

# Comprehensive Annual Financial Report

City of St. Charles, Illinois  
For the Year Ended April 30, 2016





On the cover:

A view looking west from Cedar Avenue toward the Fox River and the Municipal Building.

One of the many beautiful outdoor views in the City is the location of Town House Books and Café, mixing historical architecture and botanical space in a lovely setting in which to enjoy the days of summer.

Photo Credit: Carylie Forte

**CITY OF ST. CHARLES, ILLINOIS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

For the Year Ended  
April 30, 2016

Prepared by the Finance Department

Christopher A. Minick  
Director of Finance

Mark Koenen  
City Administrator

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## **INTRODUCTORY SECTION**

# Officers and Officials

## Mayor

Raymond P. Rogina

## City Administrator

Mark W. Koenen

## City Council

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

## City Treasurer

Warren J. Drewes

## City Clerk

Nancy Garrison

## City Attorney

John McGuirk

## Department Heads

Christopher A. Minick

*Director of Finance*

Peter Suhr

*Director of Public Works*

Rita Tungare

*Director of Community & Economic Development*

Joseph R. Schelstreet

*Fire Chief*

Larry Gunderson

*Director of Information Systems*

James Keegan

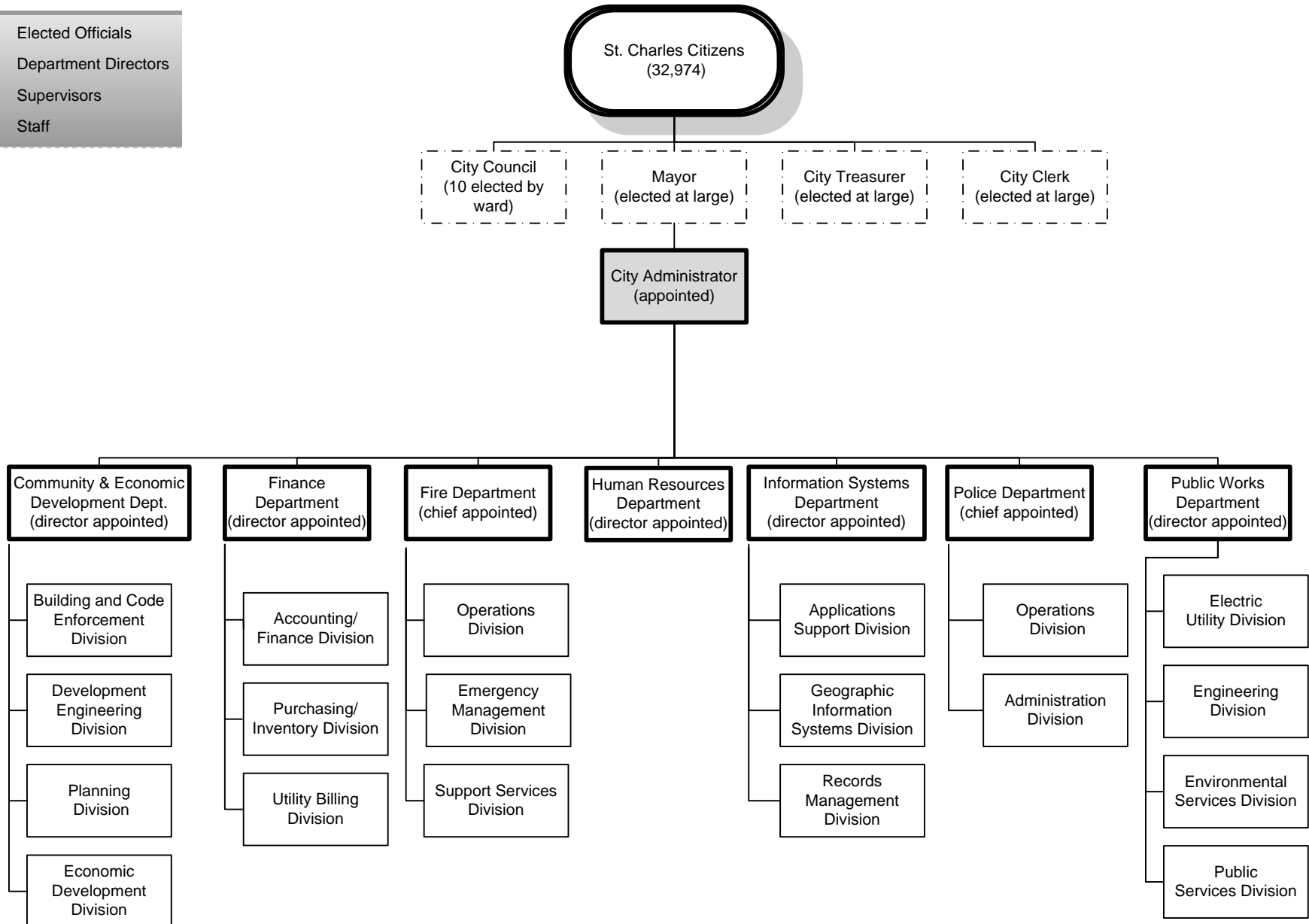
*Police Chief*

Denice Brogan

*Acting Director of Human Resources*

## Key

- Elected Officials
- Department Directors
- Supervisors
- Staff







Government Finance Officers Association

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

Presented to

**City of St. Charles  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**April 30, 2015**

Executive Director/CEO





**#1** City for Families  
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October 4, 2016

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, 2016 is submitted herewith. This report is prepared by the City's Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly set forth the financial position and changes in financial position of the City, as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

The financial statements included in this report depict the financial position and changes in financial position presented in conformance with Generally Accepted Accounting Principles (GAAP) and have been audited in accordance with generally accepted auditing standards by an independent firm of certified public accountants. Sikich LLP, a firm of licensed certified public accountants, has audited the City's basic financial statements and has issued an unmodified opinion on the basic financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended April 30, 2016 are free of material misstatement. The audit process includes examination, on a test basis, of evidence supporting the amounts and disclosures reported in the financial statements. The independent auditors also assess the accounting principles used and include their report as the first component of the financial section of the City's Comprehensive Annual Financial Report.

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

The City 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 Uniform Guidance. 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.

RAYMOND P. ROGINA *Mayor*

MARK KOENEN, P.E. *City Administrator*



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

## **Profile of the City**

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

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

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

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

## **Long-Term Financial Planning**

The City uses a number of processes and documents to address its long-term financial planning goals. The backbone of this process is the City's 5-year Strategic Plan. This document, updated during FY 15-16, specifies a mission statement, guiding principles, vision areas, and goals and objectives for the City and acts as a roadmap for the future.

Another key process is the development of the City's annual budget. The City historically has prepared a budget that includes the upcoming fiscal year as well as projections for the following three fiscal years. These projections include revenues and operating expenses as well as capital projects and applicable funding sources, such as local, state and federal grants and long-term debt. In addition, Public Works staff maintains a 10-Year Capital Improvement Plan (CIP)

which includes all capital projects with a value of over \$20,000. The CIP assists us in identifying priorities and establishing funding sources in order to maintain our fiscal responsibility. It will be a vital tool as we begin the development of the FY 17-18 budget later this year.

### **Factors Affecting Financial Condition**

**Local Economy** – Within the City of St. Charles, over 2,100 businesses employ approximately 18,000 people, consisting of a balanced mix of retailers, restaurants, and manufacturing facilities. Also within the City are over 2,000 hotel rooms in 12 lodging and training centers, including a full-service resort, a world-class corporate conference center, a boutique hotel and nine select service properties; several distinct shopping areas in its riverfront downtown; and four performance venues. There are two business parks that are currently in development within the City. On the east side of the City is the 36-acre Legacy Business Park with vacant pads available for retail, office, and light industrial development. The Corporate Reserve of St. Charles is a 50-acre business park located on the west side of the City. There are currently eight vacant lots as well as three lots that are pending approvals for new construction.

Historically, the City of St. Charles has enjoyed a healthy and growing economy. The City did experience a decline in sales tax revenue as a result of the global economic downturn that began in 2008. However, sales taxes have rebounded over the past few years, increasing by an average of 3.15% since FY 10/11. Sales taxes have now exceeded pre-2008 levels. In response to declining EAV's experienced during the economic downturn, the City Council directed that the amount of taxes levied be consistent each year. This methodology has continued over the years, including in the development of the FY 15-16 tax levy. However, after six straight years of declines in EAV, the EAV for the 2015 levy year saw a modest increase of 1.8%. Other bright spots in the City's current and future economic picture include:

**The Quad** – In the Fall of 2013, the Krausz Companies, Inc. purchased the underutilized mall property on the east side of the City, known as Charlestowne Mall, and renamed it The Quad. Subsequently, the new owner submitted applications to amend the Planned Unit Development of the Mall. The new site layout and redevelopment plans were approved in May of 2014. Re-grading and site work was completed in the summer of 2015. This portion of the project has permitted the mall owner to include five outlot pads that are development-ready. Although work on the mall property itself has been delayed, there has been development activity with the outlot pads, including the recently begun construction of a Starbucks, as well as construction of a Cooper's Hawk Winery and Restaurant. It is anticipated that Cooper's Hawk will be open for business during the summer of 2017. To facilitate this redevelopment project, the City entered into a sales tax sharing incentive agreement with the developers of the Quad in April of 2014. The 20-year agreement calls for a 50/50 sharing of sales tax earned above a minimum sales tax base.

**First Street Development** – In March 2015, City Council approved a Redevelopment Agreement between the City and First Street Development II, LLC for the development of First Street, Phase 3, for property located at the northeast corner of Illinois and First Street. The Phase 3 plan includes the construction of three mixed use buildings and a public municipally-owned parking deck. Construction on the first building of Phase 3 and the 110-space public parking deck is currently underway and is anticipated to be completed during the fall of 2016.

**Central Downtown TIF District** – In conjunction with the Phase 3 Redevelopment Agreement, the City established a new Central Downtown TIF District, generally bounded by First Street on the west, 3<sup>rd</sup> Ave on the east, Indiana Ave on the south and IL64 and Cedar Ave on the north. This will create an environment for re-investment in our downtown, providing for new business and redevelopment.

**R.R. Donnelly** – In 2010, R.R. Donnelly purchased the former Pier One Imports 513,973 square foot distribution center. Thus far, Donnelly has completed the first of three planned occupancy and construction phases. Phase I included the company installing four state-of-the art printing presses and creating approximately 500 new jobs for the City. The City worked in concert with R.R. Donnelly in upgrading the electric utility infrastructure serving both the subject building as well as its surrounding area. Both the company and the City will benefit from the enhanced efficiencies associated with this infrastructure.

**Fox Valley Volkswagen** – Construction of a new Fox Valley Volkswagen dealership began during FY 15-16 on the former DuPage Expo site. To facilitate Fox Valley's relocation from West Chicago to St. Charles, the City and Fox Valley Volkswagen LLC entered into a sales tax sharing agreement. The 15 year, \$1.5 million sales tax loan and sharing agreement, was officially approved in June 2015. The dealership officially opened for business in St. Charles at the end of July 2016.

**AJR Filtration** – AJR Filtration recently began construction of a new expanded facility off of Kirk Road in St. Charles. They are relocating from a smaller location within one of the City's industrial parks. It is expected they will be occupying their new building by September 2016. AJR expects to add 150 employees in the first year and up to 200 in the next three to five years.

**Downtown Business Economic Incentive Award Program** - Staff created the new Downtown Business Economic Incentive Award program to attract new businesses to the downtown area. This is a 50/50 matching grant program that provides funding assistance for permanent upgrades (plumbing, electric, HVAC, ADA Accessibility, etc.) for businesses locating on the 1<sup>st</sup> floor of downtown buildings. During FY 15-16, over \$26,000 in grants were awarded under this program.

## **Major Initiatives**

There were a number of major initiatives that began, were continuing, or were completed during Fiscal 15-16, including:

- Construction on a new 110-space public parking deck in the First St. Redevelopment area began during FY 15-16. The parking deck represents a \$1.9 million commitment by the City for the Phase 3 First Street Redevelopment Project.
- Several properties were purchased within the 7th Ave Creek area as part of the overall plan to mitigate flooding in that area. In addition, a Master Plan will be developed in the upcoming fiscal year to begin looking at long term maintenance solutions for the creek.
- Development of a new substation, Substation 9, located in the Legacy Industrial Park, continued during FY 15-16. The substation will be constructed over a four year time frame and is expected to be completed in FY 18-19. This project is being reported as Construction in Progress.

- The construction of the City's third water tower neared completion at the end of FY 15-16. The 1.5 million gallon water tower, at an estimated cost of \$4.0 million, is reported as Construction in Progress at April 30, 2016 and is funded by a low interest loan with the IEPA.
- Design engineering for the Wastewater Phosphorus Removal project began in late FY 15-16. The total cost for this project is anticipated to be around \$7.5 million with construction expected to begin in FY 17-18. This project is mandated as part of the EPA discharge permit for the Main Wastewater Treatment Plant. This project will be funded with a low interest IEPA loan.
- An architectural study of the Police Department facility, including an existing conditions report, needs assessment, and master plan study, began during FY 15-16. The purpose of these studies is to determine the best course of action in terms of a long-term solution for the Police Department facility.

## **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.

## **Other Information**

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

*Awards.* The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended April 30, 2015. This was the 30th 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.

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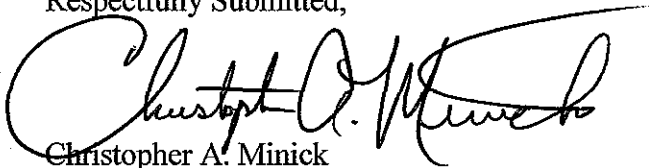
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

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

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

Respectfully Submitted,

  
Christopher A. Minick  
Finance Director

## **FINANCIAL SECTION**





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Naperville, Illinois 60563

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

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of St. Charles, Illinois (the City), as of and for the year ended April 30, 2016, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of St. Charles, Illinois, as of April 30, 2016, 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.

## **Change in Accounting Principle**

As disclosed in Note 12, the City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, during the year ended April 30, 2016. The implementation of this guidance resulted in changes to the pension related liabilities, deferred inflows and outflows of resources, the pension related expense, notes presented in the notes to financial statements and required supplementary information. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, supplemental financial information and statistical section as listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules and the supplemental financial information are the responsibility of

management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City's basic financial statements for the year ended April 30, 2015, which are not presented with the accompanying financial statements. In our report dated September 9, 2015 we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statement as a whole. The 2015 comparative information included on certain combining and individual fund statements and schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2015 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2015 comparative information included on certain combining and individual fund statements and schedules, are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

*Sikich LLP*

Naperville, Illinois  
October 4, 2016

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

## **City of St. Charles, Illinois**

### **Management's Discussion and Analysis**

**April 30, 2016**

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As management of the City of St. Charles (the "City"), we offer readers of the Comprehensive Annual Financial Report (CAFR) this narrative overview and analysis of the financial activities of the City for the fiscal year ended April 30, 2016. Since the Management's Discussion and Analysis (MD & A) is designed to focus on the City's current year activities, changes in the City's financial position, and to identify any material deviations from approved budget and financial plans, it should be read in conjunction with the Transmittal Letter and the City's financial statements.

#### **Overview of the Financial Statements**

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

#### **Government-Wide Financial Statements**

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

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

## City of St. Charles, Illinois

### Management's Discussion and Analysis (Continued)

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

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

#### **Fund Financial Statements**

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

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

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



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

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

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

**Notes to the Financial Statements**

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

**Other Information**

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

**Infrastructure Assets**

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

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

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

**Statement of Net Position**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City of St. Charles, assets exceeded liabilities by \$206.9 million as of April 30, 2016. The following table reflects the condensed Statement of Net Position with a comparison to the preceding fiscal year.

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

**Statement of Net Position**  
**As of April 30, 2016 and 2015**  
**(In Millions)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
<b>Assets</b>						
Current & Other Assets	\$68.5	\$67.1	\$24.0	\$20.3	\$92.5	\$87.4
Capital Assets	178.0	180.3	141.8	137.3	319.8	317.6
<b>Total Assets</b>	<b>246.5</b>	<b>247.4</b>	<b>165.8</b>	<b>157.6</b>	<b>412.3</b>	<b>405.0</b>
Deferred outflows of Resources	13.9	3.0	1.8	0.1	15.7	3.1
<b>Total Assets and Deferred Outflows</b>	<b>260.4</b>	<b>250.4</b>	<b>167.6</b>	<b>157.7</b>	<b>428.0</b>	<b>408.1</b>
<b>Liabilities</b>						
Current & Other Liabilities	9.1	9.5	8.7	7.1	17.8	16.6
Long-Term Liabilities	135.4	87.8	50.0	44.5	185.4	132.3
<b>Total Liabilities</b>	<b>144.5</b>	<b>97.3</b>	<b>58.8</b>	<b>51.6</b>	<b>203.3</b>	<b>148.9</b>
Deferred Inflows of Resources	17.7	14.1	0.0	0.0	17.8	14.1
<b>Total Liabilities and Deferred Inflows</b>	<b>162.2</b>	<b>111.4</b>	<b>58.8</b>	<b>51.6</b>	<b>221.0</b>	<b>163.0</b>
<b>Net Position</b>						
Net Investment in Capital Assets	119.6	120.3	100.3	97.8	220.0	218.1
Restricted	4.6	4.5	0.0	0.0	4.6	4.5
Unrestricted	(26.0)	14.2	8.4	8.3	(17.6)	22.5
<b>Total Net Position</b>	<b>\$98.2</b>	<b>\$139.0</b>	<b>\$108.8</b>	<b>\$106.1</b>	<b>\$206.9</b>	<b>\$245.1</b>

*Note: Columns may not foot due to rounding.*

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

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As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of St. Charles, assets exceeded liabilities by \$206.9 million as of April 30, 2016. At \$220.0 million, the largest portion of the City's net position is its investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The next portion of the City's net position are restricted net assets in the amount of \$4.6 million. These net assets represent resources that are subject to restrictions, such as for Highways and Streets (\$2,277,831) and Debt Service (\$2,057,815).

The City's combined net position decreased by \$38.1 million from April 30, 2015 to April 30, 2016. This change is the result of a decrease in the net position of governmental activities by \$40.9 million, offset by an increase in the net position of business type activities of \$2.7 million. The change in net position was significantly impacted by the City's implementation of Statement No. 68, *Accounting and Financial Reporting for Pensions*, of the Governmental Accounting Standards Board (GASB). The implementation of this new financial reporting standard resulted in the recognition of net pension liabilities totaling \$52.6 million and deferred outflows of resources amounting to \$11.3 million as of April 30, 2016. These items pertain to the City's participation in the City of St. Charles Firefighter's Pension Fund, City of St. Charles Police Pension Fund and Illinois Municipal Retirement Fund. Prior to GASB Statement No. 68, the City was only required to report its obligations to the pension funds as required supplementary information; the obligations did not impact the City's Statement of Net Position.

As noted previously, the net position of business-type activities increased by \$2.7 million during the year and ended the year at \$108.8 million. The \$2.7 million increase was the result of a combination of an increase in total assets and deferred outflows of \$9.9 million, offset by an increase in total liabilities and deferred outflows of \$7.2 million. Of the \$7.2 million increase in total liabilities and deferred outflows, \$4.4 million represents the net pension obligation for business-type activities as reported under GASB Statement No. 68. Unrestricted net position, the amount available to finance the continuing operations of its business-type activities, was \$8.4 million. Business-type activities include electric, water, sewer, and refuse utilities.

The decrease in the net position of governmental activities in the amount of \$40.9 million was the result of a combination of an increase in total assets and deferred outflows of \$9.9 million, offset by an increase in total liabilities and deferred inflows of \$50.8 million. These increases are directly attributable to the recognition of net pension obligations for governmental activities, as now required under GASB Statement No. 68.

For more detailed information, see the Statement of Net Position on page 18.

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

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

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

**Condensed Changes in Net Position**  
**For the Fiscal Year Ended April 30, 2016**  
**(In Millions)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$1.5	\$1.4	\$73.5	\$71.2	\$75.1	\$72.6
Operating Grants/Contributions	1.0	1.2	0.0	0.0	1.0	1.2
Capital Grants/Contributions	0.1	0.1	0.0	0.0	0.1	0.1
General Revenues						
Property Tax/Replacement Tax	14.0	14.2	0.0	0.0	14.0	14.2
Other Taxes	25.6	24.6	0.0	0.0	25.6	24.6
Other	3.8	3.3	0.9	2.2	4.7	5.5
<b>Total Revenues</b>	<b>46.1</b>	<b>44.8</b>	<b>74.4</b>	<b>73.4</b>	<b>120.5</b>	<b>118.2</b>
<b>Expenses</b>						
General Government	4.0	3.9	0.0	0.0	4.0	3.9
Public Health/Safety	23.6	21.0	0.0	0.0	23.6	21.0
Public Works	12.3	13.6	0.0	0.0	12.3	13.6
Comm. Develop	2.5	2.5	0.0	0.0	2.5	2.5
Interest	2.9	3.0	0.0	0.0	2.9	3.0
Electric	0.0	0.0	54.4	53.9	54.4	53.9
Water	0.0	0.0	5.4	4.9	5.4	4.9
Sewer	0.0	0.0	8.4	7.6	8.4	7.6
Refuse	0.0	0.0	0.6	0.7	0.6	0.7
<b>Total Expenses</b>	<b>45.4</b>	<b>44.0</b>	<b>68.7</b>	<b>67.1</b>	<b>114.1</b>	<b>111.1</b>
<b>Excess Before Transfers</b>	<b>0.7</b>	<b>0.8</b>	<b>5.8</b>	<b>6.3</b>	<b>6.5</b>	<b>7.1</b>
Transfers	0.5	0.4	(0.5)	(0.4)	0.0	0.0
<b>Change in Net Position</b>	<b>1.2</b>	<b>1.2</b>	<b>5.2</b>	<b>5.9</b>	<b>6.5</b>	<b>7.1</b>
Change in Accounting Principle	(42.1)	-	(2.5)	-	(44.6)	-
<b>Ending Net Position</b>	<b>\$98.2</b>	<b>\$139.0</b>	<b>\$103.6</b>	<b>\$106.1</b>	<b>\$206.9</b>	<b>\$245.1</b>

*Note: Columns may not foot due to rounding.*

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

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**Governmental Activities**

Revenues:

Total revenues increased \$1.3 million, from \$44.8 million to \$46.1 million. The governmental activities program revenues decreased \$0.1 million from \$2.7 to \$2.6 million. The governmental activities general revenues increased \$1.4 million from \$42.1 to \$43.5 million. Other taxes under General revenues increased \$1.0 million from FY 14-15. This increase is primarily attributable to increases in municipal and home rule sales taxes as well as electric franchise fees. Other general revenues increased from FY 14-15 by \$0.5 million.

Expenses:

Total expenses of governmental activities increased \$1.3 million from \$44.1 million in FY 14-15 to \$45.4 million in FY 15-16. The \$45.4 million consists of actual expenditures for the general fund and other governmental funds (\$45.6 million), the amount of the capital assets subtracted out (\$2.1 million), the amount of depreciation added (\$4.9 million), less the net gain of the internal service funds (\$1.1 million), plus the change in the OPEB liability (\$0.1 million) plus the change in the Net Pension liability (\$3.0) less the change in long-term debt and compensated absences (\$5.0 million).

**Business Type Activities**

Revenues:

Operating revenues from business-type activities increased to \$73.5 million, a total increase of \$2.3 million or 3.2% from the previous fiscal year. This was primarily due to utility rate increases during FY 15-16 for all four utilities.

Expenses:

Operating expenses from all business-type activities increased by \$1.6 million from \$67.1 to \$68.7 million, an increase of 2.4% from the prior fiscal year. This increase is mainly attributable to an increase in wholesale power costs in the Electric Fund.



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

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**Financial Analysis of the Funds**

**Governmental Funds** - The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Specifically, unrestricted fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year. For the fiscal year ended April 30, 2016, the Governmental Funds reported a combined ending fund balance of \$32.0 million. This represents an increase of \$1.6 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, unrestricted fund balance of the General Fund was \$19.9 million, of which \$3.0 million is assigned for debt service. Total fund balance was \$26.0 million. It may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures (including transfers out). Unrestricted fund balance represents 45.9 percent of the total General Fund expenditures, while total fund balance represents 62.6 percent of that same amount. This compares to prior year results of 49.3 percent and 63.2 percent, respectively.

As an additional measure of fiscal conservatism, the City has established a policy of maintaining a minimum of 25% of the amount of General Fund expenditures and Transfers Out in Unassigned Fund Balance. For the year ended April 30, 2016, the level of Unassigned Fund Balance in the City's General Fund amounted to \$16.1 million which equates to a level of 38.7%. In FY 2015, the amounts were \$16.6 million and 41.7% respectively.

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

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**General Fund Budgetary Highlights**  
**For the Fiscal Year Ended April 30, 2016**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>Revenues and Other Financing Sources:</b>			
Taxes	\$36,508,097	\$36,472,606	\$36,945,619
Licenses & Permits	517,043	517,043	604,871
Charges for Services	582,943	615,279	509,667
Illinois State Income Tax			
Allotments	3,264,426	3,264,426	3,514,119
Other	894,575	894,575	729,088
Transfers	0	0	0
<b>Total</b>	<b>\$41,767,084</b>	<b>\$41,763,929</b>	<b>\$42,303,364</b>
<b>Expenditures/Transfers:</b>			
General Government	\$3,483,168	\$3,574,576	\$3,051,995
Public Health/Safety	22,002,241	22,094,285	20,885,737
Public Works	8,147,631	8,075,474	7,138,347
Comm. Develop	2,601,967	2,710,577	2,346,953
Debt Service	4,586	4,586	4,586
Transfers	6,011,827	7,838,686	8,084,374
<b>Total</b>	<b>\$42,251,420</b>	<b>\$44,298,184</b>	<b>\$41,511,992</b>
<b>Change in Fund Balance</b>	<b>(\$484,336)</b>	<b>(\$2,534,255)</b>	<b>\$791,372</b>

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

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The General Fund results were due to the combination of General Fund revenues being above expectations by \$539,435 while expenditures were less than the final amended budget by \$2,786,192.

**General Fund Revenues** - Actual taxes received were slightly above budget by \$473,013 mainly due to Municipal Sales and Use tax collections being above budgeted expectations by \$703,950, a result of the continuing rebound in the economy we experienced during FY 15-16. Other actual General Fund revenues had slight increases and decreases when compared with budget.

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

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

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

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

### **Capital Assets**

The City's total capital assets for its Governmental and Business-Type Activities as of April 30, 2016, amounts to \$319,789,166 (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 \$2,155,286 from the prior year.

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

**Capital Assets**  
**As of April 30, 2016**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Land & Right of Way	\$60.0	\$59.6	\$2.3	\$2.3	\$62.3	\$61.9
Construction in Progress	0.7	0.1	8.0	2.4	8.7	2.5
Intangible Assets.	3.5	3.0	0.6	0.4	4.0	3.4
Buildings and Improvements	49.9	51.1	61.6	60.5	111.4	111.6
Infrastructure	155.9	154.1	177.5	174.5	333.4	328.6
Machinery, Vehicles and Equipment	14.5	13.6	10.8	10.6	25.3	24.2
Accumulated Depreciation	(106.5)	(101.2)	(118.9)	(113.4)	(225.3)	(214.6)
<b>Total:</b>	<b>\$178.0</b>	<b>\$180.3</b>	<b>\$141.8</b>	<b>\$137.3</b>	<b>\$319.8</b>	<b>\$317.6</b>

Major capital asset events during FY 2015-2016 included the following:

- Construction on a new 110-space public parking deck in the First St. Redevelopment area began during FY 15-16. The parking deck represents a \$1.9 million commitment by the City for the Phase 3 First Street Redevelopment Project.
- Several properties were purchased within the 7th Ave Creek area as part of the overall plan to mitigate flooding in that area. In addition, a Master Plan will be developed in the upcoming fiscal year to begin looking at long term maintenance solutions for the creek.
- Development of a new substation, Substation 9, located in the Legacy Industrial Park, continued during FY 15-16. The substation will be constructed over a four year time frame and is expected to be completed in FY 18-19. This project is being reported as Construction in Progress
- The construction of the City's third water tower neared completion at the end of FY 15-16. The 1.5 million gallon water tower, at an estimated cost of \$4.0 million, is reported as Construction in Progress at April 30, 2016 and is funded by a low interest loan with the IEPA.
- Design engineering for the Wastewater Phosphorus Removal project began in late FY 15-16. The total cost for this project is anticipated to be around \$7.5 million with construction expected to begin in FY 17-18. This project is mandated as part of the EPA discharge permit for the Main Wastewater Treatment Plant. This project will be funded with a low interest IEPA loan.

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

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- An architectural study of the Police Department facility, including an existing conditions report, needs assessment, and master plan study, began during FY 15-16. The purpose of these studies is to determine the best course of action toward a long-term solution for the Police Department facility.

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

**Debt Outstanding**

At the end of the fiscal year, the City had total debt outstanding of \$116,035,298 (excluding compensated absences and net pension obligations). Of this amount, \$80,210,000 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 \$29,700,000 of the total debt outstanding. The City also has \$6,920,000 in Revenue bonds outstanding. These Revenue bonds are limited obligations of the City and are payable from pledged sales taxes. In addition, the City has \$28,491,938 in IEPA loans and \$70,694 in installment contracts. Additionally, the City entered into an agreement to provide School Resource Officer services free of charge to St. Charles Community School District 303 through June 2019 in return for a piece of land. This land is the site for the City's third water tower which is currently under construction and was nearing completion at April 30, 2016. For more information regarding all of the City's debt, see note 6 in the notes to the financial statements.

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

The City's composition is primarily residential with a smaller commercial and industrial component. Since 2009, the City's equalized assessed value has declined, corresponding to a decrease in the value of real estate in the community. As a result, the City Council has made the decision to maintain a constant amount of money collected from the community via this source. For the 2015 tax levy, collected in FY 16-17, the City Council elected to keep the City's operating levy at \$12,055,000, the same level as the 2009 tax levy. Sales and use taxes are anticipated to continue to rebound from their recession low in FY 09-10. Since FY 09-10, sales and use taxes have increased an average of over 3% per year. The City anticipates this upward trend to continue into FY 16-17.

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

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The City has a demonstrated history of reducing expenditures to match the revenue streams that the City receives. In FY 07-08 the City's actual expenditures and transfers out in the General Fund amounted to \$42.7 million. Over the next two fiscal years, this amount had been reduced to \$37.7 million, an 11.7% reduction from the FY 07-08 total. The General Fund's expenditures and transfers out total \$41.5 million for FY 15-16, compared with \$42.3 million in revenues. Current expenditures remain approximately 2.8% below the 2007-2008 level and demonstrate the City's commitment to continue matching expenditure levels to anticipated revenue streams to maintain the City's fiscal health.

The City continued its practice of matching revenues and expenditure streams in the budget for fiscal year 16-17. Previously accumulated reserves are anticipated to offset the small operating deficit budgeted for FY 16-17. Timing differences related to projects and aggressive expenditure management have resulted in a significant positive Net Change in Fund Balance in the General Fund for FY 15-16. The resources related to the deferred projects have been re-budgeted in the current fiscal year and are resulting in an anticipated negative Net Change in Fund Balance for FY 16-17.

In April of 2011, the City accepted an external rate study report on all of its utilities. The rate study outlines a multi-year plan to bring the City's utility rate structure in line with its expenses. The City is performing an annual analysis of the revenues, expenses, and reserve levels of the individual utilities and adjusting user rates accordingly in conjunction with the results of the rate study. Rates have been adjusted each year since the study was adopted. The changes to the rate structure have resulted in a positive Change in Net Position of \$5,620,340 in the Electric Fund and \$196,453 in the Water Fund. The Sewer Fund had a change in net position of (\$361,333) for FY 15-16. The City Council has committed to continuing to adjust rates to provide positive reserve levels and sustainable rate structures in the City's utility funds in future fiscal years.

Continued vigilance and management of expenditures will be required in future years to maintain the City's fiscal good health. The City's budget projections beyond FY 2016-2017 reflect deficit General Fund operations in the event that revenues do not increase. Additionally, the utility funds will require future rate adjustments to provide adequate operational and capital resources. The City will continue to monitor the situation and make fiscally appropriate adjustments to assure the continued financial health and adequate reserve levels of the City.

**Contacting the City's Financial Management**

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

**CITY OF ST. CHARLES, ILLINOIS**

**STATEMENT OF NET POSITION**

April 30, 2016

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Investments	\$42,678,663	\$13,237,827	\$55,916,490
Restricted Cash and Investments	-	2,514,986	2,514,986
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	14,082,957	35,000	14,117,957
Accounts Receivable	61,795	8,369,816	8,431,611
Accrued Interest on Investments	7,748	16,158	23,906
Notes Receivable	825,662	-	825,662
Miscellaneous	688,147	170,744	858,891
Prepaid Items	1,047,830	175,440	1,223,270
Internal Balances	520,048	(520,048)	-
Due from Other Governments	4,970,112	-	4,970,112
Inventory	3,656,040	-	3,656,040
Capital Assets Not Being Depreciated	61,656,610	10,238,449	71,895,059
Capital Assets (Net of Accumulated Depreciation)	116,332,259	131,561,848	247,894,107
Total Assets	246,527,871	165,800,220	412,328,091
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charges on Refunding	2,595,537	18,971	2,614,508
Pension Items - IMRF	3,237,238	1,759,250	4,996,488
Pension Items - Pension Trust Funds	8,042,017	-	8,042,017
Total Deferred Outflows of Resources	13,874,792	1,778,221	15,653,013
Total Assets and Deferred Outflows of Resources	260,402,663	167,578,441	427,981,104
<b>LIABILITIES</b>			
Accounts Payable	4,310,667	4,798,917	9,109,584
Claims Payable	1,072,625	251,919	1,324,544
Contracts Payable	572,232	2,267,368	2,839,600
Accrued Salaries	436,579	113,954	550,533
Accrued Interest Payable	1,180,381	383,939	1,564,320
Escrows and Refundable Deposits	1,296,083	474,886	1,770,969
Due to Other Governments	10,760	-	10,760
Unearned Revenue	260,216	418,601	678,817
Long-Term Liabilities			
Due Within One Year	7,572,576	3,530,493	11,103,069
Due in More than One Year	127,813,202	46,516,320	174,329,522
Total Liabilities	144,525,321	58,756,397	203,281,718
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Revenue - Property Taxes	14,082,957	35,000	14,117,957
Pension Items - Pension Trust Funds	3,633,657	-	3,633,657
Total Deferred Inflows of Resources	17,716,614	35,000	17,751,614
Total Liabilities and Deferred Inflows of Resources	162,241,935	58,791,397	221,033,332
<b>NET POSITION</b>			
Net Investment in Capital Assets	119,609,141	100,347,715	219,956,856
Restricted			
Mental Health	8,047	-	8,047
Community Development	8,673	-	8,673
Highway and Street Maintenance	2,277,831	-	2,277,831
Fire Department	210,258	-	210,258
Debt Service	2,057,815	-	2,057,815
Unrestricted	(26,011,037)	8,439,329	(17,571,708)
<b>TOTAL NET POSITION</b>	<b>\$98,160,728</b>	<b>\$108,787,044</b>	<b>\$206,947,772</b>

See accompanying notes to financial statements.

**CITY OF ST. CHARLES, ILLINOIS**

**STATEMENT OF ACTIVITIES**

For the Year Ended April 30, 2016

<b><u>FUNCTIONS/PROGRAMS</u></b>	<b><u>Program Revenues</u></b>			
	<b><u>Expenses</u></b>	<b><u>Charges for Services</u></b>	<b><u>Operating Grants &amp; Contributions</u></b>	<b><u>Capital Grants &amp; Contributions</u></b>
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General Government	\$ 4,045,920	\$ 240,922	\$ -	\$ -
Public Health and Safety	23,640,334	687,519	120,580	15,352
Public Works	12,276,753	122,205	878,031	52,372
Community Development	2,510,058	479,775	-	-
Interest	2,905,641	-	-	-
Total Governmental Activities	45,378,706	1,530,421	998,611	67,724
Business-Type Activities				
Electric	54,356,130	59,693,030	-	11,052
Water	5,360,981	5,197,497	-	-
Sewer	8,387,212	8,173,256	-	-
Refuse	574,312	480,442	-	-
Total Business-Type Activities	68,678,635	73,544,225	-	11,052
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 114,057,341</b>	<b>\$ 75,074,646</b>	<b>\$ 998,611</b>	<b>\$ 78,776</b>

See accompanying notes to financial statements.



**CITY OF ST. CHARLES, ILLINOIS**  
**STATEMENT OF ACTIVITIES (Continued)**  
For the Year Ended April 30, 2016

	<b>Net (Expense) Revenue and Change in Net Position</b>		
	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
	\$ (3,804,998)	\$ -	\$ (3,804,998)
	(22,816,883)	-	(22,816,883)
	(11,224,145)	-	(11,224,145)
	(2,030,283)	-	(2,030,283)
	(2,905,641)	-	(2,905,641)
	(42,781,950)	-	(42,781,950)
	-	5,347,952	5,347,952
	-	(163,484)	(163,484)
	-	(213,956)	(213,956)
	-	(93,870)	(93,870)
	-	4,876,642	4,876,642
	(42,781,950)	4,876,642	(37,905,308)
General Revenues			
Taxes			
Property	13,952,924	-	13,952,924
Personal Property Replacement	88,879	-	88,879
Municipal Sales and Use	17,807,036	-	17,807,036
Franchise Fees	3,577,986	-	3,577,986
Liquor	1,099,613	-	1,099,613
Hotel Occupation	2,079,543	-	2,079,543
Telecommunications Fee	989,529	-	989,529
Other	68,582	-	68,582
State Income Tax	3,514,119	-	3,514,119
Investment Income	161,088	34,391	195,479
Connection Charges	-	237,268	237,268
Miscellaneous	127,252	619,879	747,131
Transfers In (Out)	548,044	(548,044)	-
Total	44,014,595	343,494	44,358,089
CHANGE IN NET POSITION	1,232,645	5,220,136	6,452,781
NET POSITION, MAY 1	139,025,271	106,056,102	245,081,373
Change in accounting principle	(42,097,188)	(2,489,194)	(44,586,382)
NET POSITION, MAY 1, RESTATED	96,928,083	103,566,908	200,494,991
<b>NET POSITION, APRIL 30</b>	<b>\$ 98,160,728</b>	<b>\$ 108,787,044</b>	<b>\$ 206,947,772</b>

See accompanying notes to financial statements.

## CITY OF ST. CHARLES, ILLINOIS

## BALANCE SHEET

## GOVERNMENTAL FUNDS

APRIL 30, 2016

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>ASSETS</b>			
Cash and Investments	\$16,155,899	\$14,379,535	\$30,535,434
Receivables			
Property Taxes	12,464,432	1,618,525	14,082,957
Accounts Receivable	-	61,795	61,795
Accrued Interest on Investments	5,185	-	5,185
Notes Receivable, net	825,662	-	825,662
Miscellaneous, net	675,454	-	675,454
Prepaid Items	221,486	14,454	235,940
Due from Other Funds	862,205	610,335	1,472,540
Due from Other Governments	4,895,069	75,043	4,970,112
Advances to Other Funds	5,888,377	-	5,888,377
Total Assets	41,993,769	16,759,687	58,753,456
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
None	-	-	-
Total Deferred Outflows of Resources	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$41,993,769</u>	<u>\$16,759,687</u>	<u>\$58,753,456</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ 989,438	\$ 3,269,318	\$ 4,258,756
Contracts Payable	-	572,232	572,232
Accrued Salaries	414,573	-	414,573
Escrows and Refundable Deposits	1,296,083	-	1,296,083
Due to Other Governments	10,760	-	10,760
Due to Other Funds	610,335	862,205	1,472,540
Advances From Other Funds	-	4,443,377	4,443,377
Unearned Revenue	236,224	9,677	245,901
Total Liabilities	3,557,413	9,156,809	12,714,222
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Revenue - Property Tax	12,464,432	1,618,525	14,082,957
Total Deferred Inflows of Resources	12,464,432	1,618,525	14,082,957
Total Liabilities and Deferred Inflows of Resources	16,021,845	10,775,334	26,797,179

See accompanying notes to financial statements.

**CITY OF ST. CHARLES, ILLINOIS**

**BALANCE SHEET (Continued)**

**GOVERNMENTAL FUNDS**

**APRIL 30, 2016**

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	<u><b>General Fund</b></u>	<u><b>Nonmajor Governmental Funds</b></u>	<u><b>Total Governmental Funds</b></u>
<b>FUND BALANCES</b>			
Nonspendable			
Prepaid Items	\$ 221,486	\$ 14,454	\$ 235,940
Notes Receivable	800,000	-	800,000
Advances to Other Funds	5,888,377	-	5,888,377
Restricted			
Mental Health	8,047	-	8,047
Capital Outlay	-	845,664	845,664
Community Development	-	1,012,275	1,012,275
Highway and Street Maintenance	-	2,277,831	2,277,831
Fire Department	-	210,258	210,258
Debt Service	-	2,057,815	2,057,815
Assigned			
Capital Improvement Projects	-	2,940,287	2,940,287
Debt Service	3,000,000	-	3,000,000
Unassigned			
General Fund	16,054,014	-	16,054,014
Special Revenue Funds (Deficit)	-	(3,374,231)	(3,374,231)
Total Fund Balances	<u>25,971,924</u>	<u>5,984,353</u>	<u>31,956,277</u>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	 <u><u>\$41,993,769</u></u>	 <u><u>\$16,759,687</u></u>	 <u><u>\$58,753,456</u></u>

See accompanying notes to financial statements.

**CITY OF ST. CHARLES, ILLINOIS**

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

April 30, 2016

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<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>\$ 31,956,277</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	173,324,831
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	(71,937,590)
Compensated Absences Payable	(3,229,109)
Interest Payable	(1,180,381)
Other Postemployment Benefits	(4,916,613)
Premiums or discounts on long-term liabilities and gains and losses on debt refundings are capitalized and amortized at the government-wide level	
Premiums	(2,399,073)
Discounts	47,230
Loss on Refundings	2,595,537
Net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position	(7,779,227)
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions after the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows of resources on the statement of net position	3,237,238
Net pension liability for the Pension Trust Funds is shown as a liability on the statement of net position	(44,862,472)
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings for the Pension Trust Funds are recognized as deferred outflows of resources on the statement of net position	4,408,360
The net position of the internal service funds are included in the governmental activities in the statement of net assets	<u>18,895,720</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 98,160,728</u></b>

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, 2016

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Property Taxes	\$12,352,793	\$ 1,600,131	\$13,952,924
Personal Property Replacement Taxes	88,879	-	88,879
Municipal Sales and Use Taxes	16,760,801	1,046,235	17,807,036
Franchise Fees	3,577,986	-	3,577,986
Liquor Tax	1,099,613	-	1,099,613
Hotel Occupations Tax	2,007,436	72,107	2,079,543
Telecommunications Fee	989,529	-	989,529
Admissions Tax	68,582	-	68,582
Licenses and Permits	604,871	-	604,871
Fines and Court Fees	360,695	-	360,695
Grants	53,983	134,321	188,304
Illinois State Income Tax Allotments	3,514,119	-	3,514,119
Motor Fuel Tax Allotments	-	878,032	878,032
Charges for Current Services	509,667	-	509,667
Investment Income	131,970	29,118	161,088
Contributions	-	157,195	157,195
Miscellaneous	182,440	-	182,440
Total Revenues	42,303,364	3,917,139	46,220,503
<b>EXPENDITURES</b>			
Current-			
General Government	3,051,995	4,188	3,056,183
Public Health and Safety	20,885,737	59,458	20,945,195
Public Works	7,138,347	852,155	7,990,502
Community Development	2,346,953	97,884	2,444,837
Debt Service-			
Principal	4,586	5,012,015	5,016,601
Interest and Fiscal Charges	-	3,184,089	3,184,089
Capital Outlay	-	2,977,825	2,977,825
Total Expenditures	33,427,618	12,187,614	45,615,232
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	8,875,746	(8,270,475)	605,271
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	13,047,196	13,047,196
Transfers (Out)	(8,084,374)	(3,951,891)	(12,036,265)
Total Other Financing Sources (Uses)	(8,084,374)	9,095,305	1,010,931
NET CHANGE IN FUND BALANCES	791,372	824,830	1,616,202
FUND BALANCES, MAY 1	25,180,552	5,159,523	30,340,075
FUND BALANCES, APRIL 30	\$25,971,924	\$ 5,984,353	\$31,956,277

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, 2016

<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ 1,616,202</b>
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	2,158,827
Assumption of long-term debt from other funds is reported only in the statement of activities	(157,195)
The repayment of the principal portion long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	5,016,601
The change in accrued interest payable is reported as interest expense on the statement of activities	57,044
The change in compensated absences is a decrease of expenses on the statement of activities	102,622
The change in other postemployment benefit payable is reported as an expense on the statement of activities	(98,673)
The change in the net pension liability for the Illinois Municipal Retirement Fund is reported only in the statement of activities	(3,092,640)
The change in the deferred inflows and outflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities	2,919,953
The change in the net pension liability for the Pension Trust Funds is reported only in the statement of activities	(7,233,460)
The change in the deferred inflows and outflows of resources for the Pension Trust Funds is reported only in the statement of activities	4,408,360
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation	(4,927,694)
Amortization of bond premiums or discounts	221,404
Amortization of gain or loss on refunding	(405,550)
The change in net position of internal service funds is reported with governmental activities	<u>646,844</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 1,232,645</u></b>

See accompanying notes to financial statements.

## CITY OF ST. CHARLES, ILLINOIS

## STATEMENT OF NET POSITION

## PROPRIETARY FUNDS

April 30, 2016

	Business-Type Activities					Governmental
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Fund (Refuse)	Total	Internal Service Funds
<b>CURRENT ASSETS</b>						
Cash and Investments	\$ 5,141,093	\$ 3,791,455	\$ 3,890,257	\$ 415,022	\$ 13,237,827	\$ 12,143,228
Restricted Cash and Investments	726,746	1,618,487	169,753	-	2,514,986	-
Receivables-						
Property Tax	35,000	-	-	-	35,000	-
Billed	1,542,769	1,538,535	406,957	31,411	3,519,672	-
Unbilled	3,997,548	332,844	575,584	30,168	4,936,144	-
Allowance for Doubtful Accounts	(80,000)	(2,000)	(3,000)	(1,000)	(86,000)	-
Accrued Interest on Investments	-	11,738	4,420	-	16,158	2,563
Miscellaneous, net	166,999	2,696	1,049	-	170,744	12,693
Prepaid Items	83,509	37,708	54,223	-	175,440	811,890
Inventory	-	-	-	-	-	3,656,040
Total Current Assets	11,613,664	7,331,463	5,099,243	475,601	24,519,971	16,626,414
<b>NONCURRENT ASSETS</b>						
Advance To Other Funds	924,952	-	-	-	924,952	-
Capital Assets						
Capital Assets Not Being Depreciated	2,048,337	7,935,200	254,912	-	10,238,449	-
Capital Assets Being Depreciated	114,830,851	45,973,353	89,518,999	97,908	250,421,111	10,711,117
Accumulated Depreciation	(53,516,813)	(22,079,692)	(43,164,850)	(97,908)	(118,859,263)	(6,047,078)
Net Capital Assets	63,362,375	31,828,861	46,609,061	-	141,800,297	4,664,039
Total Assets	75,900,991	39,160,324	51,708,304	475,601	167,245,220	21,290,453
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Unamortized Loss on Refunding	18,971	-	-	-	18,971	-
Pension Items - IMRF	924,143	336,298	498,809	-	1,759,250	-
Total Deferred Outflows of Resources	943,114	336,298	498,809	-	1,778,221	-
Total Assets and Deferred Outflows of Resources	76,844,105	39,496,622	52,207,113	475,601	169,023,441	21,290,453
<b>CURRENT LIABILITIES</b>						
Accounts Payable	3,723,055	995,530	55,337	24,995	4,798,917	51,911
Claims Payable	25,900	222,613	3,406	-	251,919	1,072,625
Contracts Payable	-	2,267,368	-	-	2,267,368	-
Accrued Salaries	59,438	23,085	31,431	-	113,954	22,006
Accrued Interest Payable	121,880	85,783	176,276	-	383,939	-
Escrows and Customer Deposits	279,209	36,751	158,926	-	474,886	-
Unearned Revenue	418,601	-	-	-	418,601	14,315
Accrued Compensated Absences	274,911	61,325	142,716	-	478,952	92,710
Due to Other Governments	-	114,222	-	-	114,222	-
General Obligation Bonds Payable	739,166	214,534	200,129	-	1,153,829	-
IEPA Loan Payable	-	348,096	1,435,394	-	1,783,490	-
Total Current Liabilities	5,642,160	4,369,307	2,203,615	24,995	12,240,077	1,253,567
<b>LONG-TERM LIABILITIES</b>						
Due to Other Governments	-	228,444	-	-	228,444	-
Net OPEB Obligation	310,284	284,019	294,169	-	888,472	216,214
IMRF Net Pension Liability	2,286,661	832,123	1,234,233	-	4,353,017	-
General Obligation Bonds Payable	7,189,878	3,838,032	3,310,029	-	14,337,939	-
IEPA Loan Payable	-	9,879,754	16,828,694	-	26,708,448	-
Advances from Other Funds	849,507	177,203	418,290	-	1,445,000	924,952
Total Long-Term Liabilities	10,636,330	15,239,575	22,085,415	-	47,961,320	1,141,166
Total Liabilities	16,278,490	19,608,882	24,289,030	24,995	60,201,397	2,394,733
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Revenue - Property Tax	35,000	-	-	-	35,000	-
Total Deferred Inflows of Resources	35,000	-	-	-	35,000	-
Total Liabilities and Deferred Inflows of Resources	16,313,490	19,608,882	24,289,030	24,995	60,236,397	2,394,733
<b>NET POSITION</b>						
Net Investment in Capital Assets	56,179,048	19,164,099	25,004,568	-	100,347,715	4,664,039
Unrestricted	4,351,567	723,641	2,913,515	450,606	8,439,329	14,231,681
<b>TOTAL NET POSITION</b>	<b>\$60,530,615</b>	<b>\$19,887,740</b>	<b>\$27,918,083</b>	<b>\$ 450,606</b>	<b>\$108,787,044</b>	<b>\$18,895,720</b>

See accompanying notes to financial statements.

**CITY OF ST. CHARLES, ILLINOIS**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

**PROPRIETARY FUNDS**

For the Year Ended April 30, 2016

	<b>Business-Type Activities</b>					<b>Governmental Activities</b>
	<b>Electric Fund</b>	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Nonmajor Enterprise Fund (Refuse)</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>OPERATING REVENUES</b>						
Charges for Services, net	\$59,193,182	\$5,150,645	\$8,119,316	\$ 480,442	\$72,943,585	\$1,653,629
Insurance Premiums	-	-	-	-	-	5,254,187
Rental Income	-	-	-	-	-	1,044,655
Sale of Inventory	-	-	-	-	-	2,347,053
Miscellaneous Revenues	499,848	46,852	53,940	-	600,640	804,759
Total Operating Revenues	59,693,030	5,197,497	8,173,256	480,442	73,544,225	11,104,283
<b>OPERATING EXPENSES</b>						
Personnel Services	2,265,266	1,305,779	1,913,823	-	5,484,868	1,078,342
Materials and Supplies	356,462	429,533	263,443	580,415	1,629,853	-
Other Services and Charges	47,946,347	2,220,219	3,568,155	-	53,734,721	8,460,411
Depreciation	3,482,127	1,195,882	2,093,824	-	6,771,833	608,668
Total Operating Expenses	54,050,202	5,151,413	7,839,245	580,415	67,621,275	10,147,421
OPERATING INCOME (LOSS)	5,642,828	46,084	334,011	(99,973)	5,922,950	956,862
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Gain on Sale of Property	24,091	43,890	17,050	6,103	91,134	41,126
Pole Rental	23,882	-	-	-	23,882	-
Investment Income	5,958	19,312	8,650	471	34,391	31,954
Connection Charges	94,597	57,160	85,511	-	237,268	-
Rental Income	30,000	104,488	3,060	6,600	144,148	-
Interest Expense	(330,019)	(253,458)	(565,017)	-	(1,148,494)	-
Other Income	129,003	316,254	6,284	308	451,849	1,844
Non-Operative Revenues (Expenses), Net	(22,488)	287,646	(444,462)	13,482	(165,822)	74,924
NET INCOME (LOSS) BEFORE TRANSFERS						
CAPITAL GRANTS & CONTRIBUTIONS	5,620,340	333,730	(110,451)	(86,491)	5,757,128	1,031,786
<b>TRANSFERS</b>						
Transfers In	230,256	-	-	-	230,256	120,000
Transfers (Out)	(390,141)	(137,277)	(250,882)	-	(778,300)	(582,887)
Total Transfers	(159,885)	(137,277)	(250,882)	-	(548,044)	(462,887)
<b>CAPITAL GRANTS &amp; CONTRIBUTIONS</b>	11,052	-	-	-	11,052	77,945
CHANGE IN NET POSITION	5,471,507	196,453	(361,333)	(86,491)	5,220,136	646,844
NET POSITION, MAY 1	56,366,694	20,167,121	28,985,190	537,097	106,056,102	18,248,876
Change in accounting principle	(1,307,586)	(475,834)	(705,774)	-	(2,489,194)	-
NET POSITION, MAY 1, RESTATED	55,059,108	19,691,287	28,279,416	537,097	103,566,908	18,248,876
<b>NET POSITION, APRIL 30</b>	<b>\$60,530,615</b>	<b>\$19,887,740</b>	<b>\$27,918,083</b>	<b>\$ 450,606</b>	<b>\$108,787,044</b>	<b>\$18,895,720</b>

See accompanying notes to financial statements.



## CITY OF ST. CHARLES, ILLINOIS

## STATEMENT OF CASH FLOWS

## PROPRIETARY FUNDS

For the Year Ended April 30, 2016

	Business-Type Activities					Governmental Activities
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Funds (Refuse)	Total	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from Customers and Users	\$ 56,940,633	\$ 5,056,093	\$ 7,913,286	\$ 477,439	\$ 70,387,451	\$ -
Receipts from Interfund Users	1,951,528	88,252	116,523	-	2,156,303	9,751,582
Receipts from Miscellaneous Revenues	559,631	420,742	63,282	6,908	1,050,563	1,382,905
Payments to Suppliers	(45,618,353)	(1,480,722)	(2,442,021)	(493,517)	(50,034,613)	(8,168,507)
Payments to Employees	(2,228,697)	(1,287,520)	(1,882,462)	-	(5,398,679)	(984,375)
Payments to Other Funds	(2,194,600)	(998,800)	(1,485,885)	(85,791)	(4,765,076)	(811,620)
Net Cash from Operating Activities	9,410,142	1,798,045	2,282,723	(94,961)	13,395,949	1,169,985
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Due to (from) Other Funds	-	-	-	-	-	-
Advances Received from (Paid to) Other Funds	(32,513)	(37,271)	(53,552)	-	(123,336)	(61,664)
Connection Charges	94,597	57,160	85,511	-	237,268	-
Property Taxes	32,064	-	-	-	32,064	-
Transfers In	230,256	-	-	-	230,256	120,000
Transfers (Out)	(390,141)	(137,277)	(250,882)	-	(778,300)	(582,887)
Net Cash from Noncapital Financing Activities	(65,737)	(117,388)	(218,923)	-	(402,048)	(524,551)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Capital Assets Purchased	(5,002,875)	(5,323,212)	(259,295)	-	(10,585,382)	(984,163)
Proceeds on Sale of Capital Assets	24,091	43,890	17,050	6,103	91,134	48,051
Proceeds of Long-Term Debt	-	4,291,765	117	-	4,291,882	-
Principal Payments on Long-Term Debt	(714,326)	(633,777)	(1,739,471)	-	(3,087,574)	-
Interest Payments on Long-Term Debt	(344,629)	(251,992)	(579,956)	-	(1,176,577)	-
Net Cash from Capital and Related Financing Activities	(6,037,739)	(1,873,326)	(2,561,555)	6,103	(10,466,517)	(936,112)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of Investment Securities	(2,028,071)	(216,137)	(678,677)	-	(2,922,885)	(1,175,053)
Proceeds from Sale and Maturities of Investment Securities	161,041	290,420	478,627	-	930,088	5,846
Interest Received	5,958	20,169	4,416	470	31,013	29,991
Net Cash from Investing Activities	(1,861,072)	94,452	(195,634)	470	(1,961,784)	(1,139,216)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,445,594	(98,217)	(693,389)	(88,388)	565,600	(1,429,894)
CASH AND CASH EQUIVALENTS, MAY 1	1,628,911	788,814	2,570,809	503,410	5,491,944	6,464,554
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	<b>\$ 3,074,505</b>	<b>\$ 690,597</b>	<b>\$ 1,877,420</b>	<b>\$ 415,022</b>	<b>\$ 6,057,544</b>	<b>\$ 5,034,660</b>

See accompanying notes to financial statements.

**CITY OF ST. CHARLES, ILLINOIS**  
**STATEMENT OF CASH FLOWS (Continued)**  
**PROPRIETARY FUNDS**  
For the Year Ended April 30, 2016

	<b>Business-Type Activities</b>					<b>Governmental Activities</b>
	<b>Electric Fund</b>	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Other Nonmajor Enterprise Funds (Refuse)</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>CASH AND INVESTMENTS</b>						
Cash and Cash Equivalents	\$ 3,074,505	\$ 690,597	\$ 1,877,420	\$ 415,022	\$ 6,057,544	\$ 5,034,660
Investments	2,066,589	3,098,857	2,012,837	-	7,178,283	7,108,568
Restricted cash and investments	726,746	1,618,487	169,753	-	2,514,986	-
<b>TOTAL CASH AND INVESTMENTS</b>	<b>\$ 5,867,840</b>	<b>\$ 5,407,941</b>	<b>\$ 4,060,010</b>	<b>\$ 415,022</b>	<b>\$ 15,750,813</b>	<b>\$ 12,143,228</b>
<b>NONCASH TRANSACTIONS</b>						
Contributions of Capital Assets	\$ 11,052	\$ -	\$ -	\$ -	\$ 11,052	\$ 77,945
Increase in IEPA Loans Receivable	-	3,128,834	-	-	3,128,834	-
<b>TOTAL NONCASH TRANSACTIONS</b>	<b>\$ 11,052</b>	<b>\$ 3,128,834</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,139,886</b>	<b>\$ 77,945</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Operating Income (Loss)	\$ 5,642,828	\$ 46,084	\$ 334,011	\$ (99,973)	\$ 5,922,950	\$ 956,862
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities						
Depreciation	3,482,127	1,195,882	2,093,824	-	6,771,833	608,668
Other Non-Operating Revenues	59,783	420,742	9,342	6,908	496,775	-
Changes in Assets and Liabilities						
Receivables	(516,364)	(55,881)	(88,601)	(3,002)	(663,848)	12,345
Inventory	-	-	-	-	-	68,352
Prepays	(7,670)	(15,738)	(13,414)	-	(36,822)	(505,162)
Deferred Outflows of Resources -						
Pension Items - IMRF	(832,033)	(302,779)	(449,092)	-	(1,583,904)	-
Accounts and Claims Payable	481,310	258,536	(23,432)	1,106	717,520	53,283
Accrued Salaries	(71,965)	(41,196)	(43,341)	-	(156,502)	(19,609)
Accrued Compensated Absences	(24,577)	(36,815)	(20,338)	-	(81,730)	(21,530)
Due to Other Governments	-	-	-	-	-	-
Net Pension Liability - IMRF	886,964	322,769	478,742	-	1,688,475	-
Net OPEB Obligation	5,180	6,407	4,876	-	16,463	2,461
Deferred Revenue	342,201	-	-	-	342,201	14,315
Customer Deposits	(37,642)	34	146	-	(37,462)	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 9,410,142</b>	<b>\$ 1,798,045</b>	<b>\$ 2,282,723</b>	<b>\$ (94,961)</b>	<b>\$ 13,395,949</b>	<b>\$ 1,169,985</b>

See accompanying notes to financial statements.

**CITY OF ST. CHARLES, ILLINOIS**

**STATEMENT OF NET POSITION**

**FIDUCIARY FUNDS**

April 30, 2016

	<b>Pension Trust Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and Short-Term Investments	\$1,931,974	\$2,221,276
Investments, at Fair Value		
Certificates of Deposit	1,686,649	-
U.S. Treasury and U.S. Agency Securities	9,567,018	-
Corporate Bonds	7,454,874	-
Preferred Securities	2,911,224	-
Mutual Funds	19,516,154	-
Equity Securities	19,160,835	-
Receivables		
Accounts Receivable	-	532,488
Accrued Interest on Investments	121,649	-
Prepaid Items	41,416	-
TOTAL ASSETS	<u>62,391,793</u>	<u>\$2,753,764</u>
<b>LIABILITIES</b>		
Accounts Payable	525	\$ 36,802
Due to Other Governments	-	2,330,308
Due to Bondholders	-	386,654
TOTAL LIABILITIES	<u>525</u>	<u>\$2,753,764</u>
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>	<u>\$62,391,268</u>	

See accompanying notes to financial statements.

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

For the Year Ended April 30, 2016

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**ADDITIONS**

Contributions -	
Employer	\$2,702,707
Employee	980,707
Other	68
Total Contributions	<u>3,683,482</u>
Investment Income -	
Net Appreciation (Depreciation) in the Fair Value of Investments	(3,368,516)
Interest	<u>1,773,060</u>
Total Investment Income	(1,595,456)
Less Investment Expense	<u>(308,867)</u>
Net Investment Income	<u>(1,904,323)</u>
Total Additions	<u>1,779,159</u>
<b>DEDUCTIONS</b>	
Pension Benefits	3,578,970
Miscellaneous	<u>41,971</u>
Total Deductions	<u>3,620,941</u>
NET INCREASE (DECREASE)	(1,841,782)
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>	
May 1	<u>64,233,050</u>
April 30	<u><u>\$62,391,268</u></u>

See accompanying notes to financial statements.

# **CITY OF ST. CHARLES, ILLINOIS**

## **NOTES TO FINANCIAL STATEMENTS**

April 30, 2016

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### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

#### **A. Reporting Entity**

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

The City operates under a Mayor-Council form of government consisting of five wards and ten aldermen. The Mayor is elected at large to a four-year term and the City 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 pensions. As required by GAAP, these financial statements present the City (the primary government). In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was based upon the significance of its operational or financial relationship with the primary government. There are no component units that are required to be included in the City's general purpose external financial statements.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Fund Accounting**

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

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

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

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

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

**C. Government-Wide and Fund Financial Statements**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

The City reports the following major governmental funds:

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

The City reports the following major proprietary funds:

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

Additionally, the City reports the following internal service funds:

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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



**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

**E. Cash and Investments**

**Cash and Cash Equivalents**

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

**Investments**

Investments with a maturity of less than one year when purchased and non-negotiable certificates of deposit are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is based on prices listed on national exchanges as of April 30, 2016 for debt and equity securities. Mutual funds, investment funds and insurance separate accounts are valued at contract value as of April 30, 2016.

**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 using the consumption method.

**I. Capital Assets**

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

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

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

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

**J. Compensated Absences**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Long-Term Obligations**

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

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

**L. Fund Balance/Net Position**

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**L. Fund Balance/Net Position (Continued)**

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

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

**M. Deferred Outflows/Inflows of Resources**

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

**N. Interfund Transactions**

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

**O. Estimates**

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

## **2. DEPOSITS AND INVESTMENTS**

### **A. City Investments**

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

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

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

#### **Deposits with Financial Institutions**

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 102% of the fair market value of the funds secured, with the collateral held by the City, an independent third party or the Federal Reserve Bank of New York in the City's name. At April 30, 2016 the City had a bank balance of deposits of \$2,006,789 that was uninsured and uncollateralized.

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

**2. DEPOSITS AND INVESTMENTS (Continued)**

**A. City Investments (Continued)**

**Investments**

The following table presents the investments and maturities of the City's debt securities as of April 30, 2016:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Agency Obligations	\$ 1,050,256	\$ -	\$ 1,050,256	\$ -	\$ -
State and Municipal Obligations	2,034,807	505,838	1,528,969	-	-
IMET 1 to 3 Years	11,289,788	-	11,289,788	-	-
<b>TOTAL</b>	<b>\$ 14,374,851</b>	<b>\$ 505,838</b>	<b>\$ 13,869,013</b>	<b>\$ -</b>	<b>\$ -</b>

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

The City limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in external investment pools US Treasury and Agency securities and state and local government bonds rated in the highest four categories by a national ratings agency. The U.S. agency obligations are rated AAA. The state and municipal bonds are rated AA to AAA.

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

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

## **2. DEPOSITS AND INVESTMENTS (Continued)**

### **B. Police Pension Investments**

The Police Pension Fund's (the Fund) investment policy authorizes the Fund to invest in all investments allowed by the Illinois Pension Code contained in Chapter 40 of Illinois Compiled Statutes (ILCS). ILCS require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorizes the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment-grade corporate bonds and Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds, corporate equity and corporate debt securities and real estate investment trusts.

It is the policy of the 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 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 Fund's deposits may not be returned to it. The 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, 2016 are covered by federal depository insurance.

The following table presents the investments and maturities of the Fund's debt securities as of April 30, 2016:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury Obligations	\$ 2,015,432	\$ 226,684	\$ 691,993	\$ 987,736	\$ 109,019
U.S. Agency Obligations	2,024,892	210,110	160,129	214,942	1,439,711
Corporate Bonds	4,221,450	-	1,668,135	2,294,164	259,151
<b>TOTAL</b>	<b>\$ 8,261,774</b>	<b>\$ 436,794</b>	<b>\$ 2,520,257</b>	<b>\$ 3,496,842</b>	<b>\$ 1,807,881</b>

**2. DEPOSITS AND INVESTMENTS (Continued)**

**B. Police Pension Investments (Continued)**

Investments (Continued)

The 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, U.S. agency obligations and investment grade corporate bonds as rated by two of the three rating agencies. The U.S. agency obligations are rated AAA to AA. The corporate bonds are rated AA+ to BBB+.

The investment policy does not limit the maximum maturity length of investments in the Fund or address interest rate risk.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. The Fund's policy does not address custodial credit risk over investments. In addition, the 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 (the Fund) investment policy authorizes the Fund to invest in all investments allowed by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorizes the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment-grade corporate bonds and Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds, corporate equity and corporate debt securities and real estate investment trusts.

It is the policy of the 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 Fund and conforming to all state and local statutes governing the investment of public funds.



## **2. DEPOSITS AND INVESTMENTS (Continued)**

### **C. Firefighters' Pension Investments (Continued)**

#### **Deposits with Financial Institutions**

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Fund's deposits may not be returned to it. The 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, 2016 are covered by federal depository insurance.

#### **Investments**

The following table presents the investments and maturities of the Fund's debt securities as of April 30, 2016:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury Obligations	\$ 3,100,902	\$ -	\$ 2,314,152	\$ 786,750	\$ -
U.S. Agency Obligations	2,425,792	65,101	589,418	625,501	1,145,772
Corporate Bonds	3,233,424	60,490	1,617,425	1,498,281	57,228
<b>TOTAL</b>	<b>\$ 8,760,118</b>	<b>\$ 125,591</b>	<b>\$ 4,520,995</b>	<b>\$ 2,910,532</b>	<b>\$ 1,203,000</b>

In accordance with its investment policy, the 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 Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. Treasury and U.S. agency obligations. The U.S. agency obligations are all rated AAA to AA. The corporate bonds are rated AA+ to BBB+.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. The Fund's policy does not address custodial credit risk over investments. In addition, the 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 2015 levy year attach as an enforceable lien on January 1, 2015, 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, 2016 and August 1, 2016, and are payable in two installments, on or about June 1, 2016 and September 1, 2016. The County collects such taxes and remits them periodically.

The 2015 taxes are intended to finance the 2017 fiscal year and are not considered available or earned for current operations and are, therefore, shown as deferred revenue. The 2016 tax levy has not been recorded as a receivable at April 30, 2016, as the tax attached as a lien on property as of January 1, 2016; however, the tax will not be levied until December 2016 and, accordingly, is not measurable at April 30, 2016.

**4. DUE FROM OTHER GOVERNMENTS**

Due from other governments consisted of the following amounts at April 30, 2016:

**GOVERNMENTAL ACTIVITIES**

Sales Tax	\$ 2,570,576
Home Rule Sales Tax	1,359,064
Income Tax	525,323
Local Use Tax	188,133
Auto Rental	13,388
Motor Fuel Tax	75,043
Simplified Telecommunications Tax	238,585

<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 4,970,112</b>
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**5. CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2016 is as follows:

	Balances May 1	Increases	Decreases	Balances April 30
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital Assets not Being Depreciated				
Land	\$ 18,564,583	\$ 446,836	\$ -	\$ 19,011,419
Land Right of Ways	41,026,148	-	-	41,026,148
Construction in Progress	108,889	783,726	175,272	717,343
Intangible Assets	531,503	370,197	-	901,700
Total Capital Assets not Being Depreciated	60,231,123	1,600,759	175,272	61,656,610

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

**5. CAPITAL ASSETS (Continued)**

	Balances May 1	Increases	Decreases	Balances April 30
<b>GOVERNMENTAL ACTIVITIES (Continued)</b>				
Capital Assets Being Depreciated				
Buildings	\$ 50,004,163	\$ -	\$ -	\$ 50,004,163
Improvements Other Than Buildings	15,816,876	558,067	-	16,374,943
Equipment and Fixtures	13,655,167	1,062,109	256,456	14,460,820
Streets	68,998,360	-	-	68,998,360
Traffic Signals	757,420	-	-	757,420
Storm Sewers	36,438,537	-	-	36,438,537
Bridges	31,611,660	-	-	31,611,660
Culverts	1,599,906	-	-	1,599,906
Intangible Assets	2,439,718	175,272	37,918	2,577,072
Total Capital Assets Being Depreciated	221,321,807	1,795,448	294,374	222,822,881
Less Accumulated Depreciation for				
Buildings	16,284,719	1,404,709	-	17,689,428
Improvements Other Than Buildings	4,280,609	738,187	-	5,018,796
Equipment and Fixtures	7,347,890	715,177	249,530	7,813,537
Streets	44,236,467	1,176,476	-	45,412,943
Traffic Signals	43,981	16,945	-	60,926
Storm Sewers	23,740,778	685,276	-	24,426,054
Bridges	2,716,974	630,666	-	3,347,640
Culverts	1,378,541	11,518	-	1,390,059
Intangible Assets	1,211,749	157,408	37,918	1,331,239
Total Accumulated Depreciation	101,241,708	5,536,362	287,448	106,490,622
Total Capital Assets Being Depreciated, Net	120,080,099	(3,740,914)	6,926	116,332,259
<b>GOVERNMENTAL ACTIVITIES</b>				
CAPITAL ASSETS, NET	\$ 180,311,222	\$ (2,140,155)	\$ 182,198	\$ 177,988,869
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital Assets not Being Depreciated				
Land	\$ 2,162,294	\$ -	\$ -	\$ 2,162,294
Intangibles	87,777	-	-	87,777
Construction in Progress	2,351,996	5,815,804	179,422	7,988,378
Total Capital Assets not Being Depreciated	4,602,067	5,815,804	179,422	10,238,449
Capital Assets Being Depreciated				
Refuse Equipment	97,908	-	-	97,908
Electric Property	111,340,863	4,678,897	1,188,909	114,830,851
Water and Sewer Plant and Equipment	134,701,024	981,282	189,954	135,492,352
Total Capital Assets Being Depreciated	246,139,795	5,660,179	1,378,863	250,421,111
Less Accumulated Depreciation for				
Refuse Equipment	97,908	-	-	97,908
Electric Property	51,179,579	3,482,127	1,144,893	53,516,813
Water and Sewer Plant and Equipment	62,141,718	3,289,705	186,881	65,244,542
Total Accumulated Depreciation	113,419,205	6,771,832	1,331,774	118,859,263
Total Capital Assets Being Depreciated, Net	132,720,590	(1,111,653)	47,089	131,561,848
<b>BUSINESS-TYPE ACTIVITIES</b>				
CAPITAL ASSETS, NET	\$ 137,322,657	\$ 4,704,151	\$ 226,511	\$ 141,800,297

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

**5. CAPITAL ASSETS (Continued)**

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

**GOVERNMENTAL ACTIVITIES**

General Government	\$ 364,861
Public Health and Safety	627,371
Public Works, Including Depreciation of General Infrastructure Assets	4,528,180
Community Development	<u>15,949</u>

**TOTAL DEPRECIATION EXPENSE -  
GOVERNMENTAL ACTIVITIES**

\$ 5,536,361

**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 2006, annual installments of \$3,065,000, interest at 3.95% payable each June 1 and December 1.	TIF #4	\$ 1,190,000	\$ -	\$ -	\$ 1,190,000	\$ -
\$4,470,000 General Obligation Bonds of 2007A, annual installments of \$1,660,000 to \$2,810,000, interest at 3.90% to 3.95% payable each June 1 and December 1.	TIF #4	590,000	-	-	590,000	-
\$2,000,000 General Obligation Bonds of 2007B, annual installments of \$70,000 to \$405,000, interest at 3.7% payable each June 1 and December 1.	Sewer	1,370,000	-	90,000	1,280,000	95,000
\$3,530,000 General Obligation Bonds of 2007C, annual installments of \$500,000 to \$2,245,000, interest at 4% payable each June 1 and December 1.	TIF #4	245,000	-	-	245,000	-

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

**6. LONG-TERM DEBT (Continued)**

**A. General Obligation Bonds (Continued)**

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements/ Refundings	Balances April 30	Current Portion
\$10,810,000 General Obligation Bonds of 2008A, annual installments of \$315,000 to \$1,790,000, interest at 3.75% to 4.00% payable each June 1 and December 1.	TIF #4	\$ 850,000	\$ -	\$ 75,000	\$ 775,000	\$ 100,000
\$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	1,360,000	-	80,000	1,280,000	80,000
\$13,440,000 General Obligation Bonds of 2008C, annual installments of \$465,000 to \$775,000, interest at 3.6% to 5.4% payable each July 1 and January 1.	Electric	1,920,000	-	100,000	1,820,000	105,000
	Debt Service	8,325,000	-	510,000	7,815,000	530,000
\$6,695,000 General Obligation Refunding Bonds of 2009, annual installments of \$305,000 to \$1,520,000, interest at 2% to 5% payable each June 1 and December 1.	TIF	940,000	-	305,000	635,000	310,000
\$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	2,802,684	-	127,817	2,674,867	134,789
	Water	1,978,865	-	90,247	1,888,618	95,169
	Sewer	1,248,451	-	56,936	1,191,515	60,042
\$4,305,000 General Obligation Refunding Bonds of 2010B, annual installments of \$815,000 to \$905,000, interest at 2% to 3% payable each June 1 and December 1.	Debt Service	905,000	-	905,000	-	-
\$1,920,000 General Obligation Refunding Bonds of 2010C, annual installments of \$10,000 to \$215,000, interest at 3.0% to 4.5% payable each June 1 and December 1.	TIF #3	1,460,000	-	155,000	1,305,000	165,000

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

**6. LONG-TERM DEBT (Continued)**

**A. General Obligation Bonds (Continued)**

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements/ Refundings	Balances April 30	Current Portion
\$4,860,000 General Obligation Corporate Purpose Bonds of 2011A, annual installments of \$160,000 to \$340,000, interest at 2% to 4% payable each June 1 and December 1.	Sewer	\$ 767,295	\$ -	\$ 190,825	\$ 576,470	\$ 27,120
	Debt Service	3,567,705	-	(825)	3,568,530	167,880
\$1,560,000 General Obligation Refunding Bonds of 2011B, annual installments of \$5,000 to \$405,000, interest at 2% to 4% payable each June 1 and December 1.	Electric	1,105,896	-	360,822	745,074	365,508
	Debt Service	74,104	-	24,178	49,926	24,492
\$2,885,000 General Obligation Refunding Bonds of 2011C, annual installments of \$365,000 to \$460,000, interest at 3% to 4% payable each June 1 and December 1.	Debt Service	2,885,000	-	-	2,885,000	-
\$3,090,000 General Obligation Refunding Bonds of 2011D, annual installments of \$210,000 to \$310,000, interest at 2% to 4% payable each June 1 and December 1.	TIF #5	2,430,000	-	235,000	2,195,000	240,000
\$9,035,000 General Obligation Corporate Purpose Bonds of 2012A, annual installments of \$335,000 to \$610,000 interest at 2% to 4% payable each June 1 and December 1.	Electric	870,000	-	35,000	835,000	40,000
	Water	760,000	-	30,000	730,000	35,000
	Debt Service	6,505,000	-	410,000	6,095,000	430,000
\$12,025,000 General Obligation Refunding Bonds of 2012B, annual installments of \$285,000 to \$1,190,000, interest at 2% to 4% payable each June 1 and December 1.	Debt Service	11,445,000	-	1,130,000	10,315,000	1,150,000
\$1,190,000 Taxable General Obligation Refunding Bonds of 2012C, annual installments of \$30,000 to \$410,000, interest at 0.65% to 1.25% payable each June 1 and December 1.	TIF #1	795,000	-	385,000	410,000	410,000

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

**6. LONG-TERM DEBT (Continued)**

**A. General Obligation Bonds (Continued)**

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements/ Refundings	Balances April 30	Current Portion
\$22,355,000 General Obligation Corporate Purpose Bonds of 2013A, annual installments of \$1,385,000 to \$2,400,000, interest at 4% payable each June 1 and December 1.	TIF #4	\$ 22,355,000	\$ -	\$ -	\$ 22,355,000	\$ -
\$4,915,000 General Obligation Corporate Purpose Bonds of 2013B, annual installments of \$195,000 to \$340,000 interest at 1.00% to 4.62% payable each June 1 and December 1.	Electric	616,229	-	25,459	590,770	25,459
	Water	105,653	-	4,365	101,288	4,365
	Sewer	434,899	-	17,967	416,932	17,967
	Debt Service	3,563,219	-	147,209	3,416,010	147,209
\$2,345,000 General Obligation Refunding Bonds of 2015A, annual installments of \$110,000 to \$190,000, interest at 1.35% to 3.00% payable each June 1 and December 1.	Electric	1,188,311	-	55,742	1,132,569	68,410
	Debt Service	1,156,689	-	54,258	1,102,431	66,590
<b>TOTAL GENERAL OBLIGATION BONDS</b>		<b>\$ 85,810,000</b>	<b>\$ -</b>	<b>\$ 5,600,000</b>	<b>\$ 80,210,000</b>	<b>\$ 4,895,000</b>

**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	Balance May 1	Additions	Retirements	Balance 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 \$1,340,000, interest at 6.95% payable each July 1 and January 1.	Debt Service	\$ 7,440,000	\$ -	\$ 520,000	\$ 6,920,000	\$ 505,000
<b>TOTAL</b>		<b>\$ 7,440,000</b>	<b>\$ -</b>	<b>\$ 520,000</b>	<b>\$ 6,920,000</b>	<b>\$ 505,000</b>

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

**6. LONG-TERM DEBT (Continued)**

**B. Revenue Bonds**

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 6F, Governmental Activities Revenue Bonds. During the current fiscal year, the principal and interest on the bonds was approximately 102.76% of the pledged sales taxes (local and home rule) in specific project area. The difference was made up from the debt service reserve fund.

**C. IEPA Loans**

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

	Fund Debt Retired by	Balances May 1	Additions	Retirements	Balances April 30	Current Portion
EPA Loan III	Sewer	\$ 2,584,619	\$ -	\$ 404,104	\$ 2,180,515	\$ 414,413
EPA Loan IV	Sewer	5,953,358	-	505,378	5,447,980	518,092
EPA Loan V	Water	5,038,435	-	286,333	4,752,102	289,923
EPA Loan VI	Sewer	1,517,327	-	97,892	1,419,435	97,892
EPA Loan VII	Sewer	9,592,526	-	376,368	9,216,158	404,997
EPA Loan VIII*	Water	929,214	1,882,909	-	2,812,123	-
EPA Loan IX*	Water	183,343	2,508,893	28,611	2,663,625	58,173
<b>TOTAL</b>		<b>\$ 25,798,822</b>	<b>\$ 4,391,802</b>	<b>\$ 1,698,686</b>	<b>\$ 28,491,938</b>	<b>\$ 1,783,490</b>

\* The Illinois EPA loan has not been closed out by the IEPA and, therefore, no repayment schedule has been determined as of April 30, 2016.

**D. Installment Contracts/Intergovernmental Agreements**

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

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
\$1,050,000 Installment Contract dated November 18, 2002 with monthly installments of \$382.	General	\$ 75,279	\$ -	\$ 4,586	\$ 70,693	\$ 4,586
School District Agreement	Water	456,888	-	114,222	342,666	114,222
<b>TOTAL</b>		<b>\$ 532,167</b>	<b>\$ -</b>	<b>\$ 118,808</b>	<b>\$ 413,359</b>	<b>\$ 118,808</b>



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

**6. LONG-TERM DEBT (Continued)**

**D. Installment Contracts/Intergovernmental Agreements (Continued)**

In 2012, the City entered into an agreement with St. Charles Community School District #303 (the District) for the transfer of a title of property to the City. In exchange for the property the City will provide the District with a high school resource officer at no charge as defined in the agreement from June 7, 2011 through June 6, 2019. As of April 30, 2016, a liability of \$342,666 has been accrued and \$114,222 of services have been provided related to this agreement, which is recorded in the water fund. The liability will be reduced as services are provided to the District.

**E. Debt Service Requirements to Maturity**

Annual debt service requirements to maturity are as follows:

Fiscal Year	Governmental Activities					
	General Obligation Bonds		Revenue Bonds		Installment Contracts	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 3,741,171	\$ 2,546,333	\$ 505,000	\$ 480,940	\$ 4,586	\$ -
2018	3,460,192	2,423,068	560,000	445,843	4,586	-
2019	3,246,529	2,292,868	620,000	406,923	4,586	-
2020	3,306,379	2,178,852	685,000	363,833	4,586	-
2021	3,455,004	2,044,750	750,000	316,225	4,586	-
2022	3,602,388	1,902,490	775,000	264,100	4,586	-
2023	3,762,934	1,758,103	840,000	210,238	4,586	-
2024	3,432,784	1,607,357	915,000	151,858	4,586	-
2025	3,266,408	1,483,018	1,270,000	88,263	4,586	-
2026	2,916,258	1,375,138	-	-	4,586	-
2027	1,919,883	1,279,751	-	-	4,586	-
2028	2,928,508	1,167,120	-	-	4,586	-
2029	3,062,133	1,042,071	-	-	4,586	-
2030	2,400,062	910,155	-	-	4,586	-
2031	2,422,501	816,868	-	-	4,586	-
2032	2,551,739	720,826	-	-	1,903	-
2033	2,365,349	619,619	-	-	-	-
2034	2,106,674	525,870	-	-	-	-
2035	2,005,000	440,000	-	-	-	-
2036	2,095,000	359,800	-	-	-	-
2037	2,200,000	276,000	-	-	-	-
2038	2,300,000	188,000	-	-	-	-
2039	2,400,000	96,000	-	-	-	-
<b>TOTAL</b>	<b>\$ 64,946,896</b>	<b>\$ 28,054,057</b>	<b>\$ 6,920,000</b>	<b>\$ 2,728,223</b>	<b>\$ 70,693</b>	<b>\$ -</b>

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

**6. LONG-TERM DEBT (Continued)**

**E. Debt Service Requirements to Maturity (Continued)**

Fiscal Year	Business-Type Activities			
	IEPA Loans		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2017	\$ 1,725,318	\$ 453,346	\$ 1,153,829	\$ 612,217
2018	1,761,906	416,758	1,194,808	573,412
2019	1,799,354	379,310	838,471	530,205
2020	1,837,680	340,984	868,621	499,774
2021	1,876,906	301,758	904,996	466,280
2022	1,447,019	264,565	937,612	429,920
2023	1,476,122	235,462	972,067	392,222
2024	1,505,888	205,696	1,022,216	353,068
2025	1,536,334	175,250	1,058,592	312,512
2026	1,206,907	144,549	1,103,742	269,207
2027	935,100	125,411	1,150,117	223,257
2028	950,962	109,549	1,051,492	173,920
2029	967,146	93,365	957,867	128,209
2030	983,661	76,850	799,938	85,810
2031	951,566	59,999	732,499	52,501
2032	570,305	43,893	238,261	20,418
2033	583,468	30,730	194,651	11,275
2034	596,936	17,262	83,325	3,852
2035	303,615	3,484	-	-
<b>TOTAL</b>	<b>\$ 23,016,193</b>	<b>\$ 3,478,221</b>	<b>\$ 15,263,104</b>	<b>\$ 5,138,059</b>

**F. Changes in Long-Term Liabilities**

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

	Balances May 1, (Restated)	Issuances	Retirements	Balances April 30	Current Portion
General Obligation Bonds Payable	\$ 69,281,717	\$ -	\$ 4,334,821	\$ 64,946,896	\$ 3,741,171
Revenue Bonds Payable	7,440,000	-	520,000	6,920,000	505,000
Unamortized (Discount) Premium on Bonds Payable	2,573,247	-	221,404	2,351,843	-
Installment Contracts Payable - Governmental Funds	75,279	-	4,585	70,694	4,586
Compensated Absences Payable - Governmental Funds (General Fund)	3,331,731	3,229,109	3,331,731	3,229,109	3,229,109
Compensated Absences Payable - Internal Service Funds	114,240	92,710	114,240	92,710	92,710
Net Pension Liability (General Fund)	42,315,598	10,326,101	-	52,641,699	-
Net OPEB Obligation (General Fund)	4,817,940	98,673	-	4,916,613	-
Net OPEB Obligation - Internal Service Funds	213,753	2,461	-	216,214	-
<b>TOTAL</b>	<b>\$ 130,163,505</b>	<b>\$ 13,749,054</b>	<b>\$ 8,526,781</b>	<b>\$ 135,385,778</b>	<b>\$ 7,572,576</b>

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

**6. LONG-TERM DEBT (Continued)**

**F. 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, (Restated)	Issuances	Retirements	Balances April 30	Current Portion
General Obligation Bonds Payable	\$ 16,528,283	\$ -	\$ 1,265,179	\$ 15,263,104	\$ 1,153,829
Unamortized (Discount) Premium on Bonds Payable	257,437	-	28,773	228,664	-
IEPA Loans Payable	25,798,822	4,391,802	1,698,686	28,491,938	1,783,490
Intergovernmental Agreements	456,888	-	114,222	342,666	114,222
Compensated Absences Payable	560,682	478,952	560,682	478,952	478,952
Net Pension Liability	2,664,542	1,688,475	-	4,353,017	-
Net OPEB Obligation	872,009	16,463	-	888,472	-
<b>TOTAL</b>	<b>\$ 47,138,663</b>	<b>\$ 6,575,692</b>	<b>\$ 3,667,542</b>	<b>\$ 50,046,813</b>	<b>\$ 3,530,493</b>

**G. 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.

**H. Noncommitment Debt**

**Special Service Area Bonds**

Special service area bonds outstanding as of the date of this report totaled \$1,510,000. 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.

**6. LONG-TERM DEBT (Continued)**

**H. Noncommitment Debt (Continued)**

**Special Service Area Bonds (Continued)**

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.

**I. 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, 2016, there were two series of IDRBs outstanding. The aggregate principal amount payable for the IDRBs outstanding could not be determined at April 30, 2016. The original principal balance is \$16,742,164.

**7. RISK MANAGEMENT**

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

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

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

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

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

**7. RISK MANAGEMENT (Continued)**

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

The City has recorded a liability for claims which were reported but unpaid as of the end of the fiscal year as well as an estimated liability for claims incurred but not reported. A reconciliation of claims payable for the fiscal years ended April 30, 2015 and 2016 is as follows:

	2015	2016
CLAIMS PAYABLE, MAY 1	\$ 1,505,310	\$ 1,075,077
Add Claims Incurred	3,706,829	3,480,572
Less Claims Paid	4,137,062	3,240,443
CLAIMS PAYABLE, APRIL 30	<u>\$ 1,075,077</u>	<u>\$ 1,315,206</u>

**8. INDIVIDUAL FUND DISCLOSURES**

As of April 30, 2016, individual fund interfund receivables and payables were as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 862,205
Nonmajor Governmental	General	<u>610,335</u>
TOTAL DUE TO/FROM OTHER FUNDS		<u>\$ 1,472,540</u>

These receivables in the General Fund are for interfund loans to the Nonmajor Governmental Funds to be repaid in one year. The receivable in the Nonmajor Governmental Funds results from accounting of sales taxes to the 2008 Revenue Bond Fund.

As of April 30, 2016, major individual fund advances between funds were as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 4,443,377
General	Electric	849,507
General	Water	177,203
General	Sewer	418,290
Electric	Internal Service	<u>924,952</u>
TOTAL		<u>\$ 6,813,329</u>

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

**8. INDIVIDUAL FUND DISCLOSURES (Continued)**

During the year ended April 30, 2016, TIF District #2 has paid back \$170,000 towards their advance and the General Fund advanced \$848,941 for capital improvements to TIF District #7. In prior years, \$3,764,436 was advanced to cover debt service for TIF District #1, TIF District #2, TIF District #3, TIF District #4 and TIF District #5. The \$4,443,377 advanced as of April 30, 2016 will be paid from tax increments in future years. The Electric Fund advanced the Communications Fund \$1,233,272 for the purchase of fiber optic cable. Annual payments of \$61,664 will be made. As of April 30, 2016 the balance is \$924,952.

Interfund transfers during the year ended April 30, 2016 were as follows:

	Transfers In	Transfers Out
General		
Nonmajor Governmental	\$ -	\$ 7,734,118
Electric	-	230,256
Internal Service	-	120,000
Total General	-	8,084,374
Nonmajor Governmental		
General	7,734,118	-
Electric	390,141	-
Water	137,277	-
Sewer	250,882	-
Nonmajor Governmental	4,534,778	3,951,891
Total Nonmajor Governmental	13,047,196	3,951,891
Electric		
General	230,256	-
Nonmajor Governmental	-	390,141
Internal Service	-	-
Total Electric	230,256	390,141
Water		
Nonmajor Governmental	-	137,277
Sewer		
Nonmajor Governmental	-	250,882

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

**8. INDIVIDUAL FUND DISCLOSURES (Continued)**

	Transfers In	Transfers Out
Internal Service		
General	\$ 120,000	\$ -
Electric	-	582,887
Total Internal Service	<u>120,000</u>	<u>582,887</u>
 TOTAL	 <u>\$ 13,397,452</u>	 <u>\$ 13,397,452</u>

Major interfund transfers resulted from the following:

- \$7,734,118 transfers from the General Fund to Nonmajor Funds. This transaction relates to money transferred to debt service funds for payments of principal and interest on general obligation debt and for money transferred to the Capital Project Funds and Equipment Replacement Fund.
- \$4,534,778 transfers from Nonmajor Governmental Funds to Nonmajor Governmental Funds. This transaction relates to money transferred from the Special Revenue Funds and Capital Project Fund to Debt Service Funds for payments of principal and interest on general obligation debt and to transfer equipment replacement funds.
- \$778,301 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.
- \$230,256 transfers to the Electric Fund from the General Fund for maintenance of streetlights and Christmas light decorations.
- \$120,000 transfers from the General Fund to Internal Service Funds. This transaction relates to money transferred to the Workers Compensation/Liability Insurance Fund to cover insurance premiums.

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

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**8. INDIVIDUAL FUND DISCLOSURES (Continued)**

The following funds reported deficit fund balances/net position at April 30, 2016:

<u>Fund</u>	<u>Deficit Balance</u>
TIF District #1 Special Revenue Fund	\$ 159,358
TIF District #2 Special Revenue Fund	427,333
TIF District #3 Special Revenue Fund	863,238
TIF District #4 Special Revenue Fund	721,561
TIF District #5 Special Revenue Fund	1,202,741

- The deficit in TIF District #1 is from insufficient property tax revenue to support the debt service.
- The deficit in TIF District #2 is from insufficient property tax revenue to support the debt service.
- The deficit in TIF District #3 is from insufficient property tax revenue to support the debt service.
- The deficit in TIF District #4 is from insufficient property tax revenue to support the debt service.
- The deficit in TIF District #5 is from insufficient property tax revenue to support the debt service.

**9. CONTINGENT LIABILITIES**

**A. Litigation**

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

**B. Grants**

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



**9. CONTINGENT LIABILITIES (Continued)**

**C. Economic Development Incentives**

The City entered into an agreement with the developer of a local mall to provide reimbursement of allowable costs and also an incentive for adding auto dealers to the mall. The incentive ranges from \$0 to \$2,500,000, through the calendar year 2012, with a \$500,000 incentive per new auto dealer added to the mall. No liability for the incentives has been accrued as of April 30, 2016 under this agreement as the thresholds have not yet been met.

The City has entered into an agreement with a car dealer to provide economic incentives over a five-year period. The incentive ranges from \$0 to \$500,000, made in one annual payment, based on the sales tax produced by the dealership during the year. The City retains all sales up to a designated base amount, ranging from \$500,688 to \$554,826, and then remits amounts above this base, at 100% in years 1 through 4 and 65% in year 5, to the dealership up the maximum amount. As of April 30, 2016, no amounts have been paid related to this agreement.

The City has entered into an agreement with a car dealer to provide economic incentives over a ten-year period. The incentives are paid every four months at 50% of the total sales tax generated by the business up to a maximum of \$450,000 through May 31, 2021. As of and for the year ended April 30, 2016, a liability of \$10,421 has been accrued and payments of \$162,238 have been made under this agreement. As of April 30, 2016, the City has incurred total incentives of \$450,000.

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

The City has entered into an agreement with a car dealer to provide economic incentives over a 15-year period. The incentives are paid annually as 100% of sales taxes generated that exceed a base of \$300,000 up to a maximum total reimbursement of \$1,400,000 through May 31, 2027. As of and for the year ended April 30, 2016, a liability of \$163,098 has been accrued and payments of \$211,316 have been made under this agreement. As of April 30, 2016, the City has incurred total incentives of \$642,730.

**9. CONTINGENT LIABILITIES (Continued)**

**C. Economic Development Incentives (Continued)**

The City has entered into an agreement with a car dealer to provide economic incentives over a 15-year period. The incentives are paid every four months as 50% of sales taxes generated up to a maximum total reimbursement of \$800,000 through August 31, 2027. If, in any year, the total sales tax generated is less than \$128,000, the Company will reimburse the City the difference between \$100,000 and its share of the distributions. As of and for the year ended April 30, 2016, a liability of \$64,989 has been accrued and payments of \$221,953 have been made under this agreement. As of April 30, 2016, the City has incurred total incentives of \$618,822.

**10. OTHER POSTEMPLOYMENT BENEFITS**

**A. Plan Description**

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

**B. Benefits Provided**

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

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

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

**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

C. Membership

At April 30, 2016, membership consisted of:

Retirees And Beneficiaries Currently Receiving Benefits	47
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Active Employees	<u>185</u>
<b>TOTAL</b>	<u><b>232</b></u>
 Participating Employers	 <u><u>1</u></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, 2016, retirees contributed \$286,651 and the City contributed \$162,177. The City is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

E. Annual OPEB Costs and Net OPEB Obligation

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

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 607,851	\$ 183,683	30.2%	\$ 5,800,428
2015	286,957	183,683	64.0%	5,903,702
2016	279,774	162,177	58.0%	6,021,299

**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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

The net OPEB obligation (NOPEBO) as of April 30, 2016 was calculated as follows:

Annual Required Contribution	\$ 248,288
Interest on Net OPEB Obligation	236,148
Adjustment to Annual Required Contribution	<u>(204,662)</u>
Annual OPEB Cost	279,774
Contributions Made	<u>(162,177)</u>
Increase in Net OPEB Obligation	117,597
Net OPEB Obligation, Beginning of Year	<u>5,903,702</u>
NET OPEB OBLIGATION, END OF YEAR	<u><u>\$ 6,021,299</u></u>

Funded Status and Funding Progress. The funded status of the plan as of April 30, 2016 was as follows:

Actuarial Accrued Liability (AAL)	\$ 3,575,904
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	3,575,904
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.0%
Covered Payroll (Active Plan Members)	\$ 22,702,684
UAAL as a Percentage of Covered Payroll	15.8%

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.

**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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

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, 2016 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate starting at 8.00% declining 0.75% annually for 5 years then declining 0.50% for 1 year to 4.50% by 2022. Both rates include a 2.50% inflation assumption. The actuarial value of assets was not determined as the City has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a 30-year open basis.

**11. DEFINED BENEFIT PENSION PLANS**

The City contributes to four defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Sheriff's Law Enforcement Personnel Fund (SLEP), an agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and the Firefighters' Pension Plan which is also a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all plans are governed by ILCS and can only be amended by the Illinois General Assembly. The Police Pension Plan and the Firefighters' Pension Plan issue separate reports. Those reports are available on the City's website at [www.sthcharlesil.gov/departments/Finance](http://www.sthcharlesil.gov/departments/Finance). In addition, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or [www.imrf.org](http://www.imrf.org).

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel

A. Plan Membership

At December 31, 2015, IMRF and SLEP membership consisted of:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel
Inactive Employees or Their Beneficiaries		
Currently Receiving Benefits	159	1
Inactive Employees Entitled to but not yet Receiving Benefits	73	-
Active Employees	172	-
TOTAL	404	1

B. Benefits Provided

Illinois Municipal Retirement Fund

All employees (other than those covered by SLEP) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. 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.

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

**B. Benefits Provided (Continued)**

Sheriff's Law Enforcement Personnel

SLEP provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, having accumulated at least 20 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 equal to 2.5% of their final rate of earnings, for each year of credited service up to 32 years or 80% of their final rate of earnings. For those SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies.

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 50 (reduced benefits) or after age 55 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5% of their final rate of earnings, for each year of credited service up to 30 years of service to a maximum of 75%.

SLEP also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 6.5% of their annual salary to SLEP. The City is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution rate for the calendar year 2015 was 0.00% of covered payroll.

**C. Contributions**

Participating members are required to contribute 4.5% and 6.5% of their annual salary to IMRF and SLEP, respectfully. The City is required to contribute the remaining amounts necessary to fund IMRF and SLEP as specified by statute. The employer contribution for calendar 2015 was 12.52% and 0.00% of covered payroll for IMRF and SLEP, respectfully.

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

D. Actuarial Assumptions

The City's net pension liability was measured as of December 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel
Actuarial Valuation Date	December 31, 2015	December 31, 2015
Actuarial Cost Method	Entry-Age Normal	Entry-Age Normal
Assumptions		
Inflation	2.75%	2.75%
Salary Increases	3.75% to 14.50%	3.75% to 14.50%
Interest Rate	7.50%	7.50%
Cost of Living Adjustments	3.00%	3.00%
Asset Valuation Method	Market Value	Market Value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.



**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

E. Discount Rate

The discount rate used to measure the total pension liability for IMRF was 7.47%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.50% was blended with the index rate of 3.57% for tax exempt general obligation bonds rated AA or better at April 30, 2016 to arrive at a discount rate of 7.47% used to determine the total pension liability.

The discount rate used to measure the total pension liability was 7.50% for SLEP. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, SLEP's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

F. Changes in the Net Pension Liability

Illinois Municipal Retirement Fund

	(A) Total Pension Liability	(B) Plan Fiduciary Net Position	(A) - (B) Net Pension Liability
BALANCES AT JANUARY 1, 2015	\$ 78,794,624	\$ 71,308,666	\$ 7,485,958
Changes for the Period			
Service Cost	1,414,466	-	1,414,466
Interest	5,825,396	-	5,825,396
Difference Between Expected and Actual Experience	303,109	-	303,109
Changes in Assumptions	207,055	-	207,055
Employer Contributions	-	1,610,740	(1,610,740)
Employee Contributions	-	629,146	(629,146)
Net Investment Income	-	353,512	(353,512)
Benefit Payments and Refunds	(3,452,418)	(3,452,418)	-
Administrative Expense	-	-	-
Other (Net Transfer)	-	412,901	(412,901)
Net Changes	4,297,608	(446,119)	4,743,727
BALANCES AT DECEMBER 31, 2015	\$ 83,092,232	\$ 70,862,547	\$ 12,229,685

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

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

F. Changes in the Net Pension Liability (Continued)

Sheriff's Law Enforcement Personnel Fund

	(A) Total Pension Liability	(B) Plan Fiduciary Net Position	(A) - (B) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2015	\$ 847,765	\$ 982,595	\$ (134,830)
Changes for the Period			
Service Cost	-	-	-
Interest	61,023	-	61,023
Difference Between Expected and Actual Experience	8,040	-	8,040
Changes in Assumptions	-	-	-
Employer Contributions	-	-	-
Employee Contributions	-	-	-
Net Investment Income	-	4,742	(4,742)
Benefit Payments and Refunds	(68,253)	(68,253)	-
Administrative Expense	-	-	-
Other (Net Transfer)	-	26,932	(26,932)
Net Changes	810	(36,579)	37,389
BALANCES AT DECEMBER 31, 2015	\$ 848,575	\$ 946,016	\$ (97,441)

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

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

G. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

Illinois Municipal Retirement Fund

For the year ended April 30, 2016, the City recognized pension expense of \$1,983,208. At April 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
To Record the Deferred Outflow for Contributions after the Measurement Date	\$ 571,307	\$ -
Difference Between Expected and Actual Experience	237,381	-
Changes in Assumption	162,156	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,971,722	-
TOTAL	<u>\$ 4,942,566</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending April 30,</u>	
2016	\$ 1,674,864
2017	1,103,557
2018	1,103,557
2019	1,060,588
2020	-
Thereafter	-
TOTAL	<u>\$ 4,942,566</u>

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

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**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

G. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

Sheriff's Law Enforcement Personnel Fund

For the year ended April 30, 2016, the City recognized pension expense of \$1,672,912. At April 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to SLEP from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ -
Changes in Assumption	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>53,922</u>	<u>-</u>
TOTAL	<u>\$ 53,922</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to SLEP will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2017	\$ 13,481
2017	13,481
2019	13,481
2020	13,479
2021	-
Thereafter	<u>-</u>
TOTAL	<u>\$ 53,922</u>

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

H. Discount Rate Sensitivity

Illinois Municipal Retirement Fund

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.47% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.47%) or 1 percentage point higher (8.47%) than the current rate:

	1% Decrease (6.47%)	Current Discount Rate (7.47%)	1% Increase (8.47%)
Net Pension Liability	\$ 23,475,896	\$ 12,229,685	\$ 3,006,467

Sheriff's Law Enforcement Personnel Fund

The following is a sensitive analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the pension liability (asset) of the City calculated using the discount rate of 7.50% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability (Asset)	\$ (14,442)	\$ (97,441)	\$ (168,364)

Police Pension Plan

A. Plan Administration

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 fund as a pension trust fund.

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Police Pension Plan (Continued)

A. Plan Administration (Continued)

The plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the City's Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

B. Plan Membership

At April 30, 2016, the measurement date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	39
Inactive Plan Members Entitled to but not yet Receiving Benefits	8
Active Plan Members	<u>53</u>
 TOTAL	 <u><u>100</u></u>

C. Benefits Provided

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to  $\frac{1}{2}$  of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Police Pension Plan (Continued)

C. Benefits Provided (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  $\frac{1}{2}$  of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years of creditable service may retire at or after age 50 and receive a reduced benefit (i.e.,  $\frac{1}{2}\%$  for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> 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% or  $\frac{1}{2}$  of the change in the Consumer Price Index for the proceeding calendar year.

D. Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. 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 plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. The City has adopted a funding policy using the entry age normal cost method that will result in 100% funding by 2040. For the year ended April 30, 2016, the City's contribution was 30.11% of covered payroll.



**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Police Pension Plan (Continued)

E. Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2016 using the following actuarial methods and assumptions.

Actuarial Valuation Date	April 30, 2016
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.50%
Salary Increases	5.00%
Investment Rate	6.75%
Cost of Living Adjustments	3.00% (Tier 1) 2.00% (Tier 2)
Asset Valuation Method	Market

Mortality rates were based on the RP-2000 Mortality Table (CHBCA). The actuarial assumptions used in the April 30, 2016 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

F. Discount Rate

The discount rate used to measure the total pension liability for years ending April 30, 2016 was 6.75% a decline from 7.00%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Police Pension Plan (Continued)

G. Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate for year ending April 30, 2016.

The table below presents the pension liability of the City, for year ending April 30, 2016, calculated using the discount rate of 6.75% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 38,093,703	\$ 29,676,393	\$ 22,747,537

H. Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2015	\$ 57,111,059	\$ 30,575,172	\$ 26,535,887
Changes for the Period			
Service Cost	1,227,434	-	1,227,434
Interest	4,004,458	-	4,004,458
Difference Between Expected and Actual Experience	(2,832,641)	-	(2,832,641)
Changes in Assumptions	1,858,133	-	1,858,133
Employer Contributions	-	1,540,294	(1,540,294)
Employee Contributions	-	506,838	(506,838)
Net Investment Income	-	(906,365)	906,365
Benefit Payments and Refunds	(2,263,911)	(2,263,911)	-
Administrative Expense	-	(23,889)	23,889
Net Changes	1,993,473	(1,147,033)	3,140,506
BALANCES AT April 30, 2016	\$ 59,104,532	\$ 29,428,139	\$ 29,676,393

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Police Pension Plan (Continued)

H. Changes in the Net Pension Liability (Continued)

There was a change with respect to actuarial assumptions from the prior year to include assumed administrative expenses.

I. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended April 30, 2016, the City recognized police pension expense of \$3,062,326. At April 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 2,360,535
Changes in Assumption	1,548,445	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,430,564	-
TOTAL	<u>\$ 3,979,009</u>	<u>\$ 2,360,535</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the police pension will be recognized in pension expense as follows:

Year Ending April 30,	
2017	\$ 445,223
2018	445,223
2019	445,223
2020	445,223
2021	(162,418)
Thereafter	-
TOTAL	<u>\$ 1,618,474</u>

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Firefighters' Pension Plan

A. Plan Administration

Firefighter sworn personnel are covered by the Fund, a single-employer defined benefit pension plan sponsored by the City. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-101) and may be amended only by the Illinois legislature. The City accounts for the Firefighters' Pension Plan as a pension trust fund.

The Fund is governed by a five-member Board of Trustees. Two members of the Board are appointed by the City's Mayor, one member is elected by pension beneficiaries and two members are elected by active firefighter employees.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

B. Plan Membership

At April 30, 2016, the measurement date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	23
Inactive Plan Members Entitled to but not yet Receiving Benefits	1
Active Plan Members	45
	<hr/>
TOTAL	69
	<hr/> <hr/>

C. Benefits Provided

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 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Firefighters' Pension Plan (Continued)

C. Benefits Provided (Continued)

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

D. Contributions

Employees are required by ILCS to contribute 9.455% of their base salary to the Fund. 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 Fund, as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. However, the City has adopted a funding policy that will result in funding of 100% of the past service cost by 2040. The City's contribution was 25.57% and 26.57% of covered payroll, respectively, for the years ending April 30, 2016 and April 30, 2015.

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Firefighters' Pension Plan (Continued)

E. Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2016 using the following actuarial methods and assumptions.

Actuarial Valuation Date	April 30, 2016
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.50%
Salary Increases	5.00%
Investment Rate	6.75%
Cost of Living Adjustments	3.00% (Tier 1) 2.00% (Tier 2)
Asset Valuation Method	Market

Mortality rates were based on the RP-2000 Mortality Table (BCA, +1M, -4F, 2x>105). The actuarial assumptions used in the April 30, 2016 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

F. Discount Rate

The discount rate used to measure the total pension liability for years ending April 30, 2016 was 6.75% down from 7.00%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Firefighters' Pension Plan (Continued)

G. Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate for year ending April 30, 2016.

The table below presents the net pension liability of the City, for year ending April 30, 2016, calculated using the discount rate of 6.75% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 22,466,889	\$ 15,186,079	\$ 9,234,266

H. Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2015	\$ 44,751,003	\$ 33,657,878	\$ 11,093,125
Changes for the Period			
Service Cost	1,413,134	-	1,413,134
Interest	3,185,463	-	3,185,463
Difference Between Expected and Actual Experience	(1,485,308)	-	(1,485,308)
Changes in Assumptions	1,599,975	-	1,599,975
Employer Contributions	-	1,162,413	(1,162,413)
Employee Contributions	-	473,869	(473,869)
Net Investment Income	-	(997,840)	997,840
Benefit Payments and Refunds	(1,315,059)	(1,315,059)	-
Administrative Expense	-	(18,132)	18,132
Net Changes	3,398,205	(694,749)	4,092,954
BALANCES AT APRIL 30, 2016	\$ 48,149,208	\$ 32,963,129	\$ 15,186,079

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

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**11. DEFINED BENEFIT PENSION PLANS (Continued)**

Firefighters' Pension Plan (Continued)

H. Changes in the Net Pension Liability (Continued)

There was a change with respect to actuarial assumptions from the prior year to include assumed administrative expenses.

I. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended April 30, 2016, the City recognized police pension expense of \$2,465,481. At April 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 1,273,122
Changes in Assumption	1,371,408	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,691,600	-
<b>TOTAL</b>	<b>\$ 4,063,008</b>	<b>\$ 1,273,122</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the police pension will be recognized in pension expense as follows:

<u>Year Ending April 30,</u>	
2017	\$ 689,281
2018	689,281
2019	689,281
2020	689,281
2021	16,381
Thereafter	16,381
<b>TOTAL</b>	<b>\$ 2,789,886</b>



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

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**12. CHANGE IN ACCOUNTING PRINCIPLE**

	Increase (Decrease)
<b>CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES</b>	
Change in Accounting Principle	
To Record the Deferred Outflow for Contributions Outside the Measurement Period	\$ 317,285
To Write-Off the Police Pension Plan Net Pension Asset	(111,415)
To Write-Off the Firefighters' Pension Plan Net Pension Obligation	12,540
To Record the Firefighters' Pension Plan Net Pension Liability	(11,093,125)
To Record the Police Pension Plan Net Pension Liability	(26,535,887)
To Record the IMRF/SLEP Net Pension Asset	134,830
To Record the IMRF Net Pension Liability	<u>(4,821,416)</u>
<b>TOTAL CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ (42,097,188)</u></b>
<b>CHANGE IN ACCOUNTING PRINCIPLE - BUSINESS-TYPE ACTIVITIES</b>	
To Record the Deferred Outflow for Contributions Outside the Measurement Period	\$ 175,348
To Record the IMRF Net Pension Liability	<u>(2,664,542)</u>
<b>TOTAL CHANGE IN ACCOUNTING PRINCIPLE - BUSINESS-TYPE ACTIVITIES</b>	<b><u>\$ (2,489,194)</u></b>

With the implementation of GASB Statements No. 68 and 71, the City is required to retroactively record the net pension liability, the deferred outflow for contributions made outside the measurement date, and write-off any net pension assets/obligations previously reported.

**13. SUBSEQUENT EVENT**

On September 15, 2016, the City sold \$7,310,000 Series 2016A General Obligation Bonds due in annual installments of \$220,000 to \$485,000 from December 1, 2017 to December 1, 2036. The bonds are being issued to fund public capital infrastructure improvements. On September 15, 2016, the City sold \$11,530,000 Series 2016B General Obligation Refunding Bonds due in annual installments of \$85,000 to \$1,360,000 from December 1, 2017 to December 1, 2029. The bonds are being issued to refund portions of the City's Series 2006, Series 2007A, Series 2007B, 2007C, 2008A, 2008B and 2008C General Obligation Bonds.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF ST. CHARLES, ILLINOIS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
For the Year Ended April 30, 2016  
(with comparative actual)

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Last Year Actual</u></b>
<b>REVENUES</b>				
Property Taxes	\$12,534,572	\$12,499,081	\$12,352,793	\$12,413,312
Personal Property Replacement Taxes	100,000	100,000	88,879	98,355
Municipal Sales and Use Taxes	16,056,851	16,056,851	16,760,801	15,954,886
Franchise Fees	3,819,235	3,819,235	3,577,986	3,485,932
Liquor Tax	1,055,312	1,055,312	1,099,613	1,062,211
Hotel Occupations Tax	1,727,627	1,727,627	2,007,436	1,768,106
Telecommunications Fee	1,135,000	1,135,000	989,529	1,037,563
Admissions Tax	79,500	79,500	68,582	72,066
Business Licenses and Permits	218,875	218,875	230,830	218,570
Nonbusiness License and Permits	298,168	298,168	374,041	257,830
Fines and Court Fees	433,975	433,975	360,695	384,990
Grants	52,500	52,500	53,983	64,917
Illinois State Income Tax Allotments	3,264,426	3,264,426	3,514,119	3,229,295
Charges for Current Services	582,943	615,279	509,667	473,771
Investment Income	95,300	95,300	131,970	(46,707)
Miscellaneous	310,300	310,300	182,440	197,968
Total Revenues	<u>41,764,584</u>	<u>41,761,429</u>	<u>42,303,364</u>	<u>40,673,065</u>
<b>EXPENDITURES</b>				
General Government	3,483,168	3,574,576	3,051,995	3,147,200
Public Health and Safety	22,002,241	22,094,285	20,885,737	20,835,474
Public Works	8,147,631	8,075,474	7,138,347	7,245,730
Community Development	2,601,967	2,710,577	2,346,953	2,825,217
Debt Service				
Principal	4,586	4,586	4,586	4,586
Total Expenditures	<u>36,239,593</u>	<u>36,459,498</u>	<u>33,427,618</u>	<u>34,058,207</u>
<b>EXCESS (DEFICIENCIES) OF REVENUES OVER EXPENDITURES</b>	<u>5,524,991</u>	<u>5,301,931</u>	<u>8,875,746</u>	<u>6,614,858</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from the Sale of Capital Assets	2,500	2,500	-	700
Transfers (Out)	(6,011,827)	(7,838,686)	(8,084,374)	(5,766,617)
Total Other Financing Sources (Uses)	<u>(6,009,327)</u>	<u>(7,836,186)</u>	<u>(8,084,374)</u>	<u>(5,765,917)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(\$ 484,336)</u>	<u>(\$ 2,534,255)</u>	791,372	848,941
<b>FUND BALANCE, MAY 1</b>			<u>25,180,552</u>	<u>24,331,611</u>
<b>FUND BALANCE, APRIL 30</b>			<u>\$25,971,924</u>	<u>\$25,180,552</u>

See independent auditor's report.

# **CITY OF ST. CHARLES, ILLINOIS**

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

April 30, 2016

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### **1. BUDGETS**

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

Budgets are adopted on a basis consistent with GAAP. Annual budgets are adopted for the General, certain Special Revenue (except the Foreign Fire Insurance Fund), 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 2015A General Obligation Bond Fund expenditures exceeded budget by \$533.

**CITY OF ST. CHARLES, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
OTHER POSTEMPLOYMENT BENEFIT PLAN

April 30, 2016

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<b>Actuarial Valuation Date April 30,</b>	<b>(1) Actuarial Value of Assets</b>	<b>(2) Actuarial Accrued Liability (AAL) Entry-Age Normal</b>	<b>(3) Funded Ratio (1) / (2)</b>	<b>(4) Unfunded AAL (UAAL) (2) - (1)</b>	<b>(5) Active Members Covered Payroll</b>	<b>UAAL As a Percentage of Covered Payroll (4) / (5)</b>
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	\$ -	\$ 6,507,582	\$ -	\$ 6,507,582	\$ 23,092,645	28.18%
2013	N/A	N/A	N/A	N/A	N/A	N/A
2014	-	2,919,438	0.00%	2,919,438	23,081,287	12.65%
2015	N/A	N/A	N/A	N/A	N/A	N/A
2016	-	3,575,904	0.00%	3,575,904	22,702,684	15.75%

Information for 2011, 2013 and 2015 is not available the City only has a biannual valuation.

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

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

April 30, 2016

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	<u>2016 *</u>
Actuarially Determined Contribution	\$ 1,689,415
Contributions in Relation to the Actuarially Determined Contribution	<u>1,689,415</u>
CONTRIBUTION DEFICIENCY (Excess)	<u><u>\$ -</u></u>
Covered-Employee Payroll	\$ 12,865,332
Contributions as a Percentage of Covered- Employee Payroll	13.13%

Notes to the Required Supplementary Information:

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 28 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases of 4.40% to 16.00% compounded annually and postretirement benefit increases of 3.00% compounded annually.

\*Valuations used for fiscal year 2016 contributions were dated December 31, 2013 and December 31, 2014.

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

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

April 30, 2016

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	<u>2016 *</u>
Actuarially Determined Contribution	\$ -
Contributions in Relation to the Actuarially Determined Contribution	-
CONTRIBUTION DEFICIENCY (Excess)	<u>\$ -</u>
Covered-Employee Payroll	\$ -
Contributions as a Percentage of Covered- Employee Payroll	0.00%

Notes to the Required Supplementary Information:

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 28 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases of 4.40% to 16.00% compounded annually and postretirement benefit increases of 3.00% compounded annually.

\*Valuations used for fiscal year 2016 contributions were dated December 31, 2013 and December 31, 2014.

See independent auditor's report.



**CITY OF ST. CHARLES, ILLINOIS**

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

April 30, 2016

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	<u><b>2016</b></u>
Actuarially Determined Contribution	\$ 1,553,197
Contributions in Relation to the Actuarially Determined Contribution	<u>1,540,294</u>
CONTRIBUTION DEFICIENCY (Excess)	<u><u>\$ 12,903</u></u>
Covered-Employee Payroll	\$ 5,115,650
Contributions as a Percentage of Covered- Employee Payroll	30.11%

Notes to the Required Supplementary Information:

The information presented was determined as part of the actuarial valuations as of May 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 27 years; the asset valuation method was at market value; and the interest rate assumption was 7.00% annually.

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

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

April 30, 2016

---

	<u><b>2016</b></u>
Actuarially Determined Contribution	\$ 1,170,934
Contributions in Relation to the Actuarially Determined Contribution	<u>1,162,413</u>
CONTRIBUTION DEFICIENCY (Excess)	<u><u>\$ 8,521</u></u>
Covered-Employee Payroll	\$ 4,545,823
Contributions as a Percentage of Covered- Employee Payroll	25.57%

Notes to the Required Supplementary Information:

The information presented was determined as part of the actuarial valuations as of May 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 27 years; the asset valuation method was at market value; and the interest rate assumption was 7.00% annually.

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

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

April 30, 2016

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<b>Fiscal Year</b>	<b>Employer Contributions</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage Contributed</b>
2011	\$ 253,882	\$ 849,832	29.87%
2012	164,548	841,739	19.55%
2013	130,849	572,010	22.88%
2014	183,683	572,010	32.11%
2015	183,683	248,288	73.98%
2016	162,177	248,288	65.32%

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
ILLINOIS MUNICIPAL RETIREMENT FUND**

April 30, 2016

	<b>Actuarial Valuation Date December 31, 2015</b>
<b>TOTAL PENSION LIABILITY</b>	
Service Cost	\$ 1,414,466
Interest	5,825,396
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	303,109
Changes of Assumptions	207,055
Benefit Payments, Including Refunds of Member Contributions	(3,452,418)
Net Change in Total Pension Liability	4,297,608
Total Pension Liability - Beginning	78,794,624
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 83,092,232</b>
<b>PLAN FIDUCIARY NET POSITION</b>	
Contributions - Employer	\$ 1,610,740
Contributions - Member	629,146
Net Investment Income	353,512
Benefit Payments, Including Refunds of Member Contributions	(3,452,418)
Other	412,901
Net Change in Plan Fiduciary Net Position	(446,119)
Plan Fiduciary Net Position - Beginning	71,308,666
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 70,862,547</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 12,229,685</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.28%
Covered-Employee Payroll	\$ 12,865,332
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	95.06%

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
SHERIFF'S LAW ENFORCEMENT PERSONNEL**

April 30, 2016

	<b>Actuarial Valuation Date December 31, 2015</b>
<b>TOTAL PENSION LIABILITY</b>	
Service Cost	\$ -
Interest	61,023
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	8,040
Changes of Assumptions	-
Benefit Payments, Including Refunds of Member Contributions	<u>(68,253)</u>
Net Change in Total Pension Liability	810
Total Pension Liability - Beginning	<u>847,765</u>
<b>TOTAL PENSION LIABILITY - ENDING</b>	<u><u>\$ 848,575</u></u>
<b>PLAN FIDUCIARY NET POSITION</b>	
Contributions - Employer	\$ -
Contributions - Member	-
Net Investment Income	4,742
Benefit Payments, Including Refunds of Member Contributions	(68,253)
Other	<u>26,932</u>
Net Change in Plan Fiduciary Net Position	(36,579)
Plan Fiduciary Net Position - Beginning	<u>982,595</u>
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<u><u>\$ 946,016</u></u>
<b>EMPLOYER'S NET PENSION LIABILITY (ASSET)</b>	<u><u>\$ (97,441)</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	111.48%
Covered-Employee Payroll	\$ -
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	0.00%

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
POLICE PENSION FUND**

April 30, 2016

	<b>2016</b>
<b>TOTAL PENSION LIABILITY</b>	
Service Cost	\$ 1,227,434
Interest	4,004,458
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(2,832,641)
Changes of Assumptions	1,858,133
Benefit Payments, Including Refunds of Member Contributions	<u>(2,263,911)</u>
Net Change in Total Pension Liability	1,993,473
Total Pension Liability - Beginning	<u>57,111,059</u>
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b><u>\$ 59,104,532</u></b>
<b>PLAN FIDUCIARY NET POSITION</b>	
Contributions - Employer	\$ 1,540,294
Contributions - Member	506,838
Net Investment Income	(906,365)
Benefit Payments, Including Refunds of Member Contributions	(2,263,911)
Other	<u>(23,889)</u>
Net Change in Plan Fiduciary Net Position	(1,147,033)
Plan Fiduciary Net Position - Beginning	<u>30,575,172</u>
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b><u>\$ 29,428,139</u></b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b><u>\$ 29,676,393</u></b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	49.79%
Covered-Employee Payroll	\$ 5,115,650
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	580.11%

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
FIREFIGHTERS' PENSION FUND**

April 30, 2016

	<b>2016</b>
<b>TOTAL PENSION LIABILITY</b>	
Service Cost	\$ 1,413,134
Interest	3,185,463
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(1,485,308)
Changes of Assumptions	1,599,975
Benefit Payments, Including Refunds of Member Contributions	<u>(1,315,059)</u>
Net Change in Total Pension Liability	3,398,205
Total Pension Liability - Beginning	<u>44,751,003</u>
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b><u>\$ 48,149,208</u></b>
<b>PLAN FIDUCIARY NET POSITION</b>	
Contributions - Employer	\$ 1,162,413
Contributions - Member	473,869
Net Investment Income	(997,840)
Benefit Payments, Including Refunds of Member Contributions	(1,315,059)
Other	<u>(18,132)</u>
Net Change in Plan Fiduciary Net Position	(694,749)
Plan Fiduciary Net Position - Beginning	<u>33,657,878</u>
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b><u>\$ 32,963,129</u></b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b><u>\$ 15,186,079</u></b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.46%
Covered-Employee Payroll	\$ 4,545,823
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	334.07%

See independent auditor's report.

**NONMAJOR GOVERNMENTAL FUNDS**



**CITY OF ST. CHARLES, ILLINOIS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**April 30, 2016**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>				
Cash and Investments	\$ 2,990,511	\$ 1,751,618	\$ 9,637,406	\$14,379,535
Receivables				
Property Taxes	1,618,525	-	-	1,618,525
Accounts Receivable	9,423	-	52,372	61,795
Prepaid Items	-	-	14,454	14,454
Due from Other Governments	75,043	-	-	75,043
Due From Other Funds	-	610,335	-	610,335
Total Assets	4,693,502	2,361,953	9,704,232	16,759,687
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
None	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 4,693,502</b>	<b>\$ 2,361,953</b>	<b>\$ 9,704,232</b>	<b>\$16,759,687</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ 3,269,318	\$ 3,269,318
Contracts Payable	358,010	-	214,222	572,232
Unearned Revenue	-	-	9,677	9,677
Due to Other Funds	-	304,138	558,067	862,205
Advances From Other Funds	3,594,436	-	848,941	4,443,377
Total Liabilities	3,952,446	304,138	4,900,225	9,156,809
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Revenue - Property Taxes	1,618,525	-	-	1,618,525
Total Deferred Inflows of Resources	1,618,525	-	-	1,618,525
Total Liabilities and Deferred Inflows of Resources	5,570,971	304,138	4,900,225	10,775,334
<b>FUND BALANCES</b>				
Nonspendable				
Prepaid Items	-	-	14,454	14,454
Restricted				
Capital Outlay	-	-	845,664	845,664
Community Development	8,673	-	1,003,602	1,012,275
Highway and Street Maintenance	2,277,831	-	-	2,277,831
Fire Department	210,258	-	-	210,258
Debt Service	-	2,057,815	-	2,057,815
Unrestricted				
Assigned				
Capital Improvement Projects	-	-	2,940,287	2,940,287
Unassigned				
Special Revenue Funds (Deficit)	(3,374,231)	-	-	(3,374,231)
Total Fund Balances	(877,469)	2,057,815	4,804,007	5,984,353
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 4,693,502</b>	<b>\$ 2,361,953</b>	<b>\$ 9,704,232</b>	<b>\$16,759,687</b>

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

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

**NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended April 30, 2016

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>				
Property Taxes	\$ 1,600,131	\$ -	\$ -	\$ 1,600,131
Municipal Sales and Use Taxes	37,033	1,009,202	-	1,046,235
Hotel Occupation Tax	72,107	-	-	72,107
Grants	66,597	-	67,724	134,321
Motor Fuel Tax Allotments	878,032	-	-	878,032
Investment Income	13,152	115	15,851	29,118
Contributions	-	-	157,195	157,195
Total Revenues	2,667,052	1,009,317	240,770	3,917,139
<b>EXPENDITURES</b>				
Current Operating-				
General Government	-	4,188	-	4,188
Public Health and Safety	59,458	-	-	59,458
Public Works	852,155	-	-	852,155
Community Development	-	-	97,884	97,884
Debt Service-				
Principal	-	5,012,015	-	5,012,015
Interest and Fiscal Charges	-	3,184,089	-	3,184,089
Capital Outlay	-	-	2,977,825	2,977,825
Total Expenditures	911,613	8,200,292	3,075,709	12,187,614
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,755,439	(7,190,975)	(2,834,939)	(8,270,475)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	7,159,024	5,888,172	13,047,196
Transfers (Out)	(1,499,212)	-	(2,452,679)	(3,951,891)
Total Other Financing Sources (Uses)	(1,499,212)	7,159,024	3,435,493	9,095,305
NET CHANGE IN FUND BALANCES	256,227	(31,951)	600,554	824,830
FUND BALANCES (DEFICIT), MAY 1	(1,133,696)	2,089,766	4,203,453	5,159,523
<b>FUND BALANCES (DEFICIT), APRIL 30</b>	<b>(\$ 877,469)</b>	<b>\$ 2,057,815</b>	<b>\$ 4,804,007</b>	<b>\$ 5,984,353</b>

See independent auditor's report.

## **NONMAJOR SPECIAL REVENUE FUNDS**

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

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

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

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

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

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

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

TIF District #7 - established to account for revitalization of a section of Central Downtown through a TIF district funded through restricted property tax revenues.

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

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

## CITY OF ST. CHARLES, ILLINOIS

## COMBINING BALANCE SHEET

## NONMAJOR SPECIAL REVENUE FUNDS

APRIL 30, 2016

	<b>TIF District #1 Fund</b>	<b>TIF District #2 Fund</b>	<b>TIF District #3 Fund</b>	<b>TIF District #4 Fund</b>	<b>TIF District #5 Fund</b>	<b>TIF District #6 Fund</b>	<b>TIF District #7 Fund</b>	<b>Motor Fuel Tax Fund</b>	<b>Foreign Fire Insurance</b>	<b>Total</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>										
<b>ASSETS</b>										
Cash and Investments	\$ 12,487	\$ 190,132	\$ 12	\$ 8,131	\$ 20	\$ 8,673	\$ -	\$2,560,798	\$ 210,258	\$2,990,511
Receivables										
Property Taxes, net	155,550	524,416	124,379	484,989	190,510	8,971	129,710	-	-	1,618,525
Accounts Receivable	9,423	-	-	-	-	-	-	-	-	9,423
Due From Other Governments	-	-	-	-	-	-	-	75,043	-	75,043
Total Assets	177,460	714,548	124,391	493,120	190,530	17,644	129,710	2,635,841	210,258	4,693,502
<b>DEFERRED OUTFLOWS OF RESOURCES</b>										
None	-	-	-	-	-	-	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>	<b>\$ 177,460</b>	<b>\$ 714,548</b>	<b>\$ 124,391</b>	<b>\$ 493,120</b>	<b>\$ 190,530</b>	<b>\$ 17,644</b>	<b>\$ 129,710</b>	<b>\$2,635,841</b>	<b>\$ 210,258</b>	<b>\$4,693,502</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>										
<b>LIABILITIES</b>										
Contracts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 358,010	\$ -	\$ 358,010
Advance from Other Funds	181,268	617,465	863,250	729,692	1,202,761	-	-	-	-	3,594,436
Total Liabilities	181,268	617,465	863,250	729,692	1,202,761	-	-	358,010	-	3,952,446
<b>DEFERRED INFLOWS OF RESOURCES</b>										
Deferred Revenue - Property Tax	155,550	524,416	124,379	484,989	190,510	8,971	129,710	-	-	1,618,525
Total Deferred Inflows of Resources	155,550	524,416	124,379	484,989	190,510	8,971	129,710	-	-	1,618,525
Total Liabilities and Deferred Inflows of Resources	336,818	1,141,881	987,629	1,214,681	1,393,271	8,971	129,710	358,010	-	5,570,971
<b>FUND BALANCES (DEFICIT)</b>										
Restricted										
Highway and Street Maintenance	-	-	-	-	-	-	-	2,277,831	-	2,277,831
Fire Department	-	-	-	-	-	-	-	-	210,258	210,258
Community Development	-	-	-	-	-	8,673	-	-	-	8,673
Unrestricted										
Unassigned (Deficit)	(159,358)	(427,333)	(863,238)	(721,561)	(1,202,741)	-	-	-	-	(3,374,231)
Total Fund Balances (Deficit)	(159,358)	(427,333)	(863,238)	(721,561)	(1,202,741)	8,673	-	2,277,831	210,258	(877,469)
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 177,460</b>	<b>\$ 714,548</b>	<b>\$ 124,391</b>	<b>\$ 493,120</b>	<b>\$ 190,530</b>	<b>\$ 17,644</b>	<b>\$ 129,710</b>	<b>\$2,635,841</b>	<b>\$ 210,258</b>	<b>\$4,693,502</b>

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, 2016

	<b>TIF District #1 Fund</b>	<b>TIF District #2 Fund</b>	<b>TIF District #3 Fund</b>	<b>TIF District #4 Fund</b>	<b>TIF District #5 Fund</b>	<b>TIF District #6 Fund</b>	<b>Motor Fuel Tax Fund</b>	<b>Foreign Fire Insurance</b>	<b>Total</b>
<b>REVENUES</b>									
Property Taxes	\$ 168,514	\$ 522,711	\$ 123,641	\$ 586,301	\$ 194,847	\$ 4,117	\$ -	\$ -	\$1,600,131
Grants	-	-	-	-	-	-	-	66,597	66,597
Sales and Use Tax	37,033	-	-	-	-	-	-	-	37,033
Hotel Occupation Tax	72,107	-	-	-	-	-	-	-	72,107
Motor Fuel Tax Allotments	-	-	-	-	-	-	878,032	-	878,032
Investment Income	48	312	20	133	34	8	12,114	483	13,152
Total Revenues	<u>277,702</u>	<u>523,023</u>	<u>123,661</u>	<u>586,434</u>	<u>194,881</u>	<u>4,125</u>	<u>890,146</u>	<u>67,080</u>	<u>2,667,052</u>
<b>EXPENDITURES</b>									
Public Health and Safety	-	-	-	-	-	-	-	59,458	59,458
Public Works	-	-	-	-	-	-	852,155	-	852,155
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>852,155</u>	<u>59,458</u>	<u>911,613</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>277,702</u>	<u>523,023</u>	<u>123,661</u>	<u>586,434</u>	<u>194,881</u>	<u>4,125</u>	<u>37,991</u>	<u>7,622</u>	<u>1,755,439</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers (Out)	<u>(260,594)</u>	<u>(341,775)</u>	<u>(123,653)</u>	<u>(578,323)</u>	<u>(194,867)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,499,212)</u>
Total Other Financing Sources (Uses)	<u>(260,594)</u>	<u>(341,775)</u>	<u>(123,653)</u>	<u>(578,323)</u>	<u>(194,867)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,499,212)</u>
NET CHANGE IN FUND BALANCE	17,108	181,248	8	8,111	14	4,125	37,991	7,622	256,227
FUND BALANCE (DEFICIT), MAY 1	<u>(176,466)</u>	<u>(608,581)</u>	<u>(863,246)</u>	<u>(729,672)</u>	<u>(1,202,755)</u>	<u>4,548</u>	<u>2,239,840</u>	<u>202,636</u>	<u>(1,133,696)</u>
<b>FUND BALANCE (DEFICIT), APRIL 30</b>	<u>(\$ 159,358)</u>	<u>(\$ 427,333)</u>	<u>(\$ 863,238)</u>	<u>(\$ 721,561)</u>	<u>(\$1,202,741)</u>	<u>\$ 8,673</u>	<u>\$2,277,831</u>	<u>\$ 210,258</u>	<u>(\$ 877,469)</u>

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

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

**TIF DISTRICT #1 FUND**

For the Year Ended April 30, 2016

(with comparative actual)

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Last Year Actual</u></b>
<b>REVENUES</b>				
Property Taxes	\$ 166,529	\$ 168,514	\$ 168,514	\$ 164,880
Sales and Use Tax	33,771	33,771	37,033	35,903
Hotel Occupation Tax	60,232	60,232	72,107	66,252
Investment Income	61	61	48	44
Total Revenues	260,593	262,578	277,702	267,079
<b>EXPENDITURES</b>				
None	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	260,593	262,578	277,702	267,079
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (Out)	(260,594)	(260,594)	(260,594)	(376,713)
NET CHANGE IN FUND BALANCE	\$ 1	\$ 1,984	17,108	(109,634)
FUND BALANCE (DEFICIT), MAY 1			(176,466)	(66,832)
FUND BALANCE (DEFICIT), APRIL 30			(\$ 159,358)	(\$ 176,466)

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

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

**TIF DISTRICT #2 FUND**

For the Year Ended April 30, 2016

(with comparative actual)

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Last Year Actual</u></b>
<b>REVENUES</b>				
Property Taxes	\$ 521,388	\$ 522,711	\$ 522,711	\$ 516,226
Investment Income	308	308	312	242
Total Revenues	521,696	523,019	523,023	516,468
<b>EXPENDITURES</b>				
None	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	521,696	523,019	523,023	516,468
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (Out)	(341,775)	(341,775)	(341,775)	(334,388)
NET CHANGE IN FUND BALANCE	<u>\$ 179,921</u>	<u>\$ 181,244</u>	181,248	182,080
FUND BALANCE (DEFICIT), MAY 1			<u>(608,581)</u>	<u>(790,661)</u>
FUND BALANCE (DEFICIT), APRIL 30			<u>(\$ 427,333)</u>	<u>(\$ 608,581)</u>

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

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

**TIF DISTRICT #3 FUND**

For the Year Ended April 30, 2016

(with comparative actual)

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Last Year Actual</u></b>
<b>REVENUES</b>				
Property Taxes	\$ 149,977	\$ 123,641	\$ 123,641	\$ 149,977
Investment Income	28	28	20	23
Total Revenues	150,005	123,669	123,661	150,000
<b>EXPENDITURES</b>				
None	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	150,005	123,669	123,661	150,000
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	72,895
Transfers (Out)	(150,000)	(150,000)	(123,653)	(222,900)
Total Other Financing Sources (Uses)	(150,000)	(150,000)	(123,653)	(150,005)
NET CHANGE IN FUND BALANCE	\$ 5	(\$ 26,331)	8	(5)
FUND BALANCE (DEFICIT), MAY 1			(863,246)	(863,241)
FUND BALANCE (DEFICIT), APRIL 30			(\$ 863,238)	(\$ 863,246)

See independent auditor's report.



**CITY OF ST. CHARLES, ILLINOIS**

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

**TIF DISTRICT #4 FUND**

For the Year Ended April 30, 2016

(with comparative actual)

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Last Year Actual</u></b>
<b>REVENUES</b>				
Property Taxes	\$ 631,670	\$ 589,282	\$ 586,301	\$ 628,527
Investment Income	125	125	133	113
Total Revenues	631,795	589,407	586,434	628,640
<b>EXPENDITURES</b>				
Community Development: Contractual	-	-	-	263
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	631,795	589,407	586,434	628,377
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	424,689
Transfers (Out)	(631,794)	(631,794)	(578,323)	(1,065,235)
Total Other Financing Sources (Uses)	(631,794)	(631,794)	(578,323)	(640,546)
NET CHANGE IN FUND BALANCE	\$ 1	(\$ 42,387)	8,111	(12,169)
FUND BALANCE (DEFICIT), MAY 1			(729,672)	(717,503)
FUND BALANCE (DEFICIT), APRIL 30			(\$ 721,561)	(\$ 729,672)

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

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

**TIF DISTRICT #5 FUND**

For the Year Ended April 30, 2016

(with comparative actual)

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Last Year Actual</u></b>
<b>REVENUES</b>				
Property Taxes	\$ 203,501	\$ 194,847	\$ 194,847	\$ 201,486
Investment Income	41	41	34	35
Total Revenues	203,542	194,888	194,881	201,521
<b>EXPENDITURES</b>				
None	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	203,542	194,888	194,881	201,521
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	120,999
Transfers (Out)	(203,542)	(203,542)	(194,867)	(322,525)
Total Other Financing Sources (Uses)	(203,542)	(203,542)	(194,867)	(201,526)
NET CHANGE IN FUND BALANCE	\$ -	(\$ 8,654)	14	(5)
FUND BALANCE (DEFICIT), MAY 1			(1,202,755)	(1,202,750)
FUND BALANCE (DEFICIT), APRIL 30			(\$1,202,741)	(\$1,202,755)

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

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

**TIF DISTRICT #6 FUND**

For the Year Ended April 30, 2016

(with comparative actual)

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Last Year Actual</u></b>
<b>REVENUES</b>				
Property Taxes	\$ 4,800	\$ 4,117	\$ 4,117	\$ 4,546
Investment Income	-	-	8	2
Total Revenues	4,800	4,117	4,125	4,548
<b>EXPENDITURES</b>				
None	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,800	4,117	4,125	4,548
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ 4,800	\$ 4,117	4,125	4,548
FUND BALANCE (DEFICIT), MAY 1			4,548	-
FUND BALANCE (DEFICIT), APRIL 30			\$ 8,673	\$ 4,548

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

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

**MOTOR FUEL TAX FUND**

For the Year Ended April 30, 2016

(with comparative actual)

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Last Year Actual</u></b>
<b>REVENUES</b>				
Motor Fuel Tax Allotments	\$ 860,000	\$ 860,000	\$ 878,032	\$1,119,133
Investment Income	3,000	3,000	12,114	12,571
Total Revenues	863,000	863,000	890,146	1,131,704
<b>EXPENDITURES</b>				
Public Works:				
Contractual	980,000	1,051,074	852,155	1,058,647
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(117,000)	(188,074)	37,991	73,057
NET CHANGE IN FUND BALANCE	<u>(\$ 117,000)</u>	<u>(\$ 188,074)</u>	37,991	73,057
FUND BALANCE, MAY 1			2,239,840	2,166,783
FUND BALANCE, APRIL 30			<u>\$2,277,831</u>	<u>\$2,239,840</u>

See independent auditor's report.

## **NONMAJOR DEBT SERVICE FUNDS**

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

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

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

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

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

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

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

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

**CITY OF ST. CHARLES, ILLINOIS**

COMBINING BALANCE SHEET

NONMAJOR DEBT SERVICE FUNDS

April 30, 2016

	<b><u>TIF District #1</u></b>	<b><u>TIF District #2</u></b>	<b><u>TIF District #3</u></b>	<b><u>TIF District #4</u></b>	<b><u>TIF District #5</u></b>	<b><u>2008C G.O. Bond Issue</u></b>	<b><u>2008 Revenue Bond Issue</u></b>
<b>ASSETS</b>							
Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,751,618
Due From Other Funds	-	-	-	-	-	-	610,335
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL ASSETS</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$2,361,953</u></b>
<b>LIABILITIES AND FUND BALANCE</b>							
<b>LIABILITIES</b>							
Due To Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 304,138
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	-	-	-	-	-	-	304,138
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>FUND BALANCE</b>							
Restricted For Debt Service	-	-	-	-	-	-	2,057,815
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balance	-	-	-	-	-	-	2,057,815
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$2,361,953</u></b>

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**  
**COMBINING BALANCE SHEET (Continued)**  
**NONMAJOR DEBT SERVICE FUNDS**  
April 30, 2016

	2010B Refunding G.O. Bond <u>Issue</u>	2011A G.O. Bond <u>Issue</u>	2011B Refunding G.O. Bond <u>Issue</u>	2011C Refunding G.O. Bond <u>Issue</u>	2012A G.O. Bond <u>Issue</u>	2012B Refunding G.O. Bond <u>Issue</u>	2013B G.O. Bond <u>Issue</u>
<b>ASSETS</b>							
Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due From Other Funds	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>							
<b>LIABILITIES</b>							
Due To Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-	-	-	-
<b>FUND BALANCE</b>							
Restricted For Debt Service	-	-	-	-	-	-	-
Total Fund Balance	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**  
COMBINING BALANCE SHEET (Continued)  
NONMAJOR DEBT SERVICE FUNDS  
April 30, 2016

	<b>2015A G.O. Bond <u>Issue</u></b>	<b><u>Total</u></b>
<b>ASSETS</b>		
Cash and Investments	\$ -	\$1,751,618
Due From Other Funds	-	610,335
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$2,361,953</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Due To Other Funds	\$ -	\$ 304,138
Total Liabilities	-	304,138
<b>FUND BALANCE</b>		
Restricted For Debt Service	-	2,057,815
Total Fund Balance	-	2,057,815
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ -</b>	<b>\$2,361,953</b>

See independent auditor's report.



**CITY OF ST. CHARLES, ILLINOIS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE

NONMAJOR DEBT SERVICE FUNDS

For the Year Ended April 30, 2016

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	<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>2008C G.O. Bond Issue</u>	<u>2008 Revenue Bond Issue</u>
<b>REVENUES</b>							
Sales and Use Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,009,202
Investment Income	-	-	-	-	-	-	115
Total Revenues	-	-	-	-	-	-	1,009,317
<b>EXPENDITURES</b>							
General Government:							
Contractual	-	-	-	-	-	-	4,188
Debt Service:							
Principal Retirement	385,000	305,000	155,000	75,000	235,000	510,000	520,000
Interest and Fiscal Charges	8,975	36,775	63,250	1,008,173	87,925	425,255	517,080
Total Expenditures	393,975	341,775	218,250	1,083,173	322,925	935,255	1,041,268
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(393,975)	(341,775)	(218,250)	(1,083,173)	(322,925)	(935,255)	( 31,951)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	393,975	341,775	218,250	1,083,173	322,925	935,255	-
Total Other Financing Sources (Uses)	393,975	341,775	218,250	1,083,173	322,925	935,255	-
NET CHANGE IN FUND BALANCE	-	-	-	-	-	-	( 31,951)
FUND BALANCE, MAY 1	-	-	-	-	-	-	2,089,766
<b>FUND BALANCE, APRIL 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,057,815</u>

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

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

NONMAJOR DEBT SERVICE FUNDS

For the Year Ended April 30, 2016

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	<b>2010B</b>	<b>2011A</b>	<b>2011B</b>	<b>2011C</b>	<b>2012A</b>	<b>2012B</b>	<b>2013B</b>
	<b>Refunding G.O.</b>	<b>G.O.</b>	<b>Refunding G.O.</b>	<b>Refunding G.O.</b>	<b>G.O.</b>	<b>Refunding G.O.</b>	<b>G.O.</b>
	<b><u>Bond Issue</u></b>	<b><u>Bond Issue</u></b>	<b><u>Bond Issue</u></b>	<b><u>Bond Issue</u></b>	<b><u>Bond Issue</u></b>	<b><u>Bond Issue</u></b>	<b><u>Bond Issue</u></b>
<b>REVENUES</b>							
Sales and Use Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-
<b>EXPENDITURES</b>							
General Government:							
Contractual	-	-	-	-	-	-	-
Debt Service:							
Principal Retirement	905,000	156,370	24,178	-	410,000	1,130,000	147,209
Interest and Fiscal Charges	27,150	133,840	2,236	105,325	214,300	405,200	122,109
Total Expenditures	932,150	290,210	26,414	105,325	624,300	1,535,200	269,318
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(932,150)	(290,210)	(26,414)	(105,325)	(624,300)	(1,535,200)	(269,318)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	932,150	290,210	26,414	105,325	624,300	1,535,200	269,318
Total Other Financing Sources (Uses)	932,150	290,210	26,414	105,325	624,300	1,535,200	269,318
NET CHANGE IN FUND BALANCE	-	-	-	-	-	-	-
FUND BALANCE, MAY 1	-	-	-	-	-	-	-
<b>FUND BALANCE, APRIL 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

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

NONMAJOR DEBT SERVICE FUNDS

For the Year Ended April 30, 2016

		<b>2015A G.O. <u>Bond Issue</u></b>	<b><u>Total</u></b>
	<b>REVENUES</b>		
	Sales and Use Tax	\$ -	\$1,009,202
	Investment Income	-	115
	Total Revenues	-	1,009,317
114	<b>EXPENDITURES</b>		
	General Government:		
	Contractual	-	4,188
	Debt Service:		
	Principal Retirement	54,258	5,012,015
	Interest and Fiscal Charges	26,496	3,184,089
	Total Expenditures	80,754	8,200,292
	EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(80,754)	(7,190,975)
	<b>OTHER FINANCING SOURCES (USES)</b>		
	Transfers In	80,754	7,159,024
	Total Other Financing Sources (Uses)	80,754	7,159,024
	NET CHANGE IN FUND BALANCE	-	( 31,951)
	FUND BALANCE, MAY 1	-	2,089,766
	<b>FUND BALANCE, APRIL 30</b>	<b>\$ -</b>	<b>\$2,057,815</b>

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

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

**TIF DISTRICT #1 DEBT SERVICE FUND**

For the Year Ended April 30, 2016

(with comparative actual)

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Last Year Actual</u></b>
<b>REVENUES</b>				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	385,000	385,000	385,000	365,000
Interest and Fiscal Charges	8,975	8,975	8,975	11,712
Total Expenditures	393,975	393,975	393,975	376,712
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(393,975)	(393,975)	(393,975)	(376,712)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	393,975	393,975	393,975	376,712
Total Other Financing Sources (Uses)	393,975	393,975	393,975	376,712
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	-
FUND BALANCE, MAY 1			-	-
FUND BALANCE, APRIL 30			\$ -	\$ -

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

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

**TIF DISTRICT #2 DEBT SERVICE FUND**

For the Year Ended April 30, 2016

(with comparative actual)

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Last Year Actual</u></b>
<b>REVENUES</b>				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	305,000	305,000	305,000	290,000
Interest and Fiscal Charges	36,775	36,775	36,775	44,388
Total Expenditures	341,775	341,775	341,775	334,388
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(341,775)	(341,775)	(341,775)	(334,388)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	341,775	341,775	341,775	334,388
Total Other Financing Sources (Uses)	341,775	341,775	341,775	334,388
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	-
FUND BALANCE, MAY 1			-	-
FUND BALANCE, APRIL 30			<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

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

**TIF DISTRICT #3 DEBT SERVICE FUND**

For the Year Ended April 30, 2016

(with comparative actual)

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Last Year Actual</u></b>
<b>REVENUES</b>				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	155,000	155,000	155,000	155,000
Interest and Fiscal Charges	63,250	63,250	63,250	67,900
Total Expenditures	218,250	218,250	218,250	222,900
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(218,250)	(218,250)	(218,250)	(222,900)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	218,250	218,250	218,250	222,900
Total Other Financing Sources (Uses)	218,250	218,250	218,250	222,900
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	-
FUND BALANCE, MAY 1			-	-
FUND BALANCE, APRIL 30			<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

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

**TIF DISTRICT #4 DEBT SERVICE FUND**

For the Year Ended April 30, 2016

(with comparative actual)

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Last Year Actual</u></b>
<b>REVENUES</b>				
Investment Income	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	75,000	75,000	75,000	55,000
Interest and Fiscal Charges	1,008,173	1,008,173	1,008,173	1,010,235
Total Expenditures	1,083,173	1,083,173	1,083,173	1,065,235
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,083,173)	(1,083,173)	(1,083,173)	(1,065,235)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,083,173	1,083,173	1,083,173	1,065,235
Total Other Financing Sources (Uses)	1,083,173	1,083,173	1,083,173	1,065,235
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	-
FUND BALANCE, MAY 1			-	-
FUND BALANCE, APRIL 30			\$ -	\$ -

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

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

**TIF DISTRICT #5 DEBT SERVICE FUND**

For the Year Ended April 30, 2016

(with comparative actual)

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Last Year Actual</u></b>
<b>REVENUES</b>				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	235,000	235,000	235,000	230,000
Interest and Fiscal Charges	87,925	87,925	87,925	92,525
Total Expenditures	322,925	322,925	322,925	322,525
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(322,925)	(322,925)	(322,925)	(322,525)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	322,925	322,925	322,925	322,525
Total Other Financing Sources (Uses)	322,925	322,925	322,925	322,525
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	-
FUND BALANCE, MAY 1			-	-
FUND BALANCE, APRIL 30			<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.



**CITY OF ST. CHARLES, ILLINOIS**

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

**2008C GENERAL OBLIGATION BOND FUND**

For the Year Ended April 30, 2016

(with comparative actual)

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Last Year Actual</u></b>
<b>REVENUES</b>				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	510,000	510,000	510,000	490,000
Interest and Fiscal Charges	425,255	425,255	425,255	443,385
Total Expenditures	935,255	935,255	935,255	933,385
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(935,255)	(935,255)	(935,255)	(933,385)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	935,255	935,255	935,255	933,385
Total Other Financing Sources (Uses)	935,255	935,255	935,255	933,385
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	-
FUND BALANCE, MAY 1			-	-
FUND BALANCE, APRIL 30			<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

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

**2008 REVENUE BOND FUND**

**For the Year Ended April 30, 2016**

**(with comparative actual)**

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Last Year Actual</u></b>
<b>REVENUES</b>				
Sales and Use Tax	\$1,035,000	\$1,035,000	\$1,009,202	\$1,089,788
Investment Income	-	-	115	113
Total Revenues	1,035,000	1,035,000	1,009,317	1,089,901
<b>EXPENDITURES</b>				
General Government:				
Contractual	4,100	4,100	4,188	4,188
Debt Service:				
Principal Retirement	450,000	520,000	520,000	490,000
Interest and Fiscal Charges	517,080	517,080	517,080	551,135
Total Expenditures	971,180	1,041,180	1,041,268	1,045,323
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	63,820	(6,180)	( 31,951)	44,578
NET CHANGE IN FUND BALANCE	\$ 63,820	(\$ 6,180)	( 31,951)	44,578
FUND BALANCE, MAY 1			2,089,766	2,045,188
FUND BALANCE, APRIL 30			\$2,057,815	\$2,089,766

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

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

**2010B REFUNDING GENERAL OBLIGATION BOND FUND**

For the Year Ended April 30, 2016

(with comparative actual)

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Last Year Actual</u></b>
<b>REVENUES</b>				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	905,000	905,000	905,000	875,000
Interest and Fiscal Charges	27,150	27,150	27,150	49,025
Total Expenditures	932,150	932,150	932,150	924,025
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(932,150)	(932,150)	(932,150)	(924,025)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	932,150	932,150	932,150	924,025
Total Other Financing Sources (Uses)	932,150	932,150	932,150	924,025
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	-
FUND BALANCE, MAY 1			-	-
FUND BALANCE, APRIL 30			<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

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

**2011A GENERAL OBLIGATION BOND FUND**

For the Year Ended April 30, 2016

(with comparative actual)

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Last Year Actual</u></b>
<b>REVENUES</b>				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	156,370	156,370	156,370	152,255
Interest and Fiscal Charges	133,841	133,841	133,840	136,885
Total Expenditures	290,211	290,211	290,210	289,140
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(290,211)	(290,211)	(290,210)	(289,140)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	290,211	290,211	290,210	289,140
Total Other Financing Sources (Uses)	290,211	290,211	290,210	289,140
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	-
FUND BALANCE, MAY 1			-	-
FUND BALANCE, APRIL 30			\$ -	\$ -

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

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

**2011B REFUNDING GENERAL OBLIGATION BOND FUND**

For the Year Ended April 30, 2016

(with comparative actual)

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Last Year Actual</u></b>
<b>REVENUES</b>				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	24,178	24,178	24,178	23,550
Interest and Fiscal Charges	2,236	2,236	2,236	2,707
Total Expenditures	26,414	26,414	26,414	26,257
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(26,414)	(26,414)	(26,414)	(26,257)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	26,414	26,414	26,414	26,257
Total Other Financing Sources (Uses)	26,414	26,414	26,414	26,257
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**

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

**2011C REFUNDING GENERAL OBLIGATION BOND FUND**

For the Year Ended April 30, 2016

(with comparative actual)

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Last Year Actual</u></b>
<b>REVENUES</b>				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
Debt Service:				
Interest and Fiscal Charges	105,325	105,325	105,325	105,325
Total Expenditures	105,325	105,325	105,325	105,325
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(105,325)</b>	<b>(105,325)</b>	<b>(105,325)</b>	<b>(105,325)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	105,325	105,325	105,325	105,325
Total Other Financing Sources (Uses)	105,325	105,325	105,325	105,325
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	-	-
<b>FUND BALANCE, MAY 1</b>			-	-
<b>FUND BALANCE, APRIL 30</b>			<b>\$ -</b>	<b>\$ -</b>

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

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

**2012A GENERAL OBLIGATION BOND FUND**

For the Year Ended April 30, 2016

(with comparative actual)

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Last Year Actual</u></b>
<b>REVENUES</b>				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	410,000	410,000	410,000	405,000
Interest and Fiscal Charges	214,300	214,300	214,300	222,400
Total Expenditures	624,300	624,300	624,300	627,400
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(624,300)	(624,300)	(624,300)	(627,400)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	624,300	624,300	624,300	627,400
Total Other Financing Sources (Uses)	624,300	624,300	624,300	627,400
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**

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

**2012B REFUNDING GENERAL OBLIGATION BOND FUND**

For the Year Ended April 30, 2016

(with comparative actual)

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Last Year Actual</u></b>
<b>REVENUES</b>				
Investment Income	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	1,130,000	1,130,000	1,130,000	295,000
Interest and Fiscal Charges	405,200	405,200	405,200	411,100
Total Expenditures	1,535,200	1,535,200	1,535,200	706,100
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,535,200)	(1,535,200)	(1,535,200)	(706,100)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,535,200	1,535,200	1,535,200	706,100
Total Other Financing Sources (Uses)	1,535,200	1,535,200	1,535,200	706,100
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	-
FUND BALANCE, MAY 1			-	-
FUND BALANCE, APRIL 30			<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.



**CITY OF ST. CHARLES, ILLINOIS**

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

**2013B GENERAL OBLIGATION BOND FUND**

For the Year Ended April 30, 2016

(with comparative actual)

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Last Year Actual</u></b>
<b>REVENUES</b>				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
Debt Service:				
Principal Retirement	147,210	147,210	147,209	147,209
Interest and Fiscal Charges	122,110	122,110	122,109	122,552
Total Expenditures	269,320	269,320	269,318	269,761
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(269,320)	(269,320)	(269,318)	(269,761)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	269,320	269,320	269,318	269,761
Total Other Financing Sources (Uses)	269,320	269,320	269,318	269,761
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	-
FUND BALANCE, MAY 1			-	-
FUND BALANCE, APRIL 30			\$ -	\$ -

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

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

**2015A GENERAL OBLIGATION BOND FUND**

For the Year Ended April 30, 2016

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>
<b>REVENUES</b>			
None	\$ -	\$ -	\$ -
Total Revenues	-	-	-
<b>EXPENDITURES</b>			
Debt Service:			
Principal Retirement	53,900	53,900	54,258
Interest and Fiscal Charges	26,321	26,321	26,496
Total Expenditures	80,221	80,221	80,754
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(80,221)	(80,221)	(80,754)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	80,221	80,221	80,754
Total Other Financing Sources (Uses)	80,221	80,221	80,754
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-
FUND BALANCE, MAY 1			-
<b>FUND BALANCE, APRIL 30</b>			\$ -

See independent auditor's report.

## **NONMAJOR CAPITAL PROJECTS FUNDS**

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

Capital Levy Fund - to account for the resources used for the construction of the bridge.

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

Equipment Replacement Fund - to account for resources assigned for replacing various equipment throughout the City.

TIF District #4 Project Fund - to account for the resources used for the construction of public improvements for the property known as the First Street area. This fund was closed during the current fiscal year.

TIF District #7 Project Fund - to account for the resources used for the construction of public improvements for the property known as the Central Downtown redevelopment area.

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

April 30, 2016

	<u>Capital Levy Fund</u>	<u>Capital Projects Fund</u>	<u>Equipment Replacement Fund</u>	<u>TIF District #4 Project Fund</u>	<u>TIF District #7 Project Fund</u>	<u>Total</u>
<b>ASSETS</b>						
Cash and Investments	\$3,769,995	\$2,276,374	\$ 721,740	\$ -	\$2,869,297	\$9,637,406
Receivables						
Accounts Receivable	-	52,372	-	-	-	52,372
Prepaid Items	-	-	14,454	-	-	14,454
	<u>-</u>	<u>-</u>	<u>14,454</u>	<u>-</u>	<u>-</u>	<u>14,454</u>
<b>TOTAL ASSETS</b>	<u>\$3,769,995</u>	<u>\$2,328,746</u>	<u>\$ 736,194</u>	<u>\$ -</u>	<u>\$2,869,297</u>	<u>\$9,704,232</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$2,864,951	\$ 84,950	\$ -	\$ -	\$ 319,417	\$3,269,318
Contracts Payable	-	214,222	-	-	-	214,222
Due to Other Funds	-	558,067	-	-	-	558,067
Advances to Other Funds	-	-	-	-	848,941	848,941
Unearned Revenue	-	9,677	-	-	-	9,677
	<u>-</u>	<u>9,677</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,677</u>
Total Liabilities	<u>2,864,951</u>	<u>866,916</u>	<u>-</u>	<u>-</u>	<u>1,168,358</u>	<u>4,900,225</u>
<b>FUND BALANCES</b>						
Nonspendable						
Prepaid Items	-	-	14,454	-	-	14,454
Restricted						
Capital Outlay	-	845,664	-	-	-	845,664
Community Development	-	-	-	-	1,003,602	1,003,602
Unrestricted						
Assigned						
Capital Improvements	905,044	616,166	721,740	-	697,337	2,940,287
	<u>905,044</u>	<u>616,166</u>	<u>721,740</u>	<u>-</u>	<u>697,337</u>	<u>2,940,287</u>
Total Fund Balances	<u>905,044</u>	<u>1,461,830</u>	<u>736,194</u>	<u>-</u>	<u>1,700,939</u>	<u>4,804,007</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$3,769,995</u>	<u>\$2,328,746</u>	<u>\$ 736,194</u>	<u>\$ -</u>	<u>\$2,869,297</u>	<u>\$9,704,232</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, 2016

	<u><b>Capital Levy Fund</b></u>	<u><b>Capital Projects Fund</b></u>	<u><b>Equipment Replacement Fund</b></u>	<u><b>TIF District #4 Project Fund</b></u>	<u><b>TIF District #7 Project Fund</b></u>	<u><b>Total</b></u>
<b>REVENUES</b>						
Grants	\$ -	\$ 67,724	\$ -	\$ -	\$ -	\$ 67,724
Investment Income	5,935	3,568	726	-	5,622	15,851
Contributions	-	157,195	-	-	-	157,195
	<u>5,935</u>	<u>228,487</u>	<u>726</u>	<u>-</u>	<u>5,622</u>	<u>240,770</u>
Total Revenues						
<b>EXPENDITURES</b>						
Community Development:						
Contractual					97,884	97,884
Capital Outlay	441	2,392,709	77,140	-	507,535	2,977,825
	<u>441</u>	<u>2,392,709</u>	<u>77,140</u>	<u>-</u>	<u>605,419</u>	<u>3,075,709</u>
Total Expenditures						
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>5,494</u>	<u>(2,164,222)</u>	<u>(76,414)</u>	<u>-</u>	<u>(599,797)</u>	<u>(2,834,939)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	466,734	2,308,094	812,608	-	2,300,736	5,888,172
Transfers (Out)	<u>(352,318)</u>	<u>(491,341)</u>	<u>-</u>	<u>(1,609,020)</u>	<u>-</u>	<u>(2,452,679)</u>
Total Other Financing Sources (Uses)	<u>114,416</u>	<u>1,816,753</u>	<u>812,608</u>	<u>\$1,609,020</u>	<u>2,300,736</u>	<u>3,435,493</u>
NET CHANGE IN FUND BALANCES	119,910	(347,469)	736,194	(1,609,020)	1,700,939	600,554
FUND BALANCES, MAY 1	<u>785,134</u>	<u>1,809,299</u>	<u>-</u>	<u>1,609,020</u>	<u>-</u>	<u>4,203,453</u>
<b>FUND BALANCES, APRIL 30</b>	<u><u>\$ 905,044</u></u>	<u><u>\$1,461,830</u></u>	<u><u>\$ 736,194</u></u>	<u><u>\$ -</u></u>	<u><u>\$1,700,939</u></u>	<u><u>\$4,804,007</u></u>

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

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

**CAPITAL LEVY FUND**

For the Year Ended April 30, 2016

(with comparative actual)

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Last Year Actual</u></b>
<b>REVENUES</b>				
Investment Income	\$ 4,000	\$ 4,000	\$ 5,935	(\$ 21,016)
Total Revenues	4,000	4,000	5,935	(21,016)
<b>EXPENDITURES</b>				
Public Works:				
Contractual	-	-	-	(651)
Capital Outlay	-	711	441	2,395
Total Expenditures	-	711	441	1,744
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,000	3,289	5,494	(22,760)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	466,734	466,734	466,734	662,255
Transfers (Out)	(352,320)	(352,320)	(352,318)	(570,385)
Total Other Financing Sources (Uses)	114,414	114,414	114,416	91,870
NET CHANGE IN FUND BALANCE	<u>\$ 118,414</u>	<u>\$ 117,703</u>	119,910	69,110
FUND BALANCE, MAY 1			785,134	716,024
FUND BALANCE, APRIL 30			<u>\$ 905,044</u>	<u>\$ 785,134</u>

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

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

**CAPITAL PROJECTS FUND**

For the Year Ended April 30, 2016

(with comparative actual)

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Last Year Actual</u></b>
<b>REVENUES</b>				
Grants	\$ 585,000	\$ 585,000	\$ 67,724	\$ 82,174
Investment Income	8,500	8,500	3,568	4,091
Contributions	-	-	157,195	-
Total Revenues	593,500	593,500	228,487	86,265
<b>EXPENDITURES</b>				
Public Works:				
Contractual	-	24,800	-	37,602
Capital Outlay	5,626,450	6,389,639	2,392,709	2,454,748
Total Expenditures	5,626,450	6,414,439	2,392,709	2,492,350
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,032,950)	(5,820,939)	(2,164,222)	(2,406,085)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Bonds	3,411,500	-	-	1,156,689
Premium (Discount) on Bonds	-	-	-	49,452
Transfers In	682,950	2,308,093	2,308,094	305,209
Transfers (Out)	( 491,342)	( 491,342)	( 491,341)	-
Total Other Financing Sources (Uses)	3,603,108	1,816,751	1,816,753	1,511,350
NET CHANGE IN FUND BALANCE	(\$1,429,842)	(\$4,004,188)	(347,469)	(894,735)
FUND BALANCE, MAY 1			1,809,299	2,704,034
FUND BALANCE, APRIL 30			\$1,461,830	\$1,809,299

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

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

**EQUIPMENT REPLACEMENT FUND**

For the Year Ended April 30, 2016

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>
<b>REVENUES</b>			
Investment Income	\$ -	\$ -	\$ 726
Total Revenues	-	-	726
<b>EXPENDITURES</b>			
Capital Outlay	-	137,222	77,140
Total Expenditures	-	137,222	77,140
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(137,222)	(76,414)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	812,608
Total Other Financing Sources (Uses)	-	-	812,608
NET CHANGE IN FUND BALANCE	\$ -	(\$ 137,222)	736,194
FUND BALANCE, MAY 1			-
FUND BALANCE, APRIL 30			\$ 736,194

See independent auditor's report.



**CITY OF ST. CHARLES, ILLINOIS**

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

**TIF DISTRICT #4 CAPITAL FUND**

For the Year Ended April 30, 2016

(with comparative actual)

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Last Year Actual</u></b>
<b>REVENUES</b>				
Investment Income	\$ 3,000	\$ -	\$ -	\$ 5,051
Total Revenues	3,000	-	-	5,051
<b>EXPENDITURES</b>				
Public Works:				
Contractual	-	-	-	-
Principal Retirement	-	-	-	-
Capital Outlay	1,932,000	-	-	-
Total Expenditures	1,932,000	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,929,000)	-	-	5,051
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	490,000	-	-	-
Transfers (Out)	-	(1,609,020)	(1,609,020)	-
Total Other Financing Sources (Uses)	490,000	(1,609,020)	(1,609,020)	-
NET CHANGE IN FUND BALANCE	<u>(\$1,439,000)</u>	<u>(\$1,609,020)</u>	(1,609,020)	5,051
FUND BALANCE, MAY 1			<u>1,609,020</u>	<u>1,603,969</u>
FUND BALANCE, APRIL 30			<u>\$ -</u>	<u>\$1,609,020</u>

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

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

**TIF DISTRICT #7 CAPITAL FUND**

**For the Year Ended April 30, 2016**

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>
<b>REVENUES</b>			
Investment Income	\$ -	\$ -	\$ 5,622
Total Revenues	-	-	5,622
<b>EXPENDITURES</b>			
Community Development:			
Contractual	-	376,616	97,884
Capital Outlay	-	1,803,484	507,535
Total Expenditures	-	2,180,100	605,419
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(2,180,100)	(599,797)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	2,300,736	2,300,736
Total Other Financing Sources (Uses)	-	2,300,736	2,300,736
NET CHANGE IN FUND BALANCE	\$ -	\$ 120,636	1,700,939
FUND BALANCE, MAY 1			-
FUND BALANCE, APRIL 30			\$1,700,939

See independent auditor's report.

## **INTERNAL SERVICE FUNDS**

## **INTERNAL SERVICE FUNDS**

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

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

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

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

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

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

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

April 30, 2016

	<b>Health Insurance <u>Fund</u></b>	<b>Workers' Compensation Liability Insurance <u>Fund</u></b>	<b>Inventory <u>Fund</u></b>	<b>Motor Vehicle Replacement <u>Fund</u></b>	<b>Communications <u>Fund</u></b>	<b><u>Total</u></b>
<b>CURRENT ASSETS</b>						
Cash and Investments	\$3,731,806	\$3,482,175	\$ 24,207	\$4,514,151	\$ 390,889	\$12,143,228
Accrued Interest on Investments	-	2,563	-	-	-	2,563
Miscellaneous Receivables	831	8,697	2,625	-	540	12,693
Prepaid Items	-	241,056	540	570,226	68	811,890
Inventory (Net of Allowance for Excess and Obsolete Inventory of \$90,000)	-	-	3,656,040	-	-	3,656,040
Total Current Assets	3,732,637	3,734,491	3,683,412	5,084,377	391,497	16,626,414
<b>NONCURRENT ASSETS</b>						
Capital Assets Being Depreciated	-	-	109,203	9,320,991	1,280,923	10,711,117
Accumulated Depreciation	-	-	(55,235)	(5,825,673)	(166,170)	(6,047,078)
Net Capital Assets	-	-	53,968	3,495,318	1,114,753	4,664,039
Total Assets	3,732,637	3,734,491	3,737,380	8,579,695	1,506,250	21,290,453
<b>CURRENT LIABILITIES</b>						
Accounts Payable	-	-	7,954	42,745	1,212	51,911
Claims Payable	463,745	522,485	-	86,395	-	1,072,625
Unearned Revenue	14,315	-	-	-	-	14,315
Accrued Salaries	-	-	11,475	8,572	1,959	22,006
Accrued Compensated Absences	-	-	34,090	44,581	14,039	92,710
Total Current Liabilities	478,060	522,485	53,519	182,293	17,210	1,253,567
<b>NONCURRENT LIABILITIES</b>						
Advances from Other Funds	-	-	-	-	924,952	924,952
Net OPEB Obligation	-	-	80,004	110,163	26,047	216,214
Total Noncurrent Liabilities	-	-	80,004	110,163	950,999	1,141,166
Total Liabilities	478,060	522,485	133,523	292,456	968,209	2,394,733
<b>NET POSITION</b>						
Invested in Capital Assets	-	-	53,968	3,495,318	1,114,753	4,664,039
Unrestricted (Deficit)	3,254,577	3,212,006	3,549,889	4,791,921	(576,712)	14,231,681
<b>TOTAL NET POSITION</b>	<b>\$3,254,577</b>	<b>\$3,212,006</b>	<b>\$3,603,857</b>	<b>\$8,287,239</b>	<b>\$ 538,041</b>	<b>\$18,895,720</b>

See independent auditor's report.

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

For the Year Ended April 30, 2016

	<b>Health Insurance <u>Fund</u></b>	<b>Workers' Compensation Liability Insurance <u>Fund</u></b>	<b>Inventory <u>Fund</u></b>	<b>Motor Vehicle Replacement <u>Fund</u></b>	<b>Communications <u>Fund</u></b>	<b><u>Total</u></b>
<b>OPERATING REVENUES</b>						
Charges for Services	\$ -	\$ -	\$ -	\$1,355,233	\$ 298,396	\$1,653,629
Insurance Premiums	4,254,187	1,000,000	-	-	-	5,254,187
Rental Income	-	-	-	1,044,655	-	1,044,655
Sale of Inventory	-	-	2,347,053	-	-	2,347,053
Miscellaneous	-	100,335	704,424	-	-	804,759
Total Operating Revenues	4,254,187	1,100,335	3,051,477	2,399,888	298,396	11,104,283
<b>OPERATING EXPENSES</b>						
Personnel Services	19,828	-	402,922	540,433	115,159	1,078,342
Fleet Maintenance	-	-	-	958,313	-	958,313
Insurance Claims	3,156,998	163,743	-	-	-	3,320,741
Insurance Premiums	465,463	449,800	-	-	-	915,263
Cost of Inventory	-	-	2,347,053	-	-	2,347,053
Miscellaneous	374,019	97,389	337,135	-	110,498	919,041
Provision for Depreciation	-	-	4,763	580,166	23,739	608,668
Total Operating Expenses	4,016,308	710,932	3,091,873	2,078,912	249,396	10,147,421
Operating Income (Loss)	237,879	389,403	(40,396)	320,976	49,000	956,862
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Gain on Sale of Property	-	-	-	41,126	-	41,126
Other Income	-	-	1,304	-	540	1,844
Investment Income	10,634	11,495	(301)	9,744	382	31,954
Total Non-Operating Revenues (Expenses)	10,634	11,495	1,003	50,870	922	74,924
Net Income (Loss) before Transfers & Capital Grants & Contributions	248,513	400,898	(39,393)	371,846	49,922	1,031,786
<b>TRANSFERS</b>						
Transfers In	-	120,000	-	-	-	120,000
Transfers Out	-	-	-	-	(582,887)	(582,887)
Total Transfers	-	120,000	-	-	(582,887)	(462,887)
<b>CONTRIBUTIONS</b>	-	-	-	77,945	-	77,945
<b>CHANGE IN NET POSITION</b>	248,513	520,898	(39,393)	449,791	(532,965)	646,844
<b>NET POSITION, MAY 1</b>	3,006,064	2,691,108	3,643,250	7,837,448	1,071,006	18,248,876
<b>NET POSITION, APRIL 30</b>	\$3,254,577	\$3,212,006	\$3,603,857	\$8,287,239	\$ 538,041	\$18,895,720

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUND**  
For the Year Ended April 30, 2016

	Health Insurance Fund	Workers' Compensation Liability Insurance Fund	Inventory Fund	Motor Vehicle Replacement Fund	Communications Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from Customers and Users	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts from Interfund Services	3,000,000	1,000,000	3,053,298	2,399,888	298,396	9,751,582
Receipts from Miscellaneous Revenue	1,268,502	113,730	-	133	540	1,382,905
Payments to Suppliers	(3,768,983)	(707,316)	(2,356,000)	(1,233,455)	(102,753)	(8,168,507)
Payments to Employees	(19,828)	-	(398,789)	(456,948)	(108,810)	(984,375)
Payment to Other Funds	(106,536)	(10,584)	(333,288)	(361,212)	-	(811,620)
Net Cash from Operating Activities	373,155	395,830	(34,779)	348,406	87,373	1,169,985
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Advance to/from Other Funds	-	-	-	-	(61,664)	(61,664)
Transfers In	-	120,000	-	-	-	120,000
Transfers (Out )	-	-	-	-	(582,887)	(582,887)
Net Cash from Noncapital Financing Activities	-	120,000	-	-	(644,551)	(524,551)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Capital Assets Purchased	-	-	(36,179)	(947,984)	-	(984,163)
Proceeds on Sale of Capital Assets	-	-	-	48,051	-	48,051
Net Cash from Capital and Related Financing Activities	-	-	(36,179)	(899,933)	-	(936,112)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of Investments	(462,688)	(706,525)	-	(5,840)	-	(1,175,053)
Proceeds from Sale and Maturities of Investment Securities	2,430	3,416	-	-	-	5,846
Interest Received (Deducted)	10,634	9,532	(301)	9,744	382	29,991
Net Cash from Investing Activities	(449,624)	(693,577)	(301)	3,904	382	(1,139,216)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(76,469)	(177,747)	(71,259)	(547,623)	(556,796)	(1,429,894)
CASH AND CASH EQUIVALENTS, MAY 1	665,813	737,807	95,466	4,017,783	947,685	6,464,554
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	<b>\$ 589,344</b>	<b>\$ 560,060</b>	<b>\$ 24,207</b>	<b>\$ 3,470,160</b>	<b>\$ 390,889</b>	<b>\$ 5,034,660</b>
<b>CASH AND INVESTMENTS</b>						
Cash and Cash Equivalents	\$ 589,344	\$ 560,060	\$ 24,207	\$ 3,470,160	\$ 390,889	\$ 5,034,660
Investments	3,142,462	2,922,115	-	1,043,991	-	7,108,568
<b>TOTAL CASH AND INVESTMENTS</b>	<b>\$ 3,731,806</b>	<b>\$ 3,482,175</b>	<b>\$ 24,207</b>	<b>\$ 4,514,151</b>	<b>\$ 390,889</b>	<b>\$ 12,143,228</b>
<b>NONCASH TRANSACTIONS</b>						
Contributions of Capital Assets	\$ -	\$ -	\$ -	\$ 77,945	\$ -	\$ 77,945
<b>TOTAL NONCASH TRANSACTIONS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 77,945</b>	<b>\$ -</b>	<b>\$ 77,945</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Operating Income (Loss)	\$ 237,879	\$ 389,403	\$ (40,396)	\$ 320,976	\$ 49,000	\$ 956,862
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities						
Depreciation	-	-	4,763	580,166	23,739	608,668
Other Non-Operating Revenues	-	-	-	-	-	-
Changes in Assets and Liabilities						
Receivables	(263)	13,395	(787)	-	-	12,345
Inventory	-	-	68,352	-	-	68,352
Prepays	-	48,766	-	(569,156)	15,228	(505,162)
Accounts and Claims Payable	121,224	(55,734)	(33,291)	19,976	1,108	53,283
Accrued Salaries	-	-	(5,330)	(10,290)	(3,989)	(19,609)
Compensated Absences Payable	-	-	(28,627)	5,030	2,067	(21,530)
Net OPEB Obligation	-	-	537	1,704	220	2,461
Deferred Revenue	14,315	-	-	-	-	14,315
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 373,155</b>	<b>\$ 395,830</b>	<b>\$ (34,779)</b>	<b>\$ 348,406</b>	<b>\$ 87,373</b>	<b>\$ 1,169,985</b>

See independent auditor's report.

## **FIDUCIARY FUNDS**



## **FIDUCIARY FUNDS**

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

### **Pension Trust Funds**

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

### **Agency Funds**

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

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

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

**CITY OF ST. CHARLES, ILLINOIS**  
**COMBINING STATEMENT OF NET POSITION**  
**FIDUCIARY FUNDS**  
April 30, 2016

	<b>Pension Trust Funds</b>			<b>Agency Funds</b>
	<b>Police Pension Fund</b>	<b>Fire Pension Fund</b>	<b>Total</b>	
<b>ASSETS</b>				
Cash and Short-Term Investments	\$ 745,027	\$1,186,947	\$1,931,974	\$2,221,276
Investments, at Fair Value				
Certificates of Deposit	635,758	1,050,891	1,686,649	-
U.S. Treasury and U.S. Agency Securities	4,040,324	5,526,694	9,567,018	-
Corporate Bonds	4,221,450	3,233,424	7,454,874	-
Preferred Securities	1,396,696	1,514,528	2,911,224	-
Mutual Funds	8,722,117	10,794,037	19,516,154	-
Equity Securities	9,586,671	9,574,164	19,160,835	-
Receivables				
Accounts Receivable	-	-	-	532,488
Accrued Interest on Investments	60,977	60,672	121,649	-
Prepaid Items	19,644	21,772	41,416	-
<b>TOTAL ASSETS</b>	<b>29,428,664</b>	<b>32,963,129</b>	<b>62,391,793</b>	<b>\$2,753,764</b>
<b>LIABILITIES</b>				
Accounts Payable	525	-	525	\$ 36,802
Due to Other Governments	-	-	-	2,330,308
Due to Bondholders	-	-	-	386,654
<b>TOTAL LIABILITIES</b>	<b>525</b>	<b>-</b>	<b>525</b>	<b>\$2,753,764</b>
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>	<b>\$29,428,139</b>	<b>\$32,963,129</b>	<b>\$62,391,268</b>	

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**

**COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION**

**PENSION TRUST FUNDS**

For the Year Ended April 30, 2016

	<b><u>Police</u></b>	<b><u>Fire</u></b>	<b><u>Total</u></b>
	<b><u>Pension Fund</u></b>	<b><u>Pension Fund</u></b>	
<b>ADDITIONS</b>			
Contributions -			
Employer	\$ 1,540,294	\$ 1,162,413	\$ 2,702,707
Employee	506,838	473,869	980,707
Other	-	68	68
Total Contributions	<u>2,047,132</u>	<u>1,636,350</u>	<u>3,683,482</u>
Investment Income -			
Net Appreciation (Depreciation) in the			
Fair Value of Investments	(1,648,777)	(1,719,739)	(3,368,516)
Interest	<u>875,409</u>	<u>897,651</u>	<u>1,773,060</u>
Total Investment Income	<u>(773,368)</u>	<u>(822,088)</u>	<u>(1,595,456)</u>
Less Investment Expense	<u>(133,047)</u>	<u>(175,820)</u>	<u>(308,867)</u>
Net Investment Income	<u>(906,415)</u>	<u>(997,908)</u>	<u>(1,904,323)</u>
Total Additions	<u>1,140,717</u>	<u>638,442</u>	<u>1,779,159</u>
<b>DEDUCTIONS</b>			
Pension Benefits and Refunds	2,263,911	1,315,059	3,578,970
Administrative Expenses	<u>23,839</u>	<u>18,132</u>	<u>41,971</u>
Total Deductions	<u>2,287,750</u>	<u>1,333,191</u>	<u>3,620,941</u>
NET INCREASE (DECREASE)	(1,147,033)	(694,749)	(1,841,782)
<b>NET POSITION RESTRICTED</b>			
<b>FOR PENSION BENEFITS</b>			
May 1	<u>30,575,172</u>	<u>33,657,878</u>	<u>64,233,050</u>
April 30	<u>\$29,428,139</u>	<u>\$32,963,129</u>	<u>\$62,391,268</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, 2016

	<b>Balance May 1</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance April 30</b>
<b>Tri-City Ambulance Fund:</b>				
Assets -				
Cash and Investments	\$ 1,156,980	\$ 3,245,807	\$ 2,945,678	\$ 1,457,109
Accounts Receivable, net	466,711	5,066,753	5,000,977	532,487
	<u>\$ 1,623,691</u>	<u>\$ 8,312,560</u>	<u>\$ 7,946,655</u>	<u>\$ 1,989,596</u>
Liabilities -				
Accounts Payable	\$ 24,795	\$ 2,945,647	\$ 2,953,021	\$ 17,421
Due to Other Governments	1,598,896	5,046,319	4,673,040	1,972,175
	<u>\$ 1,623,691</u>	<u>\$ 7,991,966</u>	<u>\$ 7,626,061</u>	<u>\$ 1,989,596</u>
<b>Special Service Area #21 Bond:</b>				
Assets -				
Cash and Investments	\$ 398,889	\$ 476,725	\$ 476,619	\$ 398,995
	<u>\$ 398,889</u>	<u>\$ 476,725</u>	<u>\$ 476,619</u>	<u>\$ 398,995</u>
Liabilities -				
Due to Other Governments	\$ 5,658	\$ 6,683	\$ -	\$ 12,341
Due to Bondholders	393,231	235,073	241,650	386,654
	<u>\$ 398,889</u>	<u>\$ 241,756</u>	<u>\$ 241,650</u>	<u>\$ 398,995</u>
<b>North Central Narcotics Task Force:</b>				
Assets -				
Cash and Investments	\$ 456,326	\$ 349,834	\$ 440,987	\$ 365,173
Liabilities -				
Accounts Payable	\$ 104,723	\$ 429,156	\$ 514,498	\$ 19,381
Due to Other Governments	351,603	291,649	297,460	345,792
	<u>\$ 456,326</u>	<u>\$ 720,805</u>	<u>\$ 811,958</u>	<u>\$ 365,173</u>
<b>Total:</b>				
Assets -				
Cash and Investments	\$ 2,012,195	\$ 4,072,366	\$ 3,863,284	\$ 2,221,277
Accounts Receivable	466,711	5,066,753	5,000,977	532,487
	<u>\$ 2,478,906</u>	<u>\$ 9,139,119</u>	<u>\$ 8,864,261</u>	<u>\$ 2,753,764</u>
Liabilities -				
Accounts Payable	\$ 129,518	\$ 3,374,803	\$ 3,467,519	\$ 36,802
Due to Other Governments	1,956,157	5,344,651	4,970,500	2,330,308
Due to Bondholders	393,231	235,073	241,650	386,654
	<u>\$ 2,478,906</u>	<u>\$ 8,954,527</u>	<u>\$ 8,679,669</u>	<u>\$ 2,753,764</u>

See independent auditor's report.

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

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

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

**CITY OF ST. CHARLES, ILLINOIS**

**GOVERNMENTAL FUNDS - CAPITAL ASSETS**

**SCHEDULE BY SOURCE**

April 30, 2016

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<b>CAPITAL ASSETS</b>	
Land	\$60,037,567
Buildings	49,860,163
Improvements Other Than Buildings	154,691,554
Equipment	4,982,972
Intangible	3,478,774
Construction in Progress	717,341
Accumulated Depreciation	<u>(100,443,540)</u>
<b>Total</b>	<u><u>\$173,324,831</u></u>

<b>INVESTMENT IN CAPITAL ASSETS</b>	
Adjusted Balance, May 1	\$176,093,697
Current Year Additions	2,158,827
Current Year Depreciation	<u>(4,927,693)</u>
<b>Balance, April 30</b>	<u><u>\$173,324,831</u></u>

See independent auditor's report.

# CITY OF ST. CHARLES, ILLINOIS

## GOVERNMENTAL FUNDS - CAPITAL ASSETS

### SCHEDULE BY FUNCTION AND ACTIVITY

April 30, 2016

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements other than Buildings</u>	<u>Equipment</u>	<u>Intangibles</u>	<u>Construction in Progress</u>	<u>Total</u>
General Government:							
General Administration	\$ 2,877,775	\$12,972,861	\$ -	\$ -	\$ 1,966,388	\$ -	\$17,817,024
Central Support Services		-	-	310,645	171,261	-	481,906
Total General Government	2,877,775	12,972,861	-	310,645	2,137,649	-	18,298,930
Public Health and Safety:							
Police Department	-	772,213	418,564	65,443	-	-	1,256,220
Fire Department	-	6,402,494	366,965	213,256	-	-	6,982,714
Total Public Health and Safety	-	7,174,707	785,529	278,699	-	-	8,238,934
Public Works:	57,159,792	29,712,596	153,906,019	4,393,628	1,341,127	-	246,513,162
Construction in Progress	-	-	-	-		717,341	717,341
Accumulated Depreciation	-	(17,689,426)	(79,604,177)	(1,818,698)	(1,331,239)	-	(100,443,540)
<b>TOTAL CAPITAL ASSETS</b>	<b>\$60,037,567</b>	<b>\$32,170,738</b>	<b>\$75,087,371</b>	<b>\$ 3,164,274</b>	<b>\$ 2,147,537</b>	<b>\$ 717,341</b>	<b>\$173,324,831</b>

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, 2016

<b><u>Function and Activity</u></b>	<b><u>Capital Assets May 1</u></b>	<b><u>Additions</u></b>	<b><u>Deductions</u></b>	<b><u>Accumulated Depreciation</u></b>	<b><u>Capital Assets April 30</u></b>
General Government:					
General Administration	\$16,131,149	\$ 545,471	(\$ 37,918)	(\$ 5,431,273)	\$11,207,429
Central Support Services	481,906	-	-	(473,012)	8,894
Total General Government	16,613,055	545,471	(37,918)	(5,904,285)	11,216,323
Public Health and Safety:					
Police Department	1,256,220	-	-	(457,861)	798,359
Fire Department	6,982,715	-	-	(2,861,453)	4,121,263
Total Public Health and Safety	8,238,935	-	-	(3,319,313)	4,919,622
Public Works:	246,686,585	1,004,902	-	(91,219,942)	156,471,545
Construction in Progress:	108,888	717,341	(108,888)	-	717,341
<b>TOTAL CAPITAL ASSETS</b>	<b>\$271,647,463</b>	<b>\$ 2,267,714</b>	<b>(\$ 146,806)</b>	<b>(\$100,443,540)</b>	<b>\$173,324,831</b>

See independent auditor's report.

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

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

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

**CITY OF ST. CHARLES, ILLINOIS**

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

**SCHEDULE OF LONG-TERM DEBT**

April 30, 2016

	<b>Debit Balance</b>	<b>Credit Balance</b>
Amount Available in Debt Service Funds for Repayment of Principal	\$ 2,057,815	\$ -
Amounts to be Provided From Future Tax Levies and Other Sources for Payment of -		
Accrued Compensated Absences	3,229,109	-
General Obligation Bond Principal	64,946,896	-
Revenue Bond Principal	4,862,185	-
Unamortized (Discount) Premium on Bonds Payable	2,351,843	-
Installment Purchase Contracts	70,694	-
Net Pension Liability	52,641,699	-
Other Postemployment Benefits	4,916,613	-
Interest Payable	1,180,381	-
Payable From Future Tax Levies and Other Sources-		
Accrued Compensated Absences	-	3,229,109
General Obligation Bond Principal	-	64,946,896
Revenue Bond Principal	-	6,920,000
Unamortized (Discount) Premium on Bonds Payable	-	2,351,843
Installment Purchase Contracts	-	70,694
Net Pension Liability	-	52,641,699
Other Postemployment Benefits	-	4,916,613
Interest Payable	-	1,180,381
<b>TOTAL GENERAL LONG-TERM DEBT PAYABLE</b>	<b>\$136,257,235</b>	<b>\$136,257,235</b>

See independent auditor's report.

## **SUPPLEMENTAL FINANCIAL INFORMATION**

**CITY OF ST. CHARLES, ILLINOIS**

**BALANCE SHEET**

**GENERAL CORPORATE FUND**

April 30, 2016

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**ASSETS AND DEFERRED OUTFLOWS  
OF RESOURCES**

**ASSETS**

Cash and Investments		\$16,155,899
Receivables		
Property Taxes, net	\$12,464,432	
Accrued Interest on Investments	5,185	
Notes, net	825,662	
Miscellaneous, net	<u>675,454</u>	13,970,733
Prepaid Items		221,486
Due From Other Funds		862,205
Due From Other Governments		4,895,069
Advance to Other Funds		<u>5,888,377</u>
Total Assets		<u>41,993,769</u>

**DEFERRED OUTFLOWS OF RESOURCES**

None		<u>-</u>
Total Deferred Outflows of Resources		<u>-</u>

**TOTAL ASSETS AND DEFERRED OUTFLOWS  
OF RESOURCES**

\$41,993,769

**LIABILITIES, DEFERRED INFLOWS OF  
RESOURCES AND FUND BALANCES**

**LIABILITIES**

Accounts Payable	\$ 989,438
Accrued Salaries	414,573
Escrows and Refundable Deposits	1,296,083
Due to Other Governments	10,760
Due to Other Funds	610,335
Unearned Revenue	<u>236,224</u>
Total Liabilities	<u>3,557,413</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred Revenue - Property Tax	<u>12,464,432</u>
Total Deferred Inflows of Resources	
Total Liabilities and Deferred Inflows of Resources	<u>16,021,845</u>

**FUND BALANCES**

Nonspendable	
Prepaid Items	221,486
Notes Receivable	800,000
Advances to Other Funds	5,888,377
Restricted	
Mental Health	8,047
Unrestricted	
Assigned	
Community Development - Debt Service	3,000,000
Unassigned	<u>16,054,014</u>
Total Fund Balances	<u>25,971,924</u>

**TOTAL LIABILITIES, DEFERRED INFLOWS OF  
RESOURCES AND FUND BALANCES**

\$41,993,769

See independent auditor's report.

**CITY OF ST. CHARLES, ILLINOIS**  
**SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL CORPORATE FUND**  
For the Year Ended April 30, 2016  
(with comparative actual)

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Last Year Actual</u></b>
<b>General Government:</b>				
General Administrative-				
Office of the Mayor-				
Personal Services	\$ 62,475	\$ 53,198	\$ 46,115	\$ 48,195
Contractual Services	17,974	18,074	14,120	12,127
Materials and Supplies	7,300	7,526	6,367	5,949
Miscellaneous	439	439	-	813
Allocations To Other Funds	(51,804)	(51,804)	(51,804)	(50,304)
	<u>36,384</u>	<u>27,433</u>	<u>14,798</u>	<u>16,780</u>
City Council-				
Personal Services	86,370	86,370	89,102	78,918
Contractual Services	98,877	98,877	54,426	54,766
Materials and Supplies	23,100	23,100	1,498	1,042
Miscellaneous	2,274	2,274	-	2,266
Allocations To Other Funds	(181,596)	(145,026)	(145,026)	(136,992)
	<u>29,025</u>	<u>65,595</u>	<u>-</u>	<u>-</u>
City Administrator-				
Personal Services	407,240	415,570	432,222	398,791
Contractual Services	804,513	770,041	753,482	822,318
Materials and Supplies	5,625	6,125	4,931	4,244
Miscellaneous	4,077	4,085	199	4,180
Capital Outlay	-	-	-	1,540
Allocations To Other Funds	(239,316)	(239,316)	(239,316)	(271,620)
	<u>982,139</u>	<u>956,505</u>	<u>951,518</u>	<u>959,453</u>
Community and Public Affairs-				
Personal Services	52,357	52,937	60,873	42,701
Contractual Services	16,275	17,495	9,264	12,848
Materials and Supplies	650	650	368	-
Miscellaneous	322	322	-	288
Capital Outlay	150	150	-	-
	<u>69,754</u>	<u>71,554</u>	<u>70,505</u>	<u>55,837</u>
City Clerk-				
Personal Services	5,644	5,644	4,893	4,861
Miscellaneous	3,670	4,115	4,114	3,025
	<u>9,314</u>	<u>9,759</u>	<u>9,007</u>	<u>7,886</u>
City Treasurer-				
Personal Services	1,938	2,012	1,957	1,945
Contractual Services	3,400	2,881	1,857	1,857
Allocations To Other Funds	(1,788)	(1,788)	(1,788)	(1,728)
	<u>3,550</u>	<u>3,105</u>	<u>2,026</u>	<u>2,074</u>

**CITY OF ST. CHARLES, ILLINOIS**  
**SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)**  
**GENERAL CORPORATE FUND**  
For the Year Ended April 30, 2016  
(with comparative actual)

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Last Year Actual</u></b>
<b>General Government (Continued):</b>				
General Administrative (Continued)-				
Board of Police and Fire-				
Personal Services	\$ 6,442	\$ 9,442	\$ 3,984	\$ 3,360
Contractual Services	33,398	29,833	21,548	26,600
Materials and Supplies	1,125	1,690	986	375
	<u>40,965</u>	<u>40,965</u>	<u>26,518</u>	<u>30,335</u>
 Total General Administrative	 <u>1,171,131</u>	 <u>1,174,916</u>	 <u>1,074,372</u>	 <u>1,072,365</u>
 Central Support Services-				
Purchasing-				
Personal Services	118,582	118,347	153,447	147,060
Contractual Services	34,780	36,420	35,949	34,228
Materials and Supplies	12,100	11,640	10,340	10,508
Miscellaneous	3,177	2,937	1,104	3,923
Allocations To Other Funds	(168,670)	(168,670)	(168,670)	(195,719)
	<u>(31)</u>	<u>674</u>	<u>32,170</u>	<u>-</u>
 Human Resources-				
Personal Services	730,032	734,369	601,820	680,359
Contractual Services	151,350	194,166	160,145	114,958
Materials and Supplies	26,260	27,205	23,430	26,543
Miscellaneous	7,968	7,968	131	5,545
Capital Outlay	-	2,876	2,821	-
Allocations To Other Funds	(378,324)	(378,324)	(378,324)	(367,308)
	<u>537,286</u>	<u>588,260</u>	<u>410,023</u>	<u>460,097</u>
 Information Systems-				
Personal Services	1,540,468	1,540,595	1,483,424	1,361,197
Contractual Services	391,829	428,686	330,124	370,517
Materials and Supplies	16,244	14,962	10,052	7,565
Miscellaneous	90,344	90,344	3,661	50,466
Capital Outlay	57,200	51,119	50,723	63,764
Allocations To Other Funds	(769,092)	(769,092)	(769,092)	(746,712)
	<u>1,326,993</u>	<u>1,356,614</u>	<u>1,108,892</u>	<u>1,106,797</u>
 Finance Administration-				
Personal Services	1,267,099	1,267,824	1,215,740	1,207,480
Contractual Services	347,806	352,919	388,379	350,037
Materials and Supplies	5,467	6,287	5,620	8,669



**CITY OF ST. CHARLES, ILLINOIS**  
**SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)**  
**GENERAL CORPORATE FUND**  
For the Year Ended April 30, 2016  
(with comparative actual)

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Last Year Actual</u></b>
<b>General Government (Continued):</b>				
Central Support Services (Continued)-				
Finance Administration-				
Miscellaneous	\$ 8,605	\$ 8,605	\$ 658	\$ 79,644
Capital Outlay	4,500	4,165	1,829	1,872
Allocations To Other Funds	(1,185,688)	(1,185,688)	(1,185,688)	(1,139,761)
	<u>447,789</u>	<u>454,112</u>	<u>426,538</u>	<u>507,941</u>
Total Central Support Services	<u>2,312,037</u>	<u>2,399,660</u>	<u>1,977,623</u>	<u>2,074,835</u>
Total General Government	<u>3,483,168</u>	<u>3,574,576</u>	<u>3,051,995</u>	<u>3,147,200</u>
<b>Public Health and Safety:</b>				
Police Department-				
Administration-				
Personal Services	3,795,440	3,806,071	3,867,289	3,554,000
Contractual Services	788,216	811,598	772,481	811,682
Materials and Supplies	70,904	75,569	57,293	61,607
Miscellaneous	29,155	29,155	2,552	29,887
Capital Outlay	2,000	11,177	3,632	38,129
	<u>4,685,715</u>	<u>4,733,570</u>	<u>4,703,247</u>	<u>4,495,305</u>
Police Operations-				
Personal Services	5,999,154	6,015,288	5,507,376	5,548,868
Contractual Services	363,210	363,210	218,928	287,614
Materials and Supplies	179,907	189,973	138,548	153,472
Miscellaneous	265,707	265,707	214,168	303,391
	<u>6,807,978</u>	<u>6,834,178</u>	<u>6,079,020</u>	<u>6,293,345</u>
Total Police Department	<u>11,493,693</u>	<u>11,567,748</u>	<u>10,782,267</u>	<u>10,788,650</u>
Fire Department-				
Administration-				
Personal Services	2,187,869	2,200,450	2,141,987	2,104,780
Contractual Services	200,797	188,532	162,510	187,425
Materials and Supplies	17,975	16,126	13,296	17,008
Miscellaneous	10,976	10,976	225	12,686
Capital Outlay	-	2,629	2,509	-
	<u>2,417,617</u>	<u>2,418,713</u>	<u>2,320,527</u>	<u>2,321,899</u>

**CITY OF ST. CHARLES, ILLINOIS**  
**SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)**  
**GENERAL CORPORATE FUND**  
For the Year Ended April 30, 2016  
(with comparative actual)

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Last Year Actual</u></b>
<b>Public Health and Safety (Continued):</b>				
Fire Department (Continued)-				
Fire Operations-				
Personal Services	\$ 6,087,788	\$ 6,088,246	\$ 5,920,506	\$ 5,774,707
Contractual Services	834,024	839,581	788,713	776,251
Materials and Supplies	131,460	133,829	103,628	126,098
Miscellaneous	310,836	310,836	286,220	320,223
Capital Outlay	56,500	65,009	61,027	52,786
	<u>7,420,608</u>	<u>7,437,501</u>	<u>7,160,094</u>	<u>7,050,065</u>
Emergency Management Agency-				
Personal Services	100,289	100,139	80,684	85,381
Contractual Services	32,084	32,084	23,490	27,754
Materials and Supplies	2,752	2,902	794	1,750
Miscellaneous	14,372	14,372	11,331	14,183
Capital Outlay	13,775	13,775	-	25,192
	<u>163,272</u>	<u>163,272</u>	<u>116,299</u>	<u>154,260</u>
Total Fire Department	<u>10,001,497</u>	<u>10,019,486</u>	<u>9,596,920</u>	<u>9,526,224</u>
Public Health Planning-				
Contractual Services	<u>507,051</u>	<u>507,051</u>	<u>506,550</u>	<u>520,600</u>
	<u>507,051</u>	<u>507,051</u>	<u>506,550</u>	<u>520,600</u>
Total Public Health and Safety	<u>22,002,241</u>	<u>22,094,285</u>	<u>20,885,737</u>	<u>20,835,474</u>
<b>Public Works:</b>				
Administration-				
Personal Services	590,670	590,277	593,056	450,824
Contractual Services	131,234	139,671	99,795	98,219
Materials and Supplies	5,395	5,568	2,549	4,158
Miscellaneous	8,085	8,085	112	7,991
Capital Outlay	-	-	-	1,523
Allocations To Other Funds	<u>(29,724)</u>	<u>(29,724)</u>	<u>(29,724)</u>	<u>(28,848)</u>
	<u>705,660</u>	<u>713,877</u>	<u>665,788</u>	<u>533,867</u>
Engineering-				
Personal Services	251,031	250,781	239,667	322,115
Contractual Services	177,361	188,032	96,978	171,320
Materials and Supplies	3,200	3,450	2,643	5,016
Miscellaneous	7,954	7,954	6,070	8,129
Allocations To Other Funds	<u>(108,792)</u>	<u>(108,792)</u>	<u>(108,792)</u>	<u>(105,624)</u>
	<u>330,754</u>	<u>341,425</u>	<u>236,566</u>	<u>400,956</u>

**CITY OF ST. CHARLES, ILLINOIS**  
**SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)**  
**GENERAL CORPORATE FUND**  
For the Year Ended April 30, 2016  
(with comparative actual)

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Last Year Actual</u></b>
<b>Public Works (Continued):</b>				
Public Services-				
Personal Services	\$ 2,954,508	\$ 2,954,508	\$ 2,716,499	\$ 2,797,117
Contractual Services	3,614,620	3,534,538	3,238,679	3,071,520
Materials and Supplies	1,321,105	1,278,201	1,041,281	1,245,181
Miscellaneous	599,392	607,333	593,956	537,431
Capital Outlay	2,300	26,300	26,286	166
Allocations To Other Funds	(1,380,708)	(1,380,708)	(1,380,708)	(1,340,508)
	<u>7,111,217</u>	<u>7,020,172</u>	<u>6,235,993</u>	<u>6,310,907</u>
 Total Public Works	 <u>8,147,631</u>	 <u>8,075,474</u>	 <u>7,138,347</u>	 <u>7,245,730</u>
<b>Community Development:</b>				
Planning Services-				
Personal Services	471,492	500,811	487,942	446,917
Contractual Services	126,625	135,303	110,846	66,331
Materials and Supplies	5,040	4,630	2,709	1,621
Miscellaneous	5,304	5,822	1,032	5,151
Capital Outlay	-	1,332	1,193	161
Allocations To Other Funds	(80,724)	(80,724)	(80,724)	(78,384)
	<u>527,737</u>	<u>567,174</u>	<u>522,998</u>	<u>441,797</u>
 Planning Commission-				
Personal Services	660	660	550	450
Contractual Services	20,000	20,000	15,093	11,186
	<u>20,660</u>	<u>20,660</u>	<u>15,643</u>	<u>11,636</u>
 Building and Code Enforcement-				
Personal Services	672,721	672,721	669,008	641,492
Contractual Services	91,000	137,792	114,320	71,779
Materials and Supplies	11,970	11,970	8,167	8,477
Miscellaneous	20,661	20,661	13,686	19,865
Capital Outlay	3,540	3,675	1,454	967
Allocations To Other Funds	(81,636)	(81,636)	(81,636)	(79,272)
	<u>718,256</u>	<u>765,183</u>	<u>724,999</u>	<u>663,308</u>
 Zoning Board of Appeals-				
Personal Services	200	174	-	-
Contractual Services	4,200	4,226	3,008	1,854
	<u>4,400</u>	<u>4,400</u>	<u>3,008</u>	<u>1,854</u>

**CITY OF ST. CHARLES, ILLINOIS**  
**SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)**  
**GENERAL CORPORATE FUND**  
For the Year Ended April 30, 2016  
(with comparative actual)

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Last Year Actual</u></b>
<b>Community Development (Continued):</b>				
Development Engineering-				
Personal Services	\$ 312,137	\$ 272,818	\$ 227,292	\$ 279,347
Contractual Services	63,687	105,021	95,616	47,356
Materials and Supplies	4,960	4,960	2,961	2,985
Miscellaneous	11,288	11,288	3,296	11,785
Capital Outlay	850	715	-	-
Allocations To Other Funds	(76,860)	(76,860)	(76,860)	(74,628)
	<u>316,062</u>	<u>317,942</u>	<u>252,305</u>	<u>266,845</u>
Economic Development-				
Personal Services	186,163	188,766	182,239	171,729
Contractual Services	676,191	694,050	550,215	1,136,222
Materials and Supplies	8,120	7,601	5,771	4,949
Miscellaneous	1,152	1,300	204	1,825
Capital Outlay	430	705	275	-
Allocations To Other Funds	(129,204)	(129,204)	(129,204)	(125,448)
	<u>742,852</u>	<u>763,218</u>	<u>609,500</u>	<u>1,189,277</u>
Special Service Area-				
Contractual Services	<u>272,000</u>	<u>272,000</u>	<u>218,500</u>	<u>250,500</u>
	<u>272,000</u>	<u>272,000</u>	<u>218,500</u>	<u>250,500</u>
Total Community Development	<u>2,601,967</u>	<u>2,710,577</u>	<u>2,346,953</u>	<u>2,825,217</u>
<b>Debt Service:</b>				
Principal	4,586	4,586	4,586	4,586
Interest and Fiscal Charges	-	-	-	-
	<u>4,586</u>	<u>4,586</u>	<u>4,586</u>	<u>4,586</u>
<b>Total Expenditures</b>	<u><u>\$36,239,593</u></u>	<u><u>\$36,459,498</u></u>	<u><u>\$33,427,618</u></u>	<u><u>\$34,058,207</u></u>

See independent auditor's report.

## **STATISTICAL SECTION**

## STATISTICAL SECTION

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have been changed over time.	154-158
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	159-164
Debt Capacity These 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.	165-169
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.	170-171
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.	172-174

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

**CITY OF ST. CHARLES, ILLINOIS**

**NET POSITION BY COMPONENT**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016*</b>
<b>GOVERNMENTAL ACTIVITIES</b>										
Net Investment in Capital Assets	\$ 99,460,021	\$ 99,140,750	\$ 99,628,444	\$ 95,258,795	\$ 97,483,604	\$ 104,284,999	\$ 111,517,071	\$ 122,912,679	\$ 120,315,642	\$ 119,609,141
Restricted	8,583,125	11,617,447	13,196,304	21,309,478	20,622,400	5,937,316	5,011,926	4,428,376	4,538,841	4,562,624
Unrestricted	9,956,490	13,430,037	3,062,631	564,787	2,561,737	12,974,169	7,839,905	10,501,379	14,170,788	(26,011,037)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 117,999,636</b>	<b>\$ 124,188,234</b>	<b>\$ 115,887,379</b>	<b>\$ 117,133,060</b>	<b>\$ 120,667,741</b>	<b>\$ 123,196,484</b>	<b>\$ 124,368,902</b>	<b>\$ 137,842,434</b>	<b>\$ 139,025,271</b>	<b>\$ 98,160,728</b>
<b>BUSINESS-TYPE ACTIVITIES</b>										
Net Investment in Capital Assets	\$ 91,359,113	\$ 94,294,449	\$ 89,806,332	\$ 94,444,575	\$ 92,601,321	\$ 93,911,050	\$ 94,974,541	\$ 97,764,596	\$ 97,792,753	\$ 100,347,715
Unrestricted	32,322,467	26,346,235	21,814,925	12,835,960	8,586,709	3,718,155	2,249,595	2,398,911	8,263,349	8,439,329
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 123,681,580</b>	<b>\$ 120,640,684</b>	<b>\$ 111,621,257</b>	<b>\$ 107,280,535</b>	<b>\$ 101,188,030</b>	<b>\$ 97,629,205</b>	<b>\$ 97,224,136</b>	<b>\$ 100,163,507</b>	<b>\$ 106,056,102</b>	<b>\$ 108,787,044</b>
<b>PRIMARY GOVERNMENT</b>										
Net Investment in Capital Assets	\$ 190,819,134	\$ 193,435,199	\$ 189,434,776	\$ 189,703,370	\$ 190,084,925	\$ 198,196,049	\$ 206,491,612	\$ 220,677,275	\$ 218,108,395	\$ 219,956,856
Restricted	8,583,125	11,617,447	13,196,304	21,309,478	20,622,400	5,937,316	5,011,926	4,428,376	4,538,841	4,562,624
Unrestricted	42,278,957	39,776,272	24,877,556	13,400,747	11,148,446	16,692,324	10,089,500	12,900,290	22,434,137	(17,571,708)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 241,681,216</b>	<b>\$ 244,828,918</b>	<b>\$ 227,508,636</b>	<b>\$ 224,413,595</b>	<b>\$ 221,855,771</b>	<b>\$ 220,825,689</b>	<b>\$ 221,593,038</b>	<b>\$ 238,005,941</b>	<b>\$ 245,081,373</b>	<b>\$ 206,947,772</b>

\*The City implemented GASB Statement No. 68 in 2016.

[Data Source](#)

Audited Financial Statements

## CITY OF ST. CHARLES, ILLINOIS

## CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016*
<b>EXPENSES</b>										
Governmental Activities										
General Government	\$ 3,252,423	\$ 4,635,671	\$ 3,204,672	\$ 2,959,301	\$ 2,742,777	\$ 3,025,823	\$ 3,450,520	\$ 3,802,373	\$ 3,888,778	\$ 4,045,920
Public Health and Safety	19,405,061	20,569,266	21,200,071	20,932,430	21,580,962	20,571,645	19,765,029	20,381,206	20,978,758	23,640,334
Public Works	12,906,010	12,137,618	14,834,725	11,262,837	10,723,015	11,383,917	13,669,557	14,154,683	13,630,872	12,276,753
Community Development	1,735,687	1,852,758	9,204,338	1,990,403	2,462,651	2,440,911	2,386,567	2,394,814	2,514,641	2,510,058
Interest	2,339,115	2,787,860	3,455,958	3,872,452	3,689,961	3,566,565	3,220,116	3,119,201	3,041,571	2,905,641
Total Governmental Activities Expenses	39,638,296	41,983,173	51,899,764	41,017,423	41,199,366	40,988,861	42,491,789	43,852,277	44,054,620	45,378,706
<b>BUSINESS-TYPE ACTIVITIES</b>										
Electric	36,695,935	42,530,760	43,795,302	43,918,182	50,035,085	50,786,616	51,824,029	55,605,730	53,934,609	54,356,130
Water	4,165,139	4,389,280	4,708,626	4,037,587	4,485,657	4,763,481	4,532,692	5,254,578	4,938,558	5,360,981
Sewer	6,277,893	7,427,906	6,764,238	6,803,134	6,899,149	6,704,787	7,770,772	7,299,203	7,561,114	8,387,212
Refuse	582,798	802,619	728,318	608,738	630,873	497,610	601,327	503,038	650,289	574,312
Total Business-Type Activities Expenses	47,721,765	55,150,565	55,996,484	55,367,641	62,050,764	62,752,494	64,728,820	68,662,549	67,084,570	68,678,635
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>\$ 87,360,061</b>	<b>\$ 97,133,738</b>	<b>\$ 107,896,248</b>	<b>\$ 96,385,064</b>	<b>\$ 103,250,130</b>	<b>\$ 103,741,355</b>	<b>\$ 107,220,609</b>	<b>\$ 112,514,826</b>	<b>\$ 111,139,190</b>	<b>\$ 114,057,341</b>
<b>PROGRAM REVENUES</b>										
Governmental Activities										
Charges for Services										
General Government	\$ 351,432	\$ 330,721	\$ 380,742	\$ 235,721	\$ 242,525	\$ 265,044	\$ 247,539	\$ 228,902	\$ 225,775	\$ 240,922
Public Health and Safety	1,893,485	1,836,614	2,202,465	2,492,351	2,502,699	703,165	745,094	717,112	716,204	687,519
Public Works	170,412	253,635	189,408	288,865	150,108	275,566	336,322	241,604	143,081	122,205
Community Development	682,379	636,193	580,337	411,719	332,768	346,950	325,558	302,459	319,477	479,775
Operating Grants and Contributions	1,271,476	1,151,030	1,092,490	981,183	1,195,977	1,155,398	1,073,880	1,172,273	1,247,419	998,611
Capital Grants and Contributions	444,673	4,322,602	143,008	357,245	533,933	598,761	1,409,288	13,121,556	82,174	67,724
Total Governmental Activities Program Revenues	4,813,857	8,530,795	4,588,450	4,767,084	4,958,010	3,344,884	4,137,681	15,783,906	2,734,130	2,596,756
Business-Type Activities										
Charges for Services										
Electric	37,450,772	39,657,173	39,670,266	39,716,828	46,274,757	48,816,782	52,522,963	57,488,550	58,305,490	59,693,030
Water	2,962,401	2,970,946	2,851,707	2,800,859	3,008,409	3,528,785	4,607,863	4,612,261	4,793,723	5,197,497
Sewer	5,392,115	5,570,674	5,555,699	5,514,181	5,829,457	6,151,173	6,750,315	7,173,530	7,641,607	8,173,256
Refuse	475,550	486,012	493,399	489,325	527,638	413,189	396,283	400,203	497,403	480,442
Capital Grants and Contributions	-	-	-	601,490	163,733	232,671	69,487	1,810,669	-	11,052
Total Business-Type Activities Program Revenues	46,280,838	48,684,805	48,571,071	49,122,683	55,803,994	59,142,600	64,346,911	71,485,213	71,238,223	73,555,277
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 51,094,695</b>	<b>\$ 57,215,600</b>	<b>\$ 53,159,521</b>	<b>\$ 53,889,767</b>	<b>\$ 60,762,004</b>	<b>\$ 62,487,484</b>	<b>\$ 68,484,592</b>	<b>\$ 87,269,119</b>	<b>\$ 73,972,353</b>	<b>\$ 76,152,033</b>



**CITY OF ST. CHARLES, ILLINOIS**

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016*</b>
<b>NET (EXPENSE) REVENUE</b>										
Governmental Activities	\$ (34,824,439)	\$ (33,452,378)	\$ (47,311,314)	\$ (36,250,339)	\$ (36,241,356)	\$ (37,643,977)	\$ (38,354,108)	\$ (28,068,371)	\$ (41,320,490)	\$ (42,781,950)
Business-Type Activities	(1,440,927)	(6,465,760)	(7,425,413)	(6,244,958)	(6,246,770)	(3,609,894)	(381,909)	2,822,664	4,153,653	4,876,642
<b>TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE</b>	<b>\$ (36,265,366)</b>	<b>\$ (39,918,138)</b>	<b>\$ (54,736,727)</b>	<b>\$ (42,495,297)</b>	<b>\$ (42,488,126)</b>	<b>\$ (41,253,871)</b>	<b>\$ (38,736,017)</b>	<b>\$ (25,245,707)</b>	<b>\$ (37,166,837)</b>	<b>\$ (37,905,308)</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
Governmental Activities										
Taxes										
Property	\$ 11,472,282	\$ 12,076,065	\$ 13,131,263	\$ 13,936,514	\$ 13,842,186	\$ 14,088,521	\$ 14,102,024	\$ 14,155,111	\$ 14,078,954	\$ 13,952,924
Personal Property Replacement	95,854	109,332	100,102	88,607	98,485	88,849	85,873	103,019	98,355	88,879
Municipal Sales and Use	16,356,138	16,077,769	14,800,130	14,363,468	14,885,976	15,659,218	15,784,687	16,049,054	17,080,577	17,807,036
Franchise Fees	2,156,162	2,315,892	2,371,898	2,413,921	2,836,050	2,910,646	3,154,983	3,400,525	3,485,932	3,577,986
Food and Beverage/Liquor	101,016	-	-	-	837,925	977,452	992,079	995,618	1,062,211	1,099,613
Hotel Occupation	2,020,640	2,123,542	1,795,525	1,624,075	1,664,216	1,807,919	1,838,057	1,685,830	1,834,358	2,079,543
Telecommunications Fee	1,255,382	1,491,882	1,510,057	1,421,576	1,336,605	1,289,388	1,221,476	1,040,496	1,037,563	989,529
Other	63,224	55,253	49,626	56,660	55,745	76,215	80,495	73,962	73,061	68,582
State Income Tax	2,683,079	2,931,062	2,900,549	2,528,377	2,481,991	2,675,585	2,971,635	3,213,190	3,229,295	3,514,119
Investment Income	1,514,343	1,665,889	750,645	222,192	303,135	126,336	105,306	113,570	(45,202)	161,088
Miscellaneous	126,996	86,668	177,423	65,333	111,106	53,906	86,760	228,278	134,665	127,252
Contributions	495,437	389,677	1,205,121	1,573,396	-	-	-	-	-	-
Transfers	121,876	317,945	251,524	(798,099)	413,146	418,685	306,097	483,250	433,558	548,044
Total Governmental Activities	38,462,429	39,640,976	39,043,863	37,496,020	38,866,566	40,172,720	40,729,472	41,541,903	42,503,327	44,014,595
Business-Type Activities										
Investment Income	1,718,477	1,443,180	374,971	54,556	38,136	41,095	29,573	30,470	(24,651)	34,391
Connection Charges	566,479	645,504	255,960	448,899	81,447	173,852	207,086	246,124	154,966	237,268
Miscellaneous	128,966	235,518	205,265	314,883	447,828	254,807	283,102	323,363	2,042,185	619,879
Contributions	2,521,274	1,418,607	280,286	287,799	-	-	-	-	-	-
Transfers	(121,876)	(317,945)	(251,524)	798,099	(413,146)	(418,685)	(306,097)	(483,250)	(433,558)	(548,044)
Total Business-Type Activities	4,813,320	3,424,864	864,958	1,904,236	154,265	51,069	213,664	116,707	1,738,942	343,494
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 43,275,749</b>	<b>\$ 43,065,840</b>	<b>\$ 39,908,821</b>	<b>\$ 39,400,256</b>	<b>\$ 39,020,831</b>	<b>\$ 40,223,789</b>	<b>\$ 40,943,136</b>	<b>\$ 41,658,610</b>	<b>\$ 44,242,269</b>	<b>\$ 44,358,089</b>
<b>CHANGE IN NET POSITION</b>										
Governmental Activities	\$ 3,637,990	\$ 6,188,598	\$ (8,267,451)	\$ 1,245,681	\$ 2,625,210	\$ 2,528,743	\$ 2,375,364	\$ 13,473,532	\$ 1,182,837	\$ 1,232,645
Business-Type Activities	3,372,393	(3,040,896)	(6,560,455)	(4,340,722)	(6,092,505)	(3,558,825)	(168,245)	2,939,371	5,892,595	5,220,136
<b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION</b>	<b>\$ 7,010,383</b>	<b>\$ 3,147,702</b>	<b>\$ (14,827,906)</b>	<b>\$ (3,095,041)</b>	<b>\$ (3,467,295)</b>	<b>\$ (1,030,082)</b>	<b>\$ 2,207,119</b>	<b>\$ 16,412,903</b>	<b>\$ 7,075,432</b>	<b>\$ 6,452,781</b>

\*The City implemented GASB Statement No. 68 in 2016.

[Data Source](#)

Audited Financial Statements

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

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012*</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>GENERAL FUND</b>										
Reserved	\$ 2,216,128	\$ 2,868,908	\$ 4,490,108	\$ 4,312,920	\$ 3,007,493	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved - Designated	-	-	-	3,000,000	3,000,000	-	-	-	-	-
Unreserved - Undesignated	14,950,556	15,581,064	14,857,419	15,322,835	16,235,613	-	-	-	-	-
Nonspendable	-	-	-	-	-	3,055,435	5,718,748	5,752,925	5,563,986	6,909,863
Restricted	-	-	-	-	-	127,772	128,840	530	2,051	8,047
Unrestricted										
Assigned	-	-	-	-	-	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Unassigned	-	-	-	-	-	16,180,462	14,980,071	15,578,156	16,614,515	16,054,014
<b>TOTAL GENERAL FUND</b>	<b>\$ 17,166,684</b>	<b>\$ 18,449,972</b>	<b>\$ 19,347,527</b>	<b>\$ 22,635,755</b>	<b>\$ 22,243,106</b>	<b>\$ 22,363,669</b>	<b>\$ 23,827,659</b>	<b>\$ 24,331,611</b>	<b>\$ 25,180,552</b>	<b>\$ 25,971,924</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Reserved	\$ 8,192,033	\$ 11,061,906	\$ 12,443,079	\$ 20,749,408	\$ 20,828,559	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported in										
Special Revenue Funds	(1,525,467)	(2,018,141)	(2,400,267)	(2,573,701)	(2,726,537)	-	-	-	-	-
Debt Service Funds	-	-	-	-	-	-	-	-	-	-
Capital Project Funds	6,588,564	14,089,657	14,836,247	1,132,189	1,819,784	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	14,454
Restricted	-	-	-	-	-	12,753,678	9,737,766	8,149,847	7,845,366	6,403,843
Unrestricted										
Assigned	-	-	-	-	-	9,116,178	1,493,662	1,302,026	894,877	2,940,287
Unassigned	-	-	-	-	-	(2,780,307)	(3,556,145)	(3,640,987)	(3,580,720)	(3,374,231)
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 13,255,130</b>	<b>\$ 23,133,422</b>	<b>\$ 24,879,059</b>	<b>\$ 19,307,896</b>	<b>\$ 19,921,806</b>	<b>\$ 19,089,549</b>	<b>\$ 7,675,283</b>	<b>\$ 5,810,886</b>	<b>\$ 5,159,523</b>	<b>\$ 5,984,353</b>

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

Data Source

Audited Financial Statements

**CITY OF ST. CHARLES, ILLINOIS**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>REVENUES</b>										
Taxes	\$ 33,520,698	\$ 34,249,735	\$ 33,758,601	\$ 33,904,821	\$ 35,557,188	\$ 36,898,208	\$ 37,257,664	\$ 37,501,365	\$ 38,750,016	\$ 39,664,092
Licenses and Permits	572,974	558,917	497,362	422,200	459,408	444,857	444,620	483,624	476,400	604,871
Intergovernmental	4,441,018	8,037,262	4,106,734	3,789,542	3,879,399	4,087,010	4,171,714	4,429,551	4,495,519	4,580,455
Fines and Forfeitures	339,740	290,130	376,626	435,340	403,325	415,922	422,550	414,253	384,990	360,695
Charges for Services	2,076,491	2,117,275	2,357,393	2,571,116	2,365,366	677,652	734,242	531,068	473,771	509,667
Investment Income	1,514,343	1,665,889	750,645	222,192	303,135	126,336	105,306	113,572	(45,202)	161,088
Miscellaneous	193,707	537,833	325,808	127,853	242,416	191,267	1,109,570	479,050	267,709	339,635
<b>Total Revenues</b>	<b>42,658,971</b>	<b>47,457,041</b>	<b>42,173,169</b>	<b>41,473,064</b>	<b>43,210,237</b>	<b>42,841,252</b>	<b>44,245,666</b>	<b>43,952,483</b>	<b>44,803,203</b>	<b>46,220,503</b>
<b>EXPENDITURES</b>										
General Government	3,067,426	3,469,160	3,435,154	3,007,179	2,438,740	3,227,421	3,169,478	3,042,207	3,151,388	3,056,183
Public Health and Safety	19,474,760	19,947,430	20,643,649	19,824,807	21,839,500	20,537,176	20,259,849	20,363,198	20,846,693	20,945,195
Public Works	16,354,003	10,634,198	10,882,985	7,700,583	7,412,063	8,615,910	9,226,171	8,582,627	8,341,328	7,990,502
Community Development	1,975,058	1,952,881	9,491,872	1,925,440	1,982,888	2,493,934	2,641,168	2,403,623	2,825,480	2,444,837
Debt Service										
Principal	2,530,582	3,165,327	3,247,523	3,797,436	3,939,836	4,318,359	11,254,781	5,137,911	5,037,635	5,016,601
Interest	2,470,500	2,609,282	3,040,808	4,107,956	3,839,569	3,566,095	3,577,438	3,197,224	3,310,100	3,184,089
Capital Outlay	5,557,550	8,993,205	8,644,334	6,933,971	1,864,348	5,288,531	13,734,492	6,745,179	2,529,140	2,977,825
<b>Total Expenditures</b>	<b>51,429,879</b>	<b>50,771,483</b>	<b>59,386,325</b>	<b>47,297,372</b>	<b>43,316,944</b>	<b>48,047,426</b>	<b>63,863,377</b>	<b>49,471,969</b>	<b>46,041,764</b>	<b>45,615,232</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(8,770,908)</b>	<b>(3,314,442)</b>	<b>(17,213,156)</b>	<b>(5,824,308)</b>	<b>(106,707)</b>	<b>(5,206,174)</b>	<b>(19,617,711)</b>	<b>(5,519,486)</b>	<b>(1,238,561)</b>	<b>605,271</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	8,698,763	9,851,717	5,985,919	10,330,710	9,262,302	8,015,123	9,282,783	9,238,153	8,888,061	13,047,196
Transfers (Out)	(8,902,149)	(9,882,915)	(6,019,265)	(7,253,837)	(9,155,055)	(7,795,467)	(8,895,986)	(8,933,783)	(8,658,763)	(12,036,265)
Bonds Issued	14,470,000	14,340,000	19,935,000	5,481,550	6,225,000	10,072,748	42,855,000	3,710,428	1,156,689	-
Premium (Discount) on Bonds Issued	(10,995)	157,970	(47,806)	161,547	217,846	572,336	2,226,154	(19,767)	49,452	-
Payment to Escrow Agent	-	-	-	(5,570,590)	(6,355,910)	(6,373,811)	(35,804,866)	-	-	-
Sale of Capital Assets	-	9,250	2,500	391,993	133,785	3,551	4,350	164,010	700	-
<b>Total Other Financing Sources (Uses)</b>	<b>14,255,619</b>	<b>14,476,022</b>	<b>19,856,348</b>	<b>3,541,373</b>	<b>327,968</b>	<b>4,494,480</b>	<b>9,667,435</b>	<b>4,159,041</b>	<b>1,436,139</b>	<b>1,010,931</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 5,484,711</b>	<b>\$ 11,161,580</b>	<b>\$ 2,643,192</b>	<b>\$ (2,282,935)</b>	<b>\$ 221,261</b>	<b>\$ (711,694)</b>	<b>\$ (9,950,276)</b>	<b>\$ (1,360,445)</b>	<b>\$ 197,578</b>	<b>\$ 1,616,202</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<b>10.90%</b>	<b>13.82%</b>	<b>12.39%</b>	<b>19.59%</b>	<b>18.77%</b>	<b>18.44%</b>	<b>25.46%</b>	<b>22.42%</b>	<b>19.95%</b>	<b>18.87%</b>

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

[Data Source](#)

Audited Financial Statements

**CITY OF ST. CHARLES, ILLINOIS**

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**

Last Ten Levy Years

<b>Levy Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Estimated Actual Taxable Value</b>
2006	\$ 1,007,971,270	\$ 317,706,581	\$ 135,486,864	\$ 1,461,164,715	0.7314	\$ 4,383,494,145	33.333%
2007	1,093,511,982	340,689,027	146,061,935	1,580,262,944	0.7300	4,740,788,832	33.333%
2008	1,130,538,083	363,806,483	154,181,792	1,648,526,358	0.7300	4,945,579,074	33.333%
2009	1,114,552,074	374,248,479	153,004,247	1,641,804,800	0.7300	4,925,414,400	33.333%
2010	1,044,846,020	354,606,287	148,675,847	1,548,128,154	0.7785	4,644,384,462	33.333%
2011	985,067,950	333,005,128	140,911,192	1,458,984,270	0.8260	4,376,952,810	33.333%
2012	917,189,293	317,898,847	138,361,189	1,373,449,329	0.8774	4,120,347,987	33.333%
2013	883,219,775	314,100,856	134,378,752	1,331,699,383	0.9048	3,995,098,149	33.333%
2014	862,800,437	307,997,293	128,309,103	1,299,106,833	0.0928	3,897,320,499	33.333%
2015	891,708,866	305,076,606	125,965,723	1,322,751,195	0.9109	3,968,253,585	33.333%

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

Data Source

Office of the County Clerk

**CITY OF ST. CHARLES, ILLINOIS**

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

Last Ten Calendar Years

<b>Tax Calendar Year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
City of St. Charles										
Corporate	0.0788	0.0643	0.0643	0.0311	0.1373	0.1674	0.1844	0.2353	0.2428	0.2700
IMRF*	0.0940	0.0896	0.0711	0.0605	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Fire Protection	0.1422	0.1539	0.1539	0.1607	0.1646	0.1746	0.1855	0.1801	0.1847	0.1769
Fire Pension	0.0575	0.0534	0.0645	0.0753	0.0708	0.0679	0.0731	0.0930	0.0904	0.1000
Police Protection	0.1422	0.1539	0.1539	0.1607	0.1646	0.1746	0.1855	0.1801	0.1847	0.1596
Police Pension	0.0690	0.0702	0.0772	0.0948	0.0882	0.0844	0.0964	0.1131	0.1198	0.1503
Mental Health	0.0404	0.0372	0.0400	0.0418	0.0410	0.0405	0.0403	0.0394	0.0397	0.0405
Street and Bridge	0.1073	0.1075	0.1051	0.1051	0.1120	0.1166	0.1122	0.0638	0.0654	0.0136
Prior Year Adjustment	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total City of St. Charles	0.7314	0.7300	0.7300	0.7300	0.7785	0.8260	0.8774	0.9048	0.9275	0.9109
Kane County	0.3456	0.3322	0.3336	0.3398	0.3730	0.3990	0.4336	0.4622	0.4684	0.4479
Kane County Forest Preserve	0.1770	0.1974	0.1932	0.1997	0.2201	0.2609	0.2710	0.3039	0.3126	0.2944
St. Charles Township	0.0464	0.0329	0.0327	0.0413	0.0000	0.0380	0.0418	0.0439	0.0454	0.0450
St. Charles Township Road	0.0788	0.0643	0.0647	0.0659	0.0723	0.0783	0.0864	0.0911	0.0942	0.0933
St. Charles Cemetery	0.0132	0.0002	0.0002	0.0117	0.0128	0.0138	0.0152	0.0160	0.0165	0.0163
St. Charles Park District	0.4390	0.3958	0.4211	0.4613	0.5550	0.0553	0.6056	0.6407	0.6634	0.6568
St. Charles Library District	0.3277	0.2356	0.2372	0.2415	0.2654	0.2874	0.3179	0.3354	0.3486	0.3452
School District # 303	4.2071	4.0516	4.0916	4.1645	4.6040	5.0175	5.5199	5.8846	6.1340	6.1178
Elgin Community College	0.3804	0.3406	0.3275	0.3833	0.4407	0.4454	0.5215	0.5707	0.6076	0.5601
Waubonsee Community College	0.4272	0.3950	0.3995	0.4043	0.4070	0.4710	0.5312	0.5807	0.5954	0.5875
Total Representative Tax **	7.1738	6.7756	6.8313	7.0433	7.7288	7.8926	9.2215	9.8340	10.2136	10.0752

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

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

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

Data Source

Office of the County Clerk

**CITY OF ST. CHARLES, ILLINOIS**

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

Last Ten Calendar Years

<b>Tax Calendar Year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
City of St. Charles										
Corporate	0.0796	0.0814	0.0642	0.0238	0.1387	0.1691	0.1862	0.1777	0.1796	0.2727
IMRF*	0.0949	0.0916	0.0709	0.0612	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Fire Protection	0.1437	0.1475	0.1539	0.1623	0.1663	0.1764	0.1874	0.1820	0.1866	0.1787
Fire Pension	0.0581	0.0546	0.0646	0.0761	0.0716	0.0686	0.0739	0.0940	0.0914	0.1011
Police Protection	0.1437	0.1475	0.1539	0.1623	0.1663	0.1764	0.1874	0.1820	0.1866	0.1612
Police Pension	0.0698	0.0718	0.0773	0.0958	0.0891	0.0853	0.0975	0.1143	0.1210	0.1518
Mental Health	0.0408	0.0409	0.0401	0.0422	0.0414	0.0410	0.0407	0.0398	0.0402	0.0409
Street and Bridge	0.1123	0.1094	0.1047	0.1057	0.1127	0.1171	0.1131	0.0600	0.0657	0.0135
Total City of St. Charles	0.7429	0.7447	0.7296	0.7294	0.7861	0.8339	0.8862	0.8498	0.8711	0.9199
DuPage County	0.1713	0.1651	0.1557	0.1554	0.1659	0.1773	0.1929	0.2040	0.2057	0.1971
DuPage County Forest Preserve	0.1303	0.1187	0.1206	0.1217	0.1321	0.1414	0.1542	0.1657	0.1691	0.1622
Wayne Township	0.0666	0.0647	0.0649	0.0658	0.0733	0.0804	0.0896	0.0979	0.1025	0.1847
St. Charles Park District	0.4161	0.3971	0.4207	0.4812	0.5710	0.5531	0.6060	0.6412	0.6639	0.6574
St. Charles Library District	0.2458	0.2385	0.2348	0.2415	0.2654	0.2875	0.3179	0.3355	0.3486	0.3453
West Chicago Mosquito District	0.0101	0.0099	0.0099	0.0101	0.0111	0.0122	0.0139	0.0153	0.0161	0.0160
Unit School District # 303	4.2494	4.0836	4.0604	4.1646	4.6042	5.0177	5.5201	5.8847	6.1343	6.1179
Elgin Community College	0.3396	0.3294	0.3298	0.3760	0.3921	0.4895	0.5360	0.6919	0.5013	0.5673
Total Representative Tax	6.372	6.152	6.126	6.346	7.001	7.593	8.317	8.886	9.013	9.168

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

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

Data Source

Office of the County Clerk

**CITY OF ST. CHARLES, ILLINOIS**

**PRINCIPAL PROPERTY TAXPAYERS**

Current Levy Year and Nine Levy Years Ago

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation
Q-Center LLC	\$ 16,165,049	1	1.22%	\$ 15,781,296	1	1.17%
AMLI at St. Charles LLC	13,327,010	2	1.01%	8,242,608	4	0.61%
St. Charles Country Club	6,010,071	3	0.45%	5,894,176	8	0.44%
Ashford St Charles LLC	5,759,241	4	0.44%	-		
Sir Park Shore LLC	5,416,125	5	0.41%	-		
Meijer Stores Limited Partnership	5,145,543	6	0.39%	6,668,466	7	0.49%
Delnor Community Residential Living	5,126,514	7	0.39%	6,890,915	6	0.51%
Slate Main Street Holding LLC	5,041,013	8	0.38%	7,282,350	5	0.54%
RR Donnelley & Sons Company	4,903,329	9	0.37%	-		
Axiom St Charles LLC	4,890,167	10	0.37%	-		
Pheasant Run Resort	-			12,449,940	2	0.92%
MB BP Profolio LC	-			10726272	3	0.79%
Pier One	-			5,351,447	10	0.40%
Charlestowne 1998 MS XL1 LLC	-			5,666,636	9	0.42%
	<u>\$ 71,784,062</u>		<u>5.43%</u>	<u>\$ 84,954,106</u>		<u>6.29%</u>

**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
2006	\$	10,693,667	\$ 10,669,842	99.78%	-	\$ 10,669,842	99.78%
2007		11,543,740	11,521,398	99.81%	-	11,521,398	99.81%
2008		12,035,959	12,033,470	99.98%	-	12,033,470	99.98%
2009		11,987,421	11,980,795	99.94%	-	11,980,795	99.94%
2010		12,058,027	11,973,226	99.30%	192	11,973,418	99.30%
2011		12,057,899	12,003,048	99.55%	458	12,003,506	99.55%
2012		12,057,921	11,988,163	99.42%	457	11,988,620	99.43%
2013		12,057,955	11,984,776	99.39%	-	11,984,776	99.39%
2014		12,057,863	11,991,177	99.45%	-	11,991,177	99.45%
2015		12,057,772	6,357,916	52.73%	-	6,357,916	52.73%

Note : Property in the City is reassessed each year. Property is assessed at 33.333% of actual value.  
In 2015 total distribution of property tax is as of July 28, 2016.

Data Source

Office of the County Clerk



**CITY OF ST. CHARLES, ILLINOIS**

**SALES TAXES BY CATEGORY**

Last Ten Calendar Years

<b>Calendar Year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
General Merchandise	\$ 2,197,842	\$ 2,141,297	\$ 1,980,070	\$ 1,758,126	\$ 1,737,180	\$ 1,587,905	\$ 1,500,331	\$ 1,391,283	\$ 2,644,510	\$ 2,626,704
Food	1,343,516	1,350,218	1,281,233	1,192,639	1,109,241	1,051,039	1,003,882	958,914	1,025,839	1,074,779
Drinking and Eating Places	1,762,717	1,801,937	1,693,616	1,598,774	1,666,350	1,825,577	1,818,128	1,788,322	1,842,153	2,028,049
Apparel	320,838	285,813	192,502	148,348	133,778	280,413	96,630	88,310	114,401	73,189
Furniture and H.H. and Radio	323,634	270,167	202,537	160,847	169,268	163,801	141,039	112,005	105,651	110,794
Lumber, Building Hardware	1,175,745	1,090,319	958,927	758,083	777,607	779,051	812,833	850,505	875,758	915,433
Automobile and Filling Stations	4,021,130	4,059,866	4,005,061	4,444,623	4,632,453	5,126,606	5,549,349	5,738,554	5,045,417	5,205,132
Drugs and Miscellaneous Retail	2,026,345	2,151,516	1,960,829	1,886,071	2,113,267	2,143,193	2,095,158	1,964,338	2,051,408	1,644,641
Agriculture and All Others	1,956,813	2,074,016	1,831,132	1,262,633	1,220,630	1,302,627	1,410,636	1,360,691	1,456,427	1,930,566
Manufacturers	155,625	(1,463)	141,690	152,211	142,528	174,400	179,327	176,142	200,951	202,679
<b>TOTAL</b>	<b>\$ 15,284,205</b>	<b>\$ 15,223,686</b>	<b>\$ 14,247,597</b>	<b>\$ 13,362,355</b>	<b>\$ 13,702,302</b>	<b>\$ 14,434,612</b>	<b>\$ 14,607,313</b>	<b>\$ 14,429,064</b>	<b>\$ 15,362,515</b>	<b>\$ 15,811,966</b>
City direct sales tax rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

Data Source

Illinois Department of Revenue

**CITY OF ST. CHARLES, ILLINOIS**

**DIRECT AND OVERLAPPING SALES TAX RATES**

Last Ten Fiscal Years

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<b>Fiscal Year</b>	<b>City Direct Rate</b>	<b>County Rate</b>	<b>RTA Rate</b>	<b>State Rate</b>
2007	2.00%	0.25%	0.25%	5.00%
2008	2.00%	0.25%	0.25%	5.00%
2009	2.00%	0.25%	0.75%	5.00%
2010	2.00%	0.25%	0.75%	5.00%
2011	2.00%	0.25%	0.75%	5.00%
2012	2.00%	0.25%	0.75%	5.00%
2013	2.00%	0.25%	0.75%	5.00%
2014	2.00%	0.25%	0.75%	5.00%
2015	2.00%	0.25%	0.75%	5.00%
2016	2.00%	0.25%	0.75%	5.00%

Data Sources

City and County Records  
Includes Home Rule

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

<b>Fiscal Year Ended</b>	<b>Governmental Activities</b>			<b>Business-Type Activities</b>		<b>Total Primary Government</b>	<b>Percentage of Personal Income*</b>	<b>Per Capita*</b>
	<b>General Obligation Bonds</b>	<b>Installment Notes Payable</b>	<b>Revenue Bonds</b>	<b>General Obligation Bonds</b>	<b>Installment Notes Payable</b>			
2007	\$ 62,710,700	\$ 467,680	\$ -	\$ 7,459,634	\$ 16,720,449	\$ 87,358,463	7.83%	\$ 2,661.26
2008	74,173,767	337,917	-	8,748,457	15,637,454	98,897,595	7.29%	3,012.78
2009	81,999,952	257,600	8,987,338	10,551,046	14,522,883	116,318,819	9.42%	3,603.88
2010	78,245,057	181,868	8,984,066	9,844,794	13,926,307	111,182,092	8.74%	3,444.73
2011	74,561,466	103,048	8,980,795	16,164,669	18,202,396	118,012,374	9.08%	3,578.95
2012	74,880,596	89,036	8,697,524	15,982,589	18,777,806	118,427,551	9.56%	3,572.15
2013	76,705,991	84,451	8,374,253	16,690,294	19,483,598	121,338,587	9.16%	3,659.96
2014	75,445,961	79,864	7,965,982	16,712,036	24,053,028	124,256,871	9.22%	3,728.41
2015	71,887,674	75,279	7,472,711	16,785,720	25,798,823	122,020,207	8.69%	3,667.91
2016	67,328,179	70,694	6,949,440	15,491,768	28,491,938	118,332,019	7.81%	3,536.52

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

\* See the Schedule of Demographic and Economic Information on page 173 for personal income and population data.

**CITY OF ST. CHARLES, ILLINOIS**

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Installment Notes Payable</b>	<b>Revenue Bonds</b>	<b>Less Amounts Available In Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property*</b>	<b>Per Capita</b>
2007	\$ 70,170,334	\$ 17,188,129	\$ -	\$ 1,261,037	\$ 68,909,297	4.72%	\$ 2,099.23
2008	82,922,224	15,975,371	-	2,124,092	80,798,132	5.11%	2,461.41
2009	92,550,998	14,780,483	8,987,338	2,520,861	90,030,137	5.46%	2,789.38
2010	88,089,851	14,108,175	8,984,066	1,633,070	86,456,781	5.27%	2,678.67
2011	90,726,135	18,305,444	8,980,795	1,762,318	88,963,817	5.75%	2,698.00
2012	90,863,185	18,866,842	8,697,524	1,836,526	89,026,659	6.10%	2,685.33
2013	93,396,285	19,568,049	8,374,253	2,004,235	91,392,050	6.65%	2,756.68
2014	92,157,997	24,132,892	7,965,982	2,045,188	90,112,809	6.77%	2,703.90
2015	88,673,394	25,874,102	7,472,711	2,089,766	86,583,628	6.66%	2,602.69
2016	82,819,947	28,562,632	6,949,440	2,057,815	80,762,132	6.11%	2,413.69

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 162 for property value data.

# CITY OF ST. CHARLES, ILLINOIS

## PLEDGED REVENUE COVERAGE

Last Ten Fiscal Years

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<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>Revenue Bonds/IEPA Loans</b>				
<b><u>Fiscal Year</u></b>	<b><u>Operating Revenue</u></b>	<b><u>Debt Service</u></b>		<b><u>Coverage</u></b>
		<b><u>Principal</u></b>	<b><u>Interest</u></b>	
2007	\$ 5,392,115	\$ 1,073,654	\$ 441,915	3.56
2008	5,570,674	1,082,995	432,574	3.68
2009	5,555,699	1,114,571	400,998	3.67
2010	5,514,181	1,147,104	357,797	3.66
2011	5,829,457	1,180,623	323,877	3.87
2012	9,679,958	1,243,430	332,466	6.14
2013	11,358,178	1,184,297	327,623	7.51
2014	11,785,791	1,242,305	312,905	7.58
2015	12,435,330	1,430,171	418,916	6.73
2016	13,370,753	1,698,686	493,966	6.10

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

**CITY OF ST CHARLES, ILLINOIS****DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

As of April 30, 2016

<b>Governmental Unit</b>	<b>Gross Debt</b>	<b>Percentage Debt Applicable to the City of St. Charles (1)</b>	<b>City's Share of Debt</b>
City of St. Charles	\$ 74,348,313	100.00%	\$ 74,348,313
Kane County Forest Preserve District	150,420,000	10.774%	16,206,251
Dupage County	42,020,000	0.084%	35,297
Dupage County Forest Preserve	140,577,987	0.084%	118,086
St. Charles Park District	23,940,000	64.031%	15,329,021
Schools			
Community Unit SD #303	63,115,000	48.793%	30,795,702
Community Unit SD #304	136,037,915	0.131%	178,210
Community College #509	181,805,261	12.808%	23,285,618
Community College #516	67,145,000	0.021%	14,100
Subtotal:	805,061,163		85,962,285
Total:	\$ 879,409,476		\$ 160,310,598

(1) Determined by ratio of assessed valuation of property subject to taxation in the City 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

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
2007	32,826	\$ 1,115,066,394	\$ 33,969	4.5%
2008	32,826	1,357,256,622	41,347	7.3%
2009	32,276	1,234,298,792	38,242	6.5%
2010	32,276	1,272,707,232	39,432	8.7%
2011	32,974	1,299,769,132	39,418	9.5%
2012	33,153	1,238,463,468	37,356	6.7%
2013	33,153	1,325,258,022	39,974	7.0%
2014	33,327	1,347,743,880	40,440	7.7%
2015	33,267	1,403,501,463	42,189	5.7%
2016	33,460	1,514,734,200	45,270	5.0%

Data Sources

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

**CITY OF ST. CHARLES, ILLINOIS**

**PRINCIPAL EMPLOYERS**

Current Year and Nine Years Ago

2015					2006				
Employer	Rank	# of Employees	% of Total Employment	% of Total City Population	Employer	Rank	# of Employees	% of Total Employment	% of Total City Population
St. Charles Community School District	1	1,660	9.32%	4.99%	St. Charles Community School District	1	1,381	6.21%	4.21%
RR Donnelley & Sons	2	936	5.25%	2.81%	Wallace, Inc.	2	640	2.88%	1.95%
Omron Automotive	3	800	4.49%	2.40%	System Sensor	3	522	2.35%	1.59%
City of St Charles	4	300	1.68%	0.90%	Pheasant Run Resort	4	500	2.25%	1.52%
Armour-Eckrich Meats LLC	5	289	1.62%	0.87%	Jewel Company	5	493	2.22%	1.50%
Jewel/Osco	6	270	1.52%	0.81%	Conagra Foods	6	420	1.89%	1.28%
Pheasant Run Resort	7	250	1.40%	0.75%	Omron Automotive	7	375	1.69%	1.14%
Do Paco Inc	8	191	1.07%	0.57%	Illinois Youth Center	8	327	1.47%	1.00%
Dukane Corporation	9	183	1.03%	0.55%	Coca-Cola Bottling Co	9	280	1.26%	0.85%
System Sensor	10	150	0.84%	0.45%	Wal-Mart	10	250	1.12%	0.76%
				15.10%					15.80%

Data Source

Municipal Research Services



**CITY OF ST. CHARLES, ILLINOIS**

**FULL-TIME EQUIVALENT EMPLOYEES**

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
General Administration	46.20	44.80	46.60	43.00	40.60	40.90	41.80	40.50	39.40	42.50
Public Health & Safety	157.60	157.40	148.80	147.10	130.20	123.80	122.00	121.90	119.20	119.60
M & C of Public Right of Ways	62.20	62.40	61.90	52.20	40.50	40.10	41.80	42.20	40.80	41.10
M & C of Public Utilities	67.10	65.80	65.50	61.70	61.10	61.50	59.30	58.60	52.60	51.30
Community and Economic Development	15.90	17.00	16.50	17.90	17.50	17.50	16.00	16.20	14.50	14.60
Total:	349.00	347.40	339.30	321.90	289.90	283.80	280.90	279.40	266.50	269.10

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

Data Source

City budget office

**CITY OF ST. CHARLES, ILLINOIS**

**OPERATING INDICATORS**

Last Ten Calendar Years

<b>Function/Program</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Public Safety										
Police										
Physical arrests	1,581	1,796	1,613	1,404	1,259	1,109	1,042	1,051	1,050	984
Parking violations	1,792	1,733	1,500	1,400	1,743	1,647	1,141	2,434	2,429	1,634
Traffic violations	7,066	6,573	6,316	4,491	4,496	3,939	3,964	4,194	3,847	3,223
Fire										
Emergency responses	5,212	5,113	5,044	4,831	5,100	4,434	4,092	4,282	4,456	4,452
Fires Extinguished	161	158	134	103	174	77	125	108	110	83
Public Works										
Streeting (miles)	568	180.5	183	184	184	179	180	180	166	166
Electric										
Number of Customers	15,082	15,196	15,233	15,364	15,419	16,174	15,503	15,521	15,526	15,558
Water										
Maximum Day Consumption	9,741,000	9,741,000	9,741,000	9,741,000	9,741,000	9,741,000	9,741,000	9,741,000	9,741,000	9,741,000
# of water mains (miles)	196.5	197.5	202	220	219.9	219	230.7	225.2	221.8	223.2
Wastewater										
Average daily storage (flow)	5,289,000	5,289,000	6,562,758	6,060,000	5,788,975	6,216,128	4,235,221	4,440,000	4,827,771	5,310,356

Data Source

Various City departments

**CITY OF ST. CHARLES, ILLINOIS**

**CAPITAL ASSET STATISTICS**

Last Ten Calendar Years

<b>Function/Program</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area Beats	4	4	4	4	4	4	4	4	4	4
Patrol Officer	31	31	33	34	33	32	33	34	33	32
Fire										
Fire stations	3	3	3	3	3	3	3	3	3	3
Fire engines	6	6	6	6	6	6	6	6	6	6
Public Works										
Arterial Streets (Miles)	50	49	49	49	49	49	49	49	49	49
Residential Streets (Miles)	123	134	134.2	135.5	136	131	131.5	131.5	131.5	131.5
Streetlights	3,200	3,234	3,271	3,291	3298	3299	3236	3241	3255	3180
Traffic Signals	6	6	6	6	7	7	8	10	10	10
Water										
Water Mains (Miles)	197	197.5	202	219.9	220	227	230.7	225.2	221.8	223.2
Fire Hydrants	2,706	2,742	2,742	2,820	2820	2822	2849	2742	2742	2763
Storage Capacity (Gallons)	2,425,000	2,425,000	2,425,000	2,425,000	2,425,000	2,425,000	4,200,000	4,200,000	4,200,000	4,200,000
Wastewater										
Sanitary Sewers (Miles)	171	171.3	174.5	174.6	180.1	175.2	175.0	174.9	174.9	175.6
Storm Sewers (Miles)	157	159.9	159.9	160.8	161.3	162.9	203.7	157.9	158.9	159.1
Treatment Capacity (Gallons)	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000	9,700,000

Data Source

Various City departments