

CITY OF ST. CHARLES, ILLINOIS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Year Ended
April 30, 2011

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

Daniel P. Stellato	Ward 1	William Turner	Ward 3
Jon Monken	Ward 1	Jo K. Krieger	Ward 4
Clifford X. Carrignan	Ward 2	James E. Martin	Ward 4
Betsy E. Penny	Ward 2	Ed Bessner	Ward 5
John M. McGuirk	Ward 3	Maureen Lewis	Ward 5

City Treasurer

Warren J. Drewes

City Clerk

Nancy Garrison

City Attorney

Gerald M. Gorski

Department Heads

Christopher A. Minick
Director of Finance

Kathy A. Livernois
Director of Human Resources

Rita Tungare
Director of Community Development

Mark W. Koenen
Director of Public Works

Christopher C. Aiston
Director of Economic Development

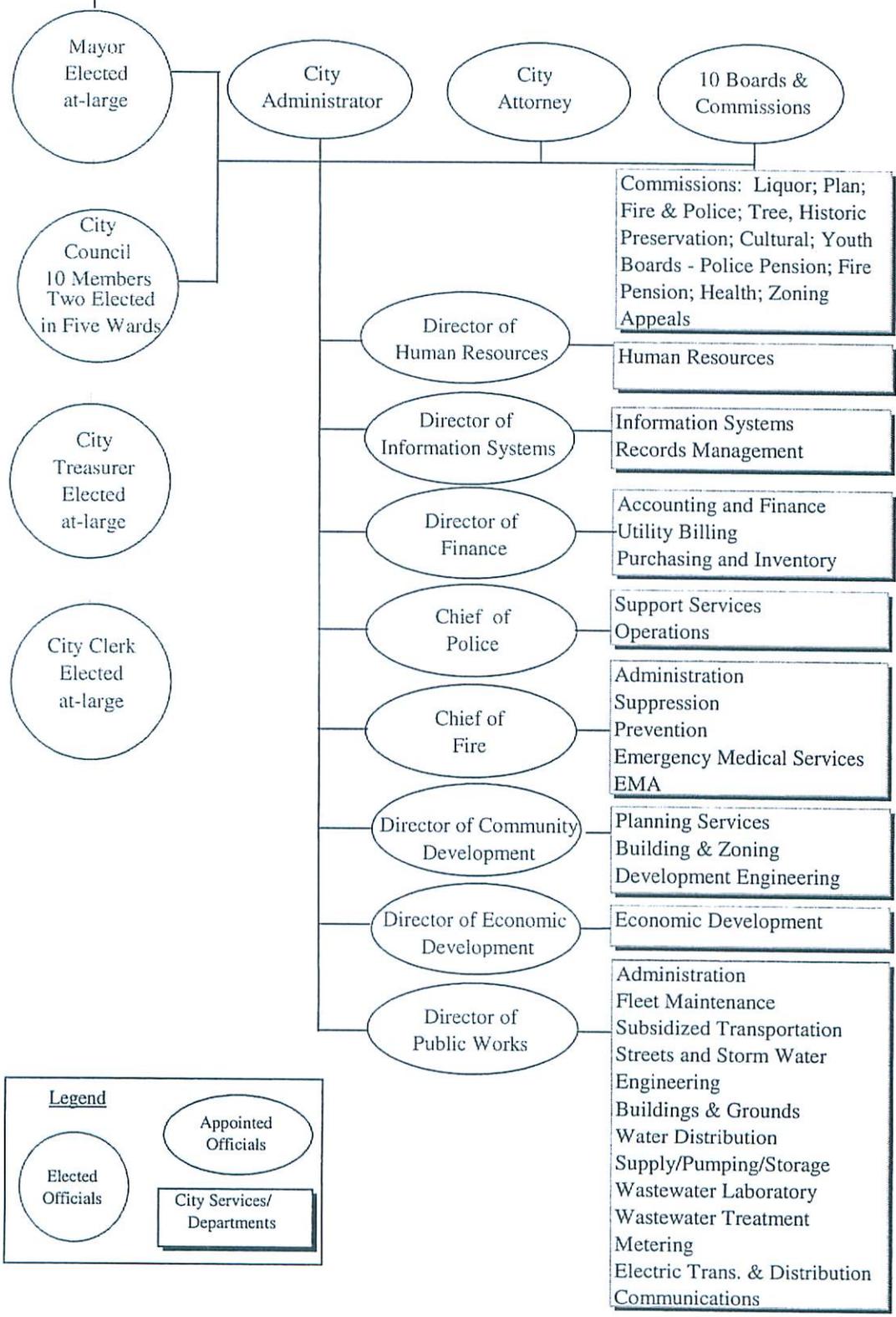
Patrick J. Mullen
Fire Chief

Margaret A. Forster
Director of Information Systems

James E. Lamkin
Police Chief

City of St. Charles Organizational Chart

Citizens of St. Charles



Legend

Elected Officials

Appointed Officials

City Services/ Departments

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of St. Charles
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
April 30, 2010

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



President

Executive Director



September 16, 2011

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, 2011 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 unqualified opinion on the basic financial statements. The statements have been prepared in accordance with Statement No. 34 (Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments) of the Governmental Accounting Standards Board (GASB). The GASB is an organization that establishes accounting and financial reporting standards for state and local governments in the United States. Sikich LLP is to provide with reasonable assurance that the financial statements are free of material misstatement. The audit process includes examination, on a test basis, of evidence supporting the amounts and disclosures reported in the financial statements. The independent auditors also assess the accounting principles used and include their report as the first component of the financial section of this Comprehensive Annual Financial Report.

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

DONALD P. DEWITTE *Mayor*

BRIAN TOWNSEND *City Administrator*

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

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

Profile of the City

The City, incorporated as a town in 1853 and as a City in 1874, is located approximately thirty-four miles west of Chicago with a land area of approximately 16.4 square miles. St. Charles' city government is divided into five wards, with two Alderpersons elected from each ward and a Mayor elected at large to a four-year term. The internal operations of St. Charles are led by a City Administrator and divided among eight departments, including Finance, Human Resources, Information Systems, Community Development, Economic Development, Public Works, Police, and Fire. The City became a Home Rule community in 1995 due to a special census count conducted in 1994, which resulted in a population count of 25,282. As a result of its Home Rule status, the City has greater local authority to regulate and finance its operations. 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 Law as provided for in the Illinois Compiled Statutes and administered by the Director of Finance. Under the Budget Law no appropriation is required to be passed and an annual budget must be adopted prior to the beginning of the fiscal year the funds will be expended. The City's fiscal year begins May 1.

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

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

Factors Affecting Financial Condition

Local Economy – Within the City of St. Charles, over 2,100 businesses employ approximately 34,200 people, consisting of a balanced mix of retailers, restaurants, and manufacturing facilities. Also within the City are 1,360 hotel rooms, a world class conference center with an additional 1,042

guest rooms, three shopping districts, and a full service resort and spa. There are two new business parks currently under construction within the City. On the east side of the City is the 36-acre Legacy Business Park that is nearing completion with one more industrial building to be finished. The Corporate Reserve of St. Charles is a 50-acre business park located on the west side of the City. Two of the ten proposed buildings for this site have been completed with a third building anticipated to begin construction in the near future. Historically, the City of St. Charles has enjoyed a healthy and growing economy. However, 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. Sales taxes as well as hotel taxes rebounded slightly from the prior year; however, they are still below pre-2008 levels. Property taxes decreased in FY 10/11 due to a decrease in the City's equalized assessed valuation (EAV). As a result of concerns of a further lowering of the EAV for FY 11/12, City Council directed that the amount of taxes levied for FY 11/12 be consistent with the previous year. However, there are some bright spots in the City's current and future economic picture. Examples include:

St. Charles Named #1 City in Family Circle Annual Survey of Best Towns and Cities - In July of 2011, *Family Circle* Magazine announced that St. Charles was named #1 in its Annual Survey of Best Towns and Cities for Families. Assessment criteria included affordable homes, quality schools, access to health care, green space, low crime rate and financial stability. As a result of earning this prestigious distinction, the City has received very positive national and local media attention.

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 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, wine and cheese bar, a jewelry store, a women's clothing boutique, a nail spa, a salon, and three professional service firms.

R.R. Donnelly & Sons Company – In 2010, R.R. Donnelly & Sons Company purchased the former Pier One Imports, Inc. 513,973 square foot distribution center. Phase 1 of the Donnelly project will bring four state-of-the art printing presses to the facility, creating approximately 180 new jobs for the City. In addition, R.R. Donnelly, using electric transformer equipment that has never been used in the city before, will add a significant boost to the City's industrial electric revenue.

Major Initiatives

Current Projects

IDOT Projects

- Rt. 64 between 7th Avenue and Dunham Road reconstruction - This project has been slated by the State of Illinois for construction in 2012. The project improvement will include a bi-directional center turn lane, pavement and drainage reconstruction. The anticipated letting date for the State construction project is November 2011. Anticipating the State project, the City in FY 11-12 began the upgrade and replacement of the sanitary sewer located primarily in the center of IL 64. In addition to the sanitary work, the City will be installing new water mains along adjacent streets in preparation for the installation of a new 12-inch water main as part of the IDOT contract. The construction limits for the City's contract was between 7th Avenue and Hunt Club Drive. Work associated with the City's contract is expected to begin on August 1, 2011 with an anticipated completion date of October 15, 2011.
- Rt. 64 from Pheasant Run Resort to 38th Ave – This project is part of a larger state project to extend the six-lane section of IL 64 from IL 59 to Kautz Rd/38th Ave. Construction is anticipated to occur in 2012-13. The anticipated letting date for the State construction project is November 2011.

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 Advanced Work Contract have been completed. Phase II design engineering for the RGB Main Bridge Contract is expected to be completed by 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 is November 2011.
 - The RGB Main Bridge Contract is expected to be released for bidding by February 2012 with substantial completion of the bridge and roadway expected by December 1, 2012. Remaining landscape and punch list items will be completed by the summer of 2013.
- IL Route 64 and Oak Street Intersection Improvements – This project is part of the roadway and traffic signal improvements at the intersection in IL 64 and Oak Street. This project includes roadway widening, installation of new traffic signals, new pedestrian sidewalks and utility upgrades. The construction project for the IL 64 and Oak Street intersection improvement was approved by the City Council on June 27, 2011. Construction activities began in August and work is anticipated to be completed by November 15, 2011.

Enterprise Resource Planning (ERP) Project

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

software as its ERP solution provider. In August 2010, City Council approved the ERP contracts. The official start to the ERP implementation project began November 1, 2010. The anticipated Go Live date for the Lawson software is December 1, 2011.

Financial Policies

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

Cash Management. Cash temporarily idle during the year was invested in demand deposits, time deposits, U.S. Treasury Bills, Notes, U.S. Agency Obligations, the Illinois Metropolitan Investment Fund and the Illinois State Treasurer's Pool. The City's finance department records Fire Pension Fund investments; however, the Fire Pension Board of Trustees maintains control of these monies independent of the City Council. The Police Pension Fund investments are under a money manager and are governed by the Police Pension Board of Trustees. In addition, the Police Pension Board maintains accounting and participant records for the Police Pension Fund. The City has a formal investment policy, which includes requirements regarding the amount it will invest in various types of securities and types of collateral it will accept. U.S. government securities and government agencies account for 12.9% of the City's portfolio. This calculation excludes Police or Fire Pension and restricted investments. Approximately 56.3% of the portfolio matures in less than 1 year and the remaining 43.7% matures in less than 3 years. The current rate of return on City investments is 0.6205% as of April 30, 2011. The City investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 102% of the fair market value of the funds secured, with the collateral held by the City, an independent third party or the Federal Reserve Bank of New York in the City's name. In addition, the investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the City's agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the City's name. This is the lowest custodial credit risk as defined by the Governmental Accounting Standards Board. For further information on the City's investments please see the notes to the financial statements.

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

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

Other Information

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

Awards. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended April 30, 2010. This was the 25th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

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

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,



Christopher A. Minick
Finance Director



998 Corporate Boulevard • Aurora, IL 60502

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of St. Charles, Illinois, as of and for the year ended April 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the City of St. Charles, Illinois' management. Our responsibility is to express opinions on these basic financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of St. Charles, Illinois, as of April 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 30, 2011 on our consideration of the City of St. Charles, Illinois' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules and supplemental financial information as listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements of the City of St. Charles, Illinois. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We also have previously audited, in accordance with auditing standards generally accepted in the United States, the City's basic financial statements for the year ended April 30, 2010, which are not presented with the accompanying financial statements. In our report dated September 15, 2010, 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, 2010, taken as a whole.

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

Aurora, Illinois
August 30, 2011

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

City of St. Charles, Illinois

Management's Discussion and Analysis

April 30, 2011

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, 2011. Since the Management's Discussion and Analysis (MD & A) is designed to focus on the City's current year activities, changes in the City's financial position and identify any material deviations from approved budget and financial plans, it should be read in conjunction with the Transmittal Letter and the City's financial statements.

Financial Highlights

- The City's total assets increased \$6.0 million or 1.61% for the fiscal year ending April 30, 2011. The governmental activities total assets increased \$0.2 million (0.08%) while business-type activities total assets increased \$5.8 million (4.21%).
- The City's total liabilities increased \$8.5 million or 5.85% for the fiscal year ending April 30, 2011. Governmental activities total liabilities decreased \$3.3 million (2.89%) while business-type activities total liabilities increased \$11.9 million (39.44%).
- The City's total net assets decreased by \$2.6 million (1.14%) compared to fiscal year 2010. Governmental activities net assets increased by \$3.5 million (3.02%) while net assets for business-type activities decreased \$6.1 million (5.68%).
- The City's total revenues were \$8.3 million (9.14%) greater than the prior fiscal year. Governmental activities revenue increased by \$1.9 million (4.64%) while business-type activities revenue increased by \$6.4 million (12.88%).
- Total expenses of the City increased by \$6.9 million (7.12%) with governmental expenses increasing \$0.2 million (0.44%) and business-type activities expenses increasing by \$6.7 million (12.07%).

Overview of the Financial Statements

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

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

The focus of the governmental funds is narrower than that of the government-wide financial statements; it may be useful to compare the information presented for the governmental funds with similar information presented in the governmental activities and government-wide

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

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

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

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

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

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

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

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

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

Financial Analysis of the City as a Whole

Statement of Net Assets

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of St. Charles, assets exceeded liabilities by \$221.9 million as of April 30, 2011. The following table reflects the condensed Statement of Net Assets:

Statement of Net Assets
As of April 30, 2011
(In Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Assets						
Current & Other Assets	\$71.0	\$70.6	\$22.6	\$19.6	\$93.6	\$90.2
Capital Assets	162.1	162.3	120.6	117.8	282.7	280.1
Total Assets	233.1	232.9	143.2	137.4	376.3	370.3
Liabilities						
Current & Other Liabilities	21.4	22.0	6.4	5.2	27.8	27.2
Long-Term Liabilities	91.0	93.8	35.6	24.9	126.6	118.7
Total Liabilities	112.4	115.8	42.0	30.1	154.4	145.9
Net Assets						
Invested in Capital Assets, Net of Debt	97.5	95.2	92.6	94.5	190.1	189.7
Restricted	20.6	21.3	0.0	0.0	20.6	21.3
Unrestricted	2.6	0.6	8.6	12.8	11.2	13.4
Total of Net Assets	\$120.7	\$117.1	\$101.2	\$107.3	\$221.9	\$224.4

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

- \$2,860,000 G. O. Bonds Series 2002 (\$130,000 as of April 30, 2011)
- \$4,435,000 G. O. Bonds Series 2003 (\$3,460,000 as of April 30, 2011)
- \$2,615,000 G.O. Refunding Bonds Series 2005B (\$1,945,000 as of April 30, 2011)
- \$10,000,000 G.O. Bond Series 2006 (\$10,000,000 as of April 30, 2011)
- \$4,470,000 G.O. Bond Series 2007A (\$4,470,000 as of April 30, 2011)
- \$3,530,000 G.O. Bond Series 2007C (\$3,530,000 as of April 30, 2011)
- \$10,810,000 G.O. Bond Series 2008A (\$10,810,000 as of April 30, 2011)

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

- \$2,325,000 G.O. Refunding Bonds Series 2009 (\$2,060,000 as of April 30, 2011)
- \$1,920,000 G.O. Refunding Bonds Series 2010C (\$1,920,000 as of April 30, 2011)

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 assets results from this treatment.

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

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of St. Charles, assets exceeded liabilities by \$221.9 million as of April 30, 2011. At \$190.1 million, the largest portion of the City's net assets is its investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The next largest portion of the City's net assets are restricted assets in the amount of \$20.6 million. Restricted net assets represents resources that are subject to restrictions as shown below:

Net assets restricted for:	
Mental Health	\$36,867
Community Development	15,974,458
Highways and Streets	2,630,054
Public Safety	218,703
Debt Service	1,762,318
Total	\$20,622,400

The final portion of the City's net assets are unrestricted net assets in the amount of \$11.2 million, which can be used to finance the City's day-to-day operations.

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

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

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

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

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

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

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

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

Current Year Impacts – Net Assets

The City's combined net assets decreased from \$224.4 million to \$221.9 million. Net assets of the City's governmental activities increased by \$3.5 million during the year and ended the year at \$120.7 million.

The net assets of business-type activities decreased by \$6.1 million during the year and ended the year at \$101.2 million. Unrestricted net assets, available to finance the continuing operation of its business-type activities, were \$8.6 million. Business-type activities include electric, water, sewer, and refuse utilities. The annual operating cost of these services for fiscal year 2011 was approximately \$62.0 million.

The increase in net assets of the governmental activities in the amount of \$3.5 million was the result of a combination of a slight increase in total assets of \$0.2 million plus a decrease in total liabilities of \$3.3 million.

The decrease in the net assets of the business-type activities of \$6.1 million was the result of an increase in total assets of \$5.8 million offset by an increase in total liabilities of \$11.9 million.

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

Changes in Net Assets - Statement of Changes in Net Assets

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

Changes in Net Assets
For the Fiscal Year Ended April 30, 2011
(In Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues						
Charges for Service	\$3.2	\$3.4	\$55.6	\$48.5	\$58.9	\$51.9
Operating Grants	1.2	1.0	0.0	0.0	1.2	1.0
Capital Grants	0.5	0.4	0.2	0.6	0.7	1.0
General Revenues						
Property Tax/Replacement Tax	13.9	14.0	0.0	0.0	13.9	14.0
Other Taxes	23.5	21.9	0.0	0.0	23.5	21.9
Other	1.0	0.8	0.6	0.8	1.6	1.6
Total Revenues	43.4	41.5	56.4	49.9	99.8	91.4
Expenses						
General Government	2.7	2.9	0.0	0.0	2.7	2.9
Public Health/Safety	21.6	20.9	0.0	0.0	21.6	20.9
Public Works	10.7	11.3	0.0	0.0	10.7	11.3
Comm. Develop	2.5	2.0	0.0	0.0	2.5	2.0
Interest	3.7	3.9	0.0	0.0	3.7	3.9
Electric	0.0	0.0	50.0	43.9	50.0	43.9
Water	0.0	0.0	4.5	4.1	4.5	4.1
Sewer	0.0	0.0	6.9	6.8	6.9	6.8
Refuse	0.0	0.0	0.6	0.6	0.6	0.6
Total Expenses	41.2	41.0	62.1	55.4	103.3	96.4
Excess Before Contributions and Transfers	2.2	0.5	(5.7)	(5.5)	(3.5)	(5.0)
Contributions	0.0	1.5	0.0	0.4	0.0	1.9
Transfers	0.4	(0.8)	(0.4)	0.8	0.0	0.0
Change in Net Assets	2.6	1.2	(6.1)	(4.3)	(3.5)	(3.1)
Prior Period Adjustment	0.9	0.0	0.0	0.0	0.9	0.0
Ending Net Assets	\$120.7	\$117.1	\$101.2	\$107.3	\$221.9	\$224.4

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

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

Revenues:

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

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

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

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

Expenses:

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

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

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

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

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

Governmental Activities

Revenues:

Total revenues increased \$1.9 million, from \$41.5 million to \$43.4 million. The governmental activities program revenues increased \$0.1 million from \$4.9 to \$5.0 million. The governmental activities general revenues increased \$1.7 million from \$36.7 to \$38.4 million. Other taxes under General revenues increased \$1.6 million from FY 09/10. Examples of other taxes include sales and use taxes which increased by \$0.5 million and electric franchise fees which increased by \$0.3 million. Other general revenues also increased from FY 09-10 to FY 10-11 by \$0.2 million.

Expenses:

Total expenses of governmental activities increased \$0.2 million from \$41.0 million to \$41.2 million from FY 09-10 to FY 10-11. The \$41.2 million consists of actual expenditures for the general fund and other governmental funds (\$43.3 million), the amount of the capital assets subtracted out (\$1.9 million), the amount of depreciation added (\$3.9 million), less the net gain of the internal service funds (\$1.0 million), plus the change in the OPEB liability (\$0.5 million) less the change in long-term debt and compensated absences (\$3.6 million).

Business Type Activities

Revenues:

Operating revenues from business-type activities increased a total of \$6.5 million or 12.88% from the previous fiscal year. This was due to a combination of utility rate increases during FY 10-11 (6% in the Electric Fund and 3% in the Water and Sewer Funds) as well an increase in consumption (primarily in the Electric Fund) due to the higher than normal summer temperatures. Capital grant revenue decreased from FY 09-10 by \$0.4 million due to a majority of the American Recovery and Reinvestment Act (ARRA) grant for the East Side/Riverside Lift Station Rehabilitation project being expended in FY 09-10.

Expenses:

Operating expenses from all business-type activities increased by \$6.7 million from \$55.4 to \$62.1 million; a 12.07% increase from the prior fiscal year. This increase is mainly attributable to an increase in wholesale power costs due to the increase in consumption, as noted above.

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

Financial Analysis of the Funds

Governmental Funds – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year. For the fiscal year ended April 30, 2011, the Governmental Funds reported a combined ending fund balance of \$42.2 million. This represents an increase of \$.3 million over the prior year.

General Fund - The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$19.2 million, of which \$3.0 million is designated for community development debt service. Total fund balance was \$22.2 million. It may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 48.1 percent of the total General Fund expenditures, while total fund balance represents 55.6 percent of that same amount.

General Fund Budgetary Highlights
For the Fiscal Year Ended April 30, 2011

	Original Budget	Amended Budget	Actual
Revenues/Other Sources			
Taxes	\$36,372,413	\$36,177,806	\$35,240,323
Licenses & Permits	432,670	435,186	459,408
Charges for Services	2,434,850	2,553,319	2,365,366
Grants	35,459	58,044	168,627
Other	1,066,120	1,085,210	1,354,065
Transfers	0	0	0
Total Revenues/Other Sources	\$40,341,512	\$40,309,565	\$39,587,789
Expenditures/Transfers			
General Government	\$3,132,219	\$2,998,671	\$2,496,506
Public Health/Safety	21,228,654	22,394,581	21,789,268
Public Works	7,012,154	7,469,355	6,664,087
Comm. Develop	2,372,811	2,687,089	2,166,025
Debt Service	84,658	84,658	84,660
Transfers	7,022,424	7,063,551	6,779,892
Total Expenditures/Transfers	\$40,852,920	\$42,697,905	\$39,980,438
Change in Fund Balance	(\$511,408)	(\$2,388,340)	(\$392,649)

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

The General Fund results were due to the combination of General Fund revenues being below expectations by \$721,776 while expenditures were less than the final amended budget by \$2,717,467.

General Fund Revenues - Actual taxes received were less than budget by \$937,483 mainly due to Municipal Sales and Use tax collections being below budgeted expectations by \$759,609, a result of the continuing 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, several positions that were vacated during the fiscal year were not filled in response to the current economic conditions the City is facing. There were also positive variances in materials and supplies and capital outlay purchases.

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

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

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management. The City's accounting practices, internal controls, and budgetary planning are affirmed by the continual review of the Government Operations Committee and City Council.

Capital Assets

The City's total capital assets for its Governmental and Business-Type Activities as of April 30, 2011 amounts to \$282,695,862 (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 \$1,716,490, a portion of which resulted from implementing GASB Statement No 51, *Accounting and Financial Reporting for Intangible Assets*.

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

Capital Assets
As of April 30, 2011

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land & Right of Way	\$58.6	\$58.5	\$1.2	\$1.2	\$59.9	\$59.7
Construction in Progress	3.4	6.9	5.1	1.4	8.5	8.2
Bldgs. and Improvements	62.3	57.6	136.9	132.7	199.2	190.3
Infrastructure	106.5	106.1	58.6	58.3	165.1	164.5
Machinery, Vehicles and Equipment	13.5	12.5	10.1	10.1	23.6	22.6
Intangible Assets	1.5	1.5	0.0	0.0	1.5	1.5
Accumulated Depreciation	(83.7)	(79.9)	(91.4)	(85.9)	(175.2)	(165.9)
Total:	\$162.1	\$163.2	\$120.6	\$117.8	\$282.7	\$281.0

Note: 2010 Capital Asset amounts are restated to reflect the implementation of GASB Statement No. 51.

Major capital asset events during FY 2010-2011 included the following:

- The completion of the Municipal Riverwall and Plaza project located adjacent to the Municipal Downtown Campus. Total cost for this project, including design, engineering and construction was \$4.08 million.
- Construction of the Radium Removal Project continued during FY 10-11. As of April 30, 2011, a total of \$4,579,650 has been reported in Construction in Progress. The project is scheduled to be completed in the fall of 2011.
- Construction of the East Side and Riverside Lift Station project was completed during the fiscal year. Total project costs amounted to \$2.5 million.
- The implementation of GASB Statement No. 51 *Accounting and Financial Reporting for Intangible Assets*, regarding the accounting for Intangible Assets, including software, both internally generated and third party, and easements. Pursuant to GASB 51, the City retroactively reported any third party purchased software as well as any easements with a non-indefinite useful life. This resulted in a Prior Period Adjustment in the amount of \$909,471 for Governmental Activities. Total intangible assets amounted to \$1.5 million, City wide, as of April 30, 2011.
- In addition to the above intangible assets, the City also two other software projects in development, the City's Enterprise Resource Planning (ERP) software and the City's website redesign project. Both of these projects are being reported as Construction in Progress as it is anticipated they will be completed during FY 11-12.

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

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

Debt Outstanding

At the end of the fiscal year, the City had total debt outstanding of \$117,465,444 (excluding compensated absences and net pension obligations). Of this amount, \$90,225,000 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 \$38,325,000 of the total debt outstanding. In addition, the City has \$18,202,396 in IEPA loans and \$103,048 in installment contracts. For information regarding the City's debt, see note 6 in the notes to the financial statements.

During fiscal year 2011, the City issued a total of \$6,225,000 in General Obligation refunding bonds. This bond issue refunded two separate bond issues, including one TIF bond issue. The City will save over \$420,000 as a result of the refunding. The City also issued \$7,090,000 in General Obligation bonds to finance various capital improvement projects within the Electric, Water and Wastewater funds.

Economic Factors and Next Year's Budget and Rates

The City's composition is primarily residential with a smaller commercial and industrial component. The property tax revenue derived from the residential, commercial, and industrial properties has been historically stable over the last five years. In fact, through the 2008 tax levy year, which was collected during FY 09-10, the City's Equalized Assessed Valuation has increased every year. For FY10-11, property tax revenue decreased \$94,328 or 0.68% from the prior year. Other major sources of revenue including sales tax revenues, hotel tax revenues and state shared income tax revenues all decreased from the prior year.

In spite of the decreases in the revenue stream, the City has continued to reduce expenditures to match the revenue streams that the City receives. In the two year span from FY 07-08 through FY 09-10, the City was able to reduce actual expenditures and transfers out in the General Fund from \$42.7 million to \$37.7 million. This \$5 million reduction in two years approximates 12% of the General Fund's annual budget. The City is committed to continue matching expenditure levels to anticipated revenue streams in future fiscal years.

The unemployment rate for the City is currently 9.0%, which is an increase from a rate of 8.7% at the end of the prior fiscal year.

The fiscal year 11-12 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 operating levy of the City is equal to the operating levy for FY 10-11. The City is anticipating no substantial growth in its major operating tax revenue streams, therefore other revenues are anticipated to be at the same level or slightly above FY 10-11 actual results.

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

Also impacting the City's budget is the recent decision by the Fox River and Countryside Fire/Rescue District (the District) to sever its long standing relationship with the City. By contract, the City provided fire protection, rescue and ambulance service to the District. On May 1, 2011, the District contracted with a third party private corporation to provide the services that the City previously provided. This resulted in a loss of revenue to the City as well as a reduction of expenditures. Certain operational adjustments were made within the City's Fire Department to account for the changing operational and financial impacts of the District's decision.

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. As a result of the rate study, rates have been adjusted to increase Electric Fund and Sewer Fund operating revenues by 6% in total during fiscal year 11-12. Water rates will have a two-phase adjustment anticipated to increase operating revenues by approximately 20% over fiscal year 10-11 amounts.

The City continued its practice of matching revenues and expenditure streams for fiscal year 11-12. The General Fund is budgeted to have a slight surplus at the end of fiscal year 11-12. The City offered a Voluntary Separation Agreement Incentive during fiscal year 11-12 and approximately 18 people agreed to voluntarily separate from City employment. This situation provided an opportunity for the City to evaluate its staffing levels. As a result of the evaluation, the City decided to leave certain positions vacant or to reclassify others to part-time status. Prudently managing expenditures during fiscal year 11-12 and into future fiscal years will be essential for the City to maintain the positive financial results experienced over the past few fiscal years.

Continued vigilance will be required in future years to maintain the City's fiscal health. The City's budget projections beyond fiscal year 2011-2012 reflect deficit General Fund operations in the event that revenues do not increase. The City will continue to monitor the situation and make 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.

City of St. Charles, Illinois

Statement of Net Assets

April 30, 2011

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$47,895,077	\$7,949,512	\$55,844,589
Restricted Cash and Investments	-	6,366,634	6,366,634
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	14,173,563	25,402	14,198,965
Accounts Receivable	7,335	6,363,552	6,370,887
Accrued Interest on Investments	14,529	-	14,529
Miscellaneous	776,819	182,191	959,010
Prepaid Items	501,170	136,486	637,656
Internal Balances	(1,233,272)	1,233,272	-
Due from Other Governments	4,550,944	-	4,550,944
Inventory	2,991,093	56,479	3,047,572
Deferred Charges	1,210,488	236,742	1,447,230
Net Pension Asset	141,199	-	141,199
Capital Assets Not Being Depreciated	61,999,875	6,364,853	68,364,728
Capital Assets (Net of Accumulated Depreciation)	100,082,822	114,248,312	214,331,134
Total Assets	233,111,642	143,163,435	376,275,077
LIABILITIES			
Accounts Payable	830,077	4,024,301	4,854,378
Claims Payable	1,817,479	289,837	2,107,316
Contracts Payable	4,997	412,451	417,448
Accrued Salaries	709,802	174,036	883,838
Accrued Interest Payable	1,380,534	369,537	1,750,071
Escrows and Refundable Deposits	2,173,527	1,081,038	3,254,565
Unearned Revenue			
Property Taxes	14,173,563	25,402	14,198,965
Other Unearned Revenue	378,630	-	378,630
Long-Term Liabilities			
Due Within One Year	8,003,880	2,915,429	10,919,309
Due in More than One Year	82,971,412	32,683,374	115,654,786
Total Liabilities	112,443,901	41,975,405	154,419,306
NET ASSETS			
Invested in Capital Assets Net of Related Debt	97,483,604	92,601,321	190,084,925
Restricted For:			
Mental Health	36,867	-	36,867
Community Development	15,974,458	-	15,974,458
Highways and Streets	2,630,054	-	2,630,054
Public Safety	218,703	-	218,703
Debt Service	1,762,318	-	1,762,318
Unrestricted	2,561,737	8,586,709	11,148,446
Total Net Assets	\$120,667,741	\$101,188,030	\$221,855,771

See accompanying notes to financial statements.

City of St. Charles, Illinois

Statement of Activities

For the Year Ended April 30, 2011

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Capital Grants & Contributions</u>
Primary Government				
Governmental Activities				
General Government	\$ 2,742,777	\$ 242,525	\$ -	\$ -
Public Health and Safety	21,580,962	2,502,699	139,609	-
Public Works	10,723,015	150,108	1,056,368	533,933
Community Development	2,462,651	332,768	-	-
Interest	3,689,961	-	-	-
Total Governmental Activities	41,199,366	3,228,100	1,195,977	533,933
Business-Type Activities				
Electric	50,035,085	46,274,757	-	-
Water	4,485,657	3,008,409	-	148,511
Sewer	6,899,149	5,829,457	-	15,222
Refuse	630,873	527,638	-	-
Total Business-Type Activities	62,050,764	55,640,261	-	163,733
Total Primary Government	\$ 103,250,130	\$ 58,868,361	\$ 1,195,977	\$ 697,666

See accompanying notes to financial statements.

City of St. Charles, Illinois

Statement of Activities

For the Year Ended April 30, 2011

	Net (Expense) Revenue and Change in Net Assets		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (2,500,252)	\$ -	\$ (2,500,252)
	(18,938,654)	-	(18,938,654)
	(8,982,606)	-	(8,982,606)
	(2,129,883)	-	(2,129,883)
	(3,689,961)	-	(3,689,961)
	<u>(36,241,356)</u>	<u>-</u>	<u>(36,241,356)</u>
	-	(3,760,328)	(3,760,328)
	-	(1,328,737)	(1,328,737)
	-	(1,054,470)	(1,054,470)
	-	(103,235)	(103,235)
	<u>-</u>	<u>(6,246,770)</u>	<u>(6,246,770)</u>
	<u>(36,241,356)</u>	<u>(6,246,770)</u>	<u>(42,488,126)</u>
General Revenues			
Taxes			
Property	13,842,186	-	13,842,186
Personal Property Replacement	98,485	-	98,485
Municipal Sales and Use	14,885,976	-	14,885,976
Electric Franchise Fee	2,218,093	-	2,218,093
Liquor	837,925	-	837,925
Hotel Occupation	1,664,216	-	1,664,216
Telecommunications Fee	1,336,605	-	1,336,605
State Income	2,481,991	-	2,481,991
Other	55,745	-	55,745
Investment Income	303,135	38,136	341,271
Connection Charges	-	81,447	81,447
Miscellaneous	660,988	447,828	1,108,816
Gain (Loss) on Sale of Capital Assets	68,075	-	68,075
Transfers In (Out)	413,146	(413,146)	-
Total	<u>38,866,566</u>	<u>154,265</u>	<u>39,020,831</u>
Change in Net Assets	<u>2,625,210</u>	<u>(6,092,505)</u>	<u>(3,467,295)</u>
Net Assets, May 1	117,133,060	107,280,535	224,413,595
Prior Period Adjustments	<u>909,471</u>	<u>-</u>	<u>909,471</u>
Net Assets, May 1, Restated	<u>118,042,531</u>	<u>107,280,535</u>	<u>225,323,066</u>
Net Assets, April 30	<u>\$ 120,667,741</u>	<u>\$ 101,188,030</u>	<u>\$ 221,855,771</u>

See accompanying notes to financial statements.

City of St. Charles, Illinois

Balance Sheet

Governmental Funds

April 30, 2011

	<u>General</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
ASSETS			
Cash and Investments	\$17,958,001	\$22,563,643	\$40,521,644
Receivables			
Property Taxes	12,559,807	1,613,756	14,173,563
Accounts Receivable	-	7,335	7,335
Accrued Interest on Investments	7,776	4,697	12,473
Miscellaneous, net	730,282	-	730,282
Prepaid Items	79,308	-	79,308
Due from Other Funds	215,918	452,983	668,901
Due from Other Governments	4,485,241	65,703	4,550,944
Advances to Other Funds	2,796,740	39,391	2,836,131
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$38,833,073	\$24,747,508	\$63,580,581
	<hr/>	<hr/>	<hr/>
LIABILITIES			
Accounts Payable	\$ 548,564	\$ 199,266	\$ 747,830
Contracts Payable	4,997	-	4,997
Accrued Salaries	673,766	22	673,788
Escrows and Refundable Deposits	2,173,527	-	2,173,527
Due to Other Funds	452,983	215,918	668,901
Advances From Other Funds	-	2,796,740	2,796,740
Deferred Revenue			
Property Taxes	12,559,807	1,613,756	14,173,563
Other Deferred Revenue	176,323	-	176,323
	<hr/>	<hr/>	<hr/>
Total Liabilities	16,589,967	4,825,702	21,415,669
	<hr/>	<hr/>	<hr/>
FUND BALANCES			
Reserved for			
Mental Health	36,867	-	36,867
Prepaid Items	79,308	-	79,308
Capital Outlay	94,578	-	94,578
Advances to Other Funds	2,796,740	39,391	2,836,131
Community Development	-	16,175,433	16,175,433
Highways and Streets	-	2,630,054	2,630,054
Transportation	-	42,051	42,051
Public Safety	-	218,703	218,703
Debt Service	-	1,722,927	1,722,927
Unreserved - Designated			
Community Development Debt Service	3,000,000	-	3,000,000
Unreserved - Undesignated (Deficit)			
General Fund	16,235,613	-	16,235,613
Special Revenue Funds	-	(2,726,537)	(2,726,537)
Capital Project Funds	-	1,819,784	1,819,784
	<hr/>	<hr/>	<hr/>
Total Fund Balances	22,243,106	19,921,806	42,164,912
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	\$38,833,073	\$24,747,508	\$63,580,581
	<hr/>	<hr/>	<hr/>

See accompanying notes to financial statements.

City of St. Charles, Illinois

Reconciliation of Fund Balances of Governmental Funds to the
Governmental Activities in the Statement of Net Assets

April 30, 2011

Fund Balances of Governmental Funds	\$ 42,164,912
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	157,192,472
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	(83,339,914)
Compensated Absences Payable	(3,164,102)
Interest Payable	(1,380,534)
Other Post Employment Benefits	(3,441,169)
Developer Agreement Payable	(777,241)
The net assets of the internal service fund are included in the governmental activities in the statement of net assets	12,061,630
Unamortized bond issuance costs are reported as an asset on the statement of net assets but are shown as an expenditure in the governmental funds	1,210,488
The net pension asset is not a current financial resource and is therefore not reported in the governmental funds	<u>141,199</u>
Net Assets of Governmental Activities	<u>\$ 120,667,741</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, 2011

	<u>General</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues:			
Property Taxes	\$12,526,627	\$ 1,315,559	\$13,842,186
Personal Property Replacement Taxes	98,485	-	98,485
Municipal Sales and Use Taxes	14,072,391	813,585	14,885,976
Electric Franchise Fee	2,218,093	-	2,218,093
Liquor Tax	837,925	-	837,925
Hotel Occupations Tax	1,612,461	51,755	1,664,216
Telecommunications Fee	1,336,605	-	1,336,605
Admissions Tax	55,745	-	55,745
Licenses and Permits	459,408	-	459,408
Fines and Court Fees	403,325	-	403,325
Grants	168,627	259,875	428,502
Illinois State Income Tax Allotments	2,481,991	-	2,481,991
Motor Fuel Tax Allotments	-	968,906	968,906
Charges for Current Services	2,365,366	-	2,365,366
Investment Income	155,968	147,167	303,135
Contributions	-	131,014	131,014
Miscellaneous	660,987	68,372	729,359
Total Revenues	39,454,004	3,756,233	43,210,237
Expenditures:			
Current-			
General Government	2,496,506	131,698	2,628,204
Public Health and Safety	21,789,268	49,902	21,839,170
Public Works	6,664,087	893,662	7,557,749
Community Development	2,166,025	-	2,166,025
Debt Service-			
Principal	78,820	3,861,016	3,939,836
Interest and Fiscal Charges	5,840	3,833,729	3,839,569
Capital Outlay	-	1,346,391	1,346,391
Total Expenditures	33,200,546	10,116,398	43,316,944
Excess (Deficiency) of Revenues Over Expenditures	6,253,458	(6,360,165)	(106,707)
Other Financing Sources (Uses):			
Issuance of Bonds	-	6,225,000	6,225,000
Premium on Bonds	-	217,846	217,846
Payment to Escrow Agent	-	(6,355,910)	(6,355,910)
Proceeds from the Sale of Capital Assets	133,785	-	133,785
Transfers In	-	9,262,302	9,262,302
Transfers Out	(6,779,892)	(2,375,163)	(9,155,055)
Total Other Financing Sources (Uses)	(6,646,107)	6,974,075	327,968
Net Change in Fund Balances	(392,649)	613,910	221,261
Fund Balance, May 1	22,635,755	19,307,896	41,943,651
Fund Balance, April 30	\$22,243,106	\$19,921,806	\$42,164,912

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, 2011

Net Change in Fund Balances -		
Total Governmental Funds	\$	221,261
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		1,864,348
Contributions of capital assets are reported only in the statement of activities		133,115
Proceeds from the disposal of capital assets is reported in the governmental funds, but gain or loss on the disposal of capital assets is calculated and reported in the statement of activities		(65,710)
The issuance of long-term debt is reported as another financing source in governmental funds but as an increase of principal outstanding in the statement of activities		(6,225,000)
The repayment of the principal portion long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities		3,939,836
The payment to advance refund a portion of long-term debt was reported as an other financing use in governmental funds but as a reduction of principal outstanding in the statement of activities		6,355,910
The change in compensated absences is an increase of expenses on the statement of activities		(31,547)
The premium on bonds issued is an other financing source in governmental funds but is amortized on the statement of activities		(217,846)
The amortization of bond discount and premium is not reported as an expenditure in governmental funds		28,289
The bond issuance costs are an expenditure on the governmental funds but are amortized on the statement of activities		78,936
The amortization of bond issuance costs is not reported as an expenditure in governmental funds		(84,297)
The amortization of a loss on a refunding bond is not reported as an expenditure in governmental funds		(34,173)
The change in accrued interest payable is reported as interest expense on the statement of activities		121,319
The change in other post employment benefit payable is reported as an expense on the statement of activities		(512,048)
Some expenses in the statement of activities (e.g. depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds		(3,878,126)
Development 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		(419,178)
The addition (reduction) in net assets of certain activities of internal service funds is included in governmental funds		1,348,531
The change in net pension asset is not a current financial resource and therefore is not reported in the governmental funds		1,590
Change in Net Assets of Governmental Activities	\$	<u>2,625,210</u>

See accompanying notes to financial statements.

City of St. Charles, Illinois

Statement of Net Assets

Proprietary Funds

April 30, 2011

	Business-Type Activities					Governmental
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Fund (Refuse)	Total	Internal
						Service Funds
Current Assets						
Cash and Investments	\$ 293,112	\$ 3,414,706	\$ 3,948,388	\$ 293,306	\$ 7,949,512	\$ 7,373,433
Restricted Cash and Investments	2,471,860	2,422,445	1,472,329	-	6,366,634	-
Receivables-						
Property Tax	25,402	-	-	-	25,402	-
Billed	1,083,842	1,541,973	266,737	28,026	2,920,578	-
Unbilled	2,864,017	185,530	408,911	38,536	3,496,994	-
Allowance for Doubtful Accounts	(45,421)	(3,780)	(3,819)	(1,000)	(54,020)	-
Accrued Interest on Investments	-	-	-	-	-	2,056
Miscellaneous, net	80,460	6,516	94,530	685	182,191	46,537
	4,008,300	1,730,239	766,359	66,247	6,571,145	48,593
Prepaid Items	81,431	22,752	32,303	-	136,486	421,862
Due From Other Funds	-	2,000,000	2,000,000	-	4,000,000	-
Deferred Charges	111,352	73,804	51,586	-	236,742	-
Inventory	56,479	-	-	-	56,479	2,991,093
Total Current Assets	7,022,534	9,663,946	8,270,965	359,553	25,316,998	10,834,981
Non-Current Assets						
Advance To Other Funds	1,233,272	-	-	-	1,233,272	-
Capital Assets						
Capital Assets Not Being Depreciated	1,161,856	4,835,900	367,097	-	6,364,853	-
Capital Assets Being Depreciated	95,847,263	34,130,672	75,578,639	97,908	205,654,482	9,728,758
Accumulated Depreciation	(39,788,307)	(16,721,748)	(34,800,927)	(95,188)	(91,406,170)	(4,838,533)
Net Capital Assets	57,220,812	22,244,824	41,144,809	2,720	120,613,165	4,890,225
Total Assets	65,476,618	31,908,770	49,415,774	362,273	147,163,435	15,725,206
Current Liabilities						
Accounts Payable	2,926,351	930,157	136,764	31,029	4,024,301	82,247
Claims Payable	173,508	-	116,329	-	289,837	1,817,479
Contracts Payable	4,996	404,124	3,331	-	412,451	-
Accrued Salaries	92,776	36,256	45,004	-	174,036	36,014
Accrued Interest Payable	134,727	63,336	171,474	-	369,537	-
Escrows and Customer Deposits	287,343	635,638	158,057	-	1,081,038	-
Due to Other Funds	4,000,000	-	-	-	4,000,000	-
Accrued Compensated Absences	264,687	225,341	141,024	-	631,052	97,477
General Obligation Bonds Payable	865,959	151,965	134,866	-	1,152,790	-
IEPA Loan Payable	-	-	1,131,587	-	1,131,587	-
Unearned Revenue						
Deferred Revenue	-	-	-	-	-	202,307
Property Tax	25,402	-	-	-	25,402	-
Total Current Liabilities	8,775,749	2,446,817	2,038,436	31,029	13,292,031	2,235,524
Long-Term Liabilities						
General Obligation Bonds Payable	8,016,212	3,814,760	3,043,048	-	14,874,020	-
Unamortized Discount/Premium on GO Bonds Payable	68,410	44,932	24,517	-	137,859	-
IEPA Loan Payable	-	4,109,055	12,961,754	-	17,070,809	-
Advances from Other Funds	-	-	-	-	-	1,272,663
Net OPEB Obligation	179,342	211,373	209,971	-	600,686	155,389
Total Long-Term Liabilities	8,263,964	8,180,120	16,239,290	-	32,683,374	1,428,052
Total Liabilities	17,039,713	10,626,937	18,277,726	31,029	45,975,405	3,663,576
Net Assets						
Invested in Capital Assets Net of Related Debt	50,742,091	16,539,559	25,316,951	2,720	92,601,321	4,890,225
Unrestricted	(2,305,186)	4,742,274	5,821,097	328,524	8,586,709	7,171,405
Total Net Assets	\$48,436,905	\$21,281,833	\$31,138,048	\$ 331,244	\$101,188,030	\$12,061,630

See accompanying notes to financial statements.

City of St. Charles, Illinois

Proprietary Funds

Statement of Revenues, Expenses and Changes in Net Assets

For the Year Ended April 30, 2011

	Business-Type Activities				Governmental	
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Fund (Refuse)	Total Enterprise Funds	Internal Service Funds
Operating Revenues:						
Charges for Services, net	\$45,847,623	\$2,976,745	\$5,811,141	\$ 527,638	\$55,163,147	\$2,317,247
Insurance Premiums	-	-	-	-	-	5,404,063
Rental Income	-	-	-	-	-	706,058
Sale of Inventory	-	-	-	-	-	2,679,015
Miscellaneous Revenues	427,134	31,664	18,316	-	477,114	1,096,360
Total Operating Revenues	46,274,757	3,008,409	5,829,457	527,638	55,640,261	12,202,743
Operating Expenses:						
Administration	3,195,134	1,959,274	2,896,672	83,292	8,134,372	1,242,600
Operations	41,360,569	1,527,980	2,022,396	524,019	45,434,964	10,100,331
Provision for Depreciation	3,133,577	913,321	1,584,921	6,527	5,638,346	623,526
Total Operating Expenses	47,689,280	4,400,575	6,503,989	613,838	59,207,682	11,966,457
Operating Income (Loss)	(1,414,523)	(1,392,166)	(674,532)	(86,200)	(3,567,421)	236,286
Non-Operating Revenues (Expenses)						
Gain (Loss) on Sale of Property	(2,058,685)	19,676	18,304	(17,035)	(2,037,740)	(62,416)
Pole Rental	45,535	-	-	-	45,535	-
Investment Income	(3,164)	16,162	24,549	589	38,136	48,986
Connection Charges	38,567	21,600	21,280	-	81,447	-
Rental Income	-	80,345	2,014	5,080	87,439	-
Interest Expense	(287,120)	(104,758)	(413,464)	-	(805,342)	-
Other Income	100,463	188,304	20,878	5,209	314,854	-
Non-Operating Revenues, net	(2,164,404)	221,329	(326,439)	(6,157)	(2,275,671)	(13,430)
Net Income (Loss) Before Transfers	(3,578,927)	(1,170,837)	(1,000,971)	(92,357)	(5,843,092)	222,856
Transfers In	185,447	-	-	125,000	310,447	309,530
Transfers Out	(365,002)	(123,760)	(234,831)	-	(723,593)	(3,631)
Net Income (Loss)	(3,758,482)	(1,294,597)	(1,235,802)	32,643	(6,256,238)	528,755
Contributions	-	148,511	15,222	-	163,733	819,776
Change in Net Assets	(3,758,482)	(1,146,086)	(1,220,580)	32,643	(6,092,505)	1,348,531
Net Assets, May 1	52,195,387	22,427,919	32,358,628	298,601	107,280,535	10,713,099
Net Assets, April 30	\$48,436,905	\$21,281,833	\$31,138,048	\$ 331,244	\$101,188,030	\$12,061,630

See accompanying notes to financial statements.

City of St. Charles, Illinois

Statement of Cash Flows

Proprietary Funds

For the Year Ended April 30, 2011

	Business Type Activities				Governmental Activities	
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Funds (Refuse)	Total	Internal Service Funds
Cash Flows from Operating Activities						
Receipts from Customers and Users	\$ 45,621,143	\$ 1,815,570	\$ 6,296,058	\$ 520,906	\$ 54,253,677	\$ -
Receipts from Interfund Users		-	-	-	-	10,786,746
Receipts from Miscellaneous Revenues	166,873	282,325	22,891	19,278	491,367	1,828,302
Payments to Suppliers	(41,180,476)	(1,251,714)	(2,302,296)	(522,136)	(45,256,622)	(10,269,745)
Payments to Employees	(1,463,963)	(1,235,924)	(1,523,575)	-	(4,223,462)	(1,252,550)
Payments to Other Funds	(1,930,860)	(866,916)	(1,291,764)	(83,292)	(4,172,832)	-
Net Cash from Operating Activities	1,212,717	(1,256,659)	1,201,314	(65,244)	1,092,128	1,092,753
Cash Flows from Noncapital Financing Activities						
Due to/from Other Funds	2,625,000	(625,000)	(2,000,000)	-	-	-
Advance to/from Other Funds	-	-	-	-	-	(37,050)
Connection Charges	38,567	21,600	21,280	-	81,447	-
Property Taxes	25,415	-	-	-	25,415	-
Transfers In	185,447	-	-	125,000	310,447	309,530
Transfers Out	(365,002)	(123,760)	(234,831)	-	(723,593)	(3,631)
Net Cash From Noncapital Financing Activities	2,509,427	(727,160)	(2,213,551)	125,000	(306,284)	268,849
Cash Flows from Capital and Related Financing Activities						
Capital Assets Purchased	(3,726,600)	(3,708,295)	(1,826,317)	-	(9,261,212)	(728,816)
Proceeds on Sale of Capital Assets	14,287	6,000	27,700	5,200	53,187	56,343
Proceeds of Long-Term Debt	3,295,361	6,195,780	3,055,571	-	12,546,712	-
Principal Payments on Long-Term Debt	(718,984)	(65,000)	(1,255,623)	-	(2,039,607)	-
Interest Payments on Long-Term Debt	(239,027)	(65,314)	(399,467)	-	(703,808)	-
Net Cash from Capital and Related Financing Activities	(1,374,963)	2,363,171	(398,136)	5,200	595,272	(672,473)
Cash Flows from Investing Activities						
Purchase of Investment Securities	(5,951,550)	(2,336,357)	(1,480,202)	-	(9,768,109)	(1,360,731)
Proceeds from Sale and Maturities of Investment Securities	3,325,840	4,136,178	3,131,869	-	10,593,887	-
Interest Received	(3,164)	16,162	24,549	589	38,136	15,892
Net Cash from Investing Activities	(2,628,874)	1,815,983	1,676,216	589	863,914	(1,344,839)
Net Increase (Decrease) in Cash and Cash Equivalents	(281,693)	2,195,335	265,843	65,545	2,245,030	(655,710)
Cash and Cash Equivalents, May 1	(2,904,885)	388,129	2,413,635	227,761	124,640	4,020,389
Cash and Cash Equivalents, April 30	\$ (3,186,578)	\$ 2,583,464	\$ 2,679,478	\$ 293,306	\$ 2,369,670	\$ 3,364,679

See accompanying notes to financial statements.

City of St. Charles, Illinois

Statement of Cash Flows (Continued)

Proprietary Funds

For the Year Ended April 30, 2011

	Business Type Activities					Governmental
	Electric Fund	Water Fund	Sewer Fund	Other Nonmajor Enterprise Funds (Refuse)	Total	Internal Service Funds
Cash and Investments						
Cash and Cash Equivalents	\$ (3,186,578)	\$ 2,583,464	\$ 2,679,478	\$ 293,306	\$ 2,369,670	\$ 3,364,679
Investments	5,951,550	3,253,687	2,741,239	-	11,946,476	4,008,754
Total Cash and Investments	\$ 2,764,972	\$ 5,837,151	\$ 5,420,717	\$ 293,306	\$ 14,316,146	\$ 7,373,433
Noncash Transactions						
Contributions of Capital Assets from Developers	\$ -	\$ 148,511	\$ 15,222	\$ -	\$ 163,733	\$ 819,776
Total Noncash Transactions	\$ -	\$ 148,511	\$ 15,222	\$ -	\$ 163,733	\$ 819,776
Cash Flows from Operating Activities						
Operating Income (Loss)	\$ (1,414,523)	\$ (1,392,166)	\$ (674,532)	\$ (86,200)	\$ (3,567,421)	\$ 236,286
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities						
Depreciation	3,133,577	913,321	1,584,921	6,527	5,638,346	623,526
Other Non-Operating Revenues	166,873	282,325	22,891	19,278	491,367	-
Changes in Assets and Liabilities						
Receivables	(683,854)	(1,194,017)	466,307	(6,732)	(1,418,296)	209,998
Inventory	(1,865)	-	-	-	(1,865)	(168,262)
Prepays	(13,021)	523	(2,536)	-	(15,034)	(162,452)
Accounts and Claims Payable	(22,161)	71,932	(247,080)	1,883	(195,426)	113,143
Accrued Liabilities	-	-	-	-	-	202,307
Accrued Salaries	2,981	1,134	3,063	-	7,178	1,034
Accrued Compensated Absences	(23,018)	23,750	8,581	-	9,313	6,490
Net OPEB Obligation	37,488	35,363	39,406	-	112,257	30,683
Customer Deposits	30,240	1,176	293	-	31,709	-
Net Cash from Operating Activities	\$ 1,212,717	\$ (1,256,659)	\$ 1,201,314	\$ (65,244)	\$ 1,092,128	\$ 1,092,753

See accompanying notes to financial statements.

City of St. Charles, Illinois
Statement of Fiduciary Net Assets
Fiduciary Funds
April 30, 2011

	Pension Trust Funds	Agency Funds
Assets		
Cash and Short-Term Investments	\$3,961,317	\$2,221,884
Investments, at Fair Value		
U.S. Treasury and Agency Securities	22,636,388	-
Mutual Funds	10,325,225	-
Equity Securities	15,148,864	-
Receivables		
Accounts Receivable	-	931,879
Accrued Interest on Investments	150,452	-
Prepaid Items	33,841	-
	<u>52,256,087</u>	<u>\$3,153,763</u>
Liabilities		
Accounts Payable	10,582	53,180
Due to Other Governments	-	2,710,077
Due to Bondholders	-	390,506
	<u>10,582</u>	<u>\$3,153,763</u>
Net Assets Held In Trust		
For Pension Benefits	<u>\$52,245,505</u>	

See accompanying notes to financial statements.

City of St. Charles, Illinois
Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
For the Year Ended April 30, 2011

Additions:	
Contributions -	
Employer	\$2,792,782
Employee	816,396
Total Contributions	<u>3,609,178</u>
Investment Income -	
Net Appreciation in the	
Fair Value of Investments	4,381,272
Interest	1,057,046
Total Investment Income	<u>5,438,318</u>
Less Investment Expense	<u>(307,556)</u>
Net Investment Income	<u>5,130,762</u>
Total Additions	<u>8,739,940</u>
Deductions:	
Pension Benefits	2,435,875
Miscellaneous	56,559
Total Deductions	<u>2,492,434</u>
Net Increase	6,247,506
Net Assets Held In Trust	
For Pension Benefits	
May 1	<u>45,997,999</u>
April 30	<u><u>\$52,245,505</u></u>

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

April 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

The City is the largest municipality in what is commonly referred to as the tri-city metropolitan area, others being the Cities of Batavia and Geneva. The 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 a city's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets (capital projects funds) and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

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

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

C. Government-Wide and Fund Financial Statements

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The City reports the following major governmental funds:

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

The City reports the following major proprietary funds:

The Electric, Water and Sewer Funds account for the acquisition, operation and maintenance of City-owned electric, water, 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

E. Cash and Investments

Cash and Cash Equivalents

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

Investments

Investments with a maturity of less than one year when purchased and nonnegotiable certificates of deposit are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is based on prices listed on national exchanges as of April 30, 2011 for debt and equity securities. Mutual funds, investment funds and insurance separate accounts are valued at contract value as of April 30, 2011.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Prepaid Items

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

I. Capital Assets

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

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

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

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

J. Deferred Charges

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated Absences

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

L. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts, as well as issuance costs and accounting 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 reported as deferred charges and amortized over the term of the related debt.

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

M. Fund Balance/Net Assets

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Interfund Transactions

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

2. DEPOSITS AND INVESTMENTS

A. City Investments

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

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

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

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

2. DEPOSITS AND INVESTMENTS (Continued)

A. City Investments (Continued)

Deposits with Financial Institutions

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

Investments

The following table presents the investments and maturities of the City's debt securities as of April 30, 2011:

Investment Type	Fair Value	Investment Maturities in Years			
		Less Than 1	1-5	6-10	Greater than 10
U.S. Agency Obligations	\$ 6,079,410	\$ 910,116	\$ 5,169,294	\$ -	\$ -
Money Market Mutual Funds	6,357,285	6,357,285	-	-	-
Illinois Metropolitan Investment Fund	34,259,876	18,902,520	15,357,356	-	-
Illinois Funds	320,476	320,476	-	-	-
TOTAL	\$ 47,017,047	\$ 26,490,397	\$ 20,526,650	\$ -	\$ -

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. As of April 30, 2011, Illinois Funds, the money market mutual funds and IMET were all rated AAA. Subsequent to April 30, 2011, the rating for IMET has been lowered to AAF.

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

2. DEPOSITS AND INVESTMENTS (Continued)

A. City Investments (Continued)

Investments (Continued)

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

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

B. Police Pension Investments

The Police Pension Fund's investment policy authorizes the Police Pension Fund to invest in all investments allowed by the Illinois Pension Code contained in Chapter 40 of Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, equity security and 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, 2011 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, 2011:

Investment Type	Fair Value	Investment Maturities in Years			
		Less Than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 4,770,767	\$ 724,545	\$ 791,410	\$ 1,948,123	\$ 1,306,689
U.S. Agency Obligations	6,729,786	1,556,252	624,493	460,867	4,088,174
Money Market Mutual Funds	1,801,160	1,801,160	-	-	-
TOTAL	\$ 13,301,713	\$ 4,081,957	\$ 1,415,903	\$ 2,408,990	\$ 5,394,863

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

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

C. Firefighters' Pension Investments

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

2. DEPOSITS AND INVESTMENTS (Continued)

C. Firefighters' Pension Investments (Continued)

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

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Firefighters' Pension Fund's deposits may not be returned to it. The Firefighters' Pension Fund's investment policy does not require pledging of collateral for its deposits in excess of federal depository insurance. However, all deposits at April 30, 2011 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, 2011:

Investment Type	Fair Value	Investment Maturities in Years			
		Less Than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 3,827,007	\$ -	\$ 301,185	\$ 2,470,806	\$ 1,055,016
U.S. Agency Obligations	7,308,827	-	687,510	1,432,020	5,189,297
Money Market Mutual Funds	1,865,371	1,865,371	-	-	-
Illinois Funds	2,629	2,629	-	-	-
TOTAL	\$ 13,003,834	\$ 1,868,000	\$ 988,695	\$ 3,902,826	\$ 6,244,313

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

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

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

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

3. RECEIVABLES - PROPERTY TAXES

Property taxes for the 2010 levy year attach as an enforceable lien on January 1, 2010, 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, 2011 and August 1, 2011, and are payable in two installments, on or about June 1, 2011 and September 1, 2011. The County collects such taxes and remits them periodically.

The 2010 taxes are intended to finance the 2012 fiscal year and are not considered available or earned for current operations and are, therefore, shown as deferred/unearned revenue. The 2011 tax levy has not been recorded as a receivable at April 30, 2011, as the tax attached as a lien on property as of January 1, 2011; however, the tax will not be levied until December 2011 and, accordingly, is not measurable at April 30, 2011.

4. DUE FROM OTHER GOVERNMENTS

Due from other governments consisted of the following amounts at April 30, 2011.

GOVERNMENTAL ACTIVITIES

Sales Tax	\$ 2,124,594
Home Rule Sales Tax	1,257,251
Income Tax	636,687
Local Use Tax	119,459
Auto Rental	11,766
Motor Fuel Tax	65,703
Simplified Telecommunications Tax	320,486
Court Fines	<u>14,998</u>

TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 4,550,944</u>
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5. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2011 is as follows:

	Balances May 1, Restated	Increases	Decreases	Balances April 30
GOVERNMENTAL ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 17,474,259	\$ 17,172	\$ 60,000	\$ 17,431,431
Land Right of Ways	41,009,329	16,819	-	41,026,148
Construction in Progress	6,882,175	1,166,030	4,689,046	3,359,159
Intangible Assets	-	183,137	-	183,137
Total Capital Assets not Being Depreciated	<u>65,365,763</u>	<u>1,383,158</u>	<u>4,749,046</u>	<u>61,999,875</u>

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

5. CAPITAL ASSETS (Continued)

	Balances May 1, Restated	Increases	Decreases	Balances April 30
GOVERNMENTAL ACTIVITIES (Continued)				
Capital Assets Being Depreciated				
Buildings	\$ 48,392,285	\$ -	\$ -	\$ 48,392,285
Improvements Other Than Buildings	9,196,327	4,689,046	-	13,885,373
Equipment and Fixtures	12,486,930	1,548,592	539,015	13,496,507
Streets	64,267,244	614,304	229,496	64,652,052
Traffic Signals	211,500	-	-	211,500
Storm Sewers	35,727,788	-	-	35,727,788
Bridges	4,347,653	-	-	4,347,653
Culverts	1,599,906	-	-	1,599,906
Intangible Assets	1,518,305	-	-	1,518,305
Total Capital Assets Being Depreciated	177,747,938	6,851,942	768,511	183,831,369
Less Accumulated Depreciation for				
Buildings	9,454,386	1,381,818	-	10,836,204
Improvements Other Than Buildings	1,256,123	384,392	-	1,640,515
Equipment and Fixtures	5,838,394	752,927	420,256	6,171,065
Streets	39,308,239	1,119,337	223,787	40,203,789
Traffic Signals	5,152	4,218	-	9,370
Storm Sewers	20,354,096	675,681	-	21,029,777
Bridges	1,744,764	85,386	-	1,830,150
Culverts	1,320,951	11,518	-	1,332,469
Intangible Assets	608,834	86,374	-	695,208
Total Accumulated Depreciation	79,890,939	4,501,651	644,043	83,748,547
Total Capital Assets Being Depreciated, Net	97,856,999	2,350,291	124,468	100,082,822
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 163,222,762	\$ 3,733,449	\$ 4,873,514	\$ 162,082,697

The balances at the beginning of the year have been restated to include intangible assets in accordance with GASB Statement No. 51.

	Balances May 1	Increases	Decreases	Balances April 30
BUSINESS-TYPE ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 1,248,518	\$ -	\$ -	\$ 1,248,518
Construction in Progress	1,365,187	6,351,227	2,600,079	5,116,335
Total Capital Assets not Being Depreciated	2,613,705	6,351,227	2,600,079	6,364,853
Capital Assets Being Depreciated				
Refuse Equipment	163,687	-	65,779	97,908
Electric Property	94,465,161	1,478,174	96,072	95,847,263
Water and Sewer Plant and Equipment	106,513,008	3,345,863	149,560	109,709,311
Total Capital Assets Being Depreciated	201,141,856	4,824,037	311,411	205,654,482

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

5. CAPITAL ASSETS (Continued)

	Balances May 1	Increases	Decreases	Balances April 30
BUSINESS-TYPE ACTIVITIES (Continued)				
Less Accumulated Depreciation for				
Refuse Equipment	\$ 123,216	\$ 6,527	\$ 34,555	\$ 95,188
Electric Property	36,711,136	3,133,577	56,406	39,788,307
Water and Sewer Plant and Equipment	49,164,599	2,498,242	140,166	51,522,675
Total Accumulated Depreciation	85,998,951	5,638,346	231,127	91,406,170
 Total Capital Assets Being Depreciated, net	 115,142,905	 (814,309)	 80,284	 114,248,312
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 117,756,610	\$ 5,536,918	\$ 2,680,363	\$ 120,613,165

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

GOVERNMENTAL ACTIVITIES

General Government	\$ 294,099
Public Health and Safety	539,546
Public Works, Including Depreciation of General Infrastructure Assets	3,660,237
Community Development	7,769

TOTAL DEPRECIATION EXPENSE -
GOVERNMENTAL ACTIVITIES

\$ 4,501,651

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
\$10,000,000 General Obligation Bonds of 2000, annual installments of \$525,000 to \$950,000 through December 1, 2016, interest at 4.75% to 4.80% payable each June 1 and December 1.	Debt Service	\$ 5,075,000	\$ -	\$ 5,075,000	\$ -	\$ -

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

6. LONG-TERM DEBT (Continued)

A. General Obligation Bonds (Continued)

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements /Refundings	Balances April 30	Current Portion
\$2,860,000 General Obligation Bonds of 2002, annual installments of \$105,000 to \$220,000 through December 1, 2022, interest at 4.40% to 4.90% payable each June 1 and December 1.	TIF #3	\$ 2,175,000	\$ -	\$ 2,045,000	\$ 130,000	\$ 130,000
\$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	182,656	-	19,782	162,874	20,724
	Electric	2,727,344	-	295,218	2,432,126	309,276
\$4,435,000 General Obligation Bonds of 2003, annual installments of \$185,000 to \$335,000, interest at 3.00% to 3.50% payable each June 1 and December 1.	TIF #5	3,665,000	-	205,000	3,460,000	210,000
\$6,375,000 General Obligation Bonds of 2004, annual installments of \$245,000 to \$470,000, interest at 2.80% to 4.30% payable each June 1 and December 1.	Debt Service	5,365,000	-	270,000	5,095,000	280,000
\$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	14,550,000	-	700,000	13,850,000	700,000
\$2,615,000 Taxable General Obligation Refunding Bonds of 2005B, annual installments of \$25,000 to \$410,000, interest at 3.85% to 4.85% payable each June 1 and December 1.	TIF #1	2,165,000	-	220,000	1,945,000	250,000
\$10,000,000 General Obligation Bonds of 2006, annual installments of \$3,065,000 to \$3,605,000, interest at 3.95% each June 1 and December 1.	TIF #4	10,000,000	-	-	10,000,000	-
\$4,470,000 General Obligation Bonds of 2007A, annual installments of \$1,660,000 to \$2,810,000, interest at 3.90% to 3.95% payable each June 1 and December 1.	TIF #4	4,470,000	-	-	4,470,000	-

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

6. LONG-TERM DEBT (Continued)

A. General Obligation Bonds (Continued)

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements /Refundings	Balances April 30	Current Portion
\$2,000,000 General Obligation Bonds of 2007B, annual installments of \$70,000 to \$405,000, interest at 3.70% payable each June 1 and December 1.	Sewer	\$ 1,785,000	\$ -	\$ 75,000	\$ 1,710,000	\$ 80,000
\$3,530,000 General Obligation Bonds of 2007C, annual installments of \$500,000 to \$2,245,000, interest at 4.00% payable each June 1 and December 1.	TIF #4	3,530,000	-	-	3,530,000	-
\$10,810,000 General Obligation Bonds of 2008A, annual installments of \$315,000 to \$1,790,000, interest at 3.75% to 4.00% payable each June 1 and December 1.	TIF #4	10,810,000	-	-	10,810,000	-
\$1,830,000 General Obligation Bonds of 2008B, annual installments of \$60,000 to \$135,000, interest at 4.125% to 4.500% payable each June 1 and December 1.	Water	1,705,000	-	65,000	1,640,000	65,000
\$13,440,000 General Obligation Bonds of 2008C, annual installments of \$465,000 to \$775,000, interest at 3.60% to 5.40% payable each July 1 and January 1.	Electric	2,365,000	-	85,000	2,280,000	85,000
\$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.	Debt Service	10,610,000	-	425,000	10,185,000	435,000
	TIF	2,325,000	-	265,000	2,060,000	265,000
	Electric	1,213,450	-	338,766	874,684	348,513
\$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	-	3,295,361	-	3,295,361	123,169
	Water	-	2,326,725	-	2,326,725	86,965
	Wastewater	-	1,467,914	-	1,467,914	54,866

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

6. LONG-TERM DEBT (Continued)

A. General Obligation Bonds (Continued)

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements /Refundings	Balances April 30	Current Portion
\$4,305,000 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	\$ -	\$ 4,305,000	\$ -	\$ 4,305,000	\$ 815,000
\$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	-	1,920,000	-	1,920,000	10,000
TOTAL GENERAL OBLIGATION BONDS		\$ 87,875,000	\$ 13,315,000	\$ 10,965,000	\$ 90,225,000	\$ 5,175,000

B. Revenue Bonds

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

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

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

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

6. LONG-TERM DEBT (Continued)

C. IEPA Loans

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

	Fund Debt Retired by	Balances May 1	Additions	Retirements	Balances April 30	Current Portion
EPA Loan I	Sewer	\$ 509,139	\$ -	\$ 336,268	\$ 172,871	\$ 172,871
EPA Loan II	Sewer	107,178	-	41,734	65,444	43,241
EPA Loan III	Sewer	4,459,260	-	356,281	4,102,979	365,370
EPA Loan IV	Sewer	8,300,202	-	446,340	7,853,862	457,568
EPA Loan V	Sewer	310,528	1,587,657	-	1,898,185	92,537
EPA Loan VI*	Water	240,000	3,869,055	-	4,109,055	-
TOTAL		\$ 13,926,307	\$ 5,456,712	\$ 1,180,623	\$ 18,202,396	\$ 1,131,587

* The Illinois EPA loan is still in the completion phase and, therefore, no repayment schedule has been determined as of April 30, 2011.

D. Installment Contracts

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

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
\$1,050,000 Installment Contract dated November 18, 2002 with monthly installments of \$14,352 including interest at 4%.	General	\$ 181,868	\$ -	\$ 78,820	\$ 103,048	\$ 82,028
TOTAL		\$ 181,868	\$ -	\$ 78,820	\$ 103,048	\$ 82,028

E. Developer Agreements

The City entered into an agreement with the developers of property in the City to reimburse the developer for certain infrastructure improvements constructed by the developer. The agreement requires the City to reimburse the developer \$1,432,250 in four annual installments of \$358,063 payable on June 1. The first installment was due on June 1, 2007. As of April 30, 2011, \$1,074,187 has been paid related to this agreement. The developer is required to comply with the agreement established with the City to receive the payments. The City will pay the last payment in accordance with the agreement upon compliance by the developer.

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

6. LONG-TERM DEBT (Continued)

E. Developer Agreements (Continued)

The City entered into agreements with the owners of real estate purchased by the City in 2002 and 2004 to provide an inducement for the sale of the property. The agreements terminate the earlier of January 1, 2012 and 2015 or the occurrence of events as defined in the agreement. Inducement distributions are made to one owner monthly and the other semiannually. A liability of \$419,178 has been accrued as of April 30, 2011 under these agreements.

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
2012	\$ 4,022,210	\$ 2,944,446	\$ 280,000	\$ 620,982
2013	4,152,541	2,835,744	320,000	601,522
2014	4,654,871	2,701,562	360,000	579,282
2015	4,723,300	2,548,395	405,000	554,262
2016	4,839,178	2,385,760	450,000	526,116
2017	4,180,120	2,200,189	505,000	494,840
2018	4,015,970	2,029,738	560,000	459,742
2019	3,895,000	1,861,760	620,000	420,822
2020	4,075,000	1,699,210	685,000	377,732
2021	4,350,000	1,528,544	750,000	330,126
2022	4,705,000	1,344,955	775,000	278,000
2023	5,020,000	1,145,438	840,000	224,138
2024	5,290,000	933,818	915,000	165,758
2025	5,310,000	710,673	1,470,000	102,166
2026	5,165,000	485,333	-	-
2027	4,300,000	264,625	-	-
2028	730,000	84,000	-	-
2029	770,000	43,120	-	-
TOTAL	\$ 74,198,190	\$ 27,747,310	\$ 8,935,000	\$ 5,735,488

Fiscal Year	Governmental Activities Installment Contracts	
	Principal	Interest
2012	\$ 82,027	\$ 2,629
2013	21,021	140
TOTAL	\$ 103,048	\$ 2,769

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
2012	\$ 1,131,586	\$ 300,412	\$ 1,152,733	\$ 633,470
2013	958,509	274,781	1,037,459	610,146
2014	963,020	253,025	1,055,129	576,696
2015	984,919	231,126	976,757	542,444
2016	1,007,374	208,671	905,822	509,262
2017	1,030,397	185,648	944,880	473,199
2018	1,054,002	162,043	984,030	435,274
2019	1,078,205	137,840	615,000	397,059
2020	1,103,020	113,025	640,000	373,127
2021	1,128,463	87,582	670,000	346,328
2022	684,512	64,453	690,000	318,028
2023	699,268	49,697	720,000	288,718
2024	714,397	34,568	760,000	258,088
2025	729,909	19,056	790,000	225,516
2026	385,245	3,592	825,000	190,391
2027	97,892	-	865,000	153,479
2028	97,892	-	755,000	113,554
2029	97,892	-	650,000	77,654
2030	97,892	-	485,000	45,788
2031	48,947	-	505,000	23,358
TOTAL	\$ 14,093,341	\$ 2,125,519	\$ 16,026,810	\$ 6,591,579

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	\$ 78,079,206	\$ 6,225,000	\$ 10,106,016	\$ 74,198,190	\$ 4,022,210
Revenue Bonds Payable	8,935,000	-	-	8,935,000	280,000
Unamortized (Discount) Premium on Bonds Payable	244,875	217,846	28,291	434,430	-
Unamortized Loss on Refunding	(254,018)	(110,910)	(34,173)	(330,755)	-
Installment Contracts Payable - Governmental Funds	181,868	-	78,820	103,048	82,027
Developer Agreements - Governmental Funds	358,063	419,178	-	777,241	358,063
Compensated Absences Payable - Governmental Funds (General Fund)	3,132,555	3,164,102	3,132,555	3,164,102	3,164,102
Compensated Absences Payable - Internal Service Funds	90,987	97,478	90,987	97,478	97,478
Net OPEB Obligation (General Fund)	2,929,121	512,048	-	3,441,169	-
Net OPEB Obligation - Internal Service Funds	124,706	30,683	-	155,389	-
TOTAL	\$ 93,822,363	\$ 10,555,425	\$ 13,402,496	\$ 90,975,292	\$ 8,003,880

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	\$ 9,795,794	\$ 7,090,000	\$ 858,984	\$ 16,026,810	\$ 1,152,790
Unamortized (Discount) Premium on Bonds Payable	49,000	93,600	4,741	137,859	-
IEPA Loans Payable	13,926,307	5,456,712	1,180,623	18,202,396	1,131,587
Compensated Absences Payable	621,739	631,053	621,740	631,052	631,052
Net OPEB Obligation	488,429	112,257	-	600,686	-
TOTAL	\$ 24,881,269	\$ 13,383,622	\$ 2,666,088	\$ 35,598,803	\$ 2,915,429

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 \$2,950,000. 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, 2011, there were four series of IDRBs outstanding. The aggregate principal amount payable for the IDRBs outstanding could not be determined at April 30, 2011. The original principal balance is \$25,492,164.

K. Advance Refunding

On December 14, 2010, the City issued \$4,305,000 General Obligation Corporate Refunding Bonds, Series 2010B to advance refund \$4,325,000 General Obligation Bonds, Series 2000 and \$1,920,000 General Obligation Refunding Bonds, Series 2010C to advance fund \$1,920,000 General Obligation, Series 2002, which were called and paid on January 14, 2011, except for the Series 2000, which will be called on December 1, 2011. As a result of the refunding, the City realized a cash flow savings of approximately \$420,993 and an economic gain of \$397,622.

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:

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

7. RISK MANAGEMENT (Continued)

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, 2010 and 2011 is as follows:

	2010	2011
CLAIMS PAYABLE, MAY 1	\$ 1,936,989	\$ 1,956,696
Add Claims Incurred	3,986,811	4,594,410
Less Claims Paid	3,967,104	4,443,790
CLAIMS PAYABLE, APRIL 30	<u>\$ 1,956,696</u>	<u>\$ 2,107,316</u>

8. INDIVIDUAL FUND DISCLOSURES

As of April 30, 2011, individual fund interfund receivables and payables were as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 215,918
Water	Electric	2,000,000
Sewer	Electric	2,000,000
Nonmajor Governmental	General	<u>452,983</u>
TOTAL DUE TO/FROM OTHER FUNDS		<u>\$ 4,668,901</u>

Major interfund receivables and payables resulted from the following:

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

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

8. INDIVIDUAL FUND DISCLOSURES (Continued)

As of April 30, 2011, major individual fund advances between funds were as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 2,796,740
Nonmajor Governmental	Internal Service	39,391
Electric	Internal Service	<u>1,233,272</u>
TOTAL		<u>\$ 4,069,403</u>

During the fiscal year ended April 30, 2011, the General Fund advanced the TIF District #3 and TIF District #5 special revenue funds of \$55,250 and \$149,139, respectively. In prior years, \$2,592,351 was advanced to cover debt service for TIF District #2, TIF District #3 and TIF District #5. The \$2,796,740 advanced as of April 30, 2011 will be repaid from tax increments in future years. The Electric Fund advanced the Communications Fund \$1,233,272 for the purchase of fiber optic cable.

Interfund transfers during the year ended April 30, 2011 were as follows:

	Transfers In	Transfers Out
General		
Electric	\$ -	\$ 185,447
Nonmajor Governmental	-	6,159,915
Nonmajor Enterprise	-	125,000
Internal Service	-	309,530
Total General	<u>-</u>	<u>6,779,892</u>
Nonmajor Governmental		
General	6,159,915	-
Electric	365,002	-
Water	123,760	-
Sewer	234,831	-
Nonmajor Governmental	2,375,163	2,375,163
Internal Service	3,631	-
Total Nonmajor Governmental	<u>9,262,302</u>	<u>2,375,163</u>
Electric		
General	185,447	-
Nonmajor Governmental	-	365,002
Total Electric	<u>185,447</u>	<u>365,002</u>

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

8. INDIVIDUAL FUND DISCLOSURES (Continued)

	Transfers In	Transfers Out
Water		
Nonmajor Governmental	\$ -	\$ 123,760
Sewer		
Nonmajor Governmental	-	234,831
Nonmajor Enterprise		
General	125,000	-
Internal Service		
General	309,530	-
Nonmajor Governmental	-	3,631
Total Internal Service	309,530	3,631
TOTAL	\$ 9,882,279	\$ 9,882,279

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

Major interfund transfers resulted from the following:

- \$6,159,915 transfer from the General Fund to Nonmajor Governmental Funds. This transaction relates to money transferred to debt service funds for payments of principal and interest on general obligation debt and for money transferred to the Redgate Bridge Capital Project Fund and the Subsidized Transportation Fund.
- \$2,375,163 transfers from Nonmajor Governmental Funds to Nonmajor Governmental Funds. This transaction relates to money transferred from to debt service funds for payments of principal and interest on general obligation debt.
- \$723,593 transfers from the Enterprise Funds to Debt Service Fund. This transaction relates to money transferred to debt service funds for payments of principal and interest on general obligation debt (Public Works Garage).
- \$185,447 transfer to the Electric Fund from the General Fund for maintenance of streetlights and Christmas light decorations.
- \$125,000 transfer to the Refuse Fund from the General Fund to cover expenses not covered by user fees.

8. INDIVIDUAL FUND DISCLOSURES (Continued)

- \$309,530 transfers to Internal Service Funds from the General Fund. This transaction relates to money transferred to the Workers' Compensation Liability Insurance Fund to cover insurance premiums.

The following funds reported deficit fund balances/net assets at April 30, 2011:

Fund	Deficit Balance
TIF District #2 Special Revenue Fund	\$ 1,167,547
TIF District #3 Special Revenue Fund	723,577
TIF District #5 Special Revenue Fund	835,413

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

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.

9. CONTINGENT LIABILITIES (Continued)

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, 2011 under this agreement as the thresholds have not been met in the current year. The total incentives incurred under this agreement through April 30, 2011 are \$283,521.

The City also entered into an agreement with the developer of another local mall to provide reimbursement of allowable costs and also an incentive for adding auto dealers to the mall. The incentive ranges from \$0 - \$2,500,000, through the year 2012, with a \$500,000 incentive per new auto dealer added to the mall. No liability for the incentives has been accrued as of April 30, 2011 under this agreement as the thresholds have not yet been met.

The City has entered into an agreement with a developer to reimburse the developer \$1,432,250 in equal payments over a four year period ending in 2011. The developer is required to comply with the agreement established with the City to receive the payments. As of April 30, 2011, \$1,074,187 has been paid related to this agreement.

The City has entered into an agreement with car dealer to provide economic incentives over a five-year period. The incentive ranges from \$0 - \$500,000, made in one annual payment, based on the sales tax produced by the dealership during the year. The City retains all sales up to a designated base amount, ranging from \$500,688 - \$554,826, and then remits amounts above this base, at 100% in years 1 through 4 and 65% in year 5, to the dealership up the maximum amount. As of April 30, 2011, no amounts have been paid related to this agreement.

10. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

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

10. OTHER POSTEMPLOYMENT BENEFITS

B. Benefits Provided

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

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

C. Membership

At April 30, 2010, membership consisted of:

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

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, 2011, retirees contributed \$178,795 and the City contributed \$253,882. The City is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

E. Annual OPEB Costs and Net OPEB Obligation

The City first had an actuarial valuation performed for the plan as of April 30, 2008 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC). The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the last three years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2009	\$ 1,542,409	\$ 380,000	24.6%	\$ 2,234,356
April 30, 2010	1,561,782	253,882	16.3%	3,542,256
April 30, 2011	908,870	253,882	27.9%	4,197,244

The net OPEB obligation (NOPEBO) as of April 30, 2011 was calculated as follows:

Annual required contribution	\$ 849,832
Interest on net OPEB obligation	177,113
Adjustment to annual required contribution	<u>(118,075)</u>
Annual OPEB cost	908,870
Contributions made	<u>253,882</u>
Increase in net OPEB obligation	654,988
Net OPEB obligation, beginning of year	<u>3,542,256</u>
NET OPEB OBLIGATION, END OF YEAR	<u>\$ 4,197,244</u>

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

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

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

In the April 30, 2010 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included a 5.00% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate starting at 8.00% declining .25% annually to 6.00% by 2016. Both rates include a 3.00% inflation assumption. The actuarial value of assets was not determined as the City has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a 30 year open basis.

11. DEFINED BENEFIT PENSION PLANS

The City contributes to four defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Sheriff's Law Enforcement Personnel Fund (SLEP), an agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and the Firefighters' Pension Plan which is also a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. None of the pension plans issue separate reports on the pension plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

11. DEFINED BENEFIT PENSION PLANS (Continued)

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, 2010 was 11.79% of covered payroll.

Sheriff's Law Enforcement Personnel

SLEP members, having accumulated at least 30 years of SLEP service and terminating IMRF participation on or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. SLEP members meeting these two qualifications are entitled to an annual retirement benefit, payable monthly for life, in an amount generally equal to 2.50% of their final rate of earnings, for each year of credited service up to 20 years, 2.00% of their final earnings rate for the next ten years of credited service and 1.00% for each year thereafter.

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Sheriff's Law Enforcement Personnel (Continued)

For those SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies. SLEP also provides death and disability benefits. These benefit provisions and all other requirements are established by State statutes. SLEP members are required to contribute 6.50% of their annual salary to SLEP. The City is required to contribute the remaining amounts necessary to fund SLEP as specified by statute. The employer contribution rates for the year ended December 31, 2010 was 0.00% 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, 2011, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	37
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Current Employees	
Vested	37
Nonvested	15
	<hr/>
TOTAL	<hr/> <u>89</u>

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.

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police 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 police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3.00% 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 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 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 plan.

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, 2011, the City's contribution was 25.55% of covered payroll.

Firefighters' Pension Plan

Fire sworn personnel are covered by the Firefighters' Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The City accounts for the Firefighters' Pension Plan as a pension trust fund. At April 30, 2011, the Firefighters' Pension Plan membership consisted of:

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. 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.

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.

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. Contributions are recognized in the period in which amounts are due pursuant to ILCS. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to finance the Firefighters' Pension Plan, including the costs of administering the Firefighters' Pension Plan, as actuarially determined by an enrolled actuary. Effective July 1, 1993, the City has until the year 2033 to fully fund the past services costs for the Firefighters' Pension Plan. For the year ended April 30, 2011, the City's contribution was 19.86% of covered payroll.

B. Significant Investments

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

C. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Actuarial Valuation Date	December 31, 2008	December 31, 2008	April 30, 2010	April 30, 2010
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	22 Years, Closed	22 Years, Closed

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

C. Annual Pension Costs (Continued)

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Significant Actuarial Assumptions				
a) Rate of Return on Present and Future Assets	7.50% Compounded Annually	7.50% Compounded Annually	7.00% Compounded Annually	7.00% Compounded Annually
b) Projected Salary Increases - Attributable to Inflation	4.00% Compounded Annually	4.00% Compounded Annually	5.00% Compounded Annually	5.00% Compounded Annually
c) Additional Projected Salary Increases - Seniority/Merit	.40 to 10.00%	.40 to 10.00%	Not Available	Not Available

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

	Fiscal Year	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Fiscal Year	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2009	\$ 1,236,592	\$ 62,591	2009	\$ 1,139,966	\$ 874,647
	2010	1,306,334	64,156	2010	1,270,327	1,062,623
	2011	1,478,679	-	2011	1,554,401	1,236,791
Actual Contribution	2009	\$ 1,236,592	\$ 62,591	2009	\$ 1,113,728	\$ 846,143
	2010	1,306,334	64,156	2010	1,261,628	1,054,067
	2011	1,478,679	380,738	2011	1,556,109	1,236,673
Percentage of APC Contributed	2009	100%	100%	2009	97.7%	96.7%
	2010	100%	100%	2010	99.3%	99.2%
	2011	100%	n/a	2011	100.1%	100.0%
NPO (Asset)	2009	\$ -	\$ -	2009	\$ (137,572)	\$ (19,292)
	2010	-	-	2010	(128,873)	(10,736)
	2011	-	-	2011	(130,581)	(10,618)

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

C. Annual Pension Costs (Continued)

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

	Police Pension	Firefighters' Pension
Annual Required Contributions	\$ 1,556,450	\$ 1,236,962
Interest on Net Pension Obligation	(9,021)	(752)
Adjustment to Annual Required Contribution	6,972	581
Annual Pension Cost	1,554,401	1,236,791
Contributions Made	1,556,109	1,236,673
Increase in Net Pension Obligation (Asset)	(1,708)	118
Net Pension Obligation (Asset), Beginning of Year	(128,873)	(10,736)
NET PENSION OBLIGATION (ASSET), END OF YEAR	<u>\$ (130,581)</u>	<u>\$ (10,618)</u>

D. Funded Status

The funded status of the plans as of April 30, 2011, based on actuarial valuations performed as of the same date for Police and Firefighters' Pension Plans and as of December 31, 2010 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 amortization period for police and firefighters' pension was reset to 30 years:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Actuarial Accrued Liability (AAL)	\$ 36,731,443	\$ -	\$ 40,279,564	\$ 30,718,257
Actuarial Value of Plan Assets	26,710,158	(31,973)	26,127,210	26,118,295
Unfunded Actuarial Accrued Liability (UAAL)	10,021,285	31,973	14,152,354	4,599,962
Funded Ratio (Actuarial Value of Plan Assets/AAL)	72.72%	0.00%	64.9%	85.1%
Covered Payroll (Active Plan Members)	\$ 12,948,793	\$ -	\$ 4,212,817	\$ 4,237,873
UAAL as a Percentage of Covered Payroll	77.39%	0.00%	335.9%	108.5%

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

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

E. Summary Financial Information

Summary financial information at April 30, 2011 for the Police and Firefighters' Pension Plans is as follows:

Combining Statement of Fiduciary Net Assets

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ASSETS			
Cash and Short-Term Investments	\$ 1,947,844	\$ 2,013,473	\$ 3,961,317
Investments, at Fair Value			
U.S. Treasury and Agency Securities	11,500,554	11,135,834	22,636,388
Mutual Funds	4,479,073	5,846,152	10,325,225
Equity Securities	8,096,251	7,052,613	15,148,864
Receivables			
Accrued Interest on Investments	79,217	71,235	150,452
Prepaid Items	33,841	-	33,841
Total Assets	26,136,780	26,119,307	52,256,087
LIABILITIES			
Accounts Payable	9,570	1,012	10,582
Total Liabilities	9,570	1,012	10,582
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$ 26,127,210	\$ 26,118,295	\$ 52,245,505

Combining Statement of Changes in Plan Net Assets

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ADDITIONS			
Contributions			
Employer	\$ 1,556,109	\$ 1,236,673	\$ 2,792,782
Employee	409,842	406,554	816,396
Total Contributions	1,965,951	1,643,227	3,609,178

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

E. Summary Financial Information (Continued)

Combining Statement of Changes in Plan Net Assets (Continued)

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ADDITIONS (Continued)			
Investment Income			
Net Appreciation in Fair Value of Investments	\$ 2,009,505	\$ 2,371,767	\$ 4,381,272
Interest	545,454	511,592	1,057,046
Total Investment Income	2,554,959	2,883,359	5,438,318
Less Investment Expenses	(150,453)	(157,103)	(307,556)
Net Investment Income	2,404,506	2,726,256	5,130,762
Total Additions	4,370,457	4,369,483	8,739,940
DEDUCTIONS			
Pension Benefits and Refunds	1,722,973	712,902	2,435,875
Administrative Expenses	39,449	17,110	56,559
Total Deductions	1,762,422	730,012	2,492,434
NET INCREASE	2,608,035	3,639,471	6,247,506
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
May 1	23,519,175	22,478,824	45,997,999
April 30	\$ 26,127,210	\$ 26,118,295	\$ 52,245,505

12. SUBSEQUENT EVENT

On August 8, 2011, the rating for the IMET 1-3 Year Fund was lowered to AAf from AAaf by Standard & Poor's.

13. PRIOR PERIOD ADJUSTMENT

The net assets of governmental activities has been restated by \$909,471 to report intangible assets in accordance with the provisions of GASB Statement No. 51.

City of St. Charles, Illinois
General Corporate Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2011
(with comparative actual)

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Last Year <u>Actual</u>
Revenues:				
Property Taxes	\$12,719,319	\$12,524,712	\$12,526,627	\$12,489,985
Personal Property Replacement Taxes	79,150	79,150	98,485	88,607
Municipal Sales and Use Taxes	14,832,000	14,832,000	14,072,391	13,634,270
Electric Franchise Fee	2,078,530	2,078,530	2,218,093	1,885,399
Liquor Tax	818,255	818,255	837,925	-
Hotel Occupations Tax	1,795,000	1,795,000	1,612,461	1,582,359
Telecommunications Fee	1,410,000	1,410,000	1,336,605	1,421,576
Admissions Tax	90,000	90,000	55,745	56,660
Business Licenses and Permits	209,170	211,686	230,536	218,610
Non-business License and Permits	223,500	223,500	228,872	203,590
Fines and Court Fees	455,850	457,350	403,325	435,340
Grants	35,459	58,044	168,627	200,196
Illinois State Income Tax Allotments	2,550,159	2,550,159	2,481,991	2,528,377
Charges for Current Services	2,434,850	2,553,319	2,365,366	2,571,116
Investment Income	96,370	96,370	155,968	100,395
Miscellaneous	513,900	531,490	660,987	559,016
Total Revenues	<u>40,341,512</u>	<u>40,309,565</u>	<u>39,454,004</u>	<u>37,975,496</u>
Expenditures:				
General Government	3,132,219	2,998,671	2,496,506	2,796,052
Public Health and Safety	21,228,654	22,394,581	21,789,268	19,748,449
Public Works	7,012,154	7,469,355	6,664,087	7,405,741
Community Development	2,372,811	2,687,089	2,166,025	1,925,440
Debt Service				
Principal	78,818	78,818	78,820	75,732
Interest and Fiscal Charges	5,840	5,840	5,840	8,928
Total Expenditures	<u>33,830,496</u>	<u>35,634,354</u>	<u>33,200,546</u>	<u>31,960,342</u>
Excess of Revenues Over Expenditures	<u>6,511,016</u>	<u>4,675,211</u>	<u>6,253,458</u>	<u>6,015,154</u>
Other Financing Sources (Uses):				
Proceeds from the Sale of Capital Assets	-	-	133,785	-
Transfers In	-	-	-	3,000,000
Transfers Out	(7,022,424)	(7,063,551)	(6,779,892)	(5,726,926)
Total Other Financing Sources (Uses)	<u>(7,022,424)</u>	<u>(7,063,551)</u>	<u>(6,646,107)</u>	<u>(2,726,926)</u>
Net Change in Fund Balance	<u>(\$ 511,408)</u>	<u>(\$ 2,388,340)</u>	(392,649)	3,288,228
Fund Balance, May 1			<u>22,635,755</u>	<u>19,347,527</u>
Fund Balance, April 30			<u>\$22,243,106</u>	<u>\$22,635,755</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2011

1. BUDGETS

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

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

2. EXPENDITURES IN EXCESS OF BUDGET

The 2008 Revenue Bond Fund expenditures exceeded its budget by \$4,000.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2011

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry - Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) As a Percentage of Covered Payroll (4) / (5)
2005	\$ 26,760,966	\$ 30,184,867	88.66%	\$ 3,423,901	\$ 11,992,643	28.55%
2006	29,388,419	32,348,730	90.85%	2,960,311	12,361,507	23.95%
2007	30,926,644	33,770,116	91.58%	2,843,472	12,894,420	22.05%
2008	25,122,053	33,371,937	75.28%	8,249,884	12,959,224	63.66%
2009	25,358,631	33,949,606	74.69%	8,590,975	12,774,715	67.25%
2010	26,710,158	36,731,443	72.72%	10,021,285	12,948,793	77.39%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

April 30, 2011

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)
2005	\$ (406,311)	\$ -	0.00%	\$ 406,311	\$ -	0.00%
2006	(393,822)	-	0.00%	393,822	-	0.00%
2007	(383,556)	-	0.00%	383,556	-	0.00%
2008	(433,870)	-	0.00%	433,870	-	0.00%
2009	(390,068)	-	0.00%	390,068	-	0.00%
2010	(31,973)	-	0.00%	31,973	-	0.00%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
POLICE PENSION FUND

April 30, 2011

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial 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)
2006	\$ 21,049,102	\$ 31,498,568	66.83%	\$ 10,449,466	\$ 3,740,985	279.32%
2007	23,064,224	34,460,854	66.93%	11,396,630	3,992,817	285.43%
2008	23,161,216	35,954,632	64.42%	12,793,416	4,196,313	304.87%
2009	20,229,933	37,767,555	53.56%	17,537,622	4,359,694	402.27%
2010	23,519,175	38,049,970	61.81%	14,530,795	4,048,323	358.93%
2011	26,127,210	40,279,564	64.86%	14,152,354	4,212,817	335.94%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
FIREFIGHTERS' PENSION FUND

April 30, 2011

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry - Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) As a Percentage of Covered Payroll (4) / (5)
2006	\$ 16,142,671	\$ 18,801,665	85.86%	\$ 2,658,994	\$ 3,704,516	71.78%
2007	18,513,335	21,119,695	87.66%	2,606,360	3,798,607	68.61%
2008	19,935,936	24,126,380	82.63%	4,190,444	4,325,654	96.87%
2009	18,461,621	26,293,219	70.21%	7,831,598	4,260,854	183.80%
2010	22,478,824	28,088,702	80.03%	5,609,878	4,080,399	137.48%
2011	26,118,295	30,718,257	85.03%	4,599,962	4,237,873	108.54%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFIT PLAN

April 30, 2011

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age Normal	(3) Funded Ratio (1) / (2)	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Active Members Covered Payroll	(6) UAAL As a Percentage of Covered Payroll (4) / (5)
2008	\$ -	\$ 15,492,884	0.00%	\$ 15,492,884	\$ 25,524,911	60.70%
2009	N/A	N/A	N/A	N/A	N/A	N/A
2010	-	9,245,209	0.00%	9,245,209	22,735,860	40.66%
2011	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 and 2011 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, 2011

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2006	\$ 1,249,748	\$ 1,249,748	100.00%
2007	1,299,758	1,299,758	100.00%
2008	1,262,228	1,262,228	100.00%
2009	1,236,592	1,236,595	100.00%
2010	1,306,334	1,306,334	100.00%
2011	1,478,679	1,478,679	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, 2011

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2006	\$ 30,581	\$ 30,581	100.00%
2007	31,866	31,866	100.00%
2008	32,327	32,327	100.00%
2009	62,591	62,591	100.00%
2010	64,156	64,156	100.00%
2011	380,738	380,738	100.00%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

April 30, 2011

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation (Asset)</u>
2006	\$ 972,113	\$ 974,490	99.76%	\$ (160,566)
2007	936,294	937,614	99.86%	(162,824)
2008	1,006,125	1,008,538	99.76%	(163,810)
2009	1,113,728	1,143,136	97.43%	(137,572)
2010	1,261,628	1,272,762	99.13%	(128,873)
2011	1,556,109	1,556,450	99.98%	(130,581)

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND

April 30, 2011

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation (Asset)</u>
2006	\$ 605,537	\$ 606,808	99.79%	\$ (44,727)
2007	733,734	734,946	99.84%	(44,512)
2008	842,855	840,500	100.28%	(47,796)
2009	846,143	875,572	96.64%	(19,292)
2010	1,054,067	1,062,964	99.16%	(10,736)
2011	1,236,673	1,236,962	99.98%	(10,618)

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN

April 30, 2011

<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%

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

See independent auditor's report.

City of St. Charles, Illinois
Combining Balance Sheet
Nonmajor Governmental Funds
April 30, 2011

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS				
Cash and Investments	\$ 3,743,338	\$ 1,485,862	\$17,334,443	\$22,563,643
Receivables				
Property Taxes	1,613,756	-	-	1,613,756
Accounts Receivable	7,335	-	-	7,335
Accrued Interest on Investments	-	-	4,697	4,697
Due from Other Governments	65,703	-	-	65,703
Due From Other Funds	-	452,983	-	452,983
Advances to Other Funds	-	39,391	-	39,391
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ 5,430,132	\$ 1,978,236	\$17,339,140	\$24,747,508
LIABILITIES				
Accounts Payable	\$ 10,085	\$ -	\$ 189,181	\$ 199,266
Accrued Salaries	22	-	-	22
Due to Other Funds	-	215,918	-	215,918
Advances From Other Funds	2,796,740	-	-	2,796,740
Deferred Property Tax Revenue	1,613,756	-	-	1,613,756
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	4,420,603	215,918	189,181	4,825,702
FUND BALANCES				
Reserved for Advances to Other Funds	-	39,391	-	39,391
Reserved for Community Development	845,258	-	15,330,175	16,175,433
Reserved for Highways and Streets	2,630,054	-	-	2,630,054
Reserved for Transportation	42,051	-	-	42,051
Reserved for Public Safety	218,703	-	-	218,703
Reserved for Debt Service	-	1,722,927	-	1,722,927
Unreserved				
Undesignated (Deficit) - Special Revenue Funds	(2,726,537)	-	-	(2,726,537)
Undesignated - Capital Projects Funds	-	-	1,819,784	1,819,784
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	1,009,529	1,762,318	17,149,959	19,921,806
TOTAL LIABILITIES AND FUND BALANCES	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 5,430,132	\$ 1,978,236	\$17,339,140	\$24,747,508

See independent auditor's report.

City of St. Charles, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Nonmajor Governmental Funds

For the Year Ended April 30, 2011

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:				
Property Taxes	\$ 1,315,559	\$ -	\$ -	\$ 1,315,559
Municipal Sales and Use Taxes	30,418	783,167	-	813,585
Hotel Occupation Tax	51,755	-	-	51,755
Grants	-	-	259,875	259,875
Motor Fuel Tax Allotments	968,906	-	-	968,906
Investment Income	38,736	112	108,319	147,167
Contributions	-	-	131,014	131,014
Miscellaneous	68,372	-	-	68,372
Total Revenues	2,473,746	783,279	499,208	3,756,233
Expenditures:				
Current Operating-				
General Government	48,763	82,935	-	131,698
Public Health and Safety	49,902	-	-	49,902
Public Works	790,474	-	103,188	893,662
Debt Service-				
Principal	-	3,861,016	-	3,861,016
Interest and Fiscal Charges	-	3,833,729	-	3,833,729
Capital Outlay	-	-	1,346,391	1,346,391
Total Expenditures	889,139	7,777,680	1,449,579	10,116,398
Excess (Deficiency) of Revenues Over Expenditures	1,584,607	(6,994,401)	(950,371)	(6,360,165)
Other Financing Sources (Uses):				
Issuance of Bonds	-	6,225,000	-	6,225,000
Premium on Bonds	-	217,846	-	217,846
Payment to Escrow Agent	-	(6,355,910)	-	(6,355,910)
Transfers In	106,023	7,036,713	2,119,566	9,262,302
Transfers Out	(2,375,163)	-	-	(2,375,163)
Total Other Financing Sources (Uses)	(2,269,140)	7,123,649	2,119,566	6,974,075
Net Change in Fund Balances	(684,533)	129,248	1,169,195	613,910
Fund Balance, May 1	1,694,062	1,633,070	15,980,764	19,307,896
Fund Balance, April 30	\$ 1,009,529	\$ 1,762,318	\$17,149,959	\$19,921,806

See independent auditor's report.

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

City of St. Charles, Illinois

Combining Balance Sheet

Nonmajor Special Revenue Funds

April 30, 2011

	TIF District #1 Fund	TIF District #2 Fund	TIF District #3 Fund	TIF District #4 Fund	TIF District #5 Fund	Motor Fuel Tax Fund	Subsidized Transport Fund	Foreign Fire Insurance Fund	Total
<u>Assets</u>									
Cash and Investments	\$ 192,385	\$ 69,918	\$ 42	\$ 645,538	\$ 243	\$2,564,351	\$ 52,158	\$ 218,703	\$3,743,338
Receivables									
Property Taxes, net	170,997	436,881	184,979	607,178	213,721	-	-	-	1,613,756
Accounts Receivable	7,335	-	-	-	-	-	-	-	7,335
Due From Other Governments	-	-	-	-	-	65,703	-	-	65,703
Total Assets	<u>\$ 370,717</u>	<u>\$ 506,799</u>	<u>\$ 185,021</u>	<u>\$1,252,716</u>	<u>\$ 213,964</u>	<u>\$2,630,054</u>	<u>\$ 52,158</u>	<u>\$ 218,703</u>	<u>\$5,430,132</u>
<u>Liabilities and Fund Balance</u>									
<u>Liabilities</u>									
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,085	\$ -	\$ 10,085
Accrued Salaries	-	-	-	-	-	-	22	-	22
Advance from Other Funds	-	1,237,465	723,619	-	835,656	-	-	-	2,796,740
Deferred Property Tax Revenue	170,997	436,881	184,979	607,178	213,721	-	-	-	1,613,756
Total Liabilities	<u>170,997</u>	<u>1,674,346</u>	<u>908,598</u>	<u>607,178</u>	<u>1,049,377</u>	<u>-</u>	<u>10,107</u>	<u>-</u>	<u>4,420,603</u>
<u>Fund Balance (Deficit)</u>									
Reserved for Community Development	199,720	-	-	645,538	-	-	-	-	845,258
Reserved for Highways and Streets	-	-	-	-	-	2,630,054	-	-	2,630,054
Reserved for Transportation	-	-	-	-	-	-	42,051	-	42,051
Reserved for Public Safety	-	-	-	-	-	-	-	218,703	218,703
Unreserved (Deficit)	-	(1,167,547)	(723,577)	-	(835,413)	-	-	-	(2,726,537)
Total Fund Balance (Deficit)	<u>199,720</u>	<u>(1,167,547)</u>	<u>(723,577)</u>	<u>645,538</u>	<u>(835,413)</u>	<u>2,630,054</u>	<u>42,051</u>	<u>218,703</u>	<u>1,009,529</u>
Total Liabilities and Fund Balance	<u>\$ 370,717</u>	<u>\$ 506,799</u>	<u>\$ 185,021</u>	<u>\$1,252,716</u>	<u>\$ 213,964</u>	<u>\$2,630,054</u>	<u>\$ 52,158</u>	<u>\$ 218,703</u>	<u>\$5,430,132</u>

See independent auditor's report.

City of St. Charles, Illinois

Combining Statement of Revenues, Expenditures

and Changes in Fund Balance

Nonmajor Special Revenue Funds

For the Year Ended April 30, 2011

	TIF District #1 <u>Fund</u>	TIF District #2 <u>Fund</u>	TIF District #3 <u>Fund</u>	TIF District #4 <u>Fund</u>	TIF District #5 <u>Fund</u>	Motor Fuel Tax <u>Fund</u>	Subsidized Transport <u>Fund</u>	Foreign Fire Insurance <u>Fund</u>	<u>Total</u>
Revenues:									
Property Taxes	\$ 159,992	\$ 376,863	\$ 172,574	\$ 409,776	\$ 196,354	\$ -	\$ -	\$ -	\$1,315,559
Sales and Use Tax	30,418	-	-	-	-	-	-	-	30,418
Hotel Occupation Tax	51,755	-	-	-	-	-	-	-	51,755
Motor Fuel Tax Allotments	-	-	-	-	-	968,906	-	-	968,906
Investment Income	517	285	118	10,985	102	26,252	158	319	38,736
Miscellaneous Revenues	-	-	-	-	-	-	-	68,372	68,372
Total Revenues	<u>242,682</u>	<u>377,148</u>	<u>172,692</u>	<u>420,761</u>	<u>196,456</u>	<u>995,158</u>	<u>158</u>	<u>68,691</u>	<u>2,473,746</u>
Expenditures:									
General Government	-	-	-	-	-	-	48,763	-	48,763
Public Health and Safety	-	-	-	-	-	-	-	49,902	49,902
Public Works	-	-	-	-	-	790,474	-	-	790,474
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>790,474</u>	<u>48,763</u>	<u>49,902</u>	<u>889,139</u>
Excess (Deficiency) of Revenues over Expenditures	<u>242,682</u>	<u>377,148</u>	<u>172,692</u>	<u>420,761</u>	<u>196,456</u>	<u>204,684</u>	<u>(48,605)</u>	<u>18,789</u>	<u>1,584,607</u>
Other Financing Sources (Uses):									
Transfers In	-	-	-	-	-	-	106,023	-	106,023
Transfers Out	(321,292)	(341,154)	(227,945)	(1,139,372)	(345,400)	-	-	-	(2,375,163)
Total Other Financing Sources (Uses)	<u>(321,292)</u>	<u>(341,154)</u>	<u>(227,945)</u>	<u>(1,139,372)</u>	<u>(345,400)</u>	<u>-</u>	<u>106,023</u>	<u>-</u>	<u>(2,269,140)</u>
Net Change in Fund Balances	(78,610)	35,994	(55,253)	(718,611)	(148,944)	204,684	57,418	18,789	(684,533)
Fund Balance (Deficit), May 1	<u>278,330</u>	<u>(1,203,541)</u>	<u>(668,324)</u>	<u>1,364,149</u>	<u>(686,469)</u>	<u>2,425,370</u>	<u>(15,367)</u>	<u>199,914</u>	<u>1,694,062</u>
Fund Balance (Deficit), April 30	<u>\$ 199,720</u>	<u>(\$1,167,547)</u>	<u>(\$ 723,577)</u>	<u>\$ 645,538</u>	<u>(\$ 835,413)</u>	<u>\$2,630,054</u>	<u>\$ 42,051</u>	<u>\$ 218,703</u>	<u>\$1,009,529</u>

See independent auditor's report.

City of St. Charles, Illinois
TIF District #1 Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2011
(with comparative actual)

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Last Year <u>Actual</u>
Revenues:				
Property Taxes	\$ 164,308	\$ 164,308	\$ 159,992	\$ 156,411
Sales and Use Tax	32,586	32,586	30,418	27,606
Hotel Occupation Tax	60,000	60,000	51,755	41,716
Investment Income	1,500	1,500	517	690
	<hr/>			
Total Revenues	258,394	258,394	242,682	226,423
<hr/>				
Expenditures:				
Community Development:				
None	-	-	-	-
	<hr/>			
Excess of Revenues Over Expenditures	258,394	258,394	242,682	226,423
<hr/>				
Other Financing Uses:				
Transfers Out	(321,292)	(321,292)	(321,292)	(310,092)
<hr/>				
Net Change in Fund Balance	<u>(\$ 62,898)</u>	<u>(\$ 62,898)</u>	(78,610)	(83,669)
Fund Balance, May 1			<hr/> 278,330	361,999
Fund Balance, April 30			<hr/> \$ 199,720	<hr/> \$ 278,330

See independent auditor's report.

City of St. Charles, Illinois

TIF District #2 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2011

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Property Taxes	\$ 341,155	\$ 341,155	\$ 376,863	\$ 351,465
Investment Income	-	-	285	266
Total Revenues	<u>341,155</u>	<u>341,155</u>	<u>377,148</u>	<u>351,731</u>
Expenditures:				
Community Development:				
None	-	-	-	-
Excess of Revenues Over Expenditures	<u>341,155</u>	<u>341,155</u>	<u>377,148</u>	<u>351,731</u>
Other Financing Uses:				
Transfers Out	<u>(341,155)</u>	<u>(341,155)</u>	<u>(341,154)</u>	<u>(317,979)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	35,994	33,752
Fund Balance (Deficit), May 1			<u>(1,203,541)</u>	<u>(1,237,293)</u>
Fund Balance (Deficit), April 30			<u>(\$1,167,547)</u>	<u>(\$1,203,541)</u>

See independent auditor's report.

City of St. Charles, Illinois

TIF District #3 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2011

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Property Taxes	\$ 173,018	\$ 173,018	\$ 172,574	\$ 166,300
Investment Income	-	-	118	122
Total Revenues	173,018	173,018	172,692	166,422
Expenditures:				
Community Development:				
None	-	-	-	-
Excess of Revenues Over Expenditures	173,018	173,018	172,692	166,422
Other Financing Uses:				
Transfers Out	(173,018)	(173,018)	(227,945)	(233,570)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(55,253)	(67,148)
Fund Balance (Deficit), May 1			(668,324)	(601,176)
Fund Balance (Deficit), April 30			<u>(\$ 723,577)</u>	<u>(\$ 668,324)</u>

See independent auditor's report.

City of St. Charles, Illinois

TIF District #4 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2011

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Property Taxes	\$ 648,750	\$ 648,750	\$ 409,776	\$ 589,661
Investment Income	7,210	7,210	10,985	11,366
Total Revenues	655,960	655,960	420,761	601,027
Expenditures:				
Community Development:				
None	-	-	-	-
Excess of Revenues Over Expenditures	655,960	655,960	420,761	601,027
Other Financing Uses:				
Transfers Out	(1,139,374)	(1,139,374)	(1,139,372)	(234,487)
Net Change in Fund Balance	(\$ 483,414)	(\$ 483,414)	(718,611)	366,540
Fund Balance, May 1			1,364,149	997,609
Fund Balance, April 30			\$ 645,538	\$1,364,149

See independent auditor's report.

City of St. Charles, Illinois

TIF District #5 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2011

(with comparative actual)

	Original Budget	Final Budget	Actual	Last Year Actual
Revenues:				
Property Taxes	\$ 188,172	\$ 188,172	\$ 196,354	\$ 182,692
Investment Income	-	-	102	165
Total Revenues	188,172	188,172	196,456	182,857
Expenditures:				
Community Development:				
None	-	-	-	-
Excess of Revenues Over Expenditures	188,172	188,172	196,456	182,857
Other Financing Uses:				
Transfers Out	(188,172)	(188,172)	(345,400)	(346,400)
Total Other Financing Sources	(188,172)	(188,172)	(345,400)	(346,400)
Net Change in Fund Balance	\$ -	\$ -	(148,944)	(163,543)
Fund Balance (Deficit), May 1			(686,469)	(522,926)
Fund Balance (Deficit), April 30			(\$ 835,413)	(\$ 686,469)

See independent auditor's report.

City of St. Charles, Illinois
Motor Fuel Tax Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2011
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Motor Fuel Tax Allotments	\$ 840,346	\$ 840,346	\$ 968,906	\$ 828,725
Investment Income	-	-	26,252	14,992
	<hr/>			
Total Revenues	840,346	840,346	995,158	843,717
	<hr/>			
Expenditures:				
Public Works:				
Contractual	2,730,688	910,414	790,474	486,224
	<hr/>			
Net Change in Fund Balance	<u>(\$1,890,342)</u>	<u>(\$ 70,068)</u>	204,684	357,493
	<hr/>			
Fund Balance, May 1			2,425,370	2,067,877
	<hr/>			
Fund Balance, April 30			<u>\$2,630,054</u>	<u>\$2,425,370</u>

See independent auditor's report.

City of St. Charles, Illinois
Subsidized Transportation Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2011
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Investment Income	\$ -	\$ -	\$ 158	\$ 69
Total Revenues	<u>-</u>	<u>-</u>	<u>158</u>	<u>69</u>
Expenditures:				
General Government:				
Personal Services	3,100	3,100	1,333	95,283
Contractual Services	75,000	75,000	47,430	41,418
Total Expenditures	<u>78,100</u>	<u>78,100</u>	<u>48,763</u>	<u>136,701</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(78,100)</u>	<u>(78,100)</u>	<u>(48,605)</u>	<u>(136,632)</u>
Other Financing Uses:				
Transfers In	<u>106,023</u>	<u>106,023</u>	<u>106,023</u>	<u>160,137</u>
Net Change in Fund Balance	<u>\$ 27,923</u>	<u>\$ 27,923</u>	57,418	23,505
Fund Balance (Deficit), May 1			<u>(15,367)</u>	<u>(38,872)</u>
Fund Balance (Deficit), April 30			<u>\$ 42,051</u>	<u>(\$ 15,367)</u>

See independent auditor's report.

Nonmajor Debt Service Funds

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

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

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

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

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

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

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

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

City of St. Charles, Illinois
Combining Balance Sheet
Nonmajor Debt Service Funds
April 30, 2011

<u>Assets</u>	<u>TIF District #1</u>	<u>TIF District #2</u>	<u>TIF District #3</u>	<u>TIF District #4</u>	<u>TIF District #5</u>	<u>2000 GO Bonds</u>	<u>2002A GO Bonds</u>
Cash and Investments	\$ -	\$ 1,696	\$ 4,234	\$ -	\$ -	\$ -	\$ -
Due From Other Funds	-	-	-	-	-	-	-
Advances To Other Funds	-	-	-	-	-	-	-
Total Assets	\$ -	\$ 1,696	\$ 4,234	\$ -	\$ -	\$ -	\$ -
<u>Liabilities and Fund Balance</u>							
Liabilities							
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-	-	-	-
Fund Balance							
Reserved For Advances to Other Funds	-	-	-	-	-	-	-
Reserved For Debt Service	-	1,696	4,234	-	-	-	-
Total Fund Balance	-	1,696	4,234	-	-	-	-
Total Liabilities and Fund Balance	\$ -	\$ 1,696	\$ 4,234	\$ -	\$ -	\$ -	\$ -

See independent auditor's report.

City of St. Charles, Illinois
Combining Balance Sheet
Nonmajor Debt Service Funds
April 30, 2011

	<u>2004</u> <u>GO Bonds</u>	<u>2005A</u> <u>GO Bonds</u>	<u>2008C</u> <u>GO Bonds</u>	<u>2008</u> <u>Revenue Bonds</u>	<u>2009</u> <u>Refunding Bonds</u>	<u>2010B</u> <u>Refunding Bonds</u>	<u>Total</u>
<u>Assets</u>							
Cash and Investments	\$ -	\$ -	\$ -	\$1,475,520	\$ 644	\$ 3,768	\$1,485,862
Due From Other Funds	-	-	-	452,983	-	-	452,983
Advances to Other Funds	-	-	-	-	39,391	-	39,391
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,928,503</u>	<u>\$ 40,035</u>	<u>\$ 3,768</u>	<u>\$1,978,236</u>
<u>Liabilities and Fund Balance</u>							
<u>Liabilities</u>							
Due to Other Funds	\$ -	\$ -	\$ -	\$ 215,918	\$ -	\$ -	\$ 215,918
Total Liabilities	-	-	-	215,918	-	-	215,918
<u>Fund Balance</u>							
Reserved For Advances to Other Funds	-	-	-	-	39,391	-	39,391
Reserved For Debt Service	-	-	-	1,712,585	644	3,768	1,722,927
Total Fund Balance	-	-	-	1,712,585	40,035	3,768	1,762,318
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,928,503</u>	<u>\$ 40,035</u>	<u>\$ 3,768</u>	<u>\$1,978,236</u>

See independent auditor's report.

City of St. Charles, Illinois

Combining Statement of Revenues, Expenditures

and Changes in Fund Balance

Nonmajor Debt Service Funds

For the Year Ended April 30, 2011

	TIF District #1	TIF District #2	TIF District #3	TIF District #4	TIF District #5	2000 GO Bonds	2002A GO Bonds
Revenues:							
Sales and Use Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	-	4	1	-	-	-	-
Total Revenues	-	4	1	-	-	-	-
Expenditures:							
General Government:							
Contractual	-	-	27,345	-	-	-	-
Principal Retirement	220,000	265,000	125,000	-	205,000	750,000	19,782
Interest and Fiscal Charges	101,292	76,154	102,945	1,139,372	140,400	243,600	7,191
Total Expenditures	321,292	341,154	255,290	1,139,372	345,400	993,600	26,973
Excess (Deficiency) of Revenues Over Expenditures	(321,292)	(341,150)	(255,289)	(1,139,372)	(345,400)	(993,600)	(26,973)
Other Financing Sources (Uses):							
Issuance of Bonds	-	-	1,920,000	-	-	-	-
Premium on Bonds	-	-	118,098	-	-	-	-
Payment to Escrow Agent	-	-	(2,006,520)	-	-	-	-
Transfers In	321,292	341,154	227,945	1,139,372	345,400	993,600	26,973
Total Other Financing Sources (Uses)	321,292	341,154	259,523	1,139,372	345,400	993,600	26,973
Net Change In Fund Balances	-	4	4,234	-	-	-	-
Fund Balance, May 1	-	1,692	-	-	-	-	-
Fund Balance, April 30	\$ -	\$ 1,696	\$ 4,234	\$ -	\$ -	\$ -	\$ -

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, 2011

	<u>2004</u>	<u>2005A</u>	<u>2008C</u>	<u>2008</u>	<u>2009</u>	<u>2010B</u>	<u>Total</u>
	<u>GO Bonds</u>	<u>GO Bonds</u>	<u>GO Bonds</u>	<u>Revenue Bonds</u>	<u>Refunding Bonds</u>	<u>Refunding Bonds</u>	
Revenues:							
Sales and Use Tax	\$ -	\$ -	\$ -	\$ 783,167	\$ -	\$ -	\$ 783,167
Investment Income	-	-	-	106	1	-	112
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>783,273</u>	<u>1</u>	<u>-</u>	<u>783,279</u>
Expenditures:							
General Government:							
Contractual	-	-	-	4,000	-	51,590	82,935
Principal Retirement	270,000	700,000	425,000	-	881,234	-	3,861,016
Interest and Fiscal Charges	<u>207,230</u>	<u>608,250</u>	<u>508,005</u>	<u>620,982</u>	<u>78,308</u>	<u>-</u>	<u>3,833,729</u>
Total Expenditures	<u>477,230</u>	<u>1,308,250</u>	<u>933,005</u>	<u>624,982</u>	<u>959,542</u>	<u>51,590</u>	<u>7,777,680</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(477,230)</u>	<u>(1,308,250)</u>	<u>(933,005)</u>	<u>158,291</u>	<u>(959,541)</u>	<u>(51,590)</u>	<u>(6,994,401)</u>
Other Financing Sources (Uses):							
Issuance of Bonds	-	-	-	-	-	4,305,000	6,225,000
Premium on Bonds	-	-	-	-	-	99,748	217,846
Payment to Escrow Agent	-	-	-	-	-	(4,349,390)	(6,355,910)
Transfers In	<u>477,230</u>	<u>1,308,250</u>	<u>933,005</u>	<u>-</u>	<u>922,492</u>	<u>-</u>	<u>7,036,713</u>
Total Other Financing Sources (Uses)	<u>477,230</u>	<u>1,308,250</u>	<u>933,005</u>	<u>-</u>	<u>922,492</u>	<u>55,358</u>	<u>7,123,649</u>
Net Change In Fund Balances	-	-	-	158,291	(37,049)	3,768	129,248
Fund Balance, May 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,554,294</u>	<u>77,084</u>	<u>-</u>	<u>1,633,070</u>
Fund Balance, April 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,712,585</u>	<u>\$ 40,035</u>	<u>\$ 3,768</u>	<u>\$1,762,318</u>

See independent auditor's report.

City of St. Charles, Illinois

TIF District #1 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2011

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures:				
Principal Retirement	220,000	220,000	220,000	200,000
Interest and Fiscal Charges	101,292	101,292	101,292	110,092
Total Expenditures	321,292	321,292	321,292	310,092
Excess (Deficiency) of Revenues Over Expenditures	(321,292)	(321,292)	(321,292)	(310,092)
Other Financing Sources:				
Transfers In	321,292	321,292	321,292	310,092
Total Other Financing Sources	321,292	321,292	321,292	310,092
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	-
Fund Balance, May 1			-	-
Fund Balance, April 30			<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

City of St. Charles, Illinois
TIF District #2 Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2011
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Investment Income	\$ -	\$ -	\$ 4	\$ 252
Total Revenues	<u>-</u>	<u>-</u>	<u>4</u>	<u>252</u>
Expenditures:				
General Government:				
Contractual	-	-	-	29,881
Principal Retirement	265,000	265,000	265,000	240,000
Interest and Fiscal Charges	76,155	76,155	76,154	77,980
Total Expenditures	<u>341,155</u>	<u>341,155</u>	<u>341,154</u>	<u>347,861</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(341,155)</u>	<u>(341,155)</u>	<u>(341,150)</u>	<u>(347,609)</u>
Other Financing Sources (Uses):				
Issuance of Bonds	-	-	-	2,325,000
Premium on Bonds	-	-	-	93,416
Payment to Escrow Agent	-	-	-	(2,387,095)
Transfers In	341,155	341,155	341,154	317,980
Total Other Financing Sources (Uses)	<u>341,155</u>	<u>341,155</u>	<u>341,154</u>	<u>349,301</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	4	1,692
Fund Balance, May 1			<u>1,692</u>	<u>-</u>
Fund Balance, April 30			<u>\$ 1,696</u>	<u>\$ 1,692</u>

See independent auditor's report.

City of St. Charles, Illinois
TIF District #3 Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2011
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Investment Income	\$ -	\$ -	\$ 1	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>
Expenditures:				
General Government:				
Contractual	-	27,345	27,345	-
Principal Retirement	125,000	125,000	125,000	125,000
Interest and Fiscal Charges	102,946	102,946	102,945	108,570
Total Expenditures	<u>227,946</u>	<u>255,291</u>	<u>255,290</u>	<u>233,570</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(227,946)</u>	<u>(255,291)</u>	<u>(255,289)</u>	<u>(233,570)</u>
Other Financing Sources:				
Issuance of Bonds	-	1,920,000	1,920,000	-
Premium on Bonds	-	118,098	118,098	-
Payment to Escrow Agent	-	(2,006,520)	(2,006,520)	-
Transfers In	227,946	227,946	227,945	233,570
Total Other Financing Sources	<u>227,946</u>	<u>259,524</u>	<u>259,523</u>	<u>233,570</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ 4,233</u>	4,234	-
Fund Balance, May 1			<u>-</u>	<u>-</u>
Fund Balance, April 30			<u>\$ 4,234</u>	<u>\$ -</u>

See independent auditor's report.

City of St. Charles, Illinois
TIF District #4 Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2011
(with comparative actual)

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

See independent auditor's report.

City of St. Charles, Illinois
TIF District #5 Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2011
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Principal Retirement	205,000	205,000	205,000	200,000
Interest and Fiscal Charges	140,400	140,400	140,400	146,400
Total Expenditures	<u>345,400</u>	<u>345,400</u>	<u>345,400</u>	<u>346,400</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(345,400)</u>	<u>(345,400)</u>	<u>(345,400)</u>	<u>(346,400)</u>
Other Financing Sources:				
Transfers In	<u>345,400</u>	<u>345,400</u>	<u>345,400</u>	<u>346,400</u>
Total Other Financing Sources	<u>345,400</u>	<u>345,400</u>	<u>345,400</u>	<u>346,400</u>
Net Change In Fund Balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>-</u>	<u>-</u>
Fund Balance, May 1			<u>-</u>	<u>-</u>
Fund Balance, April 30			<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See independent auditor's report.

City of St. Charles, Illinois
2000 General Obligation Bond Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2011
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures:				
Principal Retirement	750,000	750,000	750,000	725,000
Interest and Fiscal Charges	243,600	243,600	243,600	278,400
Total Expenditures	993,600	993,600	993,600	1,003,400
Excess (Deficiency) of Revenues Over Expenditures	(993,600)	(993,600)	(993,600)	(1,003,400)
Other Financing Sources:				
Transfers In	993,600	993,600	993,600	1,003,400
Total Other Financing Sources	993,600	993,600	993,600	1,003,400
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	-
Fund Balance, May 1			-	-
Fund Balance, April 30			<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

City of St. Charles, Illinois
2002A General Obligation Bond Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2011
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures:				
Principal Retirement	19,782	19,782	19,782	19,154
Interest and Fiscal Charges	7,192	7,192	7,191	7,804
Total Expenditures	26,974	26,974	26,973	26,958
Excess (Deficiency) of Revenues Over Expenditures	(26,974)	(26,974)	(26,973)	(26,958)
Other Financing Sources:				
Transfers In	26,974	26,974	26,973	26,958
Total Other Financing Sources	26,974	26,974	26,973	26,958
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	-
Fund Balance, May 1			-	-
Fund Balance, April 30			<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

City of St. Charles, Illinois
2004 General Obligation Bond Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2011
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Principal Retirement	270,000	270,000	270,000	260,000
Interest and Fiscal Charges	207,230	207,230	207,230	215,550
Total Expenditures	<u>477,230</u>	<u>477,230</u>	<u>477,230</u>	<u>475,550</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(477,230)</u>	<u>(477,230)</u>	<u>(477,230)</u>	<u>(475,550)</u>
Other Financing Sources:				
Transfers In	<u>477,230</u>	<u>477,230</u>	<u>477,230</u>	<u>475,550</u>
Total Other Financing Sources	<u>477,230</u>	<u>477,230</u>	<u>477,230</u>	<u>475,550</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	-
Fund Balance, May 1			<u>-</u>	<u>-</u>
Fund Balance, April 30			<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

City of St. Charles, Illinois
2005A General Obligation Bond Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2011
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures:				
Principal Retirement	700,000	700,000	700,000	675,000
Interest and Fiscal Charges	608,250	608,250	608,250	631,875
Total Expenditures	1,308,250	1,308,250	1,308,250	1,306,875
Excess (Deficiency) of Revenues Over Expenditures	(1,308,250)	(1,308,250)	(1,308,250)	(1,306,875)
Other Financing Sources:				
Transfers In	1,308,250	1,308,250	1,308,250	1,306,875
Total Other Financing Sources	1,308,250	1,308,250	1,308,250	1,306,875
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	-
Fund Balance, May 1			-	-
Fund Balance, April 30			<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

City of St. Charles, Illinois
2008C General Obligation Bond Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2011
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Principal Retirement	425,000	425,000	425,000	390,000
Interest and Fiscal Charges	508,006	508,006	508,005	540,896
Total Expenditures	<u>933,006</u>	<u>933,006</u>	<u>933,005</u>	<u>930,896</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(933,006)</u>	<u>(933,006)</u>	<u>(933,005)</u>	<u>(930,896)</u>
Other Financing Sources:				
Transfers In	<u>933,006</u>	<u>933,006</u>	<u>933,005</u>	<u>930,896</u>
Total Other Financing Sources	<u>933,006</u>	<u>933,006</u>	<u>933,005</u>	<u>930,896</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	-
Fund Balance, May 1			<u>-</u>	<u>-</u>
Fund Balance, April 30			<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

City of St. Charles, Illinois
2008 Revenue Bond Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2011
(with comparative actual)

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Last Year</u> <u>Actual</u>
Revenues:				
Sales and Use Tax	\$ 648,275	\$ 648,275	\$ 783,167	\$ 701,592
Investment Income	-	-	106	132
	<hr/>			
Total Revenues	648,275	648,275	783,273	701,724
	<hr/>			
Expenditures:				
General Government:				
Contractual	-	-	4,000	4,000
Interest and Fiscal Charges	620,982	620,982	620,982	657,206
	<hr/>			
Total Expenditures	620,982	620,982	624,982	661,206
	<hr/>			
Excess (Deficiency) of Revenues Over Expenditures	27,293	27,293	158,291	40,386
	<hr/>			
Other Financing Sources:				
Transfers In	-	-	-	7,942
	<hr/>			
Total Other Financing Sources	-	-	-	7,942
	<hr/>			
Net Change In Fund Balance	<u>\$ 27,293</u>	<u>\$ 27,293</u>	158,291	48,460
	<hr/>			
Fund Balance, May 1			1,554,294	1,505,834
	<hr/>			
Fund Balance, April 30			<u>\$1,712,585</u>	<u>\$1,554,294</u>

See independent auditor's report.

City of St. Charles, Illinois
2009 Refunding General Obligation Bond Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2011
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Investment Income	\$ -	\$ -	\$ 1	\$ 2
Total Revenues	<u>-</u>	<u>-</u>	<u>1</u>	<u>2</u>
Expenditures:				
General Government:				
Contractual	-	-	-	40,545
Debt Service				
Principal Retirement	881,234	881,234	881,234	
Interest and Fiscal Charges	78,309	78,309	78,308	71,327
Total Expenditures	<u>959,543</u>	<u>959,543</u>	<u>959,542</u>	<u>111,872</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(959,543)</u>	<u>(959,543)</u>	<u>(959,541)</u>	<u>(111,870)</u>
Other Financing Sources (Uses):				
Issuance of Bonds	-	-	-	3,156,550
Premium on Bonds	-	-	-	68,131
Payment to Escrow Agent	-	-	-	(3,183,495)
Transfers In	959,543	959,543	922,492	147,768
Total Other Financing Sources (Uses)	<u>959,543</u>	<u>959,543</u>	<u>922,492</u>	<u>188,954</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(37,049)	77,084
Fund Balance, May 1			<u>77,084</u>	-
Fund Balance, April 30			<u>\$ 40,035</u>	<u>\$ 77,084</u>

See independent auditor's report.

City of St. Charles, Illinois
2010B Refunding General Obligation Bond Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2011
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Investment Income	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures:				
General Government:				
Contractual	-	51,590	51,590	-
Total Expenditures	-	51,590	51,590	-
Excess (Deficiency) of Revenues Over Expenditures	-	(51,590)	(51,590)	-
Other Financing Sources (Uses):				
Issuance of Bonds	-	4,305,000	4,305,000	-
Premium on Bonds	-	24,390	99,748	-
Payment to Escrow Agent	-	(4,349,390)	(4,349,390)	-
Total Other Financing Sources (Uses)	-	(20,000)	55,358	-
Net Change In Fund Balance	<u>\$ -</u>	<u>(\$ 71,590)</u>	3,768	-
Fund Balance, May 1			-	-
Fund Balance, April 30			<u>\$ 3,768</u>	<u>\$ -</u>

See independent auditor's report.

Nonmajor Capital Projects Funds

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

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

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

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

PW Capital Projects - 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 - to account for the resources used for the construction of public improvements for the property known as the First Street area.

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

City of St. Charles, Illinois

Combining Balance Sheet

Nonmajor Capital Projects Funds

April 30, 2011

<u>Assets</u>	<u>Redgate Bridge</u>	<u>Public Works Garage</u>	<u>Riverwall Project</u>	<u>PW Capital Projects</u>	<u>TIF District #4 Project</u>	<u>Special Service Area 21</u>	<u>Total</u>
Cash and Investments	\$7,031,860	\$1,048,570	\$ -	\$ 791,248	\$7,587,080	\$ 875,685	\$17,334,443
Receivables							
Accrued Interest on Investments	-	-	-	-	4,697	-	4,697
Total Assets	<u>\$7,031,860</u>	<u>\$1,048,570</u>	<u>\$ -</u>	<u>\$ 791,248</u>	<u>\$7,591,777</u>	<u>\$ 875,685</u>	<u>\$17,339,140</u>
 <u>Liabilities and Fund Balance</u>							
<u>Liabilities</u>							
Accounts Payable	\$ 166,386	\$ -	\$ -	\$ 20,034	\$ 2,761	\$ -	\$ 189,181
Total Liabilities	<u>166,386</u>	<u>-</u>	<u>-</u>	<u>20,034</u>	<u>2,761</u>	<u>-</u>	<u>189,181</u>
<u>Fund Balance</u>							
Reserved for Community Development	6,865,474	-	-	-	7,589,016	875,685	15,330,175
Unreserved	-	1,048,570	-	771,214	-	-	1,819,784
Total Fund Balance	<u>6,865,474</u>	<u>1,048,570</u>	<u>-</u>	<u>771,214</u>	<u>7,589,016</u>	<u>875,685</u>	<u>17,149,959</u>
Total Liabilities and Fund Balance	<u>\$7,031,860</u>	<u>\$1,048,570</u>	<u>\$ -</u>	<u>\$ 791,248</u>	<u>\$7,591,777</u>	<u>\$ 875,685</u>	<u>\$17,339,140</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, 2011

	<u>Redgate Bridge</u>	<u>Public Works Garage</u>	<u>Riverwall Project</u>	<u>PW Capital Projects</u>	<u>TIF District #4 Project</u>	<u>Special Service Area 21</u>	<u>Total</u>
Revenues:							
Grants	\$ 169,875	\$ -	\$ -	\$ 90,000	\$ -	\$ -	\$ 259,875
Investment Income	79,346	3,077	400	54	25,372	70	108,319
Contributions	-	-	-	131,014	-	-	131,014
Total Revenues	<u>249,221</u>	<u>3,077</u>	<u>400</u>	<u>221,068</u>	<u>25,372</u>	<u>70</u>	<u>499,208</u>
Expenditures:							
Public Works:							
Contractual	84,003	-	-	266	18,919	-	103,188
Capital Outlay	487,357	-	108,223	727,427	23,384	-	1,346,391
Total Expenditures	<u>571,360</u>	<u>-</u>	<u>108,223</u>	<u>727,693</u>	<u>42,303</u>	<u>-</u>	<u>1,449,579</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(322,139)</u>	<u>3,077</u>	<u>(107,823)</u>	<u>(506,625)</u>	<u>(16,931)</u>	<u>70</u>	<u>(950,371)</u>
Other Financing Sources (Uses):							
Transfers In	820,600	-	21,127	1,277,839	-	-	2,119,566
Total Other Financing Sources (Uses)	<u>820,600</u>	<u>-</u>	<u>21,127</u>	<u>1,277,839</u>	<u>-</u>	<u>-</u>	<u>2,119,566</u>
Net Change In Fund Balances	498,461	3,077	(86,696)	771,214	(16,931)	70	1,169,195
Fund Balance, May 1	6,367,013	1,045,493	86,696	-	7,605,947	875,615	15,980,764
Fund Balance, April 30	<u>\$6,865,474</u>	<u>\$1,048,570</u>	<u>\$ -</u>	<u>\$ 771,214</u>	<u>\$7,589,016</u>	<u>\$ 875,685</u>	<u>\$17,149,959</u>

See independent auditor's report.

City of St. Charles, Illinois
Redgate Bridge Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2011
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Grants	\$ -	\$ 153,685	\$ 169,875	\$ 232,244
Investment Income	50,000	50,000	79,346	61,174
	<hr/>			
Total Revenues	50,000	203,685	249,221	293,418
	<hr/>			
Expenditures:				
Public Works:				
Contractual	500,000	522,064	84,003	240,515
Capital Outlay	2,000,000	2,000,000	487,357	-
	<hr/>			
Total Expenditures	2,500,000	2,522,064	571,360	240,515
	<hr/>			
Excess (Deficiency) of Revenues Over Expenditures	(2,450,000)	(2,318,379)	(322,139)	52,903
	<hr/>			
Other Financing Sources:				
Transfers In	836,757	836,757	820,600	824,952
	<hr/>			
Total Other Financing Sources	836,757	836,757	820,600	824,952
	<hr/>			
Net Change In Fund Balance	<u>(\$1,613,243)</u>	<u>(\$1,481,622)</u>	498,461	877,855
Fund Balance, May 1			<u>6,367,013</u>	5,489,158
Fund Balance, April 30			<u>\$6,865,474</u>	<u>\$6,367,013</u>

See independent auditor's report.

City of St. Charles, Illinois
Public Works Garage Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2011
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Investment Income	\$ -	\$ -	\$ 3,077	\$ 3,467
Total Revenues	<u>-</u>	<u>-</u>	<u>3,077</u>	<u>3,467</u>
Expenditures:				
Public Works:				
Capital Outlay	-	-	-	19,613
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,613</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	3,077	(16,146)
Fund Balance, May 1			<u>1,045,493</u>	<u>1,061,639</u>
Fund Balance, April 30			<u>\$1,048,570</u>	<u>\$1,045,493</u>

See independent auditor's report.

City of St. Charles, Illinois
Riverwall Project Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2011
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Investment Income	\$ -	\$ -	\$ 400	\$ 5,966
Total Revenues	<u>-</u>	<u>-</u>	<u>400</u>	<u>5,966</u>
Expenditures:				
Public Works:				
Capital Outlay	-	157,871	108,223	3,639,419
Total Expenditures	<u>-</u>	<u>157,871</u>	<u>108,223</u>	<u>3,639,419</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(157,871)</u>	<u>(107,823)</u>	<u>\$3,633,453</u>
Other Financing Sources:				
Transfers In	-	21,127	21,127	-
Total Other Financing Sources	<u>-</u>	<u>21,127</u>	<u>21,127</u>	<u>-</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>(\$ 136,744)</u>	<u>(86,696)</u>	<u>(3,633,453)</u>
Fund Balance, May 1			<u>86,696</u>	<u>3,720,149</u>
Fund Balance, April 30			<u>\$ -</u>	<u>\$ 86,696</u>

See independent auditor's report.

City of St. Charles, Illinois
PW Capital Projects Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2011
(with comparative actual)

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Last Year</u> <u>Actual</u>
Revenues:				
Grants	\$ 232,000	\$ 212,000	\$ 90,000	\$ -
Investment Income	-	-	54	-
Charges for Current Services	840,000	840,000	-	-
Contributions	184,714	184,714	131,014	-
Total Revenues	<u>1,256,714</u>	<u>1,236,714</u>	<u>221,068</u>	<u>-</u>
Expenditures:				
Public Works:				
Contractual	-	-	266	-
Capital Outlay	2,514,553	994,203	727,427	-
Total Expenditures	<u>2,514,553</u>	<u>994,203</u>	<u>727,693</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,257,839)</u>	<u>242,511</u>	<u>(506,625)</u>	<u>-</u>
Other Financing Sources:				
Transfers In	1,257,839	1,277,839	1,277,839	-
Total Other Financing Sources	<u>1,257,839</u>	<u>1,277,839</u>	<u>1,277,839</u>	<u>-</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$1,520,350</u>	771,214	-
Fund Balance, May 1			<u>-</u>	<u>-</u>
Fund Balance, April 30			<u>\$ 771,214</u>	<u>\$ -</u>

See independent auditor's report.

City of St. Charles, Illinois
TIF District #4 Project Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2011
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Investment Income	\$ -	\$ -	\$ 25,372	\$ 19,759
Miscellaneous	-	-	-	20,099
	<hr/>			
Total Revenues	-	-	25,372	39,858
	<hr/>			
Expenditures:				
Public Works:				
Contractual	-	441,219	18,919	64,784
Capital Outlay	-	6,376,735	23,384	935,284
	<hr/>			
Total Expenditures	-	6,817,954	42,303	1,000,068
	<hr/>			
Excess (Deficiency) of Revenues Over Expenditures	-	(6,817,954)	(16,931)	(960,210)
	<hr/>			
Other Financing Sources:				
Proceeds from the Sale of Capital Assets	-	-	-	391,993
	<hr/>			
Total Other Financing Sources	-	-	-	391,993
	<hr/>			
Net Change In Fund Balance	<u>\$ -</u>	<u>(\$6,817,954)</u>	<u>(16,931)</u>	<u>(568,217)</u>
	<hr/>			
Fund Balance, May 1			<u>7,605,947</u>	<u>8,174,164</u>
	<hr/>			
Fund Balance, April 30			<u>\$7,589,016</u>	<u>\$7,605,947</u>

See independent auditor's report.

City of St. Charles, Illinois
Special Service Area 21 Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual
For the Year Ended April 30, 2011
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Investment Income	\$ -	\$ -	\$ 70	\$ 132
Total Revenues	<u>-</u>	<u>-</u>	<u>70</u>	<u>132</u>
Expenditures:				
None	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	70	132
Fund Balance, May 1			<u>875,615</u>	<u>875,483</u>
Fund Balance, April 30			<u>\$ 875,685</u>	<u>\$ 875,615</u>

See independent auditor's report.

Internal Service Funds

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

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

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

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

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

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

City of St. Charles, Illinois

Internal Service Funds

Combining Statement of Net Assets

April 30, 2011

	<u>Health Insurance Fund</u>	<u>W/C Liability Insurance Fund</u>	<u>Inventory Fund</u>	<u>Motor Vehicle Replacement Fund</u>	<u>Communications Fund</u>	<u>Total</u>
Assets						
Cash and Investments	\$1,399,974	\$1,837,494	\$ 101,135	\$3,240,613	\$ 794,217	\$7,373,433
Accrued Interest on Investments	-	2,056	-	-	-	2,056
Miscellaneous Receivables	15,860	-	-	11,241	19,436	46,537
Inventory (net of allowance for excess and obsolete inventory of \$90,000)	-	-	2,991,093	-	-	2,991,093
Prepaid Items	7,415	231,577	182,870	-	-	421,862
Capital Assets Being Depreciated	-	-	73,023	8,374,812	1,280,923	9,728,758
Accumulated Depreciation	-	-	(38,956)	(4,752,100)	(47,477)	(4,838,533)
Total Assets	1,423,249	2,071,127	3,309,165	6,874,566	2,047,099	15,725,206
Liabilities						
Accounts Payable	10,011	3,272	54,397	13,139	1,428	82,247
Claims Payable	488,020	1,327,289	-	2,170	-	1,817,479
Accrued Salaries	-	-	14,558	18,594	2,862	36,014
Advances from Other Funds	-	-	-	39,391	1,233,272	1,272,663
Accrued Compensated Absences	-	-	56,817	37,429	3,231	97,477
Deferred Revenue	-	-	182,871	-	19,436	202,307
Net OPEB Obligation	-	-	51,165	85,917	18,307	155,389
Total Liabilities	498,031	1,330,561	359,808	196,640	1,278,536	3,663,576
Net Assets						
Invested in Capital Assets	-	-	34,067	3,622,712	1,233,446	4,890,225
Unrestricted (Deficit)	925,218	740,566	2,915,290	3,055,214	(464,883)	7,171,405
Total Net Assets	\$ 925,218	\$ 740,566	\$2,949,357	\$6,677,926	\$ 768,563	\$12,061,630

See independent auditor's report.

City of St. Charles, Illinois

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Assets

For the Year Ended April 30, 2011

	Health Insurance Fund	W/C Liability Insurance Fund	Inventory Fund	Motor Vehicle Replacement Fund	Communications Fund	Total
Operating Revenues:						
Charges for Services	\$ -	\$ -	\$ -	\$1,869,349	\$ 447,898	\$2,317,247
Insurance Premiums	4,263,383	1,140,680	-	-	-	5,404,063
Rental Income	-	-	-	706,058	-	706,058
Sale of Inventory	-	-	2,679,015	-	-	2,679,015
Miscellaneous	21,014	1,051	1,060,030	14,265	-	1,096,360
Total Operating Revenues	4,284,397	1,141,731	3,739,045	2,589,672	447,898	12,202,743
Operating Expenses:						
Personal Services	18,267	-	456,641	655,334	112,358	1,242,600
Fleet Maintenance	-	-	-	927,223	-	927,223
Insurance Claims	3,827,135	767,275	-	-	-	4,594,410
Insurance Premiums	309,335	382,458	-	-	-	691,793
Cost of Inventory	-	-	2,678,761	-	-	2,678,761
Provision for Depreciation	-	-	2,879	596,908	23,739	623,526
Miscellaneous	442,894	98,773	501,219	-	165,258	1,208,144
Total Operating Expenses	4,597,631	1,248,506	3,639,500	2,179,465	301,355	11,966,457
Operating Income (Loss)	(313,234)	(106,775)	99,545	410,207	146,543	236,286
Nonoperating Revenues:						
Gain/(Loss) on Sale of Property	-	-	-	(62,416)	-	(62,416)
Investment Income	16,632	8,341	(511)	22,860	1,664	48,986
Total Nonoperating Revenues	16,632	8,341	(511)	(39,556)	1,664	(13,430)
Change in Net Assets	(296,602)	(98,434)	99,034	370,651	148,207	222,856
Transfers:						
Transfers In	-	309,530	-	-	-	309,530
Transfers Out	-	-	-	(3,631)	-	(3,631)
Total Transfers	-	309,530	-	(3,631)	-	305,899
Net Income (Loss)	(296,602)	211,096	99,034	367,020	148,207	528,755
Contributions	-	-	-	819,776	-	819,776
Change in Net Assets	(296,602)	211,096	99,034	1,186,796	148,207	1,348,531
Net Assets, May 1	1,221,820	529,470	2,850,323	5,491,130	620,356	10,713,099
Net Assets, April 30	\$ 925,218	\$ 740,566	\$2,949,357	\$6,677,926	\$ 768,563	\$12,061,630

See independent auditor's report.

City of St. Charles, Illinois

Internal Service Funds

Combining Statement of Cash Flows

For the Year Ended April 30, 2011

	Health Insurance Fund	W/C Liability Insurance Fund	Inventory Fund	Motor Vehicle Replacement Fund	Communications Fund	Total
Cash Flows from Operating Activities						
Receipts from Interfund Services	\$ 3,194,412	\$ 1,365,482	\$ 3,921,916	\$ 1,858,108	\$ 446,828	\$ 10,786,746
Receipts from Miscellaneous Revenue	1,105,858	1,051	-	720,323	1,070	1,828,302
Payments to Suppliers	(4,551,135)	(944,287)	(3,672,682)	(934,188)	(167,453)	(10,269,745)
Payments to Employees	(67,494)	-	(437,555)	(636,981)	(110,520)	(1,252,550)
Net Cash from Operating Activities	(318,359)	422,246	(188,321)	1,007,262	169,925	1,092,753
Cash Flows from Noncapital Financing Activities						
Advance to/from Other Funds	-	-	-	(37,050)	-	(37,050)
Transfers In	-	309,530	-	-	-	309,530
Transfers Out	-	-	-	(3,631)	-	(3,631)
Net Cash from Noncapital Financing Activities	-	309,530	-	(40,681)	-	268,849
Cash Flows from Capital and Related Financing Activities						
Capital Assets Purchased	-	-	-	(728,816)	-	(728,816)
Proceeds on Sale of Capital Assets	-	-	-	56,343	-	56,343
Net Cash from Capital and Related Financing Activities	-	-	-	(672,473)	-	(672,473)
Cash Flows from Investing Activities						
Purchase of Investments	-	(859,464)	-	(501,267)	-	(1,360,731)
Proceeds from Sale and Maturities of Investment Securities	-	-	-	-	-	-
Interest Received (Deducted)	2,460	5,164	(511)	7,115	1,664	15,892
Net Cash from Investing Activities	2,460	(854,300)	(511)	(494,152)	1,664	(1,344,839)
Net Increase (Decrease) in Cash and Cash Equivalents	(315,899)	(122,524)	(188,832)	(200,044)	171,589	(655,710)
Cash and Cash Equivalents, May 1	794,431	397,797	289,967	1,915,566	622,628	4,020,389
Cash and Cash Equivalents, April 30	\$ 478,532	\$ 275,273	\$ 101,135	\$ 1,715,522	\$ 794,217	\$ 3,364,679
Cash and Investments						
Cash and Cash Equivalents	\$ 478,532	\$ 275,273	\$ 101,135	\$ 1,715,522	\$ 794,217	\$ 3,364,679
Investments	921,442	1,562,221	-	1,525,091	-	4,008,754
Total Cash and Investments	\$ 1,399,974	\$ 1,837,494	\$ 101,135	\$ 3,240,613	\$ 794,217	\$ 7,373,433
Noncash Transactions						
Contributions of Capital Assets from Develops	\$ -	\$ -	\$ -	\$ 819,776	\$ -	\$ 819,776
Total Noncash Transactions	\$ -	\$ -	\$ -	\$ 819,776	\$ -	\$ 819,776
Cash flows from Operating Activities						
Operating Income (Loss)	\$ (313,234)	\$ (106,775)	\$ 99,545	\$ 410,207	\$ 146,543	\$ 236,286
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities						
Depreciation	-	-	2,879	596,908	23,739	623,526
Changes in Assets and Liabilities						
Receivables	15,873	224,802	-	(11,241)	(19,436)	209,998
Inventory	-	-	(168,262)	-	-	(168,262)
Prepays	18,288	1,035	(182,870)	1,095	-	(162,452)
Accounts and Claims Payable	(39,286)	303,184	(141,570)	(6,990)	(2,195)	113,143
Accrued Liabilities	-	-	182,871	-	19,436	202,307
Accrued Salaries	-	-	1,504	523	(993)	1,034
Compensated Absences Payable	-	-	3,351	3,444	(305)	6,490
Net OPEB Obligation	-	-	14,231	13,316	3,136	30,683
Net Cash from Operating Activities	\$ (318,359)	\$ 422,246	\$ (188,321)	\$ 1,007,262	\$ 169,925	\$ 1,092,753

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
Fiduciary Funds
Combining Statement of Fiduciary Net Assets
April 30, 2011

	Pension Trust Funds			Agency Funds
	Police Pension Fund	Fire Pension Fund	Total	
Assets				
Cash and Short-Term Investments	\$1,947,844	\$2,013,473	\$3,961,317	\$2,221,884
Investments, at Fair Value				
U.S. Treasury and Agency Securities	11,500,554	11,135,834	22,636,388	-
Mutual Funds	4,479,073	5,846,152	10,325,225	-
Equity Securities	8,096,251	7,052,613	15,148,864	-
Receivables				
Accounts Receivable	-	-	-	931,879
Accrued Interest on Investments	79,217	71,235	150,452	-
Prepaid Items	33,841	-	33,841	-
Total Assets	<u>26,136,780</u>	<u>26,119,307</u>	<u>52,256,087</u>	<u>\$3,153,763</u>
Liabilities				
Accounts Payable	9,570	1,012	10,582	53,180
Due to Other Governments	-	-	-	2,710,077
Due to Bondholders	-	-	-	390,506
Total Liabilities	<u>9,570</u>	<u>1,012</u>	<u>10,582</u>	<u>\$3,153,763</u>
Net Assets Held In Trust For Pension Benefits	<u>\$26,127,210</u>	<u>\$26,118,295</u>	<u>\$52,245,505</u>	

See independent auditor's report.

City of St. Charles, Illinois

Pension Trust Funds

Combining Statement of Changes in Plan Net Assets

For the Year Ended April 30, 2011

	<u>Police</u> <u>Pension Fund</u>	<u>Fire</u> <u>Pension Fund</u>	<u>Total</u>
Additions:			
Contributions -			
Employer	\$ 1,556,109	\$ 1,236,673	\$ 2,792,782
Employee	409,842	406,554	816,396
Total Contributions	<u>1,965,951</u>	<u>1,643,227</u>	<u>3,609,178</u>
Investment Income -			
Net Appreciation in the Fair Value of Investments	2,009,505	2,371,767	4,381,272
Interest	545,454	511,592	1,057,046
Total Investment Income	<u>2,554,959</u>	<u>2,883,359</u>	<u>5,438,318</u>
Less Investment Expense	<u>(150,453)</u>	<u>(157,103)</u>	<u>(307,556)</u>
Net Investment Income	<u>2,404,506</u>	<u>2,726,256</u>	<u>5,130,762</u>
Total Additions	<u>4,370,457</u>	<u>4,369,483</u>	<u>8,739,940</u>
Deductions:			
Pension Benefits and Refunds	1,722,973	712,902	2,435,875
Administrative Expenses	39,449	17,110	56,559
Total Deductions	<u>1,762,422</u>	<u>730,012</u>	<u>2,492,434</u>
Net Increase	2,608,035	3,639,471	6,247,506
Net Assets Held In Trust For Pension Benefits			
May 1	<u>23,519,175</u>	<u>22,478,824</u>	<u>45,997,999</u>
April 30	<u>\$26,127,210</u>	<u>\$26,118,295</u>	<u>\$52,245,505</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, 2011

	<u>Balance</u> <u>May 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>April 30</u>
Tri-City Ambulance Fund:				
Assets -				
Cash and Investments	\$ 1,245,663	\$ 2,984,520	\$ 2,978,679	\$ 1,251,504
Accounts Receivable, net	757,672	3,846,200	3,671,993	931,879
	<u>\$ 2,003,335</u>	<u>\$ 6,830,720</u>	<u>\$ 6,650,672</u>	<u>\$ 2,183,383</u>
Liabilities -				
Accounts Payable	\$ 26,944	\$ 2,948,830	\$ 2,951,265	\$ 24,509
Due to Other Governments	1,976,391	4,231,432	4,048,949	2,158,874
	<u>\$ 2,003,335</u>	<u>\$ 7,180,262</u>	<u>\$ 7,000,214</u>	<u>\$ 2,183,383</u>
Special Service Area 21 Bond Issuance:				
Assets -				
Cash and Investments	\$ 390,073	\$ 300,164	\$ 299,731	\$ 390,506
	<u>\$ 390,073</u>	<u>\$ 300,164</u>	<u>\$ 299,731</u>	<u>\$ 390,506</u>
Liabilities -				
Due to Other Funds	\$ 292,361	\$ -	\$ 292,361	\$ -
Due to Bondholders	97,712	592,524	299,730	390,506
	<u>\$ 390,073</u>	<u>\$ 592,524</u>	<u>\$ 592,091</u>	<u>\$ 390,506</u>
North Central Narcotics Task Force:				
Assets -				
Cash and Investments	\$ 498,288	\$ 558,856	\$ 477,270	\$ 579,874
Liabilities -				
Accounts Payable	\$ 1,817	\$ 345,614	\$ 318,760	\$ 28,671
Due to Other Governments	496,471	383,003	328,271	551,203
	<u>\$ 498,288</u>	<u>\$ 728,617</u>	<u>\$ 647,031</u>	<u>\$ 579,874</u>
Total:				
Assets -				
Cash and Investments	\$ 2,134,024	\$ 3,843,540	\$ 3,755,680	\$ 2,221,884
Accounts Receivable	757,672	3,846,200	3,671,993	931,879
	<u>\$ 2,891,696</u>	<u>\$ 7,689,740</u>	<u>\$ 7,427,673</u>	<u>\$ 3,153,763</u>
Liabilities -				
Accounts Payable	\$ 28,761	\$ 3,294,444	\$ 3,270,025	\$ 53,180
Due to Other Governments	2,472,862	4,614,435	4,377,220	2,710,077
Due to Other Funds	292,361	-	292,361	-
Due to Bondholders	97,712	592,524	299,730	390,506
	<u>\$ 2,891,696</u>	<u>\$ 8,501,403</u>	<u>\$ 8,239,336</u>	<u>\$ 3,153,763</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, 2011

Capital Assets

Land	\$58,457,579
Buildings	48,248,285
Improvements Other Than Buildings	119,335,000
Equipment	5,001,021
Intangibles	1,701,442
Construction in Progress	3,359,159
Accumulated Depreciation	<u>(78,910,014)</u>
Total Capital Assets	<u><u>\$157,192,472</u></u>

Investment in Capital Assets

Adjusted Balance, May 1	\$159,138,844
Current Year Additions	1,997,463
Current Year Deductions	(65,710)
Current Year Depreciation	<u>(3,878,126)</u>
Balance, April 30	<u><u>\$157,192,472</u></u>

See independent auditor's report.

City of St. Charles, Illinois
Governmental Funds - Capital Assets
Schedule by Function and Activity
April 30, 2011

<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	\$ 2,937,775	\$12,851,206	\$ -	\$ 45,113	\$ -	\$ -	\$15,834,094
Central Support Services	-	-	-	310,645	209,178	-	519,823
Total General Government	<u>2,937,775</u>	<u>12,851,206</u>	<u>-</u>	<u>355,758</u>	<u>209,178</u>	<u>-</u>	<u>16,353,917</u>
Public Health and Safety:							
Police Department	-	772,213	-	93,746	-	-	865,959
Fire Department	-	6,333,044	366,965	105,619	-	-	6,805,628
Total Public Health and Safety	<u>-</u>	<u>7,105,257</u>	<u>366,965</u>	<u>199,365</u>	<u>-</u>	<u>-</u>	<u>7,671,587</u>
Public Works:	<u>55,519,804</u>	<u>28,291,822</u>	<u>118,968,035</u>	<u>4,445,898</u>	<u>1,492,264</u>	<u>-</u>	<u>208,717,823</u>
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,359,159</u>	<u>3,359,159</u>
Accumulated Depreciation	<u>-</u>	<u>(10,836,205)</u>	<u>(66,041,854)</u>	<u>(1,336,747)</u>	<u>(695,208)</u>	<u>-</u>	<u>(78,910,014)</u>
Total Capital Assets	<u>\$58,457,579</u>	<u>\$37,412,080</u>	<u>\$53,293,146</u>	<u>\$ 3,664,274</u>	<u>\$ 1,006,234</u>	<u>\$ 3,359,159</u>	<u>\$157,192,472</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, 2011

<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	\$ -	\$ -	(\$ 3,879,598)	\$11,948,732
Central Support Services	519,823	-	-	(400,944)	118,879
Total General Government	<u>16,348,153</u>	<u>-</u>	<u>-</u>	<u>(4,280,542)</u>	<u>12,067,611</u>
Public Health and Safety:					
Police Department	865,959	-	-	(241,461)	624,498
Fire Department	6,805,628	-	-	(1,652,405)	5,153,223
Total Public Health and Safety	<u>7,671,587</u>	<u>-</u>	<u>-</u>	<u>(1,893,866)</u>	<u>5,777,721</u>
Public Works:	<u>203,492,606</u>	<u>5,520,479</u>	<u>(289,496)</u>	<u>(72,735,607)</u>	<u>135,987,982</u>
Construction in Progress:	<u>6,882,175</u>	<u>1,166,030</u>	<u>(4,689,046)</u>	<u>-</u>	<u>3,359,159</u>
Total Capital Assets	<u>\$234,394,520</u>	<u>\$ 6,686,509</u>	<u>(\$ 4,978,542)</u>	<u>(\$78,910,014)</u>	<u>\$157,192,472</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 General Long-Term Debt

April 30, 2011

	<u>Debit Balance</u>	<u>Credit Balance</u>
Amount Available in Debt Service Funds for Repayment of Principal	\$ 1,722,927	\$ -
Amounts to be Provided From Future Tax Levies and Other Sources for Payment of -		
Accrued Compensated Absences	3,164,102	-
General Obligation Bond Principal	74,187,848	-
Revenue Bond Principal	7,222,415	-
Installment Purchase Contracts	103,048	-
Other Postemployment Benefits	3,441,169	-
Developer Agreement Payable	777,241	-
Payable From Future Tax Levies and Other Sources-		
Accrued Compensated Absences	-	3,164,102
General Obligation Bond Principal	-	74,198,190
Revenue Bond Principal	-	8,935,000
Installment Purchase Contracts	-	103,048
Other Post Employment Benefits	-	3,441,169
Developer Agreement Payable	-	777,241
	<u>\$90,618,750</u>	<u>\$90,618,750</u>

See independent auditor's report.

City of St. Charles, Illinois

General Corporate Fund

Balance Sheet

April 30, 2011

Assets

Cash and Investments		\$17,958,001
Receivables		
Property Taxes, net	12,559,807	
Accrued Interest on Investments	7,776	
Miscellaneous, net	<u>730,282</u>	13,297,865
Prepaid Items		79,308
Due From Other Funds		215,918
Due From Other Governments		4,485,241
Advance to Other Funds		<u>2,796,740</u>
Total Assets		<u><u>\$38,833,073</u></u>

Liabilities and Fund Balance

Liabilities

Accounts Payable		\$ 548,564
Contracts Payable		4,997
Accrued Salaries		673,766
Escrows and Refundable Deposits		2,173,527
Due to Other Funds		452,983
Deferred Revenue		
Property Taxes	12,559,807	
Other Deferred Revenue	<u>176,323</u>	12,736,130
Total Liabilities		<u><u>16,589,967</u></u>

Fund Balance

Reserved for		
Mental Health		36,867
Prepaid Items		79,308
Capital Outlay		94,578
Advances to Other Funds		2,796,740
Unreserved - Designated		
Community Development Debt Service		3,000,000
Unreserved - Undesignated		<u>16,235,613</u>
Total Fund Balance		<u><u>22,243,106</u></u>
Total Liabilities and Fund Balance		<u><u>\$38,833,073</u></u>

See independent auditor's report.

City of St. Charles, Illinois
 General Corporate Fund
 Schedule of Detailed Expenditures - Budget and Actual
 For the Year Ended April 30, 2011
 (with comparative actual)

	Original Budget	Final Budget	Actual	Last Year Actual
General Government:				
General Administrative-				
Office of the Mayor-				
Personal Services	\$ 41,447	\$ 41,447	\$ 40,327	\$ 39,209
Contractual Services	24,489	33,867	33,462	38,116
Materials and Supplies	10,879	10,879	8,959	5,851
Allocations To Other Funds	(59,874)	(59,874)	(59,868)	(55,633)
	<u>16,941</u>	<u>26,319</u>	<u>22,880</u>	<u>27,543</u>
City Council-				
Personal Services	86,191	86,191	74,953	76,432
Contractual Services	424,472	71,222	68,277	414,391
Allocations To Other Funds	(123,956)	(123,956)	(123,960)	(237,203)
	<u>386,707</u>	<u>33,457</u>	<u>19,270</u>	<u>253,620</u>
City Administrator-				
Personal Services	400,487	400,487	375,677	369,840
Contractual Services	719,352	749,688	711,671	724,123
Materials and Supplies	16,583	17,983	7,816	15,517
Allocations To Other Funds	(306,678)	(306,678)	(306,648)	(230,019)
	<u>829,744</u>	<u>861,480</u>	<u>788,516</u>	<u>879,461</u>
Community & Public Affairs-				
Personal Services	61,686	61,787	53,562	63,758
Contractual Services	25,149	23,959	12,373	18,980
Materials and Supplies	2,031	2,781	591	121
	<u>88,866</u>	<u>88,527</u>	<u>66,526</u>	<u>82,859</u>
City Clerk-				
Personal Services	4,845	4,845	4,659	4,862
Contractual Services	3,914	3,914	2,058	1,650
	<u>8,759</u>	<u>8,759</u>	<u>6,717</u>	<u>6,512</u>
City Treasurer-				
Personal Services	1,939	1,939	1,864	1,945
Contractual Services	3,000	3,000	2,611	2,688
Allocations To Other Funds	(1,455)	(1,455)	(1,452)	(1,702)
	<u>3,484</u>	<u>3,484</u>	<u>3,023</u>	<u>2,931</u>
Board of Police and Fire-				
Contractual Services	77,398	77,398	23,674	8,825
Materials and Supplies	546	546	272	8
	<u>77,944</u>	<u>77,944</u>	<u>23,946</u>	<u>8,833</u>
Total General Administrative	<u>1,412,445</u>	<u>1,099,970</u>	<u>930,878</u>	<u>1,261,759</u>

	Original Budget	Final Budget	Actual	Last Year Actual
General Government (continued):				
Central Support Services-				
Purchasing-				
Personal Services	\$ 195,893	\$ 195,893	\$ 202,928	\$ 208,787
Contractual Services	59,793	50,293	42,705	44,117
Materials and Supplies	19,026	20,026	13,098	12,584
Capital Outlay	-	8,500	8,500	-
Miscellaneous	140	140	278	114
Allocations To Other Funds	(287,435)	(287,435)	(267,509)	(270,216)
	<u>(12,583)</u>	<u>(12,583)</u>	<u>-</u>	<u>(4,614)</u>
Human Resources-				
Personal Services	648,051	641,801	597,057	611,777
Contractual Services	112,457	102,619	75,506	83,119
Materials and Supplies	57,254	58,535	37,218	45,161
Miscellaneous	40	40	207	136
Allocations To Other Funds	(390,596)	(390,596)	(390,588)	(328,547)
	<u>427,206</u>	<u>412,399</u>	<u>319,400</u>	<u>411,646</u>
Information Systems-				
Personal Services	1,309,460	1,311,121	1,252,165	1,312,706
Contractual Services	132,413	188,740	120,727	97,425
Materials and Supplies	109,470	118,920	101,320	98,464
Capital Outlay	4,000	102,460	98,536	35,667
Miscellaneous	1,859	1,859	1,336	1,263
Allocations To Other Funds	(705,121)	(705,121)	(705,108)	(645,806)
	<u>852,081</u>	<u>1,017,979</u>	<u>868,976</u>	<u>899,719</u>
Finance Administration-				
Personal Services	1,147,460	1,147,460	1,094,991	1,079,870
Contractual Services	219,141	323,373	286,045	207,179
Materials and Supplies	242,076	164,300	159,733	44,431
Capital Outlay	-	1,380	1,336	713
Miscellaneous	677	677	11,370	2,803
Allocations To Other Funds	(1,156,284)	(1,156,284)	(1,176,223)	(1,107,454)
	<u>453,070</u>	<u>480,906</u>	<u>377,252</u>	<u>227,542</u>
Total Central Support Services	<u>1,719,774</u>	<u>1,898,701</u>	<u>1,565,628</u>	<u>1,534,293</u>
Total General Government	<u>3,132,219</u>	<u>2,998,671</u>	<u>2,496,506</u>	<u>2,796,052</u>
Public Health and Safety:				
Police Department-				
Administration-				
Personal Services	3,818,274	4,148,647	3,690,677	3,098,131
Contractual Services	858,863	842,178	737,248	906,174
Materials and Supplies	75,819	76,772	42,960	60,410
Capital Outlay	-	230	228	1,397
Miscellaneous	2,141	2,141	3,617	2,788
	<u>4,755,097</u>	<u>5,069,968</u>	<u>4,474,730</u>	<u>4,068,900</u>

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Public Health and Safety (Continued):				
Police Department (Continued)-				
Police Operations-				
Personal Services	\$ 5,065,669	\$ 5,080,329	\$ 5,334,174	\$ 5,388,324
Contractual Services	555,811	555,811	635,880	406,712
Materials and Supplies	160,828	174,584	152,653	130,180
Capital Outlay	-	22,882	18,115	2,067
Miscellaneous	22,068	22,068	50,110	25,525
	<u>5,804,376</u>	<u>5,855,674</u>	<u>6,190,932</u>	<u>5,952,808</u>
Total Police Department	<u>10,559,473</u>	<u>10,925,642</u>	<u>10,665,662</u>	<u>10,021,708</u>
Fire Department-				
Administration-				
Personal Services	1,975,201	1,955,593	1,968,635	1,827,781
Contractual Services	148,576	187,788	168,452	156,246
Materials and Supplies	18,977	17,277	11,344	18,008
Miscellaneous	201	201	491	347
	<u>2,142,955</u>	<u>2,160,859</u>	<u>2,148,922</u>	<u>2,002,382</u>
Fire Suppression-				
Personal Services	802,365	789,862	695,696	628,288
Contractual Services	87,250	82,250	67,020	89,368
Materials and Supplies	12,344	13,844	9,606	3,475
Miscellaneous	71	71	84	75
	<u>902,030</u>	<u>886,027</u>	<u>772,406</u>	<u>721,206</u>
Fire Station Activities-				
Personal Services	3,756,569	3,761,382	3,849,383	3,758,862
Contractual Services	615,311	617,411	599,775	435,193
Materials and Supplies	109,667	105,843	87,819	93,896
Capital Outlay	54,380	859,115	834,907	64,191
Miscellaneous	16,415	16,415	24,039	13,047
	<u>4,552,342</u>	<u>5,360,166</u>	<u>5,395,923</u>	<u>4,365,189</u>
Fire Training-				
Personal Services	719,854	713,521	747,190	706,208
Materials and Supplies	7,560	7,560	3,124	5,871
	<u>727,414</u>	<u>721,081</u>	<u>750,314</u>	<u>712,079</u>
Fire Prevention-				
Personal Services	550,587	550,587	403,035	482,600
Contractual Services	34,482	6,333	4,928	17,977
Materials and Supplies	8,069	7,789	4,205	4,664
Capital Outlay	-	22,625	-	-
Miscellaneous	28	28	18	-
	<u>593,166</u>	<u>587,362</u>	<u>412,186</u>	<u>505,241</u>
Emergency Medical Services-				
Personal Services	520,253	520,253	416,632	376,870
Contractual Services	409,544	409,544	389,953	359,860
Materials and Supplies	6,881	6,881	9,935	6,808
Capital Outlay	500	500	477	483
	<u>937,178</u>	<u>937,178</u>	<u>816,997</u>	<u>744,021</u>

	Original Budget	Final Budget	Actual	Last Year Actual
Public Health and Safety (Continued):				
Fire Department (Continued)-				
Emergency Service and Disaster-				
Personal Services	\$ 74,509	\$ 76,179	\$ 63,920	\$ 48,734
Contractual Services	50,513	51,013	35,879	20,921
Materials and Supplies	3,181	3,181	2,559	968
	<u>128,203</u>	<u>130,373</u>	<u>102,358</u>	<u>70,623</u>
 Total Fire Department	 <u>9,983,288</u>	 <u>10,783,046</u>	 <u>10,399,106</u>	 <u>9,120,741</u>
Public Health Planning				
Contractual Services	685,893	685,893	724,500	606,000
	<u>685,893</u>	<u>685,893</u>	<u>724,500</u>	<u>606,000</u>
 Total Public Health and Safety	 <u>21,228,654</u>	 <u>22,394,581</u>	 <u>21,789,268</u>	 <u>19,748,449</u>
Public Works:				
Administration-				
Personal Services	541,020	552,520	519,345	506,738
Contractual Services	166,530	196,678	173,898	171,706
Materials and Supplies	5,460	5,798	2,708	8,095
Capital Outlay	-	-	-	984
Miscellaneous	414	414	408	268
Allocations To Other Funds	(146,630)	(146,630)	(146,628)	(122,699)
	<u>566,794</u>	<u>608,780</u>	<u>549,731</u>	<u>565,092</u>
Engineering-				
Personal Services	362,033	362,333	352,175	341,755
Contractual Services	56,033	55,803	36,183	37,577
Materials and Supplies	9,607	9,537	4,984	9,307
Miscellaneous	1,176	1,176	170	710
Allocations To Other Funds	(105,642)	(105,642)	(105,660)	(76,062)
	<u>323,207</u>	<u>323,207</u>	<u>287,852</u>	<u>313,287</u>
Street and Bridge Maintenance-				
Personal Services	1,427,290	1,425,118	1,307,265	1,473,512
Contractual Services	2,009,307	2,116,232	2,044,920	1,807,698
Materials and Supplies	358,844	352,316	280,022	362,532
Capital Outlay	-	12,987	12,987	14,046
Miscellaneous	32,889	32,889	57,994	29,971
Allocations To Other Funds	(701,778)	(701,778)	(701,772)	(602,737)
	<u>3,126,552</u>	<u>3,237,764</u>	<u>3,001,416</u>	<u>3,085,022</u>
Storm Sewer Maintenance-				
Personal Services	320,930	320,930	327,634	303,886
Contractual Services	214,534	97,761	60,053	46,361
Materials and Supplies	92,281	47,456	47,034	97,937
Capital Outlay	-	25,000	24,935	44,679
Miscellaneous	33,181	33,181	15,232	24,357
	<u>660,926</u>	<u>524,328</u>	<u>474,888</u>	<u>517,220</u>

	Original Budget	Final Budget	Actual	Last Year Actual
Public Works (Continued):				
Street and Bridge Engineering-				
Contractual Services	\$ 170,958	\$ 183,997	\$ 128,200	\$ 96,805
Capital Outlay	-	322,727	84,676	682,133
Miscellaneous	475	475	-	-
	<u>171,433</u>	<u>507,199</u>	<u>212,876</u>	<u>778,938</u>
Snow and Ice Removal-				
Personal Services	258,654	258,654	382,288	295,072
Contractual Services	86,500	86,500	60,853	85,685
Materials and Supplies	362,782	362,782	372,033	349,797
Capital Outlay	8,196	8,196	-	50,702
Miscellaneous	1,263	1,263	482	1,028
	<u>717,395</u>	<u>717,395</u>	<u>815,656</u>	<u>782,284</u>
Street Cleaning-				
Personal Services	123,045	123,045	110,074	113,068
Contractual Services	39,950	39,950	39,950	-
Materials and Supplies	14,887	14,887	11,465	10,710
Miscellaneous	3,851	3,851	4,978	2,796
	<u>181,733</u>	<u>181,733</u>	<u>166,467</u>	<u>126,574</u>
Buildings and Grounds-				
Personal Services	349,231	349,380	342,330	397,809
Contractual Services	1,048,009	1,151,103	1,030,276	1,002,312
Materials and Supplies	98,615	100,912	89,202	78,759
Capital Outlay	5,400	11,695	6,294	-
Miscellaneous	12,296	12,296	16,881	10,508
Allocations To Other Funds	(744,565)	(744,565)	(744,576)	(671,993)
	<u>768,986</u>	<u>880,821</u>	<u>740,407</u>	<u>817,395</u>
Curbs and Sidewalks-				
Personal Services	315,195	315,195	250,933	265,911
Contractual Services	94,843	100,543	95,535	69,571
Materials and Supplies	84,266	71,566	67,791	83,904
Miscellaneous	824	824	535	543
	<u>495,128</u>	<u>488,128</u>	<u>414,794</u>	<u>419,929</u>
Total Public Works	<u>7,012,154</u>	<u>7,469,355</u>	<u>6,664,087</u>	<u>7,405,741</u>
Community Development:				
Planning Services-				
Personal Services	412,215	412,215	392,002	383,878
Contractual Services	476,184	592,253	495,459	384,834
Materials and Supplies	5,197	5,197	2,794	1,713
Allocations To Other Funds	(98,016)	(98,016)	(98,016)	(69,420)
	<u>795,580</u>	<u>911,649</u>	<u>792,239</u>	<u>701,005</u>

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Community Development (Continued):				
Planning Commission-				
Personal Services	\$ 250	\$ 250	\$ -	\$ -
Contractual Services	16,799	16,799	3,597	14,259
	<u>17,049</u>	<u>17,049</u>	<u>3,597</u>	<u>14,259</u>
Building and Zoning Inspections-				
Personal Services	761,053	761,053	722,582	698,569
Contractual Services	114,245	225,170	138,899	54,819
Materials and Supplies	32,931	33,512	27,694	24,681
Capital Outlay	8,000	4,485	3,386	-
Miscellaneous	1,799	1,799	2,075	1,100
Allocations To Other Funds	(78,286)	(78,286)	(78,288)	(66,221)
	<u>839,742</u>	<u>947,733</u>	<u>816,348</u>	<u>712,948</u>
Zoning Board of Appeals-				
Contractual Services	2,471	2,471	-	365
	<u>2,471</u>	<u>2,471</u>	<u>-</u>	<u>365</u>
Development Engineering-				
Personal Services	294,221	294,221	277,026	267,732
Contractual Services	127,168	151,556	34,320	101,203
Materials and Supplies	8,498	9,698	7,874	8,440
Capital Outlay	2,000	800	196	-
Allocations To Other Funds	(105,642)	(105,642)	(105,660)	(73,080)
	<u>326,245</u>	<u>350,633</u>	<u>213,756</u>	<u>304,295</u>
Economic Development-				
Personal Services	317,600	317,650	302,400	224,687
Contractual Services	144,406	210,186	110,379	35,973
Materials and Supplies	5,842	5,842	3,434	2,848
Allocations To Other Funds	(76,124)	(76,124)	(76,128)	(70,940)
	<u>391,724</u>	<u>457,554</u>	<u>340,085</u>	<u>192,568</u>
Total Community Development	<u>2,372,811</u>	<u>2,687,089</u>	<u>2,166,025</u>	<u>1,925,440</u>
Debt Service:				
Principal	78,818	78,818	78,820	75,732
Interest and Fiscal Charges	5,840	5,840	5,840	8,928
	<u>84,658</u>	<u>84,658</u>	<u>84,660</u>	<u>84,660</u>
Total Expenditures	<u>\$33,830,496</u>	<u>\$35,634,354</u>	<u>\$33,200,546</u>	<u>\$31,960,342</u>

See independent auditor's report.



998 Corporate Boulevard • Aurora, IL 60502

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information which collectively comprise the basic financial statements of the City of St. Charles, Illinois as of and for the year ended April 30, 2011, and have issued our report thereon dated August 30, 2011. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on the eligibility for costs incurred incidental to the implementation of the redevelopment plan and redevelopment projects associated with the Downtown Redevelopment TIF District, the Hotel Baker TIF District, the St. Charles Mall TIF District, the St. Charles Kitchen TIF District and the Moline TIF District pursuant to Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act.

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

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

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

Aurora, Illinois
August 30, 2011

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

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.	136-140
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	141-145
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.	146-150
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.	151-152
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.	153-155

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement No. 34 in 2004; schedules presenting government-wide information include information beginning in that year.

CITY OF ST. CHARLES, ILLINOIS

NET ASSETS BY COMPONENT

Last Eight Years

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities								
Invested in Capital Assets Net of Related Debt	\$ 24,370,894	\$ 90,799,534	\$ 102,371,583	\$ 99,460,021	\$ 99,140,750	\$ 99,628,444	\$ 95,258,795	\$ 97,483,604
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
Unrestricted	(3,446,244)	(1,439,033)	4,591,049	9,956,490	13,430,037	3,062,631	564,787	2,561,737
Total Governmental Activities	\$ 25,486,441	\$ 95,923,704	\$ 114,547,920	\$ 117,999,636	\$ 124,188,234	\$ 115,887,379	\$ 117,133,060	\$ 120,667,741
Business-type Activities								
Invested in Capital Assets Net of Related Debt	\$ 72,599,863	\$ 75,257,744	\$ 87,666,921	\$ 91,359,113	\$ 94,294,449	\$ 89,806,332	\$ 94,444,575	\$ 92,601,321
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
Total Business-type Activities	\$ 108,449,308	\$ 110,355,307	\$ 120,309,187	\$ 123,681,580	\$ 120,640,684	\$ 111,621,257	\$ 107,280,535	\$ 101,188,030
Primary Government								
Invested in Capital Assets Net of Related Debt	\$ 96,970,757	\$ 166,057,278	\$ 190,038,504	\$ 190,819,134	\$ 193,435,199	\$ 189,434,776	\$ 189,703,370	\$ 190,084,925
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
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
Total Primary Government	\$ 133,935,749	\$ 206,279,011	\$ 234,857,107	\$ 241,681,216	\$ 244,828,918	\$ 227,508,636	\$ 224,413,595	\$ 221,855,771

Data Source

Audited Financial Statements

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

CITY OF ST. CHARLES, ILLINOIS

CHANGE IN NET ASSETS

Last Eight Years

	Fiscal Year							
	2004	2005	2006	2007	2008	2009	2010	2011
Expenses								
Governmental Activities								
General Government	\$ 2,645,240	\$ 2,956,654	\$ 3,228,166	\$ 3,252,423	\$ 4,635,671	\$ 3,204,672	\$ 2,959,301	\$ 2,742,777
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
* 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
Community Development	1,585,173	1,544,190	1,829,862	1,735,687	1,852,758	9,204,338	1,990,403	2,462,651
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
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
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
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
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
Refuse	612,022	663,533	644,067	582,798	802,619	728,318	608,738	630,873
Total Business-type Activities Expenses	42,863,713	43,870,319	46,640,662	47,721,765	55,150,565	55,996,484	55,367,641	62,050,764
Total Primary Government Expenses	\$ 73,751,505	\$ 79,427,313	\$ 84,258,322	\$ 87,360,061	\$ 97,133,738	\$ 107,896,248	\$ 96,385,064	\$ 103,250,130
Program Revenues								
Governmental Activities								
Charges for Services								
General Government	\$ 460,999	\$ 408,211	\$ 334,307	\$ 351,432	\$ 330,721	\$ 380,742	\$ 235,721	\$ 242,325
Public Health and Safety	1,390,678	1,590,371	1,671,728	1,893,485	1,836,614	2,202,465	2,492,351	2,502,699
* Public Works	110,873	136,893	92,665	170,412	253,635	189,408	288,865	150,108
Community Development	904,712	785,864	916,423	682,379	636,193	580,337	411,719	332,768
Operating Grants and Contributions	906,906	1,099,495	1,177,318	1,271,476	1,151,030	1,092,490	981,183	1,195,977
Capital Grants and Contributions	185,335	359,406	2,424,847	444,673	4,322,602	143,008	357,245	533,933
Total Governmental Activities Program Revenues	3,959,503	4,380,240	6,617,288	4,813,857	8,530,795	4,588,450	4,767,084	4,958,010
Business-type Activities								
Charges for Services								
Electric	33,697,494	34,604,347	37,268,760	37,450,772	39,657,173	39,670,266	39,716,828	46,274,757
Water	3,051,019	2,946,010	3,195,610	2,962,401	2,970,946	2,851,707	2,800,859	3,008,409
Sewer	5,267,320	5,397,512	5,533,228	5,392,115	5,570,674	5,555,699	5,514,181	5,829,457
Refuse	446,940	474,387	474,374	475,550	486,012	493,399	489,325	527,638
Operating Grants and Contributions	-	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	-	601,490	163,733
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
Total Primary Government Program Revenues	\$ 46,422,276	\$ 47,802,496	\$ 53,089,260	\$ 51,094,695	\$ 57,215,600	\$ 53,159,521	\$ 53,889,767	\$ 60,762,004

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	
Net (Expense) Revenue									
Governmental Activities	\$ (26,928,289)	\$ (31,176,754)	\$ (31,000,372)	\$ (34,824,439)	\$ (33,452,378)	\$ (47,311,314)	\$ (36,250,339)	\$ (36,241,356)	
Business-type Activities	(400,940)	(448,063)	(168,690)	(1,440,927)	(6,465,760)	(7,425,413)	(6,244,958)	(6,246,770)	
Total Primary Government Net (Expense) Revenue	\$ (27,329,229)	\$ (31,624,817)	\$ (31,169,062)	\$ (36,265,366)	\$ (39,918,138)	\$ (54,736,727)	\$ (42,495,297)	\$ (42,488,126)	
General Revenues and Other Changes in Net Assets									
Governmental Activities									
Taxes									
Property	\$ 8,806,833	\$ 9,711,044	\$ 10,299,727	\$ 11,472,282	\$ 12,076,065	\$ 13,131,263	\$ 13,936,514	\$ 13,842,186	
Personal Property Replacement	59,983	68,379	88,202	95,854	109,332	100,102	88,607	98,485	
Municipal Sales and Use	12,541,228	15,248,168	16,216,501	16,356,138	16,077,769	14,800,130	14,363,468	14,885,976	
Electric Franchise Fee	1,581,833	1,614,553	1,754,659	1,747,190	1,867,683	1,882,001	1,885,399	2,218,093	
Food and Beverage/Liquor	1,066,042	692,047	588,720	101,016	-	-	-	837,925	
Hotel Occupation	1,382,851	1,684,926	1,970,172	2,020,640	2,123,542	1,795,525	1,624,075	1,664,216	
Telecommunications Fee	1,932,387	1,619,756	1,388,891	1,255,382	1,491,882	1,510,057	1,421,576	1,336,605	
State Income	1,769,025	2,155,151	2,432,504	2,683,079	2,931,062	2,900,549	2,528,377	2,481,991	
Other	127,898	123,493	66,773	63,224	55,253	49,626	56,660	55,745	
Investment Income	111,732	220,649	1,007,520	1,514,343	1,665,889	750,645	222,192	303,135	
Miscellaneous	409,648	419,899	469,322	535,968	534,877	667,320	593,855	729,063	
Contributions	4,543,807	291,037	125,748	495,437	389,677	1,205,121	1,573,396	-	
Transfers	(388,292)	(457,401)	(374,556)	121,876	317,945	251,524	(798,099)	413,146	
Total Governmental Activities	33,944,975	33,391,701	36,034,183	38,462,429	39,640,976	39,043,863	37,496,020	38,866,566	
Business-type Activities									
Investment Income	411,391	516,990	1,178,272	1,718,477	1,443,180	374,971	54,556	38,136	
Connection Charges	899,884	567,281	653,933	566,479	645,504	255,960	448,899	81,447	
Miscellaneous	597,884	325,269	222,169	128,966	235,518	205,265	314,883	447,828	
Gain on Sale of Capital Assets	153,229	107,855	164,951	-	-	-	-	-	
Contributions	294,931	429,650	1,087,321	2,521,274	1,418,607	280,286	287,799	-	
Transfers	388,292	457,401	374,556	(121,876)	(317,945)	(251,524)	798,099	(413,146)	
Total Business-type Activities	2,745,611	2,404,446	3,681,202	4,813,320	3,424,864	864,958	1,904,236	154,265	
Total Primary Government	\$ 36,690,586	\$ 35,796,147	\$ 39,715,385	\$ 43,275,749	\$ 43,065,840	\$ 39,908,821	\$ 39,400,256	\$ 39,020,831	
Change in Net Assets									
Governmental Activities	\$ 7,016,686	\$ 2,214,947	\$ 5,033,811	\$ 3,637,990	\$ 6,188,598	\$ (8,267,451)	\$ 1,245,681	\$ 2,625,210	
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)	
Total Primary Government Change in Net Assets	\$ 9,361,357	\$ 4,171,330	\$ 8,546,323	\$ 7,010,383	\$ 3,147,702	\$ (14,827,906)	\$ (3,095,041)	\$ (3,467,295)	

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

	Fiscal Year									
	2001	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Reserved	\$ -	\$ 1,304,739	\$ 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	8,392,840	7,933,233	10,550,829	14,086,350	16,142,675	14,950,556	15,581,064	14,857,419	15,322,835	16,235,613
Total General Fund	\$ 8,392,840	\$ 9,237,972	\$ 11,461,786	\$ 15,706,948	\$ 17,980,116	\$ 17,166,684	\$ 18,449,972	\$ 19,347,527	\$ 22,635,755	\$ 22,243,106
All Other Governmental Funds										
Reserved	\$ 832,953	\$ 1,202,790	\$ 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	2,256,003	2,236,210	(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	-	(575,199)	-	-	-	-	-	-	-	-
Capital Project Funds	7,257,371	1,837,664	(4,036,175)	(2,765,572)	1,067,982	6,588,564	14,089,657	14,836,247	1,132,189	1,819,784
Total All Other Governmental Funds	\$ 10,346,327	\$ 4,701,465	\$ 2,921,203	\$ 2,551,481	\$ 7,143,261	\$ 13,255,130	\$ 23,133,422	\$ 24,879,059	\$ 19,307,896	\$ 19,921,806

Data Source

Audited Financial Statements

CITY OF ST. CHARLES, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 20,570,134	\$ 24,259,646	\$ 27,441,388	\$ 30,705,355	\$ 32,373,645	\$ 33,111,726	\$ 33,801,526	\$ 33,268,704	\$ 33,376,299	\$ 34,939,231
Licenses and Permits	749,020	804,284	749,547	773,173	643,110	572,974	558,917	497,362	422,200	459,408
Intergovernmental	6,231,132	6,334,096	2,925,337	3,678,720	5,013,059	4,441,018	8,037,262	4,106,734	3,789,542	3,879,399
Fines and Forfeitures	227,311	190,732	204,199	256,476	303,022	339,740	290,130	376,626	435,340	403,325
Charges for Services	1,633,819	1,566,332	1,756,396	1,787,463	2,005,440	2,076,491	2,117,275	2,357,393	2,571,116	2,365,366
Investment Income	502,341	294,162	111,727	220,649	1,007,520	1,514,343	1,665,889	750,645	222,192	303,135
Miscellaneous	599,713	747,093	658,921	516,468	1,553,284	602,679	986,042	815,705	656,375	860,373
Total Revenues	30,513,470	34,196,345	33,847,515	37,938,304	42,899,080	42,658,971	47,457,041	42,173,169	41,473,064	43,210,237
Expenditures										
General Government	4,334,129	4,557,010	2,629,794	2,731,972	3,301,517	3,067,426	3,469,160	3,435,154	3,007,179	2,438,740
Public Health and Safety	12,449,340	13,563,220	15,623,341	16,870,083	18,630,320	19,474,760	19,947,430	20,643,649	19,824,807	21,839,500
Public Works	14,497,563	12,063,803	9,949,117	11,656,979	11,684,822	16,354,003	10,634,198	10,882,985	7,700,583	7,412,063
Community Development	1,747,015	2,070,972	1,611,077	1,542,692	1,816,208	1,975,058	1,952,881	9,491,872	1,925,440	1,982,888
Debt Service										
Principal	825,472	1,393,373	1,622,782	1,846,493	2,007,291	2,530,582	3,165,327	3,247,523	3,797,436	3,939,836
Interest	1,299,150	1,376,317	1,404,128	1,493,863	1,600,410	2,470,500	2,609,282	3,040,808	4,107,956	3,839,569
Capital Outlay	2,681,482	1,836,888	4,473,526	3,917,320	12,661,134	5,557,550	8,993,205	8,644,334	6,933,971	1,864,348
Total Expenditures	37,834,151	36,861,583	37,313,765	40,059,402	51,701,702	51,429,879	50,771,483	59,386,325	47,297,372	43,316,944
Excess of Revenues over (under) Expenditures	(7,320,681)	(2,665,238)	(3,466,250)	(2,121,098)	(8,802,622)	(8,770,908)	(3,314,442)	(17,213,156)	(5,824,308)	(106,707)
Other financing Sources (Uses)										
Transfers In	2,655,364	2,176,949	3,264,662	3,138,348	4,863,371	8,698,763	9,851,717	5,985,919	10,330,710	9,262,302
Transfers Out	(3,066,166)	(2,619,183)	(1,407,790)	(3,583,327)	(5,507,721)	(8,902,149)	(9,882,915)	(6,019,265)	(7,253,837)	(9,155,055)
Bonds Issued	2,831,406	1,357,000	4,435,000	6,375,000	19,115,000	14,470,000	14,340,000	19,935,000	5,481,550	6,225,000
Premium (Discount) on Bonds Issued	-	-	(30,538)	(56,457)	83,687	(10,995)	157,970	(47,806)	161,547	217,846
Issuance of Installment Contracts	-	-	112,500	122,975	-	-	-	-	-	-
Payment to Escrow Agent	-	-	-	-	(2,738,049)	-	-	-	(5,570,590)	(6,355,910)
Sale of Capital Assets	10,493	9,102	-	-	1,200	-	9,250	2,500	391,993	133,785
Total Other Financing Sources (Uses)	2,431,097	923,868	6,373,834	5,996,539	15,817,488	14,255,619	14,476,022	19,856,348	3,541,373	327,968
Net Change in Fund Balances	\$ (4,889,584)	\$ (1,741,370)	\$ 2,907,584	\$ 3,875,441	\$ 7,014,866	\$ 5,484,711	\$ 11,161,580	\$ 2,643,192	\$ (2,282,935)	\$ 221,261
Debt Service as a Percentage of Noncapital Expenditures	6.04%	7.91%	9.22%	9.24%	9.24%	10.90%	13.82%	12.39%	19.59%	18.77%

Data Source

Audited Financial Statements

CITY OF ST. CHARLES, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
2001	654,428,390	221,015,883	99,328,931	974,773,204	0.7260	2,924,319,612	33.333%
2002	737,062,340	229,901,820	106,413,084	1,073,377,244	0.7489	3,220,131,732	33.333%
2003	824,930,416	250,380,336	107,284,531	1,182,595,283	0.7506	3,547,785,849	33.333%
2004	876,989,053	260,848,331	109,413,588	1,247,250,972	0.7490	3,741,752,916	33.333%
2005	944,422,898	281,505,774	126,398,861	1,352,327,533	0.7537	4,056,982,599	33.333%
2006	1,007,971,270	317,706,581	135,486,864	1,461,164,715	0.7314	4,383,494,145	33.333%
2007	1,093,511,982	340,689,027	146,061,935	1,580,262,944	0.7300	4,740,788,832	33.333%
2008	1,130,538,083	363,806,483	154,181,792	1,648,526,358	0.7300	4,945,579,074	33.333%
2009	1,114,552,074	374,248,479	153,004,247	1,641,804,800	0.7300	4,925,414,400	33.333%
2010	1,044,846,020	354,606,287	148,675,847	1,548,128,154	0.7785	4,644,384,462	33.333%

Data Source

Office of the County Clerk

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

CITY OF ST. CHARLES, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Calendar Years

Tax Calendar Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Kane County										
City of St. Charles	0.7260	0.7489	0.7506	0.7490	0.7537	0.7314	0.7300	0.7300	0.7300	0.7785
County	0.4529	0.4292	0.3578	0.3467	0.3417	0.3456	0.3322	0.3336	0.3398	0.3730
St. Charles Forest Preserve	0.1520	0.1395	0.1270	0.1432	0.1929	0.1770	0.1974	0.1932	0.1997	0.2201
St. Charles Township	0.0559	0.1294	0.0509	0.0501	0.0506	0.0464	0.0329	0.0327	0.0413	0.0000
St. Charles Township Road	-	-	0.0726	0.0715	0.0738	0.0788	0.0643	0.0647	0.0659	0.0723
St. Charles Cemetery	0.0187	0.0007	0.0159	0.0005	0.0005	0.0132	0.0002	0.0002	0.0117	0.0128
St. Charles Park District	0.4318	0.4201	0.4457	0.4572	0.4453	0.4390	0.3958	0.4211	0.4613	0.5550
St. Charles Library District	0.2924	0.2787	0.2661	0.2613	0.3107	0.3277	0.2356	0.2372	0.2415	0.2654
School District # 303	4.0110	4.1156	4.1659	4.2668	4.3107	4.2071	4.0516	4.0916	4.1645	4.6040
Elgin Community College	0.3721	0.3636	0.3854	0.4154	0.4418	0.3804	0.3406	0.3275	0.3833	0.4407
Waubensee Community College	0.4131	0.4043	0.4134	0.4099	0.4066	0.4272	0.3950	0.3995	0.4043	0.4070
Total Representative Tax *	6.9259	7.0300	7.0513	7.1716	7.3283	7.1738	6.7756	6.8313	7.0433	7.7288
DuPage County										
City of St. Charles	0.7168	0.7508	0.8131	0.7111	0.8018	0.4290	0.6353	0.6249	0.6237	0.6734
County	0.2353	0.2154	0.1999	0.1850	0.1797	0.1713	0.1651	0.1557	0.1554	0.1659
Forest Preserve	0.1654	0.1534	0.1419	0.1358	0.1271	0.1303	0.1187	0.1206	0.1217	0.1321
Wayne Township	0.0812	0.0763	0.0727	0.0696	0.0680	0.0666	0.0647	0.0649	0.0658	0.0733
St. Charles Park District	0.4311	0.4195	0.4697	0.4383	0.4156	0.4161	0.3971	0.4207	0.4812	0.5710
St. Charles Library District	0.2909	0.2794	0.2849	0.2509	0.2474	0.2458	0.2385	0.2348	0.2415	0.2654
West Chicago Mosquito District	0.0068	0.0065	0.0063	0.0109	0.0105	0.0101	0.0099	0.0099	0.0101	0.0111
Dupage Airport Authority	-	0.0248	-	-	-	-	-	-	-	-
Unit School District # 303	4.0055	4.1067	4.4122	3.9271	4.2550	4.2494	4.0836	4.0604	4.1646	4.6042
Elgin Community College	0.3690	0.3488	0.3602	0.4150	0.4140	0.3396	0.3294	0.3298	0.3760	0.3921
Total Representative Tax	6.302	6.382	6.761	6.144	6.519	6.058	6.042	6.022	6.240	6.8885

Data Source

Office of the County Clerk

*Note : School Districts 46 and 304 not included.

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

Taxpayer	2010			2001		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation
Arthur Anderson/Q-Centre	\$ 15,463,028	1	1.00%	\$ 17,826,099	1	1.83%
AMLI	12,123,792	2	0.78%	8,496,102	4	0.87%
Pheasant Run Resort	10,314,520	3	0.67%	12,642,051	3	1.30%
Main Street Commons	7,999,200	4	0.52%			
Meijer Stores Limited Partnership	6,162,143	5	0.40%	5,881,025	5	0.60%
St. Charles Country Club	5,999,762	6	0.39%			
Delnor Community Residential Living	5,683,275	7	0.37%			
Costco Wholesales Corp	5,351,643	8	0.35%			
Target Corp	5,266,829	9	0.34%			
American Small Business LLC	5,128,229	10	0.33%			0.00%
Charlestown Mall				16,104,928	2	1.65%
Wallace				4,623,439	8	0.47%
General Mills				3,189,346	10	0.33%
First Industrial				5,123,215	6	0.53%
Pier One Imports				5,069,703	7	
Dalan/St. Charles LLC				4,386,706	9	0.45%
	<u>\$ 79,492,421</u>		<u>5.15%</u>	<u>\$ 83,342,614</u>		<u>8.03%</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
2001	7,048,600	7,109,387	100.86%	-	7,109,387	100.86%
2002	8,041,507	8,029,341	99.85%	-	8,029,341	99.85%
2003	8,896,719	8,849,951	99.47%	-	8,849,951	99.47%
2004	9,331,159	9,315,535	99.83%	-	9,315,535	99.83%
2005	10,212,017	10,193,370	99.82%	-	10,193,370	99.82%
2006	10,693,667	10,669,842	99.78%	-	10,669,842	99.78%
2007	11,543,740	11,521,398	99.81%	-	11,521,398	99.81%
2008	12,035,959	12,033,470	99.98%	-	12,033,470	99.98%
2009	11,987,421	11,980,795	99.94%	-	11,980,795	99.94%
2010	12,058,027	10,799,623	89.56%	-	10,799,623	89.56%

Data Source

Office of the County Clerk

Note : Property in the City is reassessed each year. Property is assessed at 33% of actual value.
In 2010 total distribution of Property tax is as of October 4, 2011

CITY OF ST. CHARLES, ILLINOIS

SALES TAXES BY CATEGORY

Last Ten Calendar Years

Calendar Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Merchandise	\$ 1,460,194	\$ 1,819,995	\$ 2,296,390	\$ 2,305,983	\$ 2,069,906	\$ 2,197,842	\$ 2,141,297	\$ 1,980,070	\$ 1,758,126	1,737,180
Food	1,876,763	1,956,162	1,991,415	1,273,736	1,373,818	1,343,516	1,350,218	1,281,233	1,192,639	1,109,241
Drinking and Eating Places	1,154,733	1,205,717	1,270,850	1,517,923	1,796,047	1,762,717	1,801,937	1,693,616	1,598,774	1,666,350
Apparel	327,479	325,113	306,322	294,436	339,638	320,838	285,813	192,502	148,348	133,778
Furniture & H.H. & Radio	196,546	164,699	166,869	282,051	307,876	323,634	270,167	202,537	160,847	169,268
Lumber, Building Hardware	470,626	456,669	740,711	1,166,569	1,271,738	1,175,745	1,090,319	958,927	758,083	777,607
Automobile and Filling Stations	2,469,264	2,335,905	2,416,006	3,462,891	4,004,024	4,021,130	4,059,866	4,005,061	4,444,623	4,632,453
Drugs and Miscellaneous Retail	1,276,525	1,342,638	1,366,251	1,677,816	1,855,388	2,026,345	2,151,516	1,960,829	1,886,071	2,113,267
Agriculture and All Others	1,130,531	1,206,813	1,104,489	1,467,375	1,655,949	1,956,813	2,074,016	1,831,132	1,262,633	1,220,630
Manufacturers	(49,959)	155,534	165,198	213,726	243,428	155,625	(1,463)	141,690	152,211	142,528
TOTAL	\$ 10,312,702	\$ 10,969,245	\$ 11,824,501	\$ 13,662,506	\$ 14,917,812	\$ 15,284,205	\$ 15,223,686	\$ 14,247,597	\$ 13,362,355	\$ 13,702,302
City direct sales tax rate	1.50%	1.50%	1.50%	1.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

Data Source

Illinois Department of Revenue

Note: Revised Sales Tax information-include homerule tax

CITY OF ST. CHARLES, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Fiscal Years

Fiscal Year	City Direct Rate	County Rate	RTA Rate	State Rate
2002	1.50%	0.25%	0.25%	5.00%
2003	1.50%	0.25%	0.25%	5.00%
2004	1.50%	0.25%	0.25%	5.00%
2005	2.00%	0.25%	0.25%	5.00%
2006	2.00%	0.25%	0.25%	5.00%
2007	2.00%	0.25%	0.25%	5.00%
2008	2.00%	0.25%	0.75%	5.00%
2009	2.00%	0.25%	0.75%	5.00%
2010	2.00%	0.25%	0.75%	5.00%
2011	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			
2002	\$ 29,179,312	\$ -	\$ -	\$ 2,860,688	\$ 10,142,415	\$ 895,000	\$ 43,077,415	4.39%	\$ 1,532.89
2003	28,092,939	995,376	-	7,267,061	9,622,276	-	45,977,652	4.37%	1,483.15
2004	31,040,023	973,010	-	6,834,977	10,671,803	-	49,519,813	4.58%	1,555.56
2005	35,743,892	920,623	-	6,391,108	16,600,164	-	59,655,787	5.35%	1,817.33
2006	50,549,546	697,678	-	5,935,454	17,794,104	-	74,976,782	6.72%	2,284.07
2007	62,718,962	467,680	-	7,466,038	16,720,449	-	87,373,129	7.84%	2,661.71
2008	74,023,398	337,917	-	8,736,602	15,637,454	-	98,735,371	7.27%	3,007.84
2009	81,856,192	257,600	8,935,000	10,538,808	14,522,883	-	116,110,483	9.41%	3,597.42
2010	78,079,206	181,868	8,935,000	9,795,794	13,926,307	-	110,918,175	8.99%	3,436.55
2011	74,198,190	103,048	8,935,000	16,026,810	18,202,396	-	117,465,444	9.23%	3,562.37

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 154 for personal income and population data.

CITY OF ST. CHARLES, ILLINOIS

RATIOS OF GENERAL OBLIGATION BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt		Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
		Service Fund				
2002	\$ 32,040,000	\$ 1,124,046	\$	30,915,954	3.17%	\$ 1,100.13
2003	35,360,000	1,202,790		34,157,210	3.18%	1,101.85
2004	37,875,000	1,204,198		36,670,802	3.10%	1,151.94
2005	42,135,000	490,610		41,644,390	3.34%	1,268.64
2006	56,485,000	13,478		56,471,522	4.18%	1,720.33
2007	70,185,000	1,084,365		69,100,635	4.73%	2,105.06
2008	82,760,000	1,979,011		80,780,989	5.11%	2,460.88
2009	92,395,000	903,486		91,491,514	5.55%	2,787.17
2010	87,875,000	2,335		87,872,665	5.35%	2,676.92
2011	90,225,000	10,342		90,214,658	5.47%	2,795.10

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 144 for property value data.

CITY OF ST. CHARLES, ILLINOIS

PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

BUSINESS-TYPE ACTIVITIES
Revenue Bonds/IEPA Loans

Fiscal Year	Debt Service			Coverage
	Operating Revenue	Principal	Interest	
2002	\$ 8,151,115	\$ 504,588	\$ 254,831	10.73
2003	8,276,676	1,423,362	293,753	4.82
2004	5,267,320	590,589	273,907	6.09
2005	5,397,512	609,188	255,307	6.24
2006	5,533,228	628,395	236,101	6.40
2007	5,392,115	1,073,654	441,915	3.56
2008	5,570,674	1,082,995	432,574	3.68
2009	5,555,699	1,114,571	400,998	3.67
2010	5,514,181	1,147,104	357,797	3.66
2011	5,829,457	1,180,623	323,877	3.87

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

CITY OF ST CHARLES, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

April 30, 2011

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	\$ 90,225,000	100.00%	\$ 90,225,000
Kane County	2,425,000	10.392%	252,006
Kane County Forest Preserve District	243,340,866	10.392%	25,287,983
Dupage County	49,170,000	0.088%	43,270
Dupage County Forest Preserve	212,873,727	0.088%	187,329
St. Charles Park District Schools	28,070,000	64.067%	17,983,607
Community Unit SD #303	138,215,000	48.531%	67,077,122
Community Unit SD #304	159,375,478	0.166%	264,563
Community College #509	174,323,261	11.497%	20,041,945
Community College #516	64,863,552	0.024%	15,567
Subtotal:	<u>1,072,656,884</u>		<u>131,153,392</u>
Total:	<u>\$ 1,162,881,884</u>		<u>\$ 221,378,392</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
2002	28,102	981,743,370	34,935	6.4%
2003	31,000	1,053,039,000	33,969	6.8%
2004	31,834	1,081,369,146	33,969	6.1%
2005	32,826	1,115,066,394	33,969	5.8%
2006	32,826	1,115,066,394	33,969	5.2%
2007	32,826	1,115,066,394	33,969	4.5%
2008	32,826	1,357,256,622	41,347	7.3%
2009	32,276	1,234,298,792	38,242	6.5%
2010	32,276	1,272,707,232	39,432	8.7%
2011	32,974	1,299,769,132	39,418	9.5%

Data Source:
 Various City Departments
 Illinois Department Employee Security

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

2010				
Employer	Rank	# of Employees	% of Total Employment	% of Total City Population
St. Charles Community School District	1	1,721	9.75%	5.22%
System Sensor	2	550	3.12%	1.67%
Omron Automotive	3	500	2.83%	1.52%
Pheasant Run Resort	4	400	2.27%	1.21%
City of St. Charles	5	340	1.93%	1.03%
St. Charles Park District	6	300	1.70%	0.91%
Illinois Youth Center	7	250	1.42%	0.76%
Meijer Retail Store	8	250	1.42%	0.76%
Target Retail Store	9	240	1.36%	0.73%
Power Packaging	10	225	1.28%	0.68%
			14.49%	

2001				
Employer	Rank	# of Employees	% of Total Employment	% of Total City Population
Andersen Worldwide	1	1,312	6.62%	4.70%
St. Charles Community School District	2	1,138	5.74%	4.07%
System Sensor	3	1,000	5.04%	3.58%
Dukane Corporation	4	558	2.81%	2.00%
Pheasant Run Resort	5	500	2.52%	1.79%
Armour Swift-Eckrich St. Charles	6	460	2.32%	1.65%
Aramark Food Service	7	450	2.27%	1.61%
Jewel Company	8	443	2.23%	1.59%
Teltrend	9	438	2.21%	1.57%
Wallace, Inc.	10	350	1.77%	1.25%
City of St. Charles	11	319	1.61%	1.14%
Perfect Plastic Printing	12	276	1.39%	0.99%
Wal-Mart	13	250	1.26%	0.89%
Coca-Cola Bottling Co.	14	228	1.15%	0.82%
			27.65%	

Data Source

Municipal Research Services

Note: Information only available up to ten years ago.

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

Last Ten Fiscal Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Administration	39.30	38.80	41.90	44.50	46.20	44.80	46.60	43.00	40.60	40.90
Public Health & Safety	132.30	131.00	142.40	150.80	157.60	157.40	148.80	147.10	130.20	123.80
M & C of Public Right-of-Ways	61.60	62.70	64.00	61.70	62.20	62.40	61.90	52.20	40.50	40.10
M & C of Public Utilities	68.90	68.70	71.20	68.70	67.10	65.80	65.50	61.70	61.10	61.50
Community and Economic Development	17.00	16.00	16.80	16.90	15.90	17.00	16.50	17.90	17.50	17.50
Total:	319.10	317.20	336.30	342.60	349.00	347.40	339.30	321.90	289.90	283.80

Data Source
 City budget office

Note: M&C= maintenance and construction

CITY OF ST. CHARLES, ILLINOIS

OPERATING INDICATORS

Last Ten Calendar Years

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public Safety										
Police										
Physical arrests	1,606	1,616	1,772	1,779	1,910	1,581	1,796	1,613	1,404	1,259
Parking violations	-	-	-	1656	1547	1,792	1,733	1,500	1,400	1,743
Traffic violations	8,530	9,580	8,838	8,408	9,947	7,066	6,573	6,316	4,491	4,496
Fire										
Emergency responses	4,100	4,183	4,879	5,068	5,126	5,212	5,113	5,044	4,831	5,100
Fires Extinguished	29	19	60	68	85	161	158	134	103	174
Public Works										
Streeting (miles)	162.69	162.69	162.69	162.69	171.3	568	180.5	183	184	184
Electric										
Number of Customers	11,161	14,161	13,690	14,700	14,675	15,082	15,196	15,233	15,364	15,419
Water										
Maximum Day Consumption	7,519,000	7,230,000	7,230,000	7,230,000	7,412,000	9,741,000	9,741,000	9,741,000	9,741,000	9,741,000
# of water mains (miles)	188.6	190.6	191.9	192.8	196.6	196.5	197.5	202	220	219.9
Wastewater										
Average daily storage (flow)	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	5,289,000	5,289,000	6,562,758	6,060,000	5,788,975

Data Source

Various City departments

Note:parking violations were not tracked prior to 2004.

Parking violation increase due to 1st street

CITY OF ST. CHARLES, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Calendar Years

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area Beats	5	5	5	5	5	4	4	4	4	4
Patrol Officer	-	-	-	-	44	31	31	33	34	33
Fire										
Fire stations	3	3	3	3	3	3	3	3	3	3
Fire engines	-	-	-	-	11	6	6	6	6	6
Public Works										
Arterial streets (miles)	46	46	46	46	49	50	49	49	49	49
Residential streets (miles)	117	117	117	117	123	123	134	134.2	135.5	136
Streetlights	3,092	3,129	3,172	3,190	3,203	3,200	3,234	3,271	3,291	3,298
Traffic signals	6	7	5	5	5	6	6	6	6	7
Water										
Water mains (miles)	189	191	192	193	197	197	197.5	202	219.9	220
Fire hydrants	-	2,416	-	2,462	2,516	2,706	2,742	2,742	2,820	2,820
Storage capacity (gallons)	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	2,425,000	2,425,000	2,425,000	2,425,000	2,425,000
Wastewater										
Sanitary sewers (miles)	-	-	-	-	-	171	171.3	174.5	174.6	180.1
Storm sewers (miles)	-	-	-	-	-	157	159.9	159.9	160.8	161.3
Treatment capacity (gallons)	-	-	-	-	-	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 previous years.