u>	<u>339,338</u>	<u>329,638</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>( 339,338)</u>	<u>( 339,338)</u>	<u>( 339,336)</u>	<u>( 329,636)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	<u>339,338</u>	<u>339,338</u>	<u>337,638</u>	<u>329,638</u>
Total Other Financing Sources (Uses)	<u>339,338</u>	<u>339,338</u>	<u>337,638</u>	<u>329,638</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	( 1,698)	2
FUND BALANCE, MAY 1			<u>1,698</u>	<u>1,696</u>
FUND BALANCE, APRIL 30			<u>\$ -</u>	<u>\$ 1,698</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

TIF DISTRICT #3 DEBT SERVICE FUND

For the Year Ended April 30, 2013

(with comparative actual)

	Original Budget	Final Budget	Actual	Last Year Actual
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
General Government:				
Principal Retirement	145,000	145,000	145,000	140,000
Interest and Fiscal Charges	76,750	76,750	76,750	80,118
Total Expenditures	221,750	221,750	221,750	220,118
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	( 221,750)	( 221,750)	( 221,750)	( 220,118)
OTHER FINANCING SOURCES (USES)				
Transfers In	221,750	221,750	221,749	215,885
Total Other Financing Sources (Uses)	221,750	221,750	221,749	215,885
NET CHANGE IN FUND BALANCE	\$ -	\$ -	( 1)	( 4,233)
FUND BALANCE, MAY 1			1	4,234
FUND BALANCE, APRIL 30			\$ -	\$ 1

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

TIF DISTRICT #5 DEBT SERVICE FUND

For the Year Ended April 30, 2013

(with comparative actual)

	Original Budget	Final Budget	Actual	Last Year Actual
<b>REVENUES</b>				
Investment Income	\$ -	\$ -	\$ -	\$ 2
Total Revenues	-	-	-	2
<b>EXPENDITURES</b>				
General Government:				
Contractual	-	-	-	43,635
Principal Retirement	210,000	210,000	210,000	210,000
Interest and Fiscal Charges	112,643	112,643	112,642	134,250
Total Expenditures	322,643	322,643	322,642	387,885
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	( 322,643)	( 322,643)	( 322,642)	( 387,883)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Bonds	-	-	-	3,090,000
Premium on Bonds	-	-	-	208,028
Payment to Escrow Agent	-	-	-	(3,250,000)
Transfers In	322,643	322,643	318,247	344,250
Total Other Financing Sources (Uses)	322,643	322,643	318,247	392,278
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	( 4,395)	4,395
<b>FUND BALANCE, MAY 1</b>			4,395	-
<b>FUND BALANCE, APRIL 30</b>			<b>\$ -</b>	<b>\$ 4,395</b>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

2002A GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2013

(with comparative actual)

	Original Budget	Final Budget	Actual	Last Year Actual
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Principal Retirement	21,352	21,352	21,352	20,724
Interest and Fiscal Charges	1,746	1,746	1,746	6,519
Total Expenditures	23,098	23,098	23,098	27,243
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	( 23,098)	( 23,098)	( 23,098)	( 27,243)
OTHER FINANCING SOURCES (USES)				
Transfers In	23,098	23,098	23,098	27,243
Total Other Financing Sources (Uses)	23,098	23,098	23,098	27,243
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	-
FUND BALANCE, MAY 1			-	-
FUND BALANCE, APRIL 30			\$ -	\$ -

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

2004 GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2013

(with comparative actual)

	Original Budget	Final Budget	Actual	Last Year Actual
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Principal Retirement	290,000	290,000	290,000	280,000
Interest and Fiscal Charges	68,480	68,480	68,480	198,050
Total Expenditures	358,480	358,480	358,480	478,050
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	( 358,480)	( 358,480)	( 358,480)	( 478,050)
OTHER FINANCING SOURCES (USES)				
Transfers In	358,480	358,480	358,480	478,050
Total Other Financing Sources (Uses)	358,480	358,480	358,480	478,050
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	-
FUND BALANCE, MAY 1			-	-
FUND BALANCE, APRIL 30			\$ -	\$ -

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

2005A GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2013

(with comparative actual)

	Original Budget	Final Budget	Actual	Last Year Actual
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Principal Retirement	750,000	750,000	750,000	700,000
Interest and Fiscal Charges	557,500	557,500	557,500	582,875
Total Expenditures	1,307,500	1,307,500	1,307,500	1,282,875
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,307,500)	(1,307,500)	(1,307,500)	(1,282,875)
OTHER FINANCING SOURCES (USES)				
Transfers In	1,307,500	1,307,500	1,307,500	1,282,875
Total Other Financing Sources (Uses)	1,307,500	1,307,500	1,307,500	1,282,875
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	-
FUND BALANCE, MAY 1			-	-
FUND BALANCE, APRIL 30			\$ -	\$ -

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

2008C GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2013

(with comparative actual)

	Original Budget	Final Budget	Actual	Last Year Actual
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Principal Retirement	460,000	460,000	460,000	435,000
Interest and Fiscal Charges	477,046	477,046	477,045	492,705
Total Expenditures	937,046	937,046	937,045	927,705
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	( 937,046)	( 937,046)	( 937,045)	( 927,705)
OTHER FINANCING SOURCES (USES)				
Transfers In	937,046	937,046	937,045	927,705
Total Other Financing Sources (Uses)	937,046	937,046	937,045	927,705
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	-
FUND BALANCE, MAY 1			-	-
FUND BALANCE, APRIL 30			\$ -	\$ -

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

2008 REVENUE BOND FUND

For the Year Ended April 30, 2013

(with comparative actual)

	Original Budget	Final Budget	Actual	Last Year Actual
<b>REVENUES</b>				
Sales and Use Tax	\$ 721,000	\$ 721,000	\$1,100,678	\$1,019,619
Investment Income	-	-	97	95
Total Revenues	721,000	721,000	1,100,775	1,019,714
<b>EXPENDITURES</b>				
General Government:				
Contractual	-	-	4,091	4,045
Principal Retirement	320,000	320,000	320,000	280,000
Interest and Fiscal Charges	601,522	601,522	601,523	620,983
Total Expenditures	921,522	921,522	925,614	905,028
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>( 200,522)</b>	<b>( 200,522)</b>	<b>175,161</b>	<b>114,686</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(\$ 200,522)</b>	<b>(\$ 200,522)</b>	<b>175,161</b>	<b>114,686</b>
FUND BALANCE, MAY 1			1,827,271	1,712,585
FUND BALANCE, APRIL 30			\$2,002,432	\$1,827,271

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

2009 REFUNDING GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2013

(with comparative actual)

	Original Budget	Final Budget	Actual	Last Year Actual
<b>REVENUES</b>				
Investment Income	\$ -	\$ -	\$ 1	\$ 1
Total Revenues	-	-	1	1
<b>EXPENDITURES</b>				
General Government:				
Principal Retirement	556,189	556,189	556,189	906,515
Interest and Fiscal Charges	36,162	36,162	36,161	54,292
Total Expenditures	592,351	592,351	592,350	960,807
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	( 592,351)	( 592,351)	( 592,349)	( 960,806)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	592,351	592,351	591,704	921,416
Total Other Financing Sources (Uses)	592,351	592,351	591,704	921,416
NET CHANGE IN FUND BALANCE	\$ -	\$ -	( 645)	( 39,390)
FUND BALANCE, MAY 1			645	40,035
FUND BALANCE, APRIL 30			\$ -	\$ 645

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

2010B REFUNDING GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2013

(with comparative actual)

	Original Budget	Final Budget	Actual	Last Year Actual
<b>REVENUES</b>				
Investment Income	\$ -	\$ -	\$ 4	\$ 5
Total Revenues	-	-	4	5
<b>EXPENDITURES</b>				
General Government:				
Principal Retirement	840,000	840,000	840,000	815,000
Interest and Fiscal Charges	87,576	87,576	87,576	100,124
Total Expenditures	927,576	927,576	927,576	915,124
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	( 927,576)	( 927,576)	( 927,572)	( 915,119)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	927,576	927,576	923,799	915,124
Total Other Financing Sources (Uses)	927,576	927,576	923,799	915,124
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	( 3,773)	5
FUND BALANCE, MAY 1			<u>3,773</u>	<u>3,768</u>
FUND BALANCE, APRIL 30			<u>\$ -</u>	<u>\$ 3,773</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

2011A REFUNDING GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2013

(with comparative actual)

	Original Budget	Final Budget	Actual	Last Year Actual
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Principal Retirement	131,680	131,680	131,680	-
Interest and Fiscal Charges	158,709	158,709	158,709	-
Total Expenditures	290,389	290,389	290,389	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	( 290,389)	( 290,389)	( 290,389)	-
OTHER FINANCING SOURCES (USES)				
Transfers In	290,389	290,389	290,389	-
Total Other Financing Sources (Uses)	290,389	290,389	290,389	-
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	-
FUND BALANCE, MAY 1			-	-
FUND BALANCE, APRIL 30			\$ -	\$ -

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

2011B REFUNDING GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2013

(with comparative actual)

	Original Budget	Final Budget	Actual	Last Year Actual
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
General Government:				
Contractual	-	-	-	1,780
Interest and Fiscal Charges	3,021	3,021	3,022	-
Total Expenditures	3,021	3,021	3,022	1,780
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	( 3,021)	( 3,021)	( 3,022)	( 1,780)
OTHER FINANCING SOURCES (USES)				
Issuance of Bonds	-	-	-	97,968
Premium on Bonds	-	-	-	6,238
Payment to Escrow Agent	-	-	-	( 102,416)
Transfers In	3,021	3,021	3,012	-
Total Other Financing Sources (Uses)	3,021	3,021	3,012	1,790
NET CHANGE IN FUND BALANCE	\$ -	\$ -	( 10)	10
FUND BALANCE, MAY 1			10	-
FUND BALANCE, APRIL 30			\$ -	\$ 10

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

2011C REFUNDING GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2013

(with comparative actual)

	Original Budget	Final Budget	Actual	Last Year Actual
<b>REVENUES</b>				
Investment Income	\$ -	\$ -	\$ 3	\$ 1
Total Revenues	-	-	3	1
<b>EXPENDITURES</b>				
General Government:				
Contractual	-	-	-	47,958
Interest and Fiscal Charges	117,321	117,321	117,320	-
Total Expenditures	117,321	117,321	117,320	47,958
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 117,321</b>	<b>( 117,321)</b>	<b>( 117,317)</b>	<b>( 47,957)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Bonds	-	-	-	2,885,000
Premium on Bonds	-	-	-	187,503
Payment to Escrow Agent	-	-	-	(3,021,395)
Transfers In	117,321	117,321	114,166	-
Total Other Financing Sources (Uses)	117,321	117,321	114,166	51,108
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>( 3,151)</b>	<b>3,151</b>
<b>FUND BALANCE, MAY 1</b>			<b>3,151</b>	<b>-</b>
<b>FUND BALANCE, APRIL 30</b>			<b>\$ -</b>	<b>\$ 3,151</b>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

2012B REFUNDING GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2013

(with comparative actual)

	Original Budget	Final Budget	Actual	Last Year Actual
<b>REVENUES</b>				
Investment Income	\$ -	\$ -	\$ 1	\$ -
Total Revenues	-	-	1	-
<b>EXPENDITURES</b>				
General Government: Contractual	-	171,034	171,034	-
Total Expenditures	-	171,034	171,034	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	( 171,034)	( 171,033)	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Bonds	-	12,025,000	12,025,000	-
Premium on Bonds	-	1,064,479	1,064,479	-
Payment to Escrow Agent	-	(12,916,643)	(12,916,643)	-
Total Other Financing Sources (Uses)	-	172,836	172,836	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 1,802</b>	1,803	-
<b>FUND BALANCE, MAY 1</b>			-	-
<b>FUND BALANCE, APRIL 30</b>			<b>\$ 1,803</b>	<b>\$ -</b>

See independent auditor's report.

## Nonmajor Capital Projects Funds

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

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

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

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

**Special Service Area #21 Fund** - 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 PROJECT FUNDS

April 30, 2013

ASSETS	Public Works Garage	PW Capital Projects	TIF District #4 Project	Special Service Area #21	Total
Cash and Investments	\$ -	\$3,400,636	\$1,993,930	\$ -	\$5,394,566
Total Assets	<u>\$ -</u>	<u>\$3,400,636</u>	<u>\$1,993,930</u>	<u>\$ -</u>	<u>\$5,394,566</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ -	\$ 123,858	\$ -	\$ -	\$ 123,858
Contracts Payable	-	18,233	-	-	18,233
Total Liabilities	<u>-</u>	<u>142,091</u>	<u>-</u>	<u>-</u>	<u>142,091</u>
FUND BALANCE					
Restricted					
Capital Outlay	-	2,860,750	-	-	2,860,750
Community Development	-	-	1,993,930	-	1,993,930
Unrestricted					
Assigned	-	-	-	-	-
Capital Improvements	-	397,795	-	-	397,795
Total Fund Balance	<u>-</u>	<u>3,258,545</u>	<u>1,993,930</u>	<u>-</u>	<u>5,252,475</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$3,400,636</u>	<u>\$1,993,930</u>	<u>\$ -</u>	<u>\$5,394,566</u>

See independent auditor's report.

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

NONMAJOR CAPITAL PROJECTS FUNDS

For the Year Ended April 30, 2013

	Public Works Garage	PW Capital Projects	TIF District #4 Project	Special Service Area #21	Total
<b>REVENUES</b>					
Grants	\$ -	\$ 194,463	\$ -	\$ -	\$ 194,463
Investment Income	292	10,755	19,463	40	30,550
Contributions	-	903,781	-	-	903,781
<b>Total Revenues</b>	<b>292</b>	<b>1,108,999</b>	<b>19,463</b>	<b>40</b>	<b>1,128,794</b>
<b>EXPENDITURES</b>					
Public Works:					
Contractual	-	31,287	4,935	875,781	912,003
Principal Retirement	-	-	5,490,000	-	5,490,000
Capital Outlay	-	4,984,692	16,000	-	5,000,692
<b>Total Expenditures</b>	<b>-</b>	<b>5,015,979</b>	<b>5,510,935</b>	<b>875,781</b>	<b>11,402,695</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>292</b>	<b>(3,906,980)</b>	<b>(5,491,472)</b>	<b>( 875,741)</b>	<b>(10,273,901)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of Bonds	-	2,500,000	-	-	2,500,000
Premium on Bonds	-	231,287	-	-	231,287
Transfers In	-	965,200	-	-	965,200
Transfers Out	(550,755)	-	-	-	(550,755)
<b>Total Other Financing Sources (Uses)</b>	<b>( 550,755)</b>	<b>3,696,487</b>	<b>-</b>	<b>-</b>	<b>3,145,732</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(550,463)</b>	<b>( 210,493)</b>	<b>(5,491,472)</b>	<b>( 875,741)</b>	<b>(7,128,169)</b>
<b>FUND BALANCE, MAY 1</b>	<b>550,463</b>	<b>3,469,038</b>	<b>7,485,402</b>	<b>875,741</b>	<b>12,380,644</b>
<b>FUND BALANCE, APRIL 30</b>	<b>\$ -</b>	<b>\$3,258,545</b>	<b>\$1,993,930</b>	<b>\$ -</b>	<b>\$5,252,475</b>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

PUBLIC WORKS GARAGE FUND

For the Year Ended April 30, 2013

(with comparative actual)

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Last Year <u>Actual</u>
<b>REVENUES</b>				
Investment Income	\$ -	\$ -	\$ 292	\$ 1,893
Total Revenues	<u>-</u>	<u>-</u>	292	1,893
<b>EXPENDITURES</b>				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>-</u>	<u>-</u>	292	1,893
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>( 550,000)</u>	<u>( 550,000)</u>	<u>( 550,755)</u>	<u>( 500,000)</u>
Total Other Financing Sources (Uses)	<u>( 550,000)</u>	<u>( 550,000)</u>	<u>( 550,755)</u>	<u>( 500,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>(\$ 550,000)</u></u>	<u><u>(\$ 550,000)</u></u>	<u>( 550,463)</u>	<u>( 498,107)</u>
FUND BALANCE, MAY 1			<u>550,463</u>	<u>1,048,570</u>
FUND BALANCE, APRIL 30			<u><u>\$ -</u></u>	<u><u>\$ 550,463</u></u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

PUBLIC WORKS CAPITAL PROJECTS FUND

For the Year Ended April 30, 2013

(with comparative actual)

	Original Budget	Final Budget	Actual	Last Year Actual
<b>REVENUES</b>				
Grants	\$ 142,500	\$ 142,500	\$ 194,463	\$ 343,377
Investment Income	-	-	10,755	5,974
Contributions	-	866,356	903,781	-
Total Revenues	142,500	1,008,856	1,108,999	349,351
<b>EXPENDITURES</b>				
Public Works:				
Contractual	-	31,287	31,287	51,262
Capital Outlay	2,880,700	6,527,181	4,984,692	2,051,820
Total Expenditures	2,880,700	6,558,468	5,015,979	2,103,082
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(2,738,200)	(5,549,612)	(3,906,980)	(1,753,731)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Bonds	3,659,000	3,459,000	2,500,000	3,999,780
Premium on Bonds	-	231,286	231,287	170,567
Transfers In	965,200	965,200	965,200	281,208
Total Other Financing Sources (Uses)	4,624,200	4,655,486	3,696,487	4,451,555
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$1,886,000</u>	<u>(\$ 894,126)</u>	<u>( 210,493)</u>	<u>2,697,824</u>
<b>FUND BALANCE, MAY 1</b>			<u>3,469,038</u>	<u>771,214</u>
<b>FUND BALANCE, APRIL 30</b>			<u>\$3,258,545</u>	<u>\$3,469,038</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

TIF DISTRICT #4 CAPITAL PROJECT FUND

For the Year Ended April 30, 2013

(with comparative actual)

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Last Year <u>Actual</u>
<b>REVENUES</b>				
Investment Income	\$ -	\$ -	\$ 19,463	\$ 20,538
Contributions	-	-	-	21,000
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>19,463</u>	<u>41,538</u>
<b>EXPENDITURES</b>				
Public Works:				
Contractual	391,033	391,033	4,935	132,883
Principal Retirement	-	5,490,000	5,490,000	-
Capital Outlay	3,254,659	3,254,659	16,000	12,269
<b>Total Expenditures</b>	<u>3,645,692</u>	<u>9,135,692</u>	<u>5,510,935</u>	<u>145,152</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$3,645,692</u>	<u>(\$9,135,692)</u>	<u>(5,491,472)</u>	<u>( 103,614)</u>
<b>FUND BALANCE, MAY 1</b>			<u>7,485,402</u>	<u>7,589,016</u>
<b>FUND BALANCE, APRIL 30</b>			<u>\$1,993,930</u>	<u>\$7,485,402</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

SPECIAL SERVICE AREA #21 FUND

For the Year Ended April 30, 2013

(with comparative actual)

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Last Year <u>Actual</u>
REVENUES				
Investment Income	\$ -	\$ -	\$ 40	\$ 56
Total Revenues	-	-	40	56
EXPENDITURES				
Contractual	-	875,781	875,781	-
Total Expenditures	-	875,781	875,781	-
NET CHANGE IN FUND BALANCE	\$ -	\$ 875,781	( 875,741)	56
FUND BALANCE, MAY 1			875,741	875,685
FUND BALANCE, APRIL 30			\$ -	\$ 875,741

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  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS

April 30, 2013

	Health Insurance Fund	W/C Liability Insurance Fund	Inventory Fund	Motor Vehicle Replacement Fund	Communications Fund	Total
<b>CURRENT ASSETS</b>						
Cash and Investments	\$2,731,840	\$2,482,511	\$ 102,832	\$4,569,785	\$ 892,305	\$10,779,273
Accrued Interest on Investments	-	2,655	-	-	-	2,655
Miscellaneous Receivables	15,035	-	1,214	3,000	-	19,249
Prepaid Items	-	242,838	-	665	-	243,503
Inventory (net of allowance for excess and obsolete inventory of \$90,000)	-	-	4,057,787	-	-	4,057,787
Total Current Assets	<u>2,746,875</u>	<u>2,728,004</u>	<u>4,161,833</u>	<u>4,573,450</u>	<u>892,305</u>	<u>15,102,467</u>
<b>NONCURRENT ASSETS</b>						
Capital Assets Not Being Depreciated	-	-	-	-	-	-
Capital Assets Being Depreciated	-	-	73,023	8,399,780	1,280,923	9,753,726
Accumulated Depreciation	-	-	(44,713)	(5,140,486)	(94,954)	(5,280,153)
Net Capital Assets	-	-	28,310	3,259,294	1,185,969	4,473,573
Total Assets	<u>2,746,875</u>	<u>2,728,004</u>	<u>4,190,143</u>	<u>7,832,744</u>	<u>2,078,274</u>	<u>19,576,040</u>
<b>CURRENT LIABILITIES</b>						
Accounts Payable	-	-	7,019	10,429	2,216	19,664
Claims Payable	490,442	1,269,463	-	527	-	1,760,432
Accrued Salaries	-	-	13,990	19,281	4,564	37,835
Accrued Compensated Absences	-	-	89,455	51,235	7,542	148,232
Due to Other Funds	-	-	615,000	-	-	615,000
Total Current Liabilities	<u>490,442</u>	<u>1,269,463</u>	<u>725,464</u>	<u>81,472</u>	<u>14,322</u>	<u>2,581,163</u>
<b>NONCURRENT LIABILITIES</b>						
Advances from Other Funds	-	-	-	-	1,109,944	1,109,944
Net OPEB Obligation	-	-	74,233	101,083	23,465	198,781
Total Noncurrent Liabilities	-	-	74,233	101,083	1,133,409	1,308,725
Total Liabilities	<u>490,442</u>	<u>1,269,463</u>	<u>799,697</u>	<u>182,555</u>	<u>1,147,731</u>	<u>3,889,888</u>
<b>NET POSITION</b>						
Invested in Capital Assets	-	-	28,310	3,259,294	1,185,969	4,473,573
Unrestricted (Deficit)	2,256,433	1,458,541	3,362,136	4,390,895	(255,426)	11,212,579
TOTAL NET POSITION	<u>\$2,256,433</u>	<u>\$1,458,541</u>	<u>\$3,390,446</u>	<u>\$7,650,189</u>	<u>\$ 930,543</u>	<u>\$15,686,152</u>

See independent auditor's report.

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

For the Year Ended April 30, 2013

	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>
<b>OPERATING REVENUES</b>						
Charges for Services	\$ -	\$ -	\$ -	\$1,295,375	\$ 450,184	\$1,745,559
Insurance Premiums	4,778,557	1,125,275	-	-	-	5,903,832
Rental Income	-	-	-	1,097,339	-	1,097,339
Sale of Inventory	-	-	2,259,305	-	-	2,259,305
Miscellaneous	-	44,516	1,133,128	178	-	1,177,822
Total Operating Revenues	4,778,557	1,169,791	3,392,433	2,392,892	450,184	12,183,857
<b>OPERATING EXPENSES</b>						
Personal Services	20,729	-	446,693	617,300	111,968	1,196,690
Fleet Maintenance	-	-	-	930,801	-	930,801
Insurance Claims	3,200,958	140,844	-	-	-	3,341,802
Insurance Premiums	421,819	395,809	-	-	-	817,628
Cost of Inventory	-	-	2,259,305	-	-	2,259,305
Provision for Depreciation	-	-	2,879	627,562	23,739	654,180
Miscellaneous	451,740	128,766	410,972	-	161,655	1,153,133
Total Operating Expenses	4,095,246	665,419	3,119,849	2,175,663	297,362	10,353,539
Operating Income (Loss)	683,311	504,372	272,584	217,229	152,822	1,830,318
<b>NONOPERATING REVENUES</b>						
Gain on Sale of Property	-	-	-	24,821	-	24,821
Investment Income	4,129	6,839	(622)	8,492	1,540	20,378
Total Nonoperating Revenues	4,129	6,839	(622)	33,313	1,540	45,199
Change in Net Assets	687,440	511,211	271,962	250,542	154,362	1,875,517
<b>TRANSFERS</b>						
Transfers In	-	169,300	-	-	-	169,300
Transfers Out	(250,000)	-	-	-	-	(250,000)
Total Transfers	\$ 250,000	169,300	-	-	-	(80,700)
Net Income (Loss)	437,440	680,511	271,962	250,542	154,362	1,794,817
<b>CONTRIBUTIONS</b>						
	-	-	-	-	-	-
<b>CHANGE IN NET POSITION</b>	437,440	680,511	271,962	250,542	154,362	1,794,817
<b>NET POSITION, MAY 1</b>	1,818,993	778,030	3,118,484	7,399,647	776,181	13,891,335
<b>NET POSITION, APRIL 30</b>	\$2,256,433	\$1,458,541	\$3,390,446	\$7,650,189	\$ 930,543	\$15,686,152

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUND  
 For the Year Ended April 30, 2013

	Health Insurance Fund	W/C Liability Insurance Fund	Inventory Fund	Motor Vehicle Replacement Fund	Communications Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from Interfund Services	\$ 3,526,261	\$ 1,125,275	\$ 3,391,219	\$ 2,389,892	\$ 450,184	\$ 10,882,831
Receipts from Miscellaneous Revenue	1,252,296	55,384	-	-	-	1,307,680
Payments to Suppliers	(3,973,734)	(902,037)	(3,197,475)	(559,709)	(177,220)	(8,810,175)
Payments to Employees	(20,729)	-	(350,836)	(512,010)	(97,556)	(981,131)
Payment to Other Funds	(100,036)	(9,810)	(431,454)	(472,315)	-	(1,013,615)
<b>Net Cash from Operating Activities</b>	<b>684,058</b>	<b>268,812</b>	<b>(588,546)</b>	<b>845,858</b>	<b>175,408</b>	<b>1,385,590</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Due to (from) Other Funds	-	-	615,000	-	-	615,000
Advance to/from Other Funds	-	-	-	-	(61,664)	(61,664)
Transfers In	-	169,300	-	-	-	169,300
Transfers Out	(250,000)	-	-	-	-	(250,000)
<b>Net Cash from Noncapital Financing Activities</b>	<b>(250,000)</b>	<b>169,300</b>	<b>615,000</b>	<b>-</b>	<b>(61,664)</b>	<b>472,636</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Capital Assets Purchased	-	-	-	(383,447)	-	(383,447)
Proceeds on Sale of Capital Assets	-	-	-	24,821	-	24,821
<b>Net Cash from Capital and Related Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(358,626)</b>	<b>-</b>	<b>(358,626)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of Investments	-	(556,435)	-	(3,197)	-	(559,632)
Proceeds from Sale and Maturities of Investment Securities	997,265	-	-	-	-	997,265
Interest Received (Deducted)	4,129	5,751	(622)	8,492	1,540	19,290
<b>Net Cash from Investing Activities</b>	<b>1,001,394</b>	<b>(550,684)</b>	<b>(622)</b>	<b>5,295</b>	<b>1,540</b>	<b>456,923</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,435,452</b>	<b>(112,572)</b>	<b>25,832</b>	<b>492,527</b>	<b>115,284</b>	<b>1,956,523</b>
<b>CASH AND CASH EQUIVALENTS, MAY 1</b>	<b>113,022</b>	<b>438,529</b>	<b>77,000</b>	<b>2,795,346</b>	<b>777,021</b>	<b>4,200,918</b>
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	<b>\$ 1,548,474</b>	<b>\$ 325,957</b>	<b>\$ 102,832</b>	<b>\$ 3,287,873</b>	<b>\$ 892,305</b>	<b>\$ 6,157,441</b>
<b>CASH AND INVESTMENTS</b>						
Cash and Cash Equivalents	\$ 1,548,474	\$ 325,957	\$ 102,832	\$ 3,287,873	\$ 892,305	\$ 6,157,441
Investments	1,183,366	2,156,554	-	1,281,912	-	4,621,832
<b>TOTAL CASH AND INVESTMENTS</b>	<b>\$ 2,731,840</b>	<b>\$ 2,482,511</b>	<b>\$ 102,832</b>	<b>\$ 4,569,785</b>	<b>\$ 892,305</b>	<b>\$ 10,779,273</b>
<b>NONCASH TRANSACTIONS</b>						
Contributions of Capital Assets from Develops	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL NONCASH TRANSACTIONS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Operating Income (Loss)	\$ 683,311	\$ 504,372	\$ 272,584	\$ 217,229	\$ 152,822	\$ 1,830,318
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities						
Depreciation	-	-	2,879	627,562	23,739	654,180
Changes in Assets and Liabilities						
Receivables	79,669	10,868	(1,214)	(3,000)	-	86,323
Inventory	-	-	(887,416)	-	-	(887,416)
Prepays	7,415	(7,730)	-	(665)	1,343	363
Accounts and Claims Payable	(86,337)	(238,698)	(10,964)	(6,310)	(6,294)	(348,603)
Accrued Liabilities	-	-	-	-	-	-
Accrued Salaries	-	-	(1,904)	(1,104)	(205)	(3,213)
Compensated Absences Payable	-	-	28,218	6,051	1,930	36,199
Net OPEB Obligation	-	-	9,271	6,095	2,073	17,439
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 684,058</b>	<b>\$ 268,812</b>	<b>\$ (588,546)</b>	<b>\$ 845,858</b>	<b>\$ 175,408</b>	<b>\$ 1,385,590</b>

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 NET POSITION  
 FIDUCIARY FUNDS  
 April 30, 2013

	Pension Trust Funds			Agency Funds
	Police Pension Fund	Fire Pension Fund	Total	
<b>ASSETS</b>				
Cash and Short-Term Investments	\$1,325,186	\$1,341,503	\$2,666,689	\$2,159,496
Investments, at Fair Value				
Certificates of Deposit	2,446,456	2,688,088	5,134,544	-
U.S. Treasury and Agency Securities	4,159,582	9,153,184	13,312,766	-
Corporate Bonds	6,422,173	1,493,205	7,915,378	-
Municipal Bonds	20,129	-	20,129	-
Mutual Funds	7,193,440	8,184,182	15,377,622	-
Equity Securities	6,291,033	6,401,010	12,692,043	-
Receivables				
Accounts Receivable	-	-	-	509,415
Accrued Interest on Investments	85,212	66,984	152,196	-
Prepaid Items	35,213	-	35,213	-
<b>TOTAL ASSETS</b>	<b>27,978,424</b>	<b>29,328,156</b>	<b>57,306,580</b>	<b>\$2,668,911</b>
<b>LIABILITIES</b>				
Accounts Payable	17,565	1,675	19,240	\$ 135,712
Due to Other Governments	-	-	-	2,134,331
Due to Bondholders	-	-	-	398,868
<b>TOTAL LIABILITIES</b>	<b>17,565</b>	<b>1,675</b>	<b>19,240</b>	<b>\$2,668,911</b>
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>	<b>\$27,960,859</b>	<b>\$29,326,481</b>	<b>\$57,287,340</b>	

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

PENSION TRUST FUNDS

COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION

For the Year Ended April 30, 2013

	Police Pension Fund	Fire Pension Fund	Total
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 1,226,047	\$ 986,731	\$ 2,212,778
Employee	457,150	463,061	920,211
Other	28,496	-	28,496
Total Contributions	<u>1,711,693</u>	<u>1,449,792</u>	<u>3,161,485</u>
Investment Income			
Net Appreciation (Depreciation) in the Fair Value of Investments	1,591,599	1,606,333	3,197,932
Interest	797,786	846,939	1,644,725
Total Investment Income	<u>2,389,385</u>	<u>2,453,272</u>	<u>4,842,657</u>
Less Investment Expense	<u>(202,663)</u>	<u>(195,716)</u>	<u>(398,379)</u>
Net Investment Income	<u>2,186,722</u>	<u>2,257,556</u>	<u>4,444,278</u>
 Total Additions	 <u>3,898,415</u>	 <u>3,707,348</u>	 <u>7,605,763</u>
<b>DEDUCTIONS</b>			
Pension Benefits and Refunds	1,900,319	1,046,033	2,946,352
Administrative Expenses	54,783	28,804	83,587
 Total Deductions	 <u>1,955,102</u>	 <u>1,074,837</u>	 <u>3,029,939</u>
 NET INCREASE	 1,943,313	 2,632,511	 4,575,824
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>			
May 1	<u>26,017,546</u>	<u>26,693,970</u>	<u>52,711,516</u>
April 30	<u>\$27,960,859</u>	<u>\$29,326,481</u>	<u>\$57,287,340</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, 2013

	Balance May 1	Additions	Deductions	Balance April 30
<b>Tri-City Ambulance Fund:</b>				
Assets -				
Cash and Investments	\$ 1,521,453	\$ 2,914,437	\$ 3,207,090	\$ 1,228,800
Prepaid Expenses	192,857	-	192,857	-
Accounts Receivable, net	708,564	4,157,248	4,356,397	509,415
	<u>\$ 2,422,874</u>	<u>\$ 7,071,685</u>	<u>\$ 7,756,344</u>	<u>\$ 1,738,215</u>
Liabilities -				
Accounts Payable	\$ 14,946	\$ 3,232,210	\$ 3,222,406	\$ 24,750
Due to Other Governments	2,407,928	3,846,357	4,540,820	1,713,465
	<u>\$ 2,422,874</u>	<u>\$ 7,078,567</u>	<u>\$ 7,763,226</u>	<u>\$ 1,738,215</u>
<b>Special Service Area #21:</b>				
Assets -				
Cash and Investments	\$ 390,616	\$ 1,480,749	\$ 1,472,496	\$ 398,869
	<u>\$ 390,616</u>	<u>\$ 1,480,749</u>	<u>\$ 1,472,496</u>	<u>\$ 398,869</u>
Liabilities -				
Due to Bondholders	\$ 390,616	\$ 1,172,658	\$ 1,164,405	\$ 398,869
	<u>\$ 390,616</u>	<u>\$ 1,172,658</u>	<u>\$ 1,164,405</u>	<u>\$ 398,869</u>
<b>North Central Narcotics Task Force:</b>				
Assets -				
Cash and Investments	\$ 464,798	\$ 514,730	\$ 503,505	\$ 476,023
Liabilities -				
Accounts Payable	\$ 18,338	\$ 356,558	\$ 319,739	\$ 55,157
Due to Other Governments	446,460	249,427	275,021	420,866
	<u>\$ 464,798</u>	<u>\$ 605,985</u>	<u>\$ 594,760</u>	<u>\$ 476,023</u>
<b>First Street Acquisition:</b>				
Assets -				
Cash and Investments	\$ 243,628	\$ 348	\$ 188,170	\$ 55,806
	<u>\$ 243,628</u>	<u>\$ 348</u>	<u>\$ 188,170</u>	<u>\$ 55,806</u>
Liabilities -				
Accounts Payable	\$ 243,628	\$ 348	\$ 188,170	\$ 55,806
	<u>\$ 243,628</u>	<u>\$ 348</u>	<u>\$ 188,170</u>	<u>\$ 55,806</u>
<b>Total:</b>				
Assets -				
Cash and Investments	\$ 2,620,495	\$ 4,910,264	\$ 5,371,261	\$ 2,159,498
Accounts Receivable	708,564	4,157,248	4,356,397	509,415
Prepaid Expenses	192,857	-	192,857	-
	<u>\$ 3,521,916</u>	<u>\$ 9,067,512</u>	<u>\$ 9,920,515</u>	<u>\$ 2,668,913</u>
Liabilities -				
Accounts Payable	\$ 276,912	\$ 3,589,116	\$ 3,730,315	\$ 135,713
Due to Other Governments	2,854,388	4,095,784	4,815,841	2,134,331
Due to Bondholders	390,616	1,172,658	1,164,405	398,869
	<u>\$ 3,521,916</u>	<u>\$ 8,857,558</u>	<u>\$ 9,710,561</u>	<u>\$ 2,668,913</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, 2013

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<u>Capital Assets</u>	
Land	\$58,773,761
Buildings	48,484,939
Improvements Other Than Buildings	123,580,032
Equipment	5,025,920
Intangible	2,769,614
Construction in Progress	15,282,070
Accumulated Depreciation	<u>(86,533,361)</u>
Total Capital Assets	<u><u>\$167,382,975</u></u>
 <u>Investment in Capital Assets</u>	
Adjusted Balance, May 1	\$158,956,797
Current Year Additions	12,341,571
Current Year Depreciation	<u>(3,915,391)</u>
Balance, April 30	<u><u>\$167,382,975</u></u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS  
 GOVERNMENTAL FUNDS - CAPITAL ASSETS  
 SCHEDULE BY FUNCTION AND ACTIVITY

April 30, 2013

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements other than Buildings</u>	<u>Equipment</u>	<u>Intangibles</u>	<u>Construction in Progress</u>	<u>Total</u>
General Government:							
General Administration	\$ 2,877,775	\$12,851,206	\$ -	\$ 45,113	\$ 708,248		\$16,482,342
Central Support Services		-	-	310,645	209,179	-	519,824
Total General Government	<u>2,877,775</u>	<u>12,851,206</u>	<u>-</u>	<u>355,758</u>	<u>917,427</u>	<u>-</u>	<u>17,002,166</u>
Public Health and Safety:							
Police Department	-	772,213	418,564	93,746		-	1,284,523
Fire Department	-	6,333,044	366,965	155,829		-	6,855,838
Total Public Health and Safety	<u>-</u>	<u>7,105,257</u>	<u>785,529</u>	<u>249,575</u>		<u>-</u>	<u>8,140,361</u>
Public Works:	<u>55,895,986</u>	<u>28,528,476</u>	<u>122,794,503</u>	<u>4,420,587</u>	<u>1,852,187</u>		<u>213,491,739</u>
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>15,282,070</u>	<u>15,282,070</u>
Accumulated Depreciation	<u>-</u>	<u>(13,578,061)</u>	<u>(70,479,793)</u>	<u>(1,562,950)</u>	<u>(912,557)</u>	<u>-</u>	<u>(86,533,361)</u>
Total Capital Assets	<u>\$58,773,761</u>	<u>\$34,906,878</u>	<u>\$53,100,239</u>	<u>\$ 3,462,970</u>	<u>\$ 1,857,057</u>	<u>\$15,282,070</u>	<u>\$167,382,975</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, 2013

<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	\$15,828,330	\$ 223,408		(\$ 4,452,880)	\$11,598,858
Central Support Services	<u>519,823</u>	<u></u>	<u>-</u>	<u>(519,823)</u>	<u>-</u>
Total General Government	<u>16,348,153</u>	<u>223,408</u>	<u>-</u>	<u>(4,972,703)</u>	<u>11,598,858</u>
Public Health and Safety:					
Police Department	865,959	418,564	-	(325,410)	959,113
Fire Department	<u>6,855,838</u>	<u></u>	<u>-</u>	<u>(2,130,603)</u>	<u>4,725,235</u>
Total Public Health and Safety	<u>7,721,797</u>	<u>418,564</u>	<u>-</u>	<u>(2,456,013)</u>	<u>5,684,348</u>
Public Works:	<u>210,973,713</u>	<u>3,210,626</u>	<u>(261,992)</u>	<u>(79,104,647)</u>	<u>134,817,700</u>
Construction in Progress:	<u>6,531,105</u>	<u>9,981,968</u>	<u>(1,231,003)</u>	<u>-</u>	<u>15,282,070</u>
Total Capital Assets	<u>\$241,574,766</u>	<u>\$13,834,566</u>	<u>(\$ 1,492,995)</u>	<u>(\$86,533,361)</u>	<u>\$167,382,975</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 governmental revenues.

CITY OF ST. CHARLES, ILLINOIS

LONG-TERM DEBT PAYABLE BY GOVERNMENTAL FUNDS

SCHEDULE OF LONG-TERM DEBT

April 30, 2013

	<u>Debit Balance</u>	<u>Credit Balance</u>
Amount Available in Debt Service Funds for Repayment of Principal	\$ 2,007,336	\$ -
Amounts to be Provided From Future Tax Levies and Other Sources for Payment of -		
Accrued Compensated Absences	3,209,117	-
General Obligation Bond Principal	73,681,070	-
Revenue Bond Principal	6,332,568	-
Installment Purchase Contracts	84,450	-
Net Pension Obligation	793	-
Other Postemployment Benefits	4,383,448	-
Developer Agreement Payable	311,444	-
Interest Payable	1,146,775	-
Payable From Future Tax Levies and Other Sources-		
Accrued Compensated Absences	-	3,209,117
General Obligation Bond Principal	-	73,685,974
Revenue Bond Principal	-	8,335,000
Installment Purchase Contracts	-	84,450
Net Pension Obligation	-	793
Other Post Employment Benefits	-	4,383,448
Developer Agreement Payable	-	311,444
Interest Payable	-	1,146,775
Total General Long-Term Debt Payable	<u>\$91,157,001</u>	<u>\$91,157,001</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS  
BALANCE SHEET  
GENERAL CORPORATE FUND  
April 30, 2013

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
ASSETS		
Cash and Investments		\$9,635,659
Receivables		
Property Taxes, net	\$12,533,468	
Accrued Interest on Investments	14,204	
Miscellaneous, net	444,609	12,992,281
Prepaid Items		101,858
Due From Other Funds		6,697,872
Due From Other Governments		4,461,721
Advance to Other Funds		5,616,890
Total Assets		39,506,281
DEFERRED OUTFLOWS OF RESOURCES		
None		-
Total Deferred Outflows of Resources		-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		\$39,506,281
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
LIABILITIES		
Accounts Payable		\$ 619,078
Accrued Salaries		789,520
Escrows and Refundable Deposits		1,003,964
Due to Other Funds		557,741
Unearned Revenue		174,851
Total Liabilities		3,145,154
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue - Property Tax		12,533,468
Total Deferred Inflows of Resources		
Total Liabilities and Deferred Inflows of Resources		15,678,622
FUND BALANCE		
Nonspendable		
Prepaid Items		101,858
Advances to Other Funds		5,616,890
Restricted		
Mental Health		33,996
Capital Outlay		94,844
Unrestricted		
Assigned		
Community Development - Debt Service		3,000,000
Unassigned		14,980,071
Total Fund Balance		23,827,659
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		\$39,506,281

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS  
SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL  
GENERAL CORPORATE FUND  
For the Year Ended April 30, 2013  
(with comparative actual)

	Original Budget	Final Budget	Actual	Last Year Actual
General Government:				
General Administrative-				
Office of the Mayor-				
Personal Services	\$ 32,808	\$ 33,308	\$ 33,724	\$ 36,887
Contractual Services	27,044	26,178	18,003	23,814
Materials and Supplies	11,009	9,375	5,292	11,533
Miscellaneous	682	682	674	785
Allocations To Other Funds	(60,280)	(60,280)	(60,280)	(59,028)
	<u>11,263</u>	<u>9,263</u>	<u>(2,587)</u>	<u>13,991</u>
City Council-				
Personal Services	83,476	81,476	76,032	71,564
Contractual Services	62,638	70,873	70,047	60,941
Materials and Supplies	22,722	21,722	17,985	-
Miscellaneous	2,317	2,317	2,317	363,795
Allocations To Other Funds	(126,209)	(126,209)	(126,209)	(122,052)
	<u>44,944</u>	<u>50,179</u>	<u>40,172</u>	<u>374,248</u>
City Administrator-				
Personal Services	438,765	439,298	447,575	421,564
Contractual Services	699,591	741,349	733,594	725,068
Materials and Supplies	8,059	7,526	4,044	5,403
Miscellaneous	6,021	6,021	6,047	5,916
Allocations To Other Funds	(253,879)	(253,879)	(253,879)	(246,480)
	<u>898,557</u>	<u>940,315</u>	<u>937,381</u>	<u>911,471</u>
Community & Public Affairs-				
Personal Services	36,991	36,991	37,243	36,294
Contractual Services	12,840	15,196	2,486	6,260
Materials and Supplies	3,300	3,300	57	100
Miscellaneous	269	269	269	264
	<u>53,400</u>	<u>55,756</u>	<u>40,055</u>	<u>42,918</u>
City Clerk-				
Personal Services	4,844	5,619	6,388	4,861
Miscellaneous	4,017	3,242	2,560	2,368
	<u>8,861</u>	<u>8,861</u>	<u>8,948</u>	<u>7,229</u>
City Treasurer-				
Personal Services	1,938	1,938	1,945	1,945
Contractual Services	3,090	3,090	1,741	2,611
Allocations To Other Funds	(1,884)	(1,884)	(1,884)	(1,812)
	<u>3,144</u>	<u>3,144</u>	<u>1,802</u>	<u>2,744</u>

	Original Budget	Final Budget	Actual	Last Year Actual
General Government (continued):				
General Administrative (continued)-				
Board of Police and Fire-				
Personal Services	\$ 16,269	\$ 15,569	\$ 1,952	\$ -
Contractual Services	45,087	45,087	24,134	41,685
Materials and Supplies	1,082	1,782	1,049	375
	<u>62,438</u>	<u>62,438</u>	<u>27,135</u>	<u>42,060</u>
 Total General Administrative	 <u>1,082,607</u>	 <u>1,129,956</u>	 <u>1,052,906</u>	 <u>1,394,661</u>
 Central Support Services-				
Purchasing-				
Personal Services	235,416	235,860	166,547	223,208
Contractual Services	61,927	62,924	35,798	43,483
Materials and Supplies	18,567	17,088	13,134	7,818
Miscellaneous	2,008	2,308	3,497	2,093
Capital Outlay	-	-	-	-
Allocations To Other Funds	(295,271)	(295,271)	(295,271)	(286,680)
	<u>22,647</u>	<u>22,909</u>	<u>(76,295)</u>	<u>(10,078)</u>
 Human Resources-				
Personal Services	693,767	690,929	668,404	651,067
Contractual Services	115,544	118,187	99,357	109,530
Materials and Supplies	21,010	21,871	13,818	16,108
Miscellaneous	7,767	7,767	7,913	6,887
Capital Outlay	-	131	131	-
Allocations To Other Funds	(364,059)	(364,059)	(364,059)	(353,448)
	<u>474,029</u>	<u>474,826</u>	<u>425,564</u>	<u>430,144</u>
 Information Systems-				
Personal Services	1,416,820	1,330,622	1,307,360	1,368,272
Contractual Services	386,059	613,779	323,676	266,755
Materials and Supplies	28,172	25,704	12,584	16,020
Miscellaneous	34,875	34,875	33,536	34,328
Capital Outlay	67,200	127,290	57,028	31,847
Allocations To Other Funds	(708,983)	(708,983)	(708,983)	(688,344)
	<u>1,224,143</u>	<u>1,423,287</u>	<u>1,025,201</u>	<u>1,028,878</u>
 Finance Administration-				
Personal Services	1,266,058	1,265,358	1,207,394	1,196,528
Contractual Services	314,704	312,514	268,482	268,633
Materials and Supplies	4,746	8,561	8,143	4,410
Miscellaneous	8,812	8,812	35,887	8,158
Capital Outlay	-	-	1,103	905
Allocations To Other Funds	(1,227,968)	(1,227,968)	(1,227,968)	(1,192,236)
	<u>366,352</u>	<u>367,277</u>	<u>293,041</u>	<u>286,398</u>
 Total Central Support Services	 <u>2,087,171</u>	 <u>2,288,299</u>	 <u>1,667,511</u>	 <u>1,735,342</u>
 Total General Government	 <u>3,169,778</u>	 <u>3,418,255</u>	 <u>2,720,417</u>	 <u>3,130,003</u>

	Original Budget	Final Budget	Actual	Last Year Actual
<b>Public Health and Safety:</b>				
<b>Police Department -</b>				
<b>Administration-</b>				
Personal Services	\$3,410,361	\$3,412,058	\$3,337,859	\$3,434,789
Contractual Services	872,584	872,734	751,725	780,246
Materials and Supplies	71,305	73,343	52,847	61,578
Miscellaneous	26,757	26,757	32,098	29,895
Capital Outlay	-	25,452	22,986	147,372
	<u>4,381,007</u>	<u>4,410,344</u>	<u>4,197,515</u>	<u>4,453,880</u>
<b>Police Operations-</b>				
Personal Services	5,564,023	5,584,183	5,470,685	5,294,758
Contractual Services	396,233	366,233	304,341	371,389
Materials and Supplies	176,248	216,651	184,490	175,236
Miscellaneous	244,258	244,258	263,368	243,586
	<u>6,380,762</u>	<u>6,411,325</u>	<u>6,222,884</u>	<u>6,084,969</u>
<b>Total Police Department</b>	<u>10,761,769</u>	<u>10,821,669</u>	<u>10,420,399</u>	<u>10,538,849</u>
<b>Fire Department-</b>				
<b>Administration-</b>				
Personal Services	2,085,960	1,588,453	1,681,240	2,824,522
Contractual Services	223,774	226,817	223,220	184,170
Materials and Supplies	34,755	33,349	25,994	21,606
Miscellaneous	10,754	11,754	13,550	3,806
Capital Outlay	2,000	5,878	5,778	23,168
	<u>2,357,243</u>	<u>1,866,251</u>	<u>1,949,782</u>	<u>3,057,272</u>
<b>Fire Operations-</b>				
Personal Services	5,543,717	6,095,554	5,811,299	4,614,987
Contractual Services	863,299	863,599	749,267	961,205
Materials and Supplies	124,763	127,123	124,209	94,680
Miscellaneous	394,829	393,829	393,714	372,180
Capital Outlay	85,900	106,303	77,988	112,724
	<u>7,012,508</u>	<u>7,586,408</u>	<u>7,156,477</u>	<u>6,155,776</u>
<b>Emergency Management Agency-</b>				
Personal Services	66,035	65,940	64,467	42,749
Contractual Services	32,834	32,529	16,447	20,966
Materials and Supplies	3,116	6,016	5,156	1,726
Miscellaneous	14,230	14,230	14,347	13,768
Capital Outlay	26,750	36,750	32,048	2,147
	<u>142,965</u>	<u>155,465</u>	<u>132,465</u>	<u>81,356</u>
<b>Total Fire Department</b>	<u>9,512,716</u>	<u>9,608,124</u>	<u>9,238,724</u>	<u>9,294,404</u>
<b>Public Health Planning-</b>				
Contractual Services	587,883	587,883	588,100	634,000
	<u>587,883</u>	<u>587,883</u>	<u>588,100</u>	<u>634,000</u>
<b>Total Public Health and Safety</b>	<u>20,862,368</u>	<u>21,017,676</u>	<u>20,247,223</u>	<u>20,467,253</u>

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
<b>Public Works:</b>				
Administration-				
Personal Services	\$ 566,922	\$ 566,922	\$ 555,654	\$ 544,878
Contractual Services	252,788	182,051	152,682	204,946
Materials and Supplies	6,310	6,350	3,394	4,170
Miscellaneous	8,651	8,651	8,220	8,332
Allocations To Other Funds	<u>(142,631)</u>	<u>(142,631)</u>	<u>(142,631)</u>	<u>(130,176)</u>
	<u>692,040</u>	<u>621,343</u>	<u>577,319</u>	<u>632,150</u>
Engineering-				
Personal Services	377,623	377,360	373,441	367,071
Contractual Services	239,864	289,024	126,498	126,697
Materials and Supplies	11,959	16,672	13,632	2,894
Miscellaneous	4,559	4,547	2,703	3,674
Capital Outlay	-	18,265	18,251	12,692
Allocations To Other Funds	<u>(83,115)</u>	<u>(83,115)</u>	<u>(83,115)</u>	<u>(80,712)</u>
	<u>550,890</u>	<u>622,753</u>	<u>451,410</u>	<u>432,316</u>
Construction Services-				
Personal Services	2,159,130	2,167,355	2,145,786	2,553,102
Contractual Services	1,868,579	1,899,763	1,416,064	2,472,936
Materials and Supplies	905,124	871,108	724,335	746,648
Miscellaneous	557,078	557,078	567,515	549,768
Capital Outlay	8,695	10,895	2,200	5,165
Allocations To Other Funds	<u>(621,406)</u>	<u>(621,406)</u>	<u>(621,406)</u>	<u>(611,616)</u>
	<u>4,877,200</u>	<u>4,884,793</u>	<u>4,234,494</u>	<u>5,716,003</u>
Special Services-				
Personal Services	716,516	716,816	530,013	297,954
Contractual Services	1,596,213	1,923,574	1,586,824	1,112,439
Materials and Supplies	117,272	121,433	84,125	88,051
Miscellaneous	56,347	57,182	58,708	22,249
Allocations To Other Funds	<u>(734,306)</u>	<u>(734,306)</u>	<u>(734,306)</u>	<u>(712,920)</u>
	<u>1,752,042</u>	<u>2,084,699</u>	<u>1,525,364</u>	<u>807,773</u>
<b>Total Public Works</b>	<u>7,872,172</u>	<u>8,213,588</u>	<u>6,788,587</u>	<u>7,588,242</u>
<b>Community Development:</b>				
Planning Services-				
Personal Services	431,610	431,610	425,576	446,077
Contractual Services	130,017	131,270	74,213	112,329
Materials and Supplies	5,642	5,642	3,320	2,427
Miscellaneous	4,750	4,750	4,687	5,018
Capital Outlay	55,978	76,167	62,834	109,811
Allocations To Other Funds	<u>(75,857)</u>	<u>(75,857)</u>	<u>(75,857)</u>	<u>(73,656)</u>
	<u>552,140</u>	<u>573,582</u>	<u>494,773</u>	<u>602,006</u>
Planning Commission-				
Personal Services	750	750	475	450
Contractual Services	<u>20,000</u>	<u>20,000</u>	<u>8,524</u>	<u>12,057</u>
	<u>20,750</u>	<u>20,750</u>	<u>8,999</u>	<u>12,507</u>

	Original Budget	Final Budget	Actual	Last Year Actual
Community Development (continued):				
Building and Code Enforcement-				
Personal Services	\$ 682,023	\$ 682,023	\$ 652,535	\$ 752,545
Contractual Services	137,465	216,903	146,352	130,282
Materials and Supplies	13,274	13,385	9,414	10,058
Miscellaneous	16,503	16,603	16,698	13,683
Capital Outlay	1,656	1,656	1,735	-
Allocations To Other Funds	(72,360)	(72,360)	(72,360)	(70,260)
	<u>778,561</u>	<u>858,210</u>	<u>754,374</u>	<u>836,308</u>
Zoning Board of Appeals-				
Contractual Services	4,210	4,210	785	867
	<u>4,210</u>	<u>4,210</u>	<u>785</u>	<u>867</u>
Development Engineering-				
Personal Services	312,177	312,177	299,045	292,494
Contractual Services	81,384	100,522	29,035	47,132
Materials and Supplies	8,388	8,224	4,446	5,387
Miscellaneous	13,997	13,997	14,489	12,795
Capital Outlay	125,000	125,000	84,812	132,066
Allocations To Other Funds	(79,857)	(79,857)	(79,857)	(77,544)
	<u>461,089</u>	<u>480,063</u>	<u>351,970</u>	<u>412,330</u>
Economic Development-				
Personal Services	337,228	337,368	332,926	319,545
Contractual Services	399,818	463,448	484,671	128,398
Materials and Supplies	5,537	5,597	3,704	2,605
Miscellaneous	1,758	1,758	1,944	1,694
Allocations To Other Funds	(77,518)	(77,518)	(77,518)	(75,264)
	<u>666,823</u>	<u>730,653</u>	<u>745,727</u>	<u>376,978</u>
Special Service Area 1B-				
Contractual Services	256,770	256,770	284,540	252,938
	<u>256,770</u>	<u>256,770</u>	<u>284,540</u>	<u>252,938</u>
Total Community Development	<u>2,740,343</u>	<u>2,924,238</u>	<u>2,641,168</u>	<u>2,493,934</u>
Debt Service:				
Principal	4,584	4,584	4,586	16,120
Interest and Fiscal Charges	-	-	-	665
	<u>4,584</u>	<u>4,584</u>	<u>4,586</u>	<u>16,785</u>
Total Expenditures	<u>\$34,649,245</u>	<u>\$35,578,341</u>	<u>\$32,401,981</u>	<u>\$33,696,217</u>

See independent auditor's report.

INDEPENDENT ACCOUNTANT'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 examined management's assertion, included in its representation letter dated September 18, 2013 that the City of St. Charles complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended April 30, 2013 for 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. Management is responsible for the City of St. Charles, Illinois' assertion and for compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the City of St. Charles, Illinois' compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with statutory requirements.

In our opinion, management's assertion that the City of St. Charles, Illinois, complied with the aforementioned requirements for the year ended April 30, 2013, is fairly stated in all material respects.

Naperville, Illinois  
September 18, 2013



## 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.	142-146
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	147-152
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.	153-157
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.	158-159
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.	160-162

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 POSITION BY COMPONENT

Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>GOVERNMENTAL ACTIVITIES</b>										
Net Investment in Capital Assets	\$ 24,370,894	\$ 90,799,534	\$ 102,371,583	\$ 99,460,021	\$ 99,140,750	\$ 99,628,444	\$ 95,258,795	\$ 97,483,604	\$ 104,284,999	\$ 111,517,071
Restricted	4,561,791	6,563,203	7,585,288	8,583,125	11,617,447	13,196,304	21,309,478	20,622,400	5,937,316	5,011,926
Unrestricted	(3,446,244)	(1,439,033)	4,591,049	9,956,490	13,430,037	3,062,631	564,787	2,561,737	12,974,169	7,839,905
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 25,486,441</b>	<b>\$ 95,923,704</b>	<b>\$ 114,547,920</b>	<b>\$ 117,999,636</b>	<b>\$ 124,188,234</b>	<b>\$ 115,887,379</b>	<b>\$ 117,133,060</b>	<b>\$ 120,667,741</b>	<b>\$ 123,196,484</b>	<b>\$ 124,368,902</b>
<b>BUSINESS-TYPE ACTIVITIES</b>										
Net Investment in Capital Assets	\$ 72,599,863	\$ 75,257,744	\$ 87,666,921	\$ 91,359,113	\$ 94,294,449	\$ 89,806,332	\$ 94,444,575	\$ 92,601,321	\$ 93,911,050	\$ 94,974,541
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	35,849,445	35,097,563	32,642,266	32,322,467	26,346,235	21,814,925	12,835,960	8,586,709	3,718,155	2,249,595
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 108,449,308</b>	<b>\$ 110,355,307</b>	<b>\$ 120,309,187</b>	<b>\$ 123,681,580</b>	<b>\$ 120,640,684</b>	<b>\$ 111,621,257</b>	<b>\$ 107,280,535</b>	<b>\$ 101,188,030</b>	<b>\$ 97,629,205</b>	<b>\$ 97,224,136</b>
<b>PRIMARY GOVERNMENT</b>										
Net Investment in Capital Assets	\$ 96,970,757	\$ 166,057,278	\$ 190,038,504	\$ 190,819,134	\$ 193,435,199	\$ 189,434,776	\$ 189,703,370	\$ 190,084,925	\$ 198,196,049	\$ 206,491,612
Restricted	4,561,791	6,563,203	7,585,288	8,583,125	11,617,447	13,196,304	21,309,478	20,622,400	5,937,316	5,011,926
Unrestricted	32,403,201	33,658,530	37,233,315	42,278,957	39,776,272	24,877,556	13,400,747	11,148,446	16,692,324	10,089,500
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 133,935,749</b>	<b>\$ 206,279,011</b>	<b>\$ 234,857,107</b>	<b>\$ 241,681,216</b>	<b>\$ 244,828,918</b>	<b>\$ 227,508,636</b>	<b>\$ 224,413,595</b>	<b>\$ 221,855,771</b>	<b>\$ 220,825,689</b>	<b>\$ 221,593,038</b>

Data Source

Audited Financial Statements

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

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>EXPENSES</b>										
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	\$ 2,742,777	\$ 3,025,823	\$ 3,450,520
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	21,580,962	20,571,645	19,765,029
* Public Works	9,968,410	12,678,531	12,359,124	12,906,010	12,137,618	14,834,725	11,262,837	10,723,015	11,383,917	13,669,557
Community Development	1,585,173	1,544,190	1,829,862	1,735,687	1,852,738	9,204,338	1,990,403	2,462,651	2,440,911	2,386,567
Interest	1,444,074	1,538,765	2,139,487	2,339,115	2,787,860	3,455,958	3,872,452	3,689,961	3,566,565	3,220,116
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	41,199,366	40,988,861	42,491,789
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	50,035,085	50,786,616	51,824,029
Water	3,416,200	3,754,829	3,986,311	4,165,139	4,389,280	4,708,626	4,037,587	4,485,657	4,763,481	4,532,692
Sewer	5,843,212	5,889,733	6,360,374	6,277,893	7,427,906	6,764,238	6,803,134	6,899,149	6,704,787	7,770,772
Refuse	612,022	663,533	644,067	582,798	802,619	728,318	608,738	630,873	497,610	601,327
Total Business-type Activities Expenses	42,863,713	43,870,319	46,640,662	47,721,765	55,130,565	55,996,484	55,367,641	62,050,764	62,752,494	64,728,820
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>\$ 73,751,505</b>	<b>\$ 79,427,313</b>	<b>\$ 84,258,322</b>	<b>\$ 87,360,061</b>	<b>\$ 97,113,738</b>	<b>\$ 107,896,248</b>	<b>\$ 96,385,064</b>	<b>\$ 103,250,130</b>	<b>\$ 103,741,355</b>	<b>\$ 107,220,609</b>
<b>PROGRAM REVENUES</b>										
Governmental Activities										
Charges for Services	\$ 460,999	\$ 408,211	\$ 334,307	\$ 351,432	\$ 330,721	\$ 380,742	\$ 235,721	\$ 242,525	\$ 265,044	\$ 247,539
General Government	1,390,678	1,590,371	1,671,728	1,893,485	1,836,614	2,202,465	2,492,351	2,502,699	703,165	745,094
Public Health and Safety	110,873	136,893	92,665	170,412	253,635	189,408	288,865	150,108	275,366	336,322
* Public Works	904,712	785,864	916,423	682,379	636,193	580,337	411,719	332,768	346,950	325,558
Community Development	906,906	1,099,495	1,177,318	1,271,476	1,151,030	1,092,490	981,183	1,195,977	1,155,398	1,073,880
Operating Grants and Contributions	183,335	359,406	2,424,847	444,673	4,322,602	1,43,008	357,245	533,933	598,761	1,409,288
Capital Grants and Contributions	3,959,503	4,380,240	6,617,288	4,813,857	8,530,795	4,588,450	4,767,084	4,958,010	3,344,884	4,137,681
Total Governmental Activities Program Revenues	33,697,494	34,604,347	37,268,760	37,450,772	39,657,173	39,670,266	39,716,828	46,274,757	48,816,782	52,522,963
Business-type Activities	3,051,019	2,946,010	3,195,610	2,962,401	2,970,946	2,851,707	2,800,859	3,008,409	3,528,785	4,607,863
Charges for Services	5,267,320	5,397,512	5,533,228	5,392,115	5,570,674	5,555,699	5,514,181	5,829,457	6,151,173	6,750,315
Electric	446,940	474,387	474,374	475,550	486,012	493,399	489,325	527,638	413,189	396,283
Water	-	-	-	-	-	-	-	-	-	-
Sewer	-	-	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
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	55,803,994	59,142,600	64,346,911
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 46,422,276</b>	<b>\$ 47,802,496</b>	<b>\$ 53,089,260</b>	<b>\$ 51,094,695</b>	<b>\$ 57,215,600</b>	<b>\$ 53,159,521</b>	<b>\$ 53,889,767</b>	<b>\$ 60,762,004</b>	<b>\$ 62,487,484</b>	<b>\$ 68,484,592</b>

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>NET (EXPENSE) REVENUE</b>										
Governmental Activities	\$ (26,928,289)	\$ (31,176,754)	\$ (31,000,372)	\$ (34,824,439)	\$ (33,452,378)	\$ (47,311,314)	\$ (36,250,339)	\$ (36,241,356)	\$ (37,643,977)	\$ (38,354,108)
Business-type Activities	(400,940)	(448,063)	(168,690)	(1,440,927)	(6,465,760)	(7,425,413)	(6,244,938)	(6,246,770)	(3,609,894)	(381,909)
<b>TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE</b>	<b>\$ (27,329,229)</b>	<b>\$ (31,624,817)</b>	<b>\$ (31,169,062)</b>	<b>\$ (36,265,366)</b>	<b>\$ (39,918,138)</b>	<b>\$ (54,736,727)</b>	<b>\$ (42,495,297)</b>	<b>\$ (42,488,126)</b>	<b>\$ (41,253,871)</b>	<b>\$ (38,736,017)</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
Governmental Activities	\$ 8,806,833	\$ 9,711,044	\$ 10,299,727	\$ 11,472,282	\$ 12,076,065	\$ 13,131,263	\$ 13,936,514	\$ 13,842,186	\$ 14,088,521	\$ 14,102,024
Taxes	59,983	68,379	88,202	95,854	109,332	100,102	88,607	98,485	88,849	85,873
Property	12,541,228	15,248,168	16,216,501	16,356,138	16,077,769	14,800,130	14,363,468	14,885,976	15,659,218	15,784,687
Personal Property Replacement	1,581,833	1,614,553	1,754,659	1,747,190	1,867,683	1,882,001	1,885,399	2,218,093	2,324,248	2,512,106
Municipal Sales and Use	1,066,042	692,047	588,720	1,01,016	-	-	-	837,925	977,452	992,079
Electric Franchise Fee	1,382,851	1,684,926	1,970,172	2,020,640	2,123,542	1,795,525	1,624,075	1,664,216	1,807,919	1,838,057
Food and Beverage/Liquor	1,932,387	1,619,756	1,388,891	1,255,382	1,491,882	1,510,057	1,421,576	1,336,605	1,289,388	1,221,476
Hotel Occupation	127,898	123,493	66,773	63,224	55,253	49,626	56,660	55,745	76,215	80,495
Telecommunications Fee	1,769,025	2,155,151	2,432,504	2,683,079	2,931,062	2,900,549	2,528,377	2,481,991	2,675,585	2,971,635
Other	111,732	220,649	1,007,520	1,514,343	1,665,889	750,645	222,192	303,135	126,336	105,306
State Income Tax	409,648	419,899	469,322	535,968	534,877	667,320	593,855	729,063	640,304	729,637
Investment Income	4,543,807	291,037	125,748	495,437	389,677	1,205,121	1,573,396	-	-	-
Miscellaneous	(388,292)	(457,401)	(374,556)	(121,876)	(317,945)	(251,524)	(798,099)	(413,146)	(418,685)	(306,097)
Contributors	33,944,975	33,391,701	36,034,183	38,462,429	39,640,976	39,043,863	37,496,020	38,866,566	40,172,720	40,729,472
Transfers	411,391	516,990	1,178,272	1,718,477	1,443,180	374,971	54,556	38,136	41,095	29,573
Total Governmental Activities	899,884	567,281	653,933	566,479	645,504	255,960	448,899	81,447	173,852	207,086
Business-type Activities	597,884	325,269	222,169	1,28,966	235,518	205,265	314,883	447,828	254,807	283,102
Investment Income	153,229	107,855	164,951	-	-	-	-	-	-	-
Connection Charges	294,931	429,650	1,087,321	2,521,274	1,418,607	280,286	287,799	-	-	-
Miscellaneous	388,292	457,401	374,556	(121,876)	(317,945)	(251,524)	798,099	(413,146)	(418,685)	(306,097)
Gain on Sale of Capital Assets	2,745,611	2,404,446	3,681,202	4,813,320	3,424,864	864,958	1,904,236	1,54,265	51,069	213,664
Contributors	\$ 36,690,586	\$ 35,796,147	\$ 39,715,385	\$ 43,275,749	\$ 43,065,840	\$ 39,908,821	\$ 39,400,256	\$ 39,020,831	\$ 40,223,789	\$ 40,943,136
Transfers	7,016,686	2,214,947	5,033,811	3,657,990	6,188,598	(8,267,451)	1,245,681	2,625,210	2,528,743	2,375,364
Total Business-type Activities	2,344,671	1,956,383	3,512,512	3,372,393	(3,040,896)	(6,560,455)	(4,340,722)	(6,092,505)	(3,558,825)	(1,68,245)
<b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION</b>	<b>\$ 9,361,357</b>	<b>\$ 4,171,330</b>	<b>\$ 8,546,323</b>	<b>\$ 7,010,383</b>	<b>\$ 3,147,702</b>	<b>\$ (14,827,906)</b>	<b>\$ (3,095,041)</b>	<b>\$ (3,467,295)</b>	<b>\$ (1,030,082)</b>	<b>\$ 2,207,119</b>

Data Source  
Audited Financial Statements  
Note: GASB S-34 was implemented in FY 2004  
\* The large number of increase in expenses between 2004-2005 is due to retroactive reporting of infrastructure and full year of depreciation expense being charged.

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

Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012*	2013
<b>GENERAL FUND</b>										
Reserved	\$ 910,957	\$ 1,620,598	\$ 1,837,441	\$ 2,216,128	\$ 2,868,908	\$ 4,490,108	\$ 4,312,920	\$ 3,007,493	\$ -	\$ -
Unreserved - Designated	-	-	-	-	-	-	3,000,000	3,000,000	-	-
Unreserved - Undesignated	10,550,829	14,086,350	16,142,675	14,950,556	15,581,064	14,857,419	15,322,835	16,235,613	-	-
Nonspendable	-	-	-	-	-	-	-	-	3,055,435	5,718,748
Restricted	-	-	-	-	-	-	-	-	127,772	128,840
Unrestricted	-	-	-	-	-	-	-	-	3,000,000	3,000,000
Assigned	-	-	-	-	-	-	-	-	16,180,462	14,980,071
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>TOTAL GENERAL FUND</b>	<b>\$ 11,461,786</b>	<b>\$ 15,706,948</b>	<b>\$ 17,980,116</b>	<b>\$ 17,166,684</b>	<b>\$ 18,449,972</b>	<b>\$ 19,347,527</b>	<b>\$ 22,635,755</b>	<b>\$ 22,243,106</b>	<b>\$ 22,363,669</b>	<b>\$ 23,827,659</b>

**ALL OTHER GOVERNMENTAL FUNDS**

Reserved	\$ 7,687,901	\$ 6,201,601	\$ 7,337,916	\$ 8,192,033	\$ 11,061,906	\$ 12,443,079	\$ 20,749,408	\$ 20,828,559	\$ -	\$ -
Unreserved, reported in										
Special Revenue Funds	(730,523)	(884,548)	(1,262,637)	(1,525,467)	(2,018,141)	(2,400,267)	(2,573,701)	(2,726,537)	-	-
Debt Service Funds	-	-	-	-	-	-	-	-	-	-
Capital Project Funds	(4,036,175)	(2,765,572)	1,067,982	6,588,564	14,089,657	14,836,247	1,132,189	1,819,784	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	12,753,678	9,737,766
Unrestricted	-	-	-	-	-	-	-	-	9,116,178	1,493,662
Assigned	-	-	-	-	-	-	-	-	(2,780,307)	(3,556,145)
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 2,921,203</b>	<b>\$ 2,551,481</b>	<b>\$ 7,143,261</b>	<b>\$ 13,255,130</b>	<b>\$ 23,133,422</b>	<b>\$ 24,879,059</b>	<b>\$ 19,307,896</b>	<b>\$ 19,921,806</b>	<b>\$ 19,089,549</b>	<b>\$ 7,675,283</b>

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

Data Source

Audited Financial Statements

CITY OF ST. CHARLES, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	*2013
<b>REVENUES</b>										
Taxes	\$ 27,441,388	\$ 30,705,355	\$ 32,373,645	\$ 33,111,726	\$ 33,801,526	\$ 33,268,704	\$ 33,376,299	\$ 34,939,231	\$ 36,311,810	\$ 36,614,787
Licenses and Permits	749,547	773,173	643,110	572,974	558,917	497,362	422,200	459,408	444,857	444,620
Intergovernmental	2,925,337	3,678,720	5,013,059	4,441,018	8,037,262	4,106,734	3,789,542	3,879,399	4,087,010	4,171,714
Fines and Forfeitures	204,199	256,476	303,022	339,740	290,130	376,626	435,340	403,325	415,922	422,550
Charges for Services	1,756,396	1,787,463	2,005,440	2,076,491	2,117,275	2,357,393	2,571,116	2,365,366	677,652	734,242
Investment Income	111,727	220,649	1,007,520	1,514,343	1,665,889	750,645	222,192	303,135	126,336	105,306
Miscellaneous	658,921	516,468	1,553,284	602,679	986,042	815,705	656,375	860,373	777,665	1,752,447
<b>Total Revenues</b>	<b>33,847,515</b>	<b>37,938,304</b>	<b>42,899,080</b>	<b>42,658,971</b>	<b>47,457,041</b>	<b>42,173,169</b>	<b>41,473,064</b>	<b>43,210,237</b>	<b>42,841,252</b>	<b>44,245,666</b>
<b>EXPENDITURES</b>										
General Government	2,629,794	2,731,972	3,301,517	3,067,426	3,469,160	3,435,154	3,007,179	2,438,740	3,227,421	3,169,478
Public Health and Safety	15,623,341	16,870,083	18,630,320	19,474,760	19,947,430	20,643,649	19,824,807	21,839,500	20,537,176	20,259,849
Public Works	9,949,117	11,656,979	11,684,822	16,354,003	10,634,198	10,882,985	7,700,583	7,412,063	8,615,910	9,226,171
Community Development	1,611,077	1,542,692	1,816,208	1,975,058	1,952,881	9,491,872	1,925,440	1,982,888	2,493,934	2,641,168
Debt Service										
Principal	1,622,782	1,846,493	2,007,291	2,530,582	3,165,327	3,247,523	3,797,436	3,939,836	4,318,359	11,254,781
Interest	1,404,128	1,493,863	1,600,410	2,470,500	2,609,282	3,040,808	4,107,956	3,839,569	3,566,095	3,577,438
Capital Outlay	4,473,526	3,917,320	12,661,134	5,557,550	8,993,205	8,644,334	6,933,971	1,864,348	5,288,531	13,734,492
<b>Total Expenditures</b>	<b>37,313,765</b>	<b>40,059,402</b>	<b>51,701,702</b>	<b>51,429,879</b>	<b>50,771,483</b>	<b>59,386,325</b>	<b>47,297,372</b>	<b>43,316,944</b>	<b>48,047,426</b>	<b>63,863,377</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(3,466,250)</b>	<b>(2,121,098)</b>	<b>(8,802,622)</b>	<b>(8,770,908)</b>	<b>(3,314,442)</b>	<b>(17,213,156)</b>	<b>(5,824,308)</b>	<b>(106,707)</b>	<b>(5,206,174)</b>	<b>(19,617,711)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	3,264,662	3,138,348	4,863,371	8,698,763	9,851,717	5,985,919	10,330,710	9,262,302	8,015,123	9,282,783
Transfers Out	(1,407,790)	(3,583,327)	(5,507,721)	(8,902,149)	(9,882,915)	(6,019,265)	(7,253,837)	(9,155,055)	(7,795,467)	(8,895,986)
Bonds Issued	4,435,000	6,375,000	19,115,000	14,470,000	14,340,000	19,935,000	5,481,550	6,225,000	10,072,748	42,855,000
Premium (Discount) on Bonds Issued	(30,538)	(56,457)	83,687	(10,995)	157,970	(47,806)	161,547	217,846	572,336	2,226,154
Issuance of Installment Contracts	112,500	122,975	-	-	-	-	-	-	-	-
Payment to Escrow Agent	-	-	(2,738,049)	-	-	-	(5,570,590)	(6,355,910)	(6,373,811)	(35,804,866)
Sale of Capital Assets	-	-	1,200	-	9,250	2,500	391,993	133,785	3,551	4,350
<b>Total Other Financing Sources (Uses)</b>	<b>6,373,834</b>	<b>5,996,539</b>	<b>15,817,488</b>	<b>14,255,619</b>	<b>14,476,022</b>	<b>19,856,348</b>	<b>3,541,373</b>	<b>327,968</b>	<b>4,494,480</b>	<b>9,667,455</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 2,907,584</b>	<b>\$ 3,875,441</b>	<b>\$ 7,014,866</b>	<b>\$ 5,484,711</b>	<b>\$ 11,161,580</b>	<b>\$ 2,643,192</b>	<b>\$ (2,282,935)</b>	<b>\$ 221,261</b>	<b>\$ (711,694)</b>	<b>\$ (9,950,276)</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	9.22%	9.24%	9.24%	10.90%	13.82%	12.39%	19.59%	18.77%	18.44%	29.59%

Data Source

Audited Financial Statements

\* Increase in 2013 is due to the current refunding of \$7,910,000 of bonds

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
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%
2010	1,044,846,020	354,606,287	148,675,847	1,548,128,154	0.7785	4,644,384,462	33.3333%
2011	985,067,950	333,005,128	140,911,192	1,458,984,270	0.8260	4,376,952,810	33.3333%
2012	917,189,293	317,898,847	138,361,189	1,373,449,329	0.8774	4,120,347,987	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  
KANE COUNTY

Last Ten Calendar Years

Tax Calendar Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
City of St. Charles										
Corporate	0.1101	0.0931	0.0884	0.0788	0.0643	0.0643	0.0311	0.1373	0.1674	0.1844
IMRF*	0.0879	0.0979	0.0981	0.0940	0.0896	0.0711	0.0605	0.0000	0.0000	0.0000
Fire Protection	0.1393	0.1267	0.1328	0.1422	0.1539	0.1539	0.1607	0.1646	0.1746	0.1855
Fire Pension	0.0364	0.0486	0.0543	0.0575	0.0534	0.0645	0.0753	0.0708	0.0679	0.0731
Police Protection	0.1393	0.1267	0.1328	0.1422	0.1539	0.1539	0.1607	0.1646	0.1746	0.1855
Police Pension	0.0752	0.0781	0.0693	0.0690	0.0702	0.0772	0.0948	0.0882	0.0844	0.0964
Mental Health	0.0400	0.0400	0.0400	0.0404	0.0372	0.0400	0.0418	0.0410	0.0405	0.0403
Street and Bridge	0.1224	0.1400	0.1380	0.1073	0.1075	0.1051	0.1051	0.1120	0.1166	0.1122
Prior Year Adjustment	0.0000	-0.0021	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total City of St. Charles	0.7506	0.7490	0.7537	0.7314	0.7300	0.7300	0.7300	0.7785	0.8260	0.8774
Kane County										
St. Charles Forest Preserve	0.3578	0.3467	0.3417	0.3456	0.3322	0.3336	0.3398	0.3730	0.3990	0.4336
St. Charles Township	0.1270	0.1432	0.1929	0.1770	0.1974	0.1932	0.1997	0.2201	0.2609	0.2710
St. Charles Township Road	0.0509	0.0501	0.0506	0.0464	0.0329	0.0327	0.0413	0.0000	0.0380	0.0418
St. Charles Cemetery	0.0726	0.0715	0.0738	0.0788	0.0643	0.0647	0.0659	0.0723	0.0783	0.0864
St. Charles Park District	0.0159	0.0005	0.0005	0.0132	0.0002	0.0002	0.0117	0.0128	0.0138	0.0152
St. Charles Library District	0.4457	0.4572	0.4453	0.4390	0.3958	0.4211	0.4613	0.5550	0.0553	0.6056
School District # 303	0.2661	0.2613	0.3107	0.3277	0.2356	0.2372	0.2415	0.2654	0.2874	0.3179
Elgin Community College	4.1659	4.2668	4.3107	4.2071	4.0516	4.0916	4.1645	4.6040	5.0175	5.5199
Waubensee Community College	0.3854	0.4154	0.4418	0.3804	0.3406	0.3275	0.3833	0.4407	0.4454	0.5215
Total Representative Tax **	7.0513	7.1716	7.3283	7.1738	6.7756	6.8313	7.0433	7.7288	7.8926	9.2215

Data Source  
Office of the County Clerk

\*IMRF tax rate was eliminated and combined with the Corporate tax rate  
\*\*School Districts 46 and 304 not included.

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

CITY OF ST. CHARLES, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
DUPAGE COUNTY

Last Ten Calendar Years

Tax Calendar Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
City of St. Charles										
Corporate	0.1162	0.0897	0.0962	0.0796	0.0814	0.0642	0.0238	0.1387	0.1691	0.1862
IMRF*	0.0927	0.0954	0.0992	0.0949	0.0916	0.0709	0.0612	0.0000	0.0000	0.0000
Fire Protection	0.1471	0.1222	0.1465	0.1437	0.1475	0.1539	0.1623	0.1663	0.1764	0.1874
Fire Pension	0.0385	0.0477	0.0549	0.0581	0.0546	0.0646	0.0761	0.0716	0.0686	0.0739
Police Protection	0.1471	0.1222	0.1465	0.1437	0.1475	0.1539	0.1623	0.1663	0.1764	0.1874
Police Pension	0.0793	0.0759	0.0701	0.0698	0.0718	0.0773	0.0958	0.0891	0.0853	0.0975
Mental Health	0.0437	0.0376	0.0428	0.0408	0.0409	0.0401	0.0422	0.0414	0.0410	0.0407
Street and Bridge	0.1485	0.1204	0.1456	0.1123	0.1094	0.1047	0.1057	0.1127	0.1171	0.1131
Total City of St. Charles	0.8131	0.7111	0.8018	0.7429	0.7447	0.7296	0.7294	0.7861	0.8339	0.8862
DuPage County	0.1999	0.1850	0.1797	0.1713	0.1651	0.1557	0.1554	0.1659	0.1773	0.1929
Forest Preserve	0.1419	0.1358	0.1271	0.1303	0.1187	0.1206	0.1217	0.1321	0.1414	0.1542
Wayne Township	0.0727	0.0696	0.0680	0.0666	0.0647	0.0649	0.0658	0.0733	0.0804	0.0896
St. Charles Park District	0.4697	0.4383	0.4156	0.4161	0.3971	0.4207	0.4812	0.5710	0.5531	0.6060
St. Charles Library District	0.2849	0.2509	0.2474	0.2458	0.2385	0.2348	0.2415	0.2654	0.2875	0.3179
West Chicago Mosquito District	0.0063	0.0109	0.0105	0.0101	0.0099	0.0099	0.0101	0.0111	0.0122	0.0139
Unit School District # 303	4.4122	3.9271	4.2550	4.2494	4.0836	4.0604	4.1646	4.6042	5.0177	5.5201
Elgin Community College	0.3602	0.4150	0.4140	0.3396	0.3294	0.3298	0.3760	0.3921	0.4895	0.5360
Total Representative Tax	6.761	6.144	6.519	6.372	6.152	6.126	6.346	7.001	7.593	8.317

Data Source  
Office of the County Clerk

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

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

CITY OF ST. CHARLES, ILLINOIS  
PRINCIPAL PROPERTY TAXPAYERS

Current Year and Ten Years Ago

Taxpayer	2013			2003		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation
Q-Center LLC	\$ 15,490,639	1	1.13%	\$ 12,998,700	1	1.10%
AMLI at St. Charles LLC	11,829,698	2	0.86%	9,188,477	3	0.78%
Pheasant Run Resort	8,987,570	3	0.65%	11,218,590	2	0.95%
Main Street Commons	6,635,011	4	0.48%	6,101,069	4	0.52%
St. Charles Country Club	5,536,378	5	0.40%	3,833,420	10	0.32%
Meijer Stores Limited Partnership	5,466,261	6	0.40%	5,141,562	6	0.43%
Costco Wholesales Corp	5,359,933	7	0.39%			
Delnor Community Residential Living	5,233,910	8	0.38%			
RR Donnelly & Sons Company	5,057,217	9	0.37%			
American Small Business LLC	5,003,504	10	0.36%			
Charlestown Mall				5,447,122	5	0.46%
Wallace				4,944,780	8	0.42%
Target Corporation				4,621,578	9	0.39%
Pier One Imports				5,010,087	7	0.42%
LaSalle Nation Bank Trust (Dukane Corp)				3,506,329	11	0.30%
	<u>\$ 74,600,121</u>		<u>5.42%</u>	<u>\$ 72,011,714</u>		<u>6.09%</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
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	11,980,795	99.94%	-	11,980,795	99.94%
2010	12,058,027	11,973,226	99.30%	191.78	11,973,418	99.30%
2011	12,057,899	12,003,048	99.55%	457.73	12,003,506	99.55%
2012	12,057,921	-	0.00%	-	-	0.00%

Data Source  
Office of the County Clerk

Note : Property in the City is reassessed each year. Property is assessed at 33% of actual value.  
In 2012 total distribution of Property tax is as of August 15, 2013.

CITY OF ST. CHARLES, ILLINOIS  
SALES TAXES BY CATEGORY

Last Ten Calendar Years

Calendar Year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Merchandise	\$ 2,296,390	\$ 2,305,983	\$ 2,069,906	\$ 2,197,842	\$ 2,141,297	\$ 1,980,070	\$ 1,758,126	\$ 1,737,180	\$ 1,587,905	\$ 1,500,331
Food	1,991,415	1,273,736	1,373,818	1,343,516	1,350,218	1,281,233	1,192,639	1,109,241	1,051,039	1,003,882
Drinking and Eating Places	1,270,850	1,517,923	1,796,047	1,762,717	1,801,937	1,693,616	1,598,774	1,666,350	1,825,577	1,818,128
Apparel	306,322	294,436	339,638	320,838	285,813	192,502	148,348	133,778	280,413	96,630
Furniture & H.H. & Radio	166,869	282,051	307,876	323,634	270,167	202,537	160,847	169,268	163,801	141,039
Lumber, Building Hardware	740,711	1,166,569	1,271,738	1,175,745	1,090,319	958,927	758,083	777,607	779,051	812,833
Automobile and Filling Stations	2,416,006	3,462,891	4,004,024	4,021,130	4,059,866	4,005,061	4,444,623	4,632,453	5,126,606	5,549,349
Drugs and Miscellaneous Retail	1,366,251	1,677,816	1,855,388	2,026,345	2,151,516	1,960,829	1,886,071	2,113,267	2,143,193	2,095,158
Agriculture and All Others	1,104,489	1,467,375	1,655,949	1,956,813	2,074,016	1,831,132	1,262,633	1,220,630	1,302,627	1,410,636
Manufacturers	165,198	213,726	243,428	155,625	(1,463)	141,690	152,211	142,528	174,400	179,327
<b>TOTAL</b>	<b>\$ 11,824,501</b>	<b>\$ 13,662,506</b>	<b>\$ 14,917,812</b>	<b>\$ 15,284,205</b>	<b>\$ 15,223,686</b>	<b>\$ 14,247,597</b>	<b>\$ 13,362,355</b>	<b>\$ 13,702,302</b>	<b>\$ 14,434,612</b>	<b>\$ 14,607,313</b>
City direct sales tax rate	1.50%	1.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

Data Source  
Illinois Department of Revenue

CITY OF ST. CHARLES, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Fiscal Years

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Fiscal Year	City Direct Rate	County Rate	RTA Rate	State Rate
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%
2011	2.00%	0.25%	0.75%	5.00%
2012	2.00%	0.25%	0.75%	5.00%
2013	2.00%	0.25%	0.75%	5.00%

Data Source

City and County Records  
Includes Home Rule

CITY OF ST. CHARLES, ILLINOIS  
RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Installment Notes Payable	Revenue Bonds	General Obligation Bonds	Installment Notes Payable	Revenue Bonds			
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
2011	74,198,190	103,048	8,935,000	16,026,810	18,202,396	-	117,465,444	9.04%	3,562.37
2012	73,995,195	89,036	8,655,000	15,724,805	18,777,806	-	117,241,842	9.47%	3,536.39
2013	73,685,974	84,451	8,335,000	16,409,026	19,483,598	-	117,998,049	8.90%	3,559.20

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

\* See the Schedule of Demographic and Economic Information on page 158 for personal income and population data.

CITY OF ST. CHARLES, ILLINOIS

RATIOS OF GENERAL OBLIGATION BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

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Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt		Percentage of Estimated Actual Taxable Value of Property*	Per Capita
		Service Fund	Total		
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
2011	90,225,000	10,342	90,214,658	5.83%	2,735.93
2012	89,720,000	13,673	89,706,327	6.15%	2,705.83
2013	90,095,000	4,904	90,090,096	6.56%	2,717.40

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

\* See the Schedule of Assessed Value and Actual Value of Taxable Property on page 147 for property value data.

CITY OF ST. CHARLES, ILLINOIS

PLEDGED REVENUE COVERAGE

Last Ten Fiscal Years

BUSINESS-TYPE ACTIVITIES

Revenue Bonds/IEPA Loans

<u>Fiscal Year</u>	<u>Operating Revenue</u>	<u>Debt Service</u>		<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	
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
2011	5,829,457	1,180,623	323,877	3.87
2012	9,679,958	1,243,430	332,466	6.14
2013	11,358,178	1,184,297	327,623	7.51

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

CITY OF ST CHARLES, ILLINOIS  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
As of April 30, 2013

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	\$ 73,685,974	100.00%	\$ 73,685,974
Kane County	985,000	10.805%	106,429
Kane County Forest Preserve District	201,875,866	10.805%	21,812,687
Dupage County	46,510,000	0.092%	42,789
Dupage County Forest Preserve	187,300,103	0.092%	172,316
St. Charles Park District Schools	30,895,000	64.522%	19,934,072
Community Unit SD #303	114,810,000	49.051%	56,315,453
Community Unit SD #304	151,052,704	0.144%	217,516
Community College #509	204,312,568	12.318%	25,167,222
Community College #516	79,256,775	0.022%	17,436
Subtotal:	<u>1,016,998,016</u>		<u>123,785,920</u>
Total:	<u>\$ 1,090,683,990</u>		<u>\$ 197,471,894</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
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%
2011	32,974	1,299,769,132	39,418	9.5%
2012	33,153	1,238,463,468	37,356	6.7%
2013	33,153	1,325,258,022	39,974	7.0%

Data Source

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

CITY OF ST. CHARLES, ILLINOIS  
 PRINCIPAL EMPLOYERS  
 Current Year and Ten Years Ago

		2013				2003			
Employer	Rank	# of Employees	% of Total Employment	% of Total City Population	Employer	Rank	# of Employees	% of Total Employment	% of Total City Population
St. Charles Community School District	1	1,744	5.63%	5.27%	St. Charles Community School District	1	1,296	5.87%	4.65%
Omnron Automotive	2	750	2.42%	2.27%	System Sensor	2	600	2.72%	2.15%
Pheasant Run Resort	3	500	1.61%	1.51%	Dukane Corporation	3	558	2.53%	2.00%
R. R. Donnelly & Sons	4	475	1.53%	1.43%	Pheasant Run Resort	4	500	2.27%	1.79%
System Sensor	5	450	1.45%	1.36%	Jewel Company	5	493	2.23%	1.77%
Armour-Eckrich Meats LLC	6	350	1.13%	1.06%	Wallace, Inc.	6	480	2.18%	1.72%
Jewel/Osco	7	310	1.00%	0.94%	Armour Swift-Eckrich St. Charles	7	415	1.88%	1.49%
Coca-Cola Bottling CO	8	250	0.81%	0.76%	City of St. Charles	8	344	1.56%	1.23%
Compact Industries	9	250	0.81%	0.76%	Perfect Plastic Printing	9	305	1.38%	1.09%
Dukane Corporation	10	243	0.78%	0.73%	Wal-Mart	10	250	1.13%	0.90%
				16.09%					18.79%

Data Source  
 Municipal Research Services

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

Last Ten Fiscal Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Administration	38.80	41.90	44.50	46.20	44.80	46.60	43.00	40.60	40.90	41.80
Public Health & Safety	131.00	142.40	150.80	157.60	157.40	148.80	147.10	130.20	123.80	122.00
M & C of Public Right-of-Ways	62.70	64.00	61.70	62.20	62.40	61.90	52.20	40.50	40.10	41.80
M & C of Public Utilities	68.70	71.20	68.70	67.10	65.80	65.50	61.70	61.10	61.50	59.30
Community and Economic Development	16.00	16.80	16.90	15.90	17.00	16.50	17.90	17.50	17.50	16.00
Total:	317.20	336.30	342.60	349.00	347.40	339.30	321.90	289.90	283.80	280.90

Data Source

City budget office

Note: M&C= maintenance and construction

CITY OF ST. CHARLES, ILLINOIS

OPERATING INDICATORS

Last Ten Calendar Years

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Safety										
Police										
Physical arrests	1,772	1,779	1,910	1,581	1,796	1,613	1,404	1,259	1,109	1,042
Parking violations	-	1656	1547	1,792	1,733	1,500	1,400	1,743	1,647	1,141
Traffic violations	8,838	8,408	9,947	7,066	6,573	6,316	4,491	4,496	3,939	3,964
Fire										
Emergency responses	4,879	5,068	5,126	5,212	5,113	5,044	4,831	5,100	4,434	4,092
Fires Extinguished	60	68	85	161	158	134	103	174	77	125
Public Works										
Streeting (miles)	162.69	162.69	171.3	568	180.5	183	184	184	179	180
Electric										
Number of Customers	13,690	14,700	14,675	15,082	15,196	15,233	15,364	15,419	16,174	15,503
Water										
Maximum Day Consumption	7,230,000	7,230,000	7,412,000	9,741,000	9,741,000	9,741,000	9,741,000	9,741,000	9,741,000	9,741,000
# of water mains (miles)	191.9	192.8	196.6	196.5	197.5	202	220	219.9	219	230.7
Wastewater										
Average daily storage (flow)	4,200,000	4,200,000	4,200,000	5,289,000	5,289,000	6,562,758	6,060,000	5,788,975	6,216,128	4,235,221

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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area Beats	5	5	5	4	4	4	4	4	4	4
Patrol Officer	-	-	44	31	31	33	34	33	32	33
Fire										
Fire stations	3	3	3	3	3	3	3	3	3	3
Fire engines	-	-	11	6	6	6	6	6	6	6
Public Works										
Arterial streets (miles)	46	46	49	50	49	49	49	49	49	49
Residential streets (miles)	117	117	123	123	134	134.2	135.5	136	131	131.5
Streetlights	3,172	3,190	3,203	3,200	3,234	3,271	3,291	3,298	3,299	3,236
Traffic signals	5	5	5	6	6	6	6	7	7	8
Water										
Water mains (miles)	192	193	197	197	197.5	202	219.9	220	227	230.7
Fire hydrants	-	2,462	2,516	2,706	2,742	2,742	2,820	2,820	2,822	2,849
Storage capacity (gallons)	4,200,000	4,200,000	4,200,000	2,425,000	2,425,000	2,425,000	2,425,000	2,425,000	2,425,000	4,200,000
Wastewater										
Sanitary sewers (miles)	-	-	-	171	171.3	174.5	174.6	180.1	175.2	175.0
Storm sewers (miles)	-	-	-	157	159.9	159.9	160.8	161.3	162.9	203.7
Treatment capacity (gallons)	-	-	-	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000

Data Source

Various City departments

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