

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF ST. CHARLES, IL
FOR THE YEAR ENDED APRIL 30, 2018



On the cover:

One of the historic gems in the City of St.
Charles, the Hotel Baker celebrates its 90th
Anniversary in 2018.

Photo Credit: Carylie Forte

CITY OF ST. CHARLES, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
April 30, 2018

Prepared by the Finance Department

Christopher A. Minick
Director of Finance

Mark Koenen
City Administrator

CITY OF ST. CHARLES, ILLINOIS
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INTRODUCTORY SECTION

City of St. Charles Officers and Officials As of April 1, 2018

Mayor

Raymond P. Rogina

City Administrator

Mark W. Koenen

City Council

Dan P. Stellato	Ward 1	William Turner	Ward 3
Ronald Silkaitis	Ward 1	Lora Vitek	Ward 4
Arthur Lemke	Ward 2	Steven Gaugel	Ward 4
Rita Anne Payleitner	Ward 2	Maureen Lewis	Ward 5
Todd Bancroft	Ward 3	Ed Bessner	Ward 5

City Treasurer

Jo K. Krieger

City Clerk

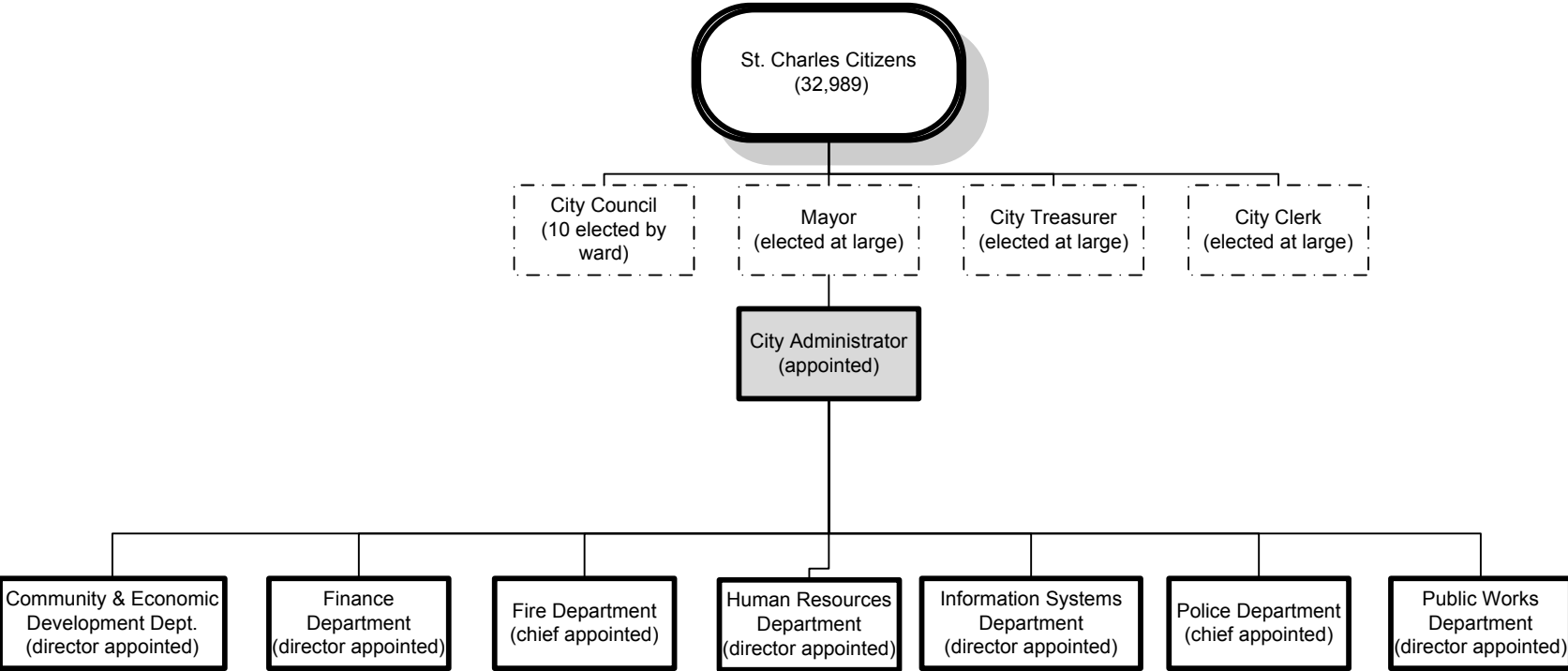
Charles Amenta

City Attorney

John McGuirk

Department Heads

Christopher A. Minick	<i>Director of Finance</i>
Peter Suhr	<i>Director of Public Works</i>
Rita Tungare	<i>Director of Community & Economic Development</i>
Joseph R. Schelstreet	<i>Fire Chief</i>
Larry Gunderson	<i>Director of Information Systems</i>
James Keegan	<i>Police Chief</i>
Jennifer McMahon	<i>Director of Human Resources</i>





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, 2017

Christopher P. Morill

Executive Director/CEO



RAYMOND P. ROGINA *Mayor*

MARK KOENEN, P.E. *City Administrator*

September 27, 2018

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, 2018 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, 2018 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.

Heritage. Community. Service. Opportunity.

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, 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 and City Council 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), 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 19-20 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. The City's unemployment rate at the end of FY 17-18 was 3.2% which compares favorably to Kane County and the State of Illinois rates which were 3.8% and 4.4%, respectively.

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 annual average of 2.99% since FY 10/11. Sales taxes have now well exceeded pre-2008 levels. In response to declining EAV's experienced during the economic downturn, the City Council directed that the amount of property tax levied be held constant at 2009 tax levy dollars. This approach was once again followed in the development of the FY 18-19 tax levy. After six straight years of declines in EAV, the last three years have seen modest increases in the EAV, including a 3.9% increase in the 2017 levy year. On July 1, 2017 the State of Illinois instituted a 10% reduction in Income tax allotments and began charging an administrative fee in the amount of 2% on home rule sales tax revenues. Both of these actions by the State had a negative impact on the City's income from these two revenue sources. While the administrative fee is a permanent charge, the 10% reduction in Local Government Distributive Fund (LGDF) disbursements was initially set to conclude after twelve months. However, the State of Illinois commenced a 5% reduction in Income tax allotments effective for an additional twelve months beginning July 1, 2018. The number one short-term goal included in the City's 5-year Strategic Plan is to develop a path to financial independence from State funding, as needed. The State's reduction in LGDF allotments underscores the need for this fiscal autonomy.

The City strives to actively promote and facilitate development of commercial assets which will have a positive effect on the local economy. There are a number of development and redevelopment projects underway, including:

Charlestowne Mall Redevelopment - Owners the Krausz Companies, Inc., are in the planning stages for a redevelopment of the underutilized property. Von Maur and Classic Cinemas will remain as commercial anchors in the project, along with recent additions, Cooper's Hawk Winery & Restaurant and Starbuck's Coffee. During the past year, renovations have been completed to modernize the theater.

A Concept Plan was presented proposing residential townhomes and multi-family rental units in the interior of the site, integrated with a repositioned retail center along the Main Street frontage. The new vision was well received by the community and discussions on the project continue.

Main Street Commons - The shopping center south of the Charlestowne Mall, at Main Street and Kirk Road, saw major anchor tenants open or prepare to open, bringing the center to near full occupancy. TJ Maxx, Ulta Beauty, Ross Dress for Less and Five Below joined existing anchors Steinmart and World Market.

First Street Development – Construction continues on Phase 3 of the mixed-use downtown redevelopment project, 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 and the 110-space public parking deck was completed in 2016. Building #3, which is under construction and will be completed in 2018, includes 30,000 square feet of office space (including the Illinois headquarters for Sterling Bank) and 13 residential condominium units. The City has approved plans for Building #2, the final building in the phase, which will include first floor retail/restaurant uses, second floor office use and 15 residential condominium units. Building 2 and the adjacent public plaza and Riverwalk will be completed in 2019.

Prairie Centre – Over the past year, the City completed the final review for site work and building construction at Prairie Centre, a mixed use development on the long vacant 27-acre former St. Charles Mall property near the northeast corner of the Rt. 38 and Randall Road intersection. This development will be a multi-year build out and will feature:

- 670 rental residential units, with some units in mixed use buildings with retail on the first floor
- Commercial outlots
- Up to 116,000 square feet of commercial/retail space

Prairie Centre is located in the City's Tax Increment Financing (TIF) District number 3. The future development of this parcel will provide additional tax increment revenue and should improve the financial performance of that TIF District if the development proceeds in a timely manner.

In summer 2018, construction began on two residential buildings with a total of 96 units. A 75-unit senior affordable building is expected to begin construction later in 2018.

Prairie Winds –Prairie Winds, a multi-family residential development north of Bricher Road and directly to the west of the St. Charles Lowe's store, began construction, and is now nearly built out, with completion anticipated in late 2018. The development consists of 250 apartment units and accompanying accessory uses, including an extensive club house, with a pool and fitness facility.

Commercial Corridor and Downtown Business Economic Incentive Award Program - Interest continues in the program, which provides 50/50 matching grant funding assistance for permanent upgrades for businesses (including plumbing, electric, HVAC, ADA Accessibility, etc.). During FY 17-18, over \$83,000 in grants were awarded under this program. The most

visible project was the extensive renovation of the Home Brew Shop building at West Main Street and 3rd Street in Downtown.

Other major construction projects approved, under construction or completed include:

- Silverado Memory Care, a 90-unit senior facility on the east side, completed in 2018.
- Ryder Truck Rental Office and Maintenance facility on Tyler Road, completed in 2018.
- Anthem Heights, a 78-unit single family residential subdivision in the Corporate Reserve development, under construction.
- Crystal Lofts, a 14-unit residential redevelopment of a former industrial building on Indiana Ave., currently under permit review.
- Two new early childhood/day care facilities on the west side: Primrose School and Everbrook Academy, both completed in 2018.
- Culver's Restaurant at Zyltra Center, completed in 2018.
- Major additions to existing industrial facilities, including Smithfield Foods and DuKane Corp., completed in 2018.
- Smith Road Estates, a proposed 16-lot residential annexation on the east side.
- New industrial buildings in the Legacy Business Park on the east side, including Savety Yellow and Doran Scales.

Major Initiatives

There were a number of major initiatives that began, continued or were completed during Fiscal 17-18, including:

- The Public Works Engineering Division continued work on the 7th Avenue Creek and 7th Avenue Creek Tributary project. The work completed included the purchase of properties, design engineering, and completion of an approved IEPA watershed plan.
- As part of the City's commitment to maintaining public roadway infrastructure, 2.63 miles of roadway was improved through the resurfacing and base reclamation of a variety of streets.
- Design concepts were developed and construction documents and specifications were prepared for the new Police facility. The City also purchased land located in the Valley Shopping Center to build the new facility. Site preparation work began in the spring of 2018 and construction activities will continue into 2019.
- The Fire Department took delivery of a new, state of the art Pierce Fire Engine. The engine is expected to serve the department for the next 20 years.
- The Environmental Services Division began construction of the Wastewater Phosphorus Removal and Digester Project. This project is mandated as part of the EPA discharge permit for the Main Wastewater Treatment Plant.
- Development of a new electric utility substation, Substation 9, located in the Legacy Industrial Park, continued. The substation will be constructed over a four year time frame and is expected to be completed in FY 18-19.

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 Independent Auditor's Report 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, 2017. This was the 32nd consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City satisfied both generally accepted accounting principles and applicable legal requirements.

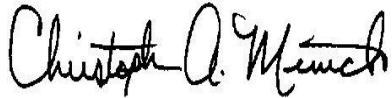
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Julie Herr, Assistant Finance Director
Colleen Lavery, 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,

A handwritten signature in black ink, reading "Christopher A. Minick". The signature is written in a cursive style with a large, stylized "C" at the beginning and a long, sweeping underline.

Christopher A. Minick
Finance Director

FINANCIAL SECTION

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

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, 2018, 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. 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, 2018, 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 described in Note 13, the City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources, and expenses for OPEB liabilities; modified certain disclosures in the notes to financial statements; and the required supplementary information. Our opinion is not modified with respect to these matters.

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 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 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, 2017, which are not presented with the accompanying financial statements. In our report dated October 4, 2017 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 2017 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 2017 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 2017 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 September 27, 2018, 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 the City's internal control over financial reporting and compliance.

Sikich LLP

Naperville, Illinois
September 27, 2018

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

City of St. Charles, Illinois

Management's Discussion and Analysis

April 30, 2018

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, 2018. 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.

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.

City of St. Charles, Illinois

Management's Discussion and Analysis (Continued)

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.

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 fund statements, like government-wide, provide both long and short-term financial information.

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

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

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.

Financial Analysis of the City as a Whole

Statement of Net Position

Over time, net position may serve as a useful indicator of a government's financial position. With respect to the City of St. Charles, assets exceeded liabilities by \$223.2 million as of April 30, 2018. 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, 2018 and 2017
(In Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Assets						
Current & Other Assets	\$86.4	\$68.2	\$39.7	\$30.5	\$126.1	\$98.7
Capital Assets	178.3	177.5	150.7	144.1	329.0	321.6
Total Assets	264.7	245.7	190.4	174.6	455.1	420.3
Deferred outflows of Resources	13.0	14.8	1.5	1.9	14.5	16.7
Total Assets and Deferred Outflows	277.7	260.5	191.9	176.5	469.6	437.0
Liabilities						
Current & Other Liabilities	9.0	6.6	8.2	6.9	17.2	13.5
Long-Term Liabilities	149.6	141.4	52.4	52.1	202.0	193.5
Total Liabilities	158.6	148.0	60.6	59.0	219.2	207.0
Deferred Inflows of Resources	24.0	17.1	3.2	0.1	27.2	17.2
Total Liabilities and Deferred Inflows	182.6	165.1	63.8	59.1	246.4	224.2
Net Position						
Net Investment in Capital Assets	117.7	117.7	103.1	102.3	220.8	220.0
Restricted	4.1	4.0	0.0	0.0	4.1	4.0
Unrestricted	(26.7)	(26.3)	25.0	15.1	(1.7)	(11.2)
Total Net Position	\$95.1	\$95.4	\$128.1	\$117.4	\$223.2	\$212.8

At \$220.8 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 is restricted net assets in the amount of \$4.1 million. These net assets

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

represent resources that are subject to restrictions, such as for Highways and Streets and Debt Service.

The City's combined net position increased by \$10.4 million from April 30, 2017 to April 30, 2018. This change is the result of a \$0.3 million decrease in the net position of governmental activities, offset by a \$10.7 million increase in the net position of business type activities. The change in the combined net position was positively impacted by the City's early implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This new financial reporting standard requires that the City record a liability for providing postemployment health care and life insurance (OPEB) benefits to retired employees. Under previous financial reporting standards, the City was only required to report its obligations for OPEB benefits as required supplementary information (i.e., the obligations did not affect the statement of net position). This change in accounting principle resulted in a \$2.8 million increase in the City's combined net position.

The \$0.3 million decline in net position of governmental activities is due to the issuance of debt and change in the City's net pension liability. The City issued \$19.8 million of debt to fund the new Police station and 7th Avenue Creek Improvements. At the end of the year, \$17.0 million of the bond proceeds were unspent which contributed to the rise in Current & Other Assets. However, the new debt increased Long-Term Liabilities and partially offset the growth in assets. Additions to the City's Net Pension Liability caused deferred inflows to rise which further equalized the increase in assets.

As noted previously, the net position of business-type activities increased by \$10.7 million and ended the year at \$128.1 million. The \$10.7 million growth was the result of increases in total Assets and Deferred Outflows of \$15.4 million, reduced by an increase in total Liabilities and Deferred Inflows of \$4.7 million. Both cash and investments and capital assets grew \$6.5 as a result of the net income generated by operations and the improvements made to water facilities and electrical distribution and transmission systems. Increases in accounts payable and the City's Net Pension Liability decreased the net position of business-type activities. Unrestricted net position, the amount available to finance the continuing operations of business-type activities, was \$25.0 million. Business-type activities include electric, water, sewer, and refuse utilities.

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, 2018
(In Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues						
Program Revenues						
Charges for Services	\$1.9	\$1.6	\$79.1	\$78.4	\$81.0	\$80.0
Operating Grants/Contributions	1.0	1.0	0.0	0.0	1.0	1.0
Capital Grants/Contributions	0.4	0.6	0.5	0.4	0.9	1.0
General Revenues						
Property Tax/Replacement Tax	14.0	14.1			14.0	14.1
Other Taxes	26.4	25.8			26.4	25.8
Other	3.3	3.4	1.7	0.6	5.0	4.0
Total Revenues	47.0	46.5	81.3	79.4	128.3	125.9
Expenses						
General Government	4.9	4.7			4.9	4.7
Public Health/Safety	27.2	24.9			27.2	24.9
Public Works	13.0	14.3			13.0	14.3
Comm. Develop	2.7	3.1			2.7	3.1
Interest	2.3	2.6			2.3	2.6
Electric			55.5	55.9	55.5	55.9
Water			5.8	5.3	5.8	5.3
Sewer			8.7	8.4	8.7	8.4
Refuse			0.6	0.8	0.6	0.8
Total Expenses	50.1	49.6	70.6	70.4	120.7	120.0
Excess Before Transfers	(3.1)	(3.1)	10.7	9.0	7.6	5.9
Transfers	0.5	0.3	(0.5)	(0.3)	0.0	0.0
Change in Net Position	(2.6)	(2.8)	10.2	8.7	7.6	5.9
Change in Accounting Principle	2.3	0.0	0.5	0.0	2.8	0.0
Ending Net Position	\$95.1	\$95.4	\$128.1	\$117.4	\$223.2	\$212.8

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

Governmental Activities

Revenues:

Total revenues increased \$0.5 million, from \$46.5 million to \$47.0 million. The primary contributor to this overall increase was other taxes within governmental activities general revenues. The largest component of this category is municipal sales and use tax which increased \$0.6 million, from \$18.0 million to \$18.6 million.

Expenses:

Total expenses of governmental activities increased \$0.5 million from \$49.6 million in FY 16-17 to \$50.1 million in FY 17-18. The \$50.1 million consists of actual expenditures for the general fund and other governmental funds (\$51.1 million), the amount of the assets capitalized subtracted out (\$5.2 million), the amount of depreciation added (\$5.0 million), less the net gain of the internal service funds (\$0.4 million), plus the change in the OPEB liability and Net Pension liability (\$3.2 million), less the change in long-term debt and compensated absences (\$4.2 million), and the change in payables to other governments added (\$0.6 million).

Business Type Activities

Revenues:

Total revenues from business-type activities grew to \$81.3 million, a total increase of \$1.9 million or 2.4% from the previous fiscal year. The growth in program revenues is primarily due to utility rate increases during FY 17-18. General revenues increased \$1.1 million because the electric, water and sewer funds realized significant growth in connection charges.

Expenses:

Operating expenses from all business-type activities increased by \$0.2 million from \$70.4 to \$70.6 million. Operating expenses in the Electric Fund decreased \$0.4 million as a result of a 2.0% reduction in the number of kilowatt hours purchased. The water, sewer and refuse funds operating expenditures grew a total of \$0.6 million. Additional contracted services caused this increase.

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 at the end of the fiscal year can be a useful measure of a government's net resources available for future spending. For the fiscal year ended April 30, 2018, the Governmental Funds reported a combined ending fund balance of \$50.1 million. This represents an increase of \$16.0 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 \$21.3 million, of which \$3.0 million is assigned for debt service and \$0.2 million to the FY 18-19 budget deficit. Total

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

fund balance was \$27.7 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 49.5 percent of the total General Fund expenditures, while total fund balance represents 64.2 percent of that same amount. Prior year unrestricted fund balance and total fund balance to total fund expenditures was 51.8 percent and 68.7 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, 2018, the level of Unassigned Fund Balance in the City's General Fund amounted to \$18.1 million which equates to a level of 42.0%. In FY 2017, the amounts were \$18.0 million and 44.4% respectively.

General Fund Budgetary Highlights
For the Fiscal Year Ended April 30, 2018

	Original Budget	Final Budget	Actual
Revenues and Other Financing Sources:			
Taxes	\$38,374,255	\$38,271,585	\$37,716,310
Licenses & Permits	550,876	550,876	735,823
Charges for Services	630,027	681,926	721,461
Illinois State Income Tax			
Allotments	3,546,146	3,267,161	2,990,144
Other	850,833	850,833	798,511
Transfers	0	0	0
Total	\$43,952,137	\$43,622,381	\$42,962,249
Expenditures/Transfers:			
General Government	\$3,560,159	\$3,573,140	\$3,249,589
Public Health/Safety	23,710,052	23,691,477	23,005,879
Public Works	8,185,859	8,618,099	7,410,096
Comm. Develop	2,677,113	2,772,889	2,589,739
Debt Service	4,586	4,586	4,586
Transfers	6,464,368	6,996,716	6,900,636
Total	\$44,602,137	\$45,656,907	\$43,160,525
Change in Fund Balance	(\$650,000)	(\$2,034,526)	(\$198,276)

The General Fund results were due to the combination of General Fund revenues being below expectations by \$660,132 while expenditures were less than the final amended budget by \$2,496,382.

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

General Fund Revenues – In total, actual taxes received were under budget by \$555,275. Franchise Fees, Municipal Sales and Use tax as well as Telecommunications Fee collections were below budgeted expectations by \$232,327, \$157,086 and \$128,049, respectively. Also, Income tax allotments were \$277,017 or 8.5% less than budget which is attributable to the 10% reduction in the disbursements received from the State of Illinois Local Government Distributive Fund. The State of Illinois instituted the 10% reduction in Income tax allotments after the completion of the City's budget for the fiscal year ended April 30, 2018. The State of Illinois also instituted an administrative fee in the amount of 2% of a portion of the City's sales tax revenues subsequent to the City's adoption of the fiscal 2018 budget. Reductions in the allocations of revenue from the State of Illinois as noted above were in excess of \$400,000 for the City's fiscal year. License and permits fees were \$184,947 greater than budget due mainly to building permit collections being \$147,247 over expectations. 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 attributable to timing differences in capital projects as well as actual contractual service expenditures being less than anticipated. In addition, personal services had a positive budget variance primarily due to positions that were budgeted, but vacated for a period of time during 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 are 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 overview of financial results during public Committee meetings.

Capital Assets

The City's total capital assets for its Governmental and Business-Type Activities as of April 30, 2018, amounts to \$329,002,602 (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 \$7,359,831 from the prior year.

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

Capital Assets
As of April 30, 2018

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land & Right of Way	\$62.9	\$60.1	\$2.3	\$2.3	\$65.2	\$62.4
Construction in Progress	1.5	0.3	11.0	8.4	12.5	8.7
Intangible Assets	4.3	3.7	0.6	0.6	4.9	4.3
Buildings and Improvements	52.2	52.2	66.0	61.8	118.2	114.0
Infrastructure	157.7	157.1	189.5	184.2	347.2	341.3
Machinery, Vehicles and Equipment	15.9	15.0	11.1	11.0	27.0	26.0
Accumulated Depreciation	(116.2)	(110.9)	(129.8)	(124.2)	(246.0)	(235.1)
Total:	\$178.3	\$177.5	\$150.7	\$144.1	\$329.0	\$321.6

Major capital asset events during FY 2017-2018 included the following:

- As part of the 7th Avenue Creek Rehabilitation Project, nine properties, with known flooding issues, were purchased in FY 17–18. The 7th Avenue Creek Rehabilitation Project will improve and reduce flooding issues along the 7th Avenue Creek and more specifically near the convergence of the 7th Avenue and North tributary creeks. This multi-year project encompasses culvert upsizing and replacement, repair and lining improvements to existing dual culverts, bank stabilization and property acquisition and demolition. Costs related to this project are estimated to be \$10.6 million and will be funded by the issuance of bonds and an anticipated grant from the IEPA.
- A comprehensive study of the current Police facility and operations was performed in FY 15–16. Based on the results of this study, a decision was made to build a new Police facility to be located on an alternative site. In FY 17–18, the City purchased land located in the Valley Shopping Center to build the new Police Facility and the design concepts were developed and construction documents and specifications prepared. Construction of the Police facility will begin in FY 18–19. The total cost of the project is estimated to be \$23 million.
- Construction of the Wastewater Phosphorus Removal and Digester was started in FY 17–18 and this project is being reported as Construction in Progress. Construction and engineering costs for this project are estimated to be \$14.8 million. 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.
- Development of a new electric utility substation, Substation 9, located in the Legacy Industrial Park, continued during FY 17-18. 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.

City of St. Charles, Illinois

Management's Discussion and Analysis (Continued)

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 \$134,782,140 (excluding compensated absences and net pension obligations). Of this amount, \$97,015,000 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 \$27,310,000 of the total debt outstanding. The City also has \$5,770,000 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 \$31,707,173 in IEPA loans and \$61,523 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 2020 in return for a piece of land. This land is the site for the City's third water tower which was completed in 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 property tax composition is primarily residential with smaller commercial and industrial components. Beginning in 2009, and for the next five years, the City's equalized assessed value (EAV) declined from year to year which resulted in a corresponding decrease in the taxable value of real estate in the community. Starting in 2015, the City's EAV has grown an average of 3.0% year after year. Throughout this nine year time frame the amount of the property tax levy has been frozen at 2009 tax levy dollars. For the 2017 tax levy, collected in FY 18-19, the City Council once again elected to keep the City's operating levy at \$12,055,117. Sales and use taxes continue to rebound from their recession low in FY 09-10. On average, sales and use taxes have risen approximately 3.3% every year since FY 09-10. The City anticipates modest growth to continue into FY 18-19. The City's income tax revenues declined from \$3,116,862 to \$2,990,144 or 4.1%. This decrease is attributable to a 10% reduction in income tax distributions from the State of Illinois beginning July 1, 2017.

The FY 17-18 General Fund budget anticipated utilizing previously accumulated reserves to offset an operating deficit of \$650,000. The General Fund's actual expenditures and transfers out total \$43.2 million for FY 17-18, compared with \$43.0 million in revenues. Current revenues are approximately \$1.0 million below and current expenditures are \$451,852 greater than FY 07-08 levels. As a result of the economic downturn and slowly paced economic recovery experienced during the past nine years, the City has reduced expenditures to match revenue streams. This was accomplished by deferring projects and reducing operating costs.

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

The FY 18-19 budget balances fiscal responsibility and citizen expectations. This budget defers needed capital expenditures, and requires the spend down of one-time savings, but allows for the provision of City services at current levels. Previously accumulated reserves will be used to offset the minor operating deficit budgeted for FY 18-19.

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 concurrence with the results of the rate study. Rates have been adjusted each year since the study was adopted. For FY 17-18, the changes to the rate structure have resulted in a positive Change in Net Position of \$7,669,508 in the Electric Fund and \$995,663 in the Water Fund. In FY 16-17 the City instituted a monthly EPA Compliance assessment which is recorded as revenue in the Sewer Fund. This assessment was initiated in response to the Illinois Environmental Protection Agency's mandate to lower the levels of phosphorus from the effluent of the wastewater that the City's treatment plant discharges into the Fox River. To comply with this mandate and to maintain existing sewerage systems, the City will need to fund upgrades to the wastewater treatment plant (the Wastewater Phosphorous Removal Project as referenced in the Fixed Assets Section above). Once the construction of the project is complete, the Illinois Environmental Protection Agency will finalize the related low interest loan and begin assessing the debt service charges related to the project. As a result of rate changes to both the EPA Compliance assessment and volumetric charges the Sewer Fund had a change in net position of \$1,586,039 in FY 17-18. 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. In addition, the City initiated a new rate study in FY 17-18 to determine if adjustments to the enterprise rate structures are necessary. The results of this study will be presented to City Council in FY 18-19.

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 2018-2019 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, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$61,557,819	\$26,874,923	\$88,432,742
Restricted Cash and Investments	-	2,177,913	2,177,913
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	14,169,799	35,000	14,204,799
Accounts Receivable	8,078	9,922,277	9,930,355
Accrued Interest on Investments	26,927	18,643	45,570
Notes Receivable	621,939	-	621,939
Miscellaneous	738,956	79,724	818,680
Prepaid Items	404,632	181,201	585,833
Internal Balances	(442,624)	442,624	-
Due from Other Governments	4,605,497	-	4,605,497
Inventory	4,680,777	-	4,680,777
Capital Assets Not Being Depreciated	66,080,810	13,215,164	79,295,974
Capital Assets (Net of Accumulated Depreciation)	112,270,002	137,436,626	249,706,628
Total Assets	264,722,612	190,384,095	455,106,707
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges on Refunding	2,776,265	170,613	2,946,878
Pension Items - IMRF	2,519,790	1,357,025	3,876,815
Pension Items - Pension Trust Funds	7,717,999	-	7,717,999
Total Deferred Outflows of Resources	13,014,054	1,527,638	14,541,692
Total Assets and Deferred Outflows of Resources	277,736,666	191,911,733	469,648,399
LIABILITIES			
Accounts Payable	2,747,967	6,397,705	9,145,672
Claims Payable	1,634,510	78,424	1,712,934
Contracts Payable	35,545	463,072	498,617
Accrued Salaries	516,214	118,938	635,152
Accrued Interest Payable	1,072,129	379,294	1,451,423
Escrows and Refundable Deposits	2,075,666	538,977	2,614,643
Due to Other Governments	63,784	-	63,784
Unearned Revenue	266,982	235,174	502,156
Long-Term Liabilities			
Due Within One Year	8,144,827	3,631,434	11,776,261
Due in More than One Year	142,051,104	48,785,664	190,836,768
Total Liabilities	158,608,728	60,628,682	219,237,410
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Property Taxes	14,169,799	35,000	14,204,799
Other Postemployment Benefits	42,904	7,347	50,251
Pension Items - IMRF	5,525,310	3,144,313	8,669,623
Pension Items - Pension Trust Funds	4,245,385	-	4,245,385
Total Deferred Inflows of Resources	23,983,398	3,186,660	27,170,058
Total Liabilities and Deferred Inflows of Resources	182,592,126	63,815,342	246,407,468
NET POSITION			
Net Investment in Capital Assets	117,679,418	103,088,527	220,767,945
Restricted			
Mental Health	12,319	-	12,319
Community Development	37,367	-	37,367
Highway and Street Maintenance	1,929,352	-	1,929,352
Fire Department	231,162	-	231,162
Debt Service	1,921,530	-	1,921,530
Unrestricted	(26,666,608)	25,007,864	(1,658,744)
TOTAL NET POSITION	\$95,144,540	\$128,096,391	\$223,240,931

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2018

<u>FUNCTIONS/PROGRAMS</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants & Contributions</u>	<u>Capital Grants & Contributions</u>
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 4,933,499	\$ 257,314	\$ -	\$ -
Public Health and Safety	27,170,802	900,658	118,725	-
Public Works	12,971,858	157,428	889,028	421,366
Community Development	2,724,288	623,747	-	-
Interest	2,336,514	-	-	-
Total Governmental Activities	50,136,961	1,939,147	1,007,753	421,366
Business-Type Activities				
Electric	55,488,175	62,895,933	-	-
Water	5,768,623	6,086,348	-	341,228
Sewer	8,704,920	9,608,568	-	136,983
Refuse	616,372	519,050	-	-
Total Business-Type Activities	70,578,090	79,109,899	-	478,211
TOTAL PRIMARY GOVERNMENT	\$ 120,715,051	\$ 81,049,046	\$ 1,007,753	\$ 899,577

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS
STATEMENT OF ACTIVITIES (Continued)
For the Year Ended April 30, 2018

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (4,676,185)	\$ -	\$ (4,676,185)
	(26,151,419)	-	(26,151,419)
	(11,504,036)	-	(11,504,036)
	(2,100,541)	-	(2,100,541)
	(2,336,514)	-	(2,336,514)
	(46,768,695)	-	(46,768,695)
	-	7,407,758	7,407,758
	-	658,953	658,953
	-	1,040,631	1,040,631
	-	(97,322)	(97,322)
	-	9,010,020	9,010,020
	(46,768,695)	9,010,020	(37,758,675)
General Revenues			
Taxes			
Property	13,866,958	-	13,866,958
Personal Property Replacement	85,334	-	85,334
Municipal Sales and Use	18,571,165	-	18,571,165
Franchise Fees	3,695,126	-	3,695,126
Liquor	1,211,935	-	1,211,935
Hotel Occupation	1,939,791	-	1,939,791
Telecommunications Fee	830,799	-	830,799
Other	170,875	-	170,875
State Income Tax	2,990,144	-	2,990,144
Investment Income	263,427	219,247	482,674
Connection Charges	-	1,207,603	1,207,603
Miscellaneous	58,858	255,926	314,784
Transfers In (Out)	453,016	(453,016)	-
Total	44,137,428	1,229,760	45,367,188
CHANGE IN NET POSITION	(2,631,267)	10,239,780	7,608,513
NET POSITION, MAY 1	95,393,340	117,440,085	212,833,425
Change in accounting principle	2,382,467	416,526	2,798,993
NET POSITION, MAY 1, RESTATED	97,775,807	117,856,611	215,632,418
NET POSITION, APRIL 30	\$ 95,144,540	\$ 128,096,391	\$ 223,240,931

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS

BALANCE SHEET

GOVERNMENTAL FUNDS

APRIL 30, 2018

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
ASSETS			
Cash and Investments	\$20,558,035	\$28,557,074	\$49,115,109
Receivables			
Property Taxes	12,461,883	1,707,916	14,169,799
Accounts Receivable	-	8,078	8,078
Accrued Interest on Investments	23,330	-	23,330
Notes Receivable, net	621,939	-	621,939
Miscellaneous, net	649,845	-	649,845
Prepaid Items	159,867	26,283	186,150
Due from Other Governments	4,503,517	101,980	4,605,497
Due from Other Funds	357,285	701,249	1,058,534
Advances to Other Funds	5,549,802	-	5,549,802
Total Assets	44,885,503	31,102,580	75,988,083
DEFERRED OUTFLOWS OF RESOURCES			
None	-	-	-
Total Deferred Outflows of Resources	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$44,885,503	\$31,102,580	\$75,988,083
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 1,192,359	\$ 1,373,886	\$ 2,566,245
Contracts Payable	-	35,545	35,545
Accrued Salaries	496,471	-	496,471
Escrows and Refundable Deposits	2,075,666	-	2,075,666
Due to Other Governments	-	63,784	63,784
Due to Other Funds	701,249	357,285	1,058,534
Advances From Other Funds	-	5,137,373	5,137,373
Unearned Revenue	266,982	-	266,982
Total Liabilities	4,732,727	6,967,873	11,700,600
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Property Tax	12,461,883	1,707,916	14,169,799
Total Deferred Inflows of Resources	12,461,883	1,707,916	14,169,799
Total Liabilities and Deferred Inflows of Resources	17,194,610	8,675,789	25,870,399

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS

BALANCE SHEET (Continued)

GOVERNMENTAL FUNDS

APRIL 30, 2018

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
FUND BALANCES			
Nonspendable			
Prepaid Items	\$ 159,867	\$ 26,283	\$ 186,150
Notes Receivable	621,939	-	621,939
Advances to Other Funds	5,549,802	-	5,549,802
Restricted			
Mental Health	12,319	-	12,319
Capital Outlay	-	18,299,673	18,299,673
Community Development	-	37,367	37,367
Highway and Street Maintenance	-	1,929,352	1,929,352
Fire Department	-	231,162	231,162
Debt Service	-	1,921,530	1,921,530
Assigned			
Capital Improvement Projects	-	3,148,777	3,148,777
Debt Service	3,000,000	-	3,000,000
Subsequent Year's Budget	212,500	-	212,500
Unassigned			
General Fund	18,134,466	-	18,134,466
Special Revenue Funds (Deficit)	-	(3,167,353)	(3,167,353)
Total Fund Balances	<u>27,690,893</u>	<u>22,426,791</u>	<u>50,117,684</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	 <u>\$44,885,503</u>	 <u>\$31,102,580</u>	 <u>\$75,988,083</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, 2018

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 50,117,684
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	172,436,938
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	(85,863,835)
Compensated Absences Payable	(3,520,387)
Interest Payable	(1,072,129)
Other Postemployment Benefits	(2,889,034)
Due to Other Governments	(568,144)
Premiums or discounts on long-term liabilities and gains and losses on debt refundings are capitalized and amortized at the government-wide level	
Premiums	(5,123,752)
Discounts	15,814
Loss on Refundings	2,776,265
Differences between expected and actual experiences and assumption changes for Other Postemployment Benefits are recognized as deferred outflows and inflows of resources on the statement of net position	(42,320)
Net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position	(2,436,482)
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 and inflows of resources on the statement of net position	(3,005,521)
Net pension liability for the Pension Trust Funds is shown as a liability on the statement of net position	(49,687,829)
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 and inflows of resources on the statement of net position	3,472,614
The net position of the internal service funds are included in the governmental activities in the statement of net assets	<u>20,534,658</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 95,144,540</u>

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended April 30, 2018

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Property Taxes	\$12,389,899	\$ 1,477,059	\$13,866,958
Personal Property Replacement Taxes	85,334	-	85,334
Municipal Sales and Use Taxes	17,506,878	1,064,287	18,571,165
Franchise Fees	3,695,126	-	3,695,126
Liquor Tax	1,211,935	-	1,211,935
Hotel Occupations Tax	1,939,791	-	1,939,791
Telecommunications Fee	830,799	-	830,799
Other Taxes	56,548	114,327	170,875
Licenses and Permits	735,823	-	735,823
Fines and Court Fees	475,527	-	475,527
Grants	95,629	158,985	254,614
Illinois State Income Tax Allotments	2,990,144	-	2,990,144
Motor Fuel Tax Allotments	-	876,028	876,028
Charges for Current Services	721,461	-	721,461
Investment Income	162,160	101,267	263,427
Contributions	-	108,230	108,230
Miscellaneous	65,195	-	65,195
Total Revenues	42,962,249	3,900,183	46,862,432
EXPENDITURES			
Current-			
General Government	3,249,589	4,273	3,253,862
Public Health and Safety	23,005,879	270,868	23,276,747
Public Works	7,410,096	1,099,387	8,509,483
Community Development	2,589,739	34,612	2,624,351
Debt Service-			
Principal	4,586	4,300,192	4,304,778
Interest and Fiscal Charges	-	2,830,163	2,830,163
Capital Outlay	-	6,353,372	6,353,372
Total Expenditures	36,259,889	14,892,867	51,152,756
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,702,360	(10,992,684)	(4,290,324)
OTHER FINANCING SOURCES (USES)			
Issuance of Bonds	-	18,640,000	18,640,000
Premium on Bonds	-	1,208,784	1,208,784
Transfers In	-	11,853,317	11,853,317
Transfers (Out)	(6,900,636)	(4,499,665)	(11,400,301)
Total Other Financing Sources (Uses)	(6,900,636)	27,202,436	20,301,800
NET CHANGE IN FUND BALANCES	(198,276)	16,209,752	16,011,476
FUND BALANCES, MAY 1	27,889,169	6,217,039	34,106,208
FUND BALANCES, APRIL 30	\$27,690,893	\$22,426,791	\$50,117,684

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, 2018

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 16,011,476
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	5,219,902
Contributions of capital assets are reported only in the statement of activities	298,477
Assumption of long-term debt from other funds is reported only in the statement of activities	(108,230)
The issuance of long-term debt and related costs are shown on the fund financial statements as other financing sources (uses) and current expenditures, but are recorded as long-term liabilities and deferred outflows of resources on the government-wide statements	
Issuance of bonds	(18,640,000)
Premium on issuance of bonds	(1,208,784)
The repayment of the principal portion long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	4,304,778
The change in accrued interest payable is reported as interest expense on the statement of activities	136,246
The change in compensated absences is an increase of expenses on the statement of activities	(128,534)
The change in other postemployment benefit payable is reported as an expense on the statement of activities	(62,062)
The change in the deferred inflows and outflows of resources for post employment benefits is reported only in the statement of activities	(42,320)
The change in the net pension liability for the Illinois Municipal Retirement Fund is reported only in the statement of activities	5,678,423
The change in the deferred inflows and outflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities	(6,000,548)
The change in the net pension liability for the Pension Trust Funds is reported only in the statement of activities	(800,920)
The change in the deferred inflows and outflows of resources for the Pension Trust Funds is reported only in the statement of activities	(1,968,814)
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	(4,998,259)
Amortization of bond premiums or discounts	357,402
Amortization of gain or loss on refunding	(476,049)
The change in payable to other governments is an increase of expenses on the statement of activities	(568,144)
The change in net position of internal service funds is reported with governmental activities	<u>364,693</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (2,631,267)</u></u>

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

APRIL 30, 2018

	Business-Type Activities					Governmental
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Fund (Refuse)	Total	Internal Service Funds
CURRENT ASSETS						
Cash and Investments	\$15,363,015	\$ 5,240,787	\$ 5,905,219	\$ 365,902	\$ 26,874,923	\$ 12,442,710
Restricted Cash and Investments	603,539	1,006,424	567,950	-	2,177,913	-
Receivables-						
Property Tax	35,000	-	-	-	35,000	-
Billed	1,463,253	205,917	3,056,786	37,527	4,763,483	-
Unbilled	4,128,509	366,555	671,778	31,710	5,198,552	-
Allowance for Doubtful Accounts	(33,758)	(2,000)	(3,000)	(1,000)	(39,758)	-
Accrued Interest on Investments	2,783	11,440	4,420	-	18,643	3,597
Miscellaneous, net	77,207	2,517	-	-	79,724	89,111
Prepaid Items	92,921	34,753	53,527	-	181,201	218,482
Due From Other Funds	701,000	-	-	-	701,000	-
Inventory	-	-	-	-	-	4,680,777
Total Current Assets	22,433,469	6,866,393	10,256,680	434,139	39,990,681	17,434,677
NONCURRENT ASSETS						
Advance To Other Funds	801,624	-	-	-	801,624	647,570
Capital Assets						
Capital Assets Not Being Depreciated	5,867,152	1,059,412	6,288,600	-	13,215,164	-
Capital Assets Being Depreciated	121,981,153	55,250,594	90,015,460	-	267,247,207	12,103,609
Accumulated Depreciation	(58,236,421)	(24,490,098)	(47,084,062)	-	(129,810,581)	(6,189,734)
Net Capital Assets	69,611,884	31,819,908	49,219,998	-	150,651,790	5,913,875
Total Assets	92,846,977	38,686,301	59,476,678	434,139	191,444,095	23,996,122
DEFERRED OUTFLOWS OF RESOURCES						
Unamortized Loss on Refunding	149,127	58,396	-	-	207,523	-
Pension Items - IMRF	715,644	257,904	383,477	-	1,357,025	-
Total Deferred Outflows of Resources	864,771	316,300	383,477	-	1,564,548	-
Total Assets and Deferred Outflows of Resources	93,711,748	39,002,601	59,860,155	434,139	193,008,643	23,996,122
CURRENT LIABILITIES						
Accounts Payable	3,497,456	718,552	2,156,038	25,659	6,397,705	181,722
Claims Payable	77,996	-	428	-	78,424	1,634,510
Contracts Payable	-	-	463,072	-	463,072	-
Accrued Salaries	61,925	26,141	30,872	-	118,938	19,743
Accrued Interest Payable	141,201	93,021	145,072	-	379,294	-
Escrows and Customer Deposits	341,746	37,085	160,146	-	538,977	-
Due to Other Funds	-	-	-	-	-	701,000
Unearned Revenue	235,174	-	-	-	235,174	-
Accrued Compensated Absences	251,065	77,093	107,557	-	435,715	82,434
Due to Other Governments	-	114,222	-	-	114,222	-
General Obligation Bonds Payable	531,753	239,706	216,121	-	987,580	-
IEPA Loan Payable	-	591,803	1,502,114	-	2,093,917	-
Total Current Liabilities	5,138,316	1,897,623	4,781,420	25,659	11,843,018	2,619,409
LONG-TERM LIABILITIES						
Due to Other Governments	-	114,222	-	-	114,222	-
Total OPEB Liability	176,151	191,186	134,201	-	501,538	39,847
IMRF Net Pension Liability	724,533	244,264	370,815	-	1,339,612	-
General Obligation Bonds Payable	9,607,777	4,175,348	3,433,912	-	17,217,037	-
IEPA Loan Payable	-	9,845,600	19,767,655	-	29,613,255	-
Advances from Other Funds	623,167	129,990	306,843	-	1,060,000	801,624
Total Long-Term Liabilities	11,131,628	14,700,610	24,013,426	-	49,845,664	841,471
Total Liabilities	16,269,944	16,598,233	28,794,846	25,659	61,688,682	3,460,880
DEFERRED INFLOWS OF RESOURCES						
Deferred Revenue - Property Tax	35,000	-	-	-	35,000	-
Unamortized Gain on Refunding	-	-	36,910	-	36,910	-
Other Postemployment Benefits	2,580	2,801	1,966	-	7,347	584
Pension Items - IMRF	1,629,939	613,089	901,285	-	3,144,313	-
Total Deferred Inflows of Resources	1,667,519	615,890	940,161	-	3,223,570	584
Total Liabilities and Deferred Inflows of Resources	17,937,463	17,214,123	29,735,007	25,659	64,912,252	3,461,464
NET POSITION						
Net Investment in Capital Assets	60,225,020	18,032,271	24,831,236	-	103,088,527	5,913,875
Unrestricted	15,549,265	3,756,207	5,293,912	408,480	25,007,864	14,620,783
TOTAL NET POSITION	\$75,774,285	\$21,788,478	\$30,125,148	\$ 408,480	\$128,096,391	\$20,534,658

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, 2018

	Business-Type Activities					Governmental Activities
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Fund (Refuse)	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES						
Charges for Services, net	\$61,835,798	\$6,062,171	\$9,551,128	\$ 519,050	\$77,968,147	\$1,472,920
Insurance Premiums	-	-	-	-	-	5,249,473
Rental Income	-	-	-	-	-	1,187,742
Sale of Inventory	-	-	-	-	-	3,001,631
Miscellaneous Revenues	1,060,135	24,177	57,440	-	1,141,752	1,129,765
Total Operating Revenues	62,895,933	6,086,348	9,608,568	519,050	79,109,899	12,041,531
OPERATING EXPENSES						
Personnel Services	2,263,476	1,450,388	1,979,982	-	5,693,846	1,071,359
Materials and Supplies	267,644	537,055	282,097	5,510	1,092,306	-
Other Services and Charges	49,110,491	2,244,277	3,901,442	628,020	55,884,230	9,995,740
Depreciation	3,588,607	1,282,379	2,083,144	-	6,954,130	744,931
Total Operating Expenses	55,230,218	5,514,099	8,246,665	633,530	69,624,512	11,812,030
OPERATING INCOME (LOSS)	7,665,715	572,249	1,361,903	(114,480)	9,485,387	229,501
NON-OPERATING REVENUES (EXPENSES)						
Gain on Sale of Property	61,149	64,389	-	17,158	142,696	26,293
Pole Rental	54,985	-	-	-	54,985	-
Investment Income	156,553	28,155	32,405	2,134	219,247	108,899
Connection Charges	86,280	369,194	752,129	-	1,207,603	-
Rental Income	15,000	77,761	-	6,600	99,361	-
Interest Expense	(319,106)	(318,913)	(458,255)	-	(1,096,274)	-
Other Income	98,624	(2,804)	5,602	158	101,580	-
Non-Operative Revenues (Expenses), Net	153,485	217,782	331,881	26,050	729,198	135,192
NET INCOME (LOSS) BEFORE TRANSFERS						
CAPITAL GRANTS & CONTRIBUTIONS	7,819,200	790,031	1,693,784	(88,430)	10,214,585	364,693
TRANSFERS						
Transfers In	235,538	-	-	80,000	315,538	-
Transfers (Out)	(385,230)	(135,596)	(247,728)	-	(768,554)	-
Total Transfers	(149,692)	(135,596)	(247,728)	80,000	(453,016)	-
CAPITAL GRANTS & CONTRIBUTIONS	-	341,228	136,983	-	478,211	-
CHANGE IN NET POSITION	7,669,508	995,663	1,583,039	(8,430)	10,239,780	364,693
NET POSITION, MAY 1	67,960,939	20,688,551	28,373,685	416,910	117,440,085	19,989,928
Change in accounting principle	143,838	104,264	168,424	-	416,526	180,037
NET POSITION, MAY 1, RESTATED	68,104,777	20,792,815	28,542,109	416,910	117,856,611	20,169,965
NET POSITION, APRIL 30	\$75,774,285	\$21,788,478	\$30,125,148	\$ 408,480	\$128,096,391	\$20,534,658

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended April 30, 2018

	Business-Type Activities				Governmental Activities	
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Funds (Refuse)	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers and Users	\$ 60,409,982	\$ 5,948,824	\$ 7,262,466	\$ 517,415	\$ 74,138,687	\$ -
Receipts from Interfund Users	1,865,562	118,970	161,587	-	2,146,119	10,781,489
Receipts from Miscellaneous Revenues	1,227,597	524,451	42,434	6,758	1,801,240	1,314,256
Payments to Suppliers	(47,660,494)	(1,745,480)	(2,601,673)	(561,015)	(52,568,662)	(9,960,015)
Payments to Employees	(2,274,523)	(1,432,823)	(2,051,974)	-	(5,759,320)	(1,020,397)
Payments to Other Funds	(2,342,543)	(1,040,397)	(1,531,617)	(69,744)	(4,984,301)	(759,543)
Net Cash from Operating Activities	11,225,581	2,373,545	1,281,223	(106,586)	14,773,763	355,790
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Advances Received from (Paid to) Other Funds	(753,976)	(23,913)	(56,447)	-	(834,336)	(8,234)
Connection Charges	86,280	369,194	752,129	-	1,207,603	-
Intergovernmental	-	144,660	-	-	144,660	-
Property Taxes	35,000	-	-	-	35,000	-
Transfers In	235,538	-	-	80,000	315,538	-
Transfers (Out)	(385,230)	(135,596)	(247,728)	-	(768,554)	-
Net Cash from Noncapital Financing Activities	(782,388)	354,345	447,954	80,000	99,911	(8,234)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital Assets Purchased	(6,973,276)	(1,497,092)	(2,769,806)	-	(11,240,174)	(501,604)
Proceeds on Sale of Capital Assets	79,149	64,389	-	17,157	160,695	51,052
Proceeds of Long-Term Debt	708,026	506,308	5,952,217	-	7,166,551	-
Principal Payments on Long-Term Debt	(856,243)	(905,789)	(1,661,702)	-	(3,423,734)	-
Interest Payments on Long-Term Debt	(403,476)	(354,220)	(500,620)	-	(1,258,316)	-
Net Cash from Capital and Related Financing Activities	(7,445,820)	(2,186,404)	1,020,089	17,157	(8,594,978)	(450,552)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of Investment Securities	(2,015,602)	(1,385,760)	(1,452,174)	-	(4,853,536)	(2,877,969)
Proceeds from Sale and Maturities of Investment Securities	281,699	260,827	20,896	-	563,422	1,006,455
Interest Received	153,770	25,881	32,405	2,134	214,190	110,519
Net Cash from Investing Activities	(1,580,133)	(1,099,052)	(1,398,873)	2,134	(4,075,924)	(1,760,995)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,417,240	(557,566)	1,350,393	(7,295)	2,202,772	(1,863,991)
CASH AND CASH EQUIVALENTS, MAY 1	2,476,914	1,696,042	1,520,023	373,197	6,066,176	4,037,264
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 3,894,154	\$ 1,138,476	\$ 2,870,416	\$ 365,902	\$ 8,268,948	\$ 2,173,273

See accompanying notes to financial statements.

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

PROPRIETARY FUNDS

For the Year Ended April 30, 2018

	Business-Type Activities					Governmental Activities
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Funds (Refuse)	Total	Internal Service Funds
CASH AND INVESTMENTS						
Cash and Cash Equivalents	\$ 3,894,154	\$ 1,138,476	\$ 2,870,416	\$ 365,902	\$ 8,268,948	\$ 2,173,273
Investments	11,468,861	4,102,311	3,034,803	-	18,605,975	10,269,437
Restricted cash and investments	603,539	1,006,424	567,950	-	2,177,913	-
TOTAL CASH AND INVESTMENTS	\$ 15,966,554	\$ 6,247,211	\$ 6,473,169	\$ 365,902	\$ 29,052,836	\$ 12,442,710
NONCASH TRANSACTIONS						
Contributions of Capital Assets	\$ -	\$ 196,568	\$ 136,983	\$ -	\$ 333,551	\$ -
Capital assets purchased in accounts payable	-	-	2,011,983	-	2,011,983	-
Decrease in IEPA Loans Receivable	-	-	-	-	-	-
TOTAL NONCASH TRANSACTIONS	\$ -	\$ 196,568	\$ 2,148,966	\$ -	\$ 2,345,534	\$ -
CASH FLOWS FROM OPERATING ACTIVITIES						
Operating Income (Loss)	\$ 7,665,715	\$ 572,249	\$ 1,361,903	\$ (114,480)	\$ 9,485,387	\$ 229,501
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities						
Depreciation	3,588,607	1,282,379	2,083,144	-	6,954,130	744,931
Other Non-Operating Revenues	133,608	74,958	1,503	6,758	216,827	-
Changes in Assets and Liabilities						
Receivables	323,881	438,180	(2,144,405)	(1,634)	(1,383,978)	41,276
Inventory	-	-	-	-	-	(989,375)
Prepays	(10,424)	(3,527)	5,667	-	(8,284)	3,832
Deferred Outflows of Resources -						
Pension Items - IMRF	185,362	69,733	102,483	-	357,578	-
Accounts and Claims Payable	(643,956)	(38,981)	(52,295)	2,770	(732,462)	336,554
Contracts Payable	(48,701)	-	-	-	(48,701)	-
Accrued Salaries	11,494	6,949	1,649	-	20,092	4,891
Accrued Compensated Absences	(51,173)	6,400	(37,147)	-	(81,920)	(17,261)
Net Pension Liability - IMRF	(1,666,577)	(626,961)	(921,424)	-	(3,214,962)	-
Total OPEB Liability	3,784	4,107	2,883	-	10,774	857
Deferred Inflows of Resources						
Pension Items - IMRF	1,581,662	595,016	874,475	-	3,051,153	-
OPEB	2,580	2,801	1,966	-	7,347	584
Deferred Revenue	138,937	-	-	-	138,937	-
Customer Deposits	10,782	(9,758)	821	-	1,845	-
NET CASH FROM OPERATING ACTIVITIES	\$ 11,225,581	\$ 2,373,545	\$ 1,281,223	\$ (106,586)	\$ 14,773,763	\$ 355,790

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS

STATEMENT OF NET POSITION

FIDUCIARY FUNDS

April 30, 2018

	Pension Trust Funds	Agency Funds
	<hr/>	<hr/>
ASSETS		
Cash and Short-Term Investments	\$1,692,819	\$3,431,136
Investments, at Fair Value		
Certificates of Deposit	1,268,496	-
U.S. Treasury and U.S. Agency Securities	12,538,359	-
Corporate Bonds	9,122,788	-
Mutual Funds	28,511,145	-
Equity Securities	19,032,166	-
Receivables		
Accounts Receivable	-	786,173
Accrued Interest on Investments	134,120	-
Prepaid Items	45,736	-
TOTAL ASSETS	<hr/> 72,345,629 <hr/>	<hr/> \$4,217,309 <hr/>
 LIABILITIES		
Accounts Payable	1,140	\$ 120,702
Due to Other Governments	-	3,707,296
Due to Bondholders	-	389,311
TOTAL LIABILITIES	<hr/> 1,140 <hr/>	<hr/> \$4,217,309 <hr/>
 NET POSITION RESTRICTED FOR PENSION BENEFITS	 <hr/> \$72,344,489 <hr/>	

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, 2018

ADDITIONS

Contributions -	
Employer	\$4,030,753
Employee	1,008,823
Total Contributions	<u>5,039,576</u>
Investment Income -	
Net Appreciation in the	
Fair Value of Investments	2,076,475
Interest	2,122,228
Total Investment Income	<u>4,198,703</u>
Less Investment Expense	<u>(313,027)</u>
Net Investment Income	<u>3,885,676</u>
Total Additions	<u>8,925,252</u>
DEDUCTIONS	
Pension Benefits	4,361,690
Miscellaneous	33,131
Total Deductions	<u>4,394,821</u>
NET INCREASE (DECREASE)	4,530,431
NET POSITION RESTRICTED	
FOR PENSION BENEFITS	
May 1	<u>67,814,058</u>
April 30	<u><u>\$72,344,489</u></u>

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2018

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 the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Inventories

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

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items 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 acquisition 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	3-40

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Compensated Absences

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

K. Long-Term Obligations

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

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

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Fund Balance/Net Position (Continued)

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

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any 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 GAAP 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, The Illinois Funds 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.

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than market value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

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

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

2. DEPOSITS AND INVESTMENTS (Continued)

A. City Investments (Continued)

Deposits with Financial Institutions

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

Investments

The following table presents the investments and maturities of the City's debt securities as of April 30, 2018:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Agency Obligations	\$ 5,596,653	\$ 499,775	\$ 4,136,288	\$ 960,590	\$ -
State and Municipal Obligations	1,626,489	866,063	760,426	-	-
IMET 1 to 3 Years	6,291,685	-	6,291,685	-	-
TOTAL	\$ 13,514,827	\$ 1,365,838	\$ 11,188,399	\$ 960,590	\$ -

The City has the following recurring fair value measurements as of April 30, 2018: the U.S. agency obligations and the state and municipal obligations are valued using quoted matrix pricing models (Level 2 inputs). The IMET 1 to 3 Year Fund, a mutual fund, is measured based on the net asset value of the shares in IMET, which is based on the fair value of the underlying investments in the mutual fund (Level 3 input).

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 U.S. 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. IMET and The Illinois Funds are rated Aaam.

2. DEPOSITS AND INVESTMENTS (Continued)

A. City Investments (Continued)

Investments (Continued)

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

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

B. Police Pension Investments

The Police Pension Fund's (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 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 The 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.

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

2. DEPOSITS AND INVESTMENTS (Continued)

B. Police 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, 2018 are covered by federal depository insurance.

The following table presents the investments and maturities of the Fund's debt securities as of April 30, 2018:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury Obligations	\$ 2,960,137	\$ 328,763	\$ 1,489,222	\$ 796,283	\$ 345,869
U.S. Agency Obligations	2,436,158	-	748,717	464,465	1,222,976
Corporate Bonds	4,679,521	275,528	2,037,484	2,110,549	255,960
Negotiable Certificates of Deposit	406,652	-	406,652	-	-
TOTAL	\$ 10,482,468	\$ 604,291	\$ 4,682,075	\$ 3,371,297	\$ 1,824,805

Investments

The Fund has the following recurring fair value measurements as of April 30, 2018: the U.S. Treasury obligations, mutual funds and equity securities are valued using quoted prices in active markets for identical assets (Level 1 inputs). The negotiable certificates of deposits, U.S. agency obligations and the corporate bonds are valued using quoted matrix pricing models (Level 2 inputs).

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 negotiable certificates of deposit are not rated.

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

There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Fund's investments.

2. DEPOSITS AND INVESTMENTS (Continued)

B. Police Pension Investments (Continued)

Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the 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 The 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.

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, 2018 are covered by federal depository insurance.

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

2. DEPOSITS AND INVESTMENTS (Continued)

C. Firefighters' Pension Investments (Continued)

Investments

The following table presents the investments and maturities of the Fund's debt securities as of April 30, 2018:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury Obligations	\$ 3,398,448	\$ -	\$ 2,023,373	\$ 1,375,075	\$ -
U.S. Agency Obligations	3,743,616	-	1,246,250	905,754	1,591,612
Corporate Bonds	4,443,267	229,924	2,592,147	1,579,400	41,796
Negotiable Certificates of Deposit	861,844	-	861,844	-	-
TOTAL	\$ 12,447,175	\$ 229,924	\$ 6,723,614	\$ 3,860,229	\$ 1,633,408

The Fund has the following recurring fair value measurements as of April 30, 2018: the U.S. Treasury obligations, mutual funds and equity securities are valued using quoted prices in active markets for identical assets (Level 1 inputs). The negotiable certificates of deposits, U.S. agency obligations and the corporate bonds are valued using quoted matrix pricing models (Level 2 inputs).

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+. The negotiable certificates of deposit are not rated.

There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Fund's investments.

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 2017 levy year attach as an enforceable lien on January 1, 2017, 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, 2018 and August 1, 2018, and are payable in two installments, on or about June 1, 2018 and September 1, 2018. The Counties collect such taxes and remits them periodically.

The 2017 taxes are intended to finance the 2019 fiscal year and are not considered available or earned for current operations and are, therefore, shown as deferred revenue. The 2018 tax levy has not been recorded as a receivable at April 30, 2018, as the tax attached as a lien on property as of January 1, 2018; however, the tax will not be levied until December 2018 and, accordingly, is not measurable at April 30, 2018.

4. DUE FROM OTHER GOVERNMENTS

Due from other governments consisted of the following amounts at April 30, 2018:

GOVERNMENTAL ACTIVITIES

Sales Tax	\$ 2,741,071
Home Rule Sales Tax	1,338,002
Income Tax	-
Local Use Tax	210,680
Auto Rental	14,166
Motor Fuel Tax	75,486
Charitable games tax	885
Video gaming tax	26,496
Simplified Telecommunications Tax	<u>198,711</u>

TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 4,605,497</u>
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5. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2018 is as follows:

	Balances May 1	Increases	Decreases	Balances April 30
GOVERNMENTAL ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 19,089,919	\$ 2,799,831	\$ -	\$ 21,889,750
Land Right of Ways	41,026,148	-	-	41,026,148
Construction in Progress	331,393	1,467,498	282,531	1,516,360
Works of Art	-	46,714	-	46,714
Intangible Assets	969,831	632,007	-	1,601,838
Total Capital Assets not Being Depreciated	<u>61,417,291</u>	<u>4,946,050</u>	<u>282,531</u>	<u>66,080,810</u>

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

5. CAPITAL ASSETS (Continued)

	Balances May 1	Increases	Decreases	Balances April 30
GOVERNMENTAL ACTIVITIES (Continued)				
Capital Assets Being Depreciated				
Buildings	\$ 52,206,773	\$ -	\$ -	\$ 52,206,773
Improvements Other Than Buildings	16,873,213	282,529	-	17,155,742
Equipment and Fixtures	14,979,887	1,105,872	242,696	15,843,063
Streets	68,866,949	328,599	251,866	68,943,682
Traffic Signals	1,101,431	-	-	1,101,431
Storm Sewers	36,776,653	251,762	-	37,028,415
Bridges	31,867,718	-	8,034	31,859,684
Culverts	1,599,906	-	-	1,599,906
Intangible Assets	2,718,550	-	-	2,718,550
Total Capital Assets Being Depreciated	226,991,080	1,968,762	502,596	228,457,246
Less Accumulated Depreciation for				
Buildings	19,109,311	1,444,091	-	20,553,402
Improvements Other Than Buildings	5,790,894	775,530	-	6,566,424
Equipment and Fixtures	7,523,997	846,650	217,936	8,152,711
Streets	46,421,727	1,166,753	251,866	47,336,614
Traffic Signals	77,871	16,945	-	94,816
Storm Sewers	25,098,666	656,790	-	25,755,456
Bridges	3,983,640	635,830	-	4,619,470
Culverts	1,401,577	11,518	-	1,413,095
Intangible Assets	1,506,174	189,082	-	1,695,256
Total Accumulated Depreciation	110,913,857	5,743,189	469,802	116,187,244
Total Capital Assets Being Depreciated, Net	116,077,223	(3,774,427)	32,794	112,270,002
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 177,494,514</u>	<u>\$ 1,171,623</u>	<u>\$ 315,325</u>	<u>\$ 178,350,812</u>
BUSINESS-TYPE ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 2,162,294	\$ -	\$ -	\$ 2,162,294
Intangibles	87,777	-	-	87,777
Construction in Progress	8,431,040	9,545,265	7,011,212	10,965,093
Total Capital Assets not Being Depreciated	10,681,111	9,545,265	7,011,212	13,215,164
Capital Assets Being Depreciated				
Electric Property	117,608,372	5,543,250	1,170,468	121,981,154
Water and Sewer Plant and Equipment	139,913,944	5,380,361	28,252	145,266,053
Total Capital Assets Being Depreciated	257,522,316	10,923,611	1,198,720	267,247,207
Less Accumulated Depreciation for				
Electric Property	55,818,282	3,588,608	1,170,468	58,236,422
Water and Sewer Plant and Equipment	68,236,888	3,365,523	28,252	71,574,159
Total Accumulated Depreciation	124,055,170	6,954,131	1,198,720	129,810,581
Total Capital Assets Being Depreciated, Net	133,467,146	3,969,480	-	137,436,626
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 144,148,257</u>	<u>\$ 13,514,745</u>	<u>\$ 7,011,212</u>	<u>\$ 150,651,790</u>

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

5. CAPITAL ASSETS (Continued)

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

GOVERNMENTAL ACTIVITIES

General Government	\$ 399,175
Public Health and Safety	697,178
Public Works, Including Depreciation of General Infrastructure Assets	4,634,495
Community Development	<u>12,341</u>

**TOTAL DEPRECIATION EXPENSE -
GOVERNMENTAL ACTIVITIES**

\$ 5,743,189

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
\$10,810,000 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	\$ 125,000	\$ -	\$ 125,000	\$ -	\$ -
\$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	85,000	-	85,000	-	-
\$13,440,000 General Obligation Bonds of 2008C, annual installments of \$465,000 to \$775,000, interest at 3.60% to 5.40% payable each July 1 and January 1.	Electric	253,119	-	124,670	128,449	128,449
	Debt Service	1,086,881	-	535,330	551,551	551,551

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
\$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	\$ 325,000	\$ -	\$ 325,000	\$ -	\$ -
\$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	2,540,078	-	139,437	2,400,641	144,085
	Water	1,793,449	-	98,451	1,694,998	101,733
	Sewer	1,131,473	-	62,112	1,069,361	64,182
\$1,920,000 General Obligation Refunding Bonds of 2010C, annual installments of \$10,000 to \$215,000, interest at 3.00% to 4.50% payable each June 1 and December 1.	TIF #3	1,140,000	-	170,000	970,000	175,000
\$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	549,350	-	27,815	521,535	28,511
	Debt Service	3,400,650	-	172,185	3,228,465	176,489
\$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	379,566	-	379,566	-	-
	Debt Service	25,434	-	25,434	-	-
\$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	365,000
\$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	1,955,000	-	245,000	1,710,000	255,000

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
\$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	\$ 710,020	\$ -	\$ 34,448	\$ 675,572	\$ 35,086
	Water	405,670	-	19,682	385,988	20,047
	Debt Service	6,039,310	-	460,869	5,578,441	469,867
\$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	9,165,000	-	1,190,000	7,975,000	885,000
\$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	565,311	-	26,111	539,200	26,111
	Water	96,923	-	4,477	92,446	4,477
	Sewer	398,965	-	18,428	380,537	18,428
	Debt Service	3,268,801	-	150,985	3,117,816	150,984
\$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	1,064,159	-	68,410	995,749	70,944
	Debt Service	1,035,841	-	66,590	969,251	69,056
\$7,310,000 General Obligation Corporate Purpose Bonds of 2016A, annual installments of \$220,000 to \$485,000 interest at 2% to 5% payable each June 1 and December 1.	Electric	2,777,800	-	83,600	2,694,200	108,300
	Water	584,800	-	125,830	458,970	18,449
	Debt Service	3,947,400	-	10,570	3,936,830	158,251

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
\$11,530,000 General Obligation Corporate Purpose Refunding Bonds of 2016B, annual installments of \$85,000 to \$1,360,000 interest at 2% to 5% payable each June 1 and December 1.	Electric	\$ 1,360,042	\$ -	\$ -	\$ 1,360,042	\$ 3,778
	Water	1,005,000	-	-	1,005,000	85,000
	Sewer	1,050,000	-	85,000	965,000	95,000
	Debt Service	5,839,958	-	-	5,839,958	16,222
	TIF #4	2,275,000	-	-	2,275,000	150,000
\$20,225,000 General Obligation Corporate Purpose Bonds of 2018A, annual installments of \$415,000 to \$1,460,000 interest at 3% to 5% payable each June 1 and December 1.	Electric	-	665,000	-	665,000	15,000
	Water	-	475,000	-	475,000	10,000
	Sewer	-	475,000	-	475,000	10,000
	Debt Service	-	18,640,000	-	18,640,000	380,000
TOTAL GENERAL OBLIGATION BONDS		\$ 81,620,000	\$ 20,255,000	\$ 4,860,000	\$ 97,015,000	\$ 4,790,000

B. Revenue Bonds

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

	Fund Debt Retired by	Balance May 1	Additions	Retirements/ Refundings	Balance April 30	Current Portion
\$7,195,000 Revenue Bonds of 2016, term bonds due 2017 and 2025 subject to mandatory redemption in annual installments of \$710,000 to \$925,000, interest at 3% to 4% payable each July 1 and January 1.	Debt Service	\$ 6,485,000	\$ -	\$ 715,000	\$ 5,770,000	\$ 735,000
TOTAL		\$ 6,485,000	\$ -	\$ 715,000	\$ 5,770,000	\$ 735,000

The revenue bonds and the interest thereon are limited obligations of the City payable solely from the pledged taxes. Pledged taxes are 75% of the increase, if any, in local sales taxes and 75% of the increase, if any, in home rule sales taxes derived from the specified project area over the amount of taxes collected in the base year. These pledges will remain until all bonds are retired or mature in 2025 as disclosed in Note 6F, Governmental Activities Revenue Bonds. During the current fiscal year, the principal and interest on the bonds was approximately 70.42% of the pledged sales taxes (local and home rule) in specific project area.

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

6. LONG-TERM DEBT (Continued)

C. IEPA Loans

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

	Fund Debt Retired by	Balances May 1	Additions	Retirements	Balances April 30	Current Portion
EPA Loan III	Sewer	\$ 1,766,102	\$ -	\$ 424,985	\$ 1,341,117	\$ 435,827
EPA Loan IV	Sewer	4,929,888	-	531,124	4,398,764	544,486
EPA Loan V	Water	4,462,179	-	293,558	4,168,621	297,239
EPA Loan VI	Sewer	1,321,543	-	97,892	1,223,651	97,892
EPA Loan VII	Sewer	8,811,161	-	414,346	8,396,815	423,909
EPA Loan VIII	Water	3,639,478	430	150,453	3,489,455	162,894
EPA Loan IX	Water	2,908,134	-	128,807	2,779,327	131,670
EPA Loan X*	Water	-	5,909,422	-	5,909,422	-
TOTAL		\$ 27,838,485	\$ 5,909,852	\$ 2,041,165	\$ 31,707,172	\$ 2,093,917

* The IEPA loan has not been closed out by the IEPA and, therefore, no repayment schedule has been determined as of April 30, 2018.

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	\$ 66,108	\$ -	\$ 4,585	\$ 61,523	\$ 4,586
Sales Tax Intergovernmental agreement	General	-	568,144	-	568,144	-
School District Agreement	Water	342,666	-	114,222	228,444	114,222
TOTAL		\$ 408,774	\$ 568,144	\$ 118,807	\$ 858,111	\$ 118,808

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, 2020. As of April 30, 2018, a liability of \$228,444 has been accrued and \$228,444 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.

The City entered into an agreement with another government to remedy an error made by the State of Illinois concerning distribution of sales tax revenues. The agreement requires the City to reimburse the government \$568,144 in five annual installments of \$113,629 payable on June 15. The first installment is due June 15, 2019. A liability of \$568,144 has been accrued as of April 30, 2018 under this agreement.

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
2019	\$ 3,802,420	\$ 2,832,328	\$ 735,000	\$ 223,450	\$ 4,586	\$ -
2020	3,654,267	3,003,267	760,000	201,400	4,586	-
2021	4,268,218	2,869,614	790,000	171,000	4,586	-
2022	4,432,087	2,709,149	820,000	139,400	4,586	-
2023	4,598,347	2,540,363	855,000	106,600	4,586	-
2024	4,291,021	2,355,545	885,000	72,400	4,586	-
2025	4,138,529	2,197,233	925,000	37,000	4,586	-
2026	3,813,978	2,041,386	-	-	4,586	-
2027	2,857,039	1,896,228	-	-	4,586	-
2028	3,956,058	1,767,786	-	-	4,586	-
2029	4,128,116	1,596,236	-	-	4,586	-
2030	4,324,814	1,416,128	-	-	4,586	-
2031	3,714,633	1,237,054	-	-	4,586	-
2032	3,886,416	1,087,343	-	-	1,905	-
2033	3,754,126	932,972	-	-	-	-
2034	3,523,766	783,882	-	-	-	-
2035	3,470,422	648,639	-	-	-	-
2036	3,608,751	517,822	-	-	-	-
2037	3,769,304	381,109	-	-	-	-
2038	3,640,000	237,580	-	-	-	-
2039	2,400,000	96,000	-	-	-	-
TOTAL	\$ 80,032,312	\$ 33,147,664	\$ 5,770,000	\$ 951,250	\$ 61,523	\$ -

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
2019	\$ 2,093,917	\$ 508,816	\$ 987,580	\$ 640,148
2020	2,138,436	464,298	900,733	635,808
2021	2,183,985	418,749	1,046,782	605,928
2022	1,760,553	375,101	1,072,913	569,783
2023	1,796,248	339,406	1,121,653	532,315
2024	1,832,745	302,909	1,168,979	488,358
2025	1,870,063	265,591	1,211,471	443,225
2026	1,547,653	227,873	1,256,022	395,437
2027	1,283,012	201,569	1,307,961	345,357
2028	1,306,190	178,391	1,213,942	288,161
2029	1,329,846	154,735	1,141,884	234,207
2030	1,353,988	130,592	1,185,186	183,229
2031	1,329,683	105,952	965,367	131,057
2032	956,375	81,893	488,584	87,694
2033	977,660	60,608	455,874	68,315
2034	999,419	38,848	381,234	50,236
2035	714,566	16,603	309,578	35,091
2036	323,412	3,906	316,249	25,226
2037	-	-	330,696	15,108
2038	-	-	120,000	4,440
TOTAL	\$ 25,797,751	\$ 3,875,840	\$ 16,982,688	\$ 5,779,123

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/ Refundings	Balances April 30	Current Portion
General Obligation Bonds Payable	\$ 64,869,274	\$ 18,640,000	\$ 3,476,962	\$ 80,032,312	\$ 3,802,420
Revenue Bonds Payable	6,485,000	-	715,000	5,770,000	735,000
Unamortized (Discount) Premium on Bonds Payable	4,256,557	1,208,784	357,402	5,107,939	-
Installment Contracts Payable - Governmental Funds	66,108	-	4,585	61,523	4,586
Intergovernmental Agreements	-	568,144	-	568,144	-
Compensated Absences Payable - Governmental Funds (General Fund)	3,391,853	3,520,387	3,391,853	3,520,387	3,520,387
Compensated Absences Payable - Internal Service Funds	99,695	82,434	99,695	82,434	82,434
Net Pension Liability (General Fund)	57,001,814	-	4,877,503	52,124,311	-
Total OPEB Liability (General Fund)	2,826,972	62,062	-	2,889,034	-
Total OPEB Liability - Internal Service Funds	38,991	856	-	39,847	-
TOTAL	\$ 139,036,264	\$ 24,082,667	\$ 12,923,000	\$ 150,195,931	\$ 8,144,827

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	\$ 16,750,726	\$ 1,615,000	\$ 1,383,038	\$ 16,982,688	\$ 987,580
Unamortized (Discount) Premium on Bonds Payable	1,223,645	104,780	106,496	1,221,929	-
IEPA Loans Payable	27,838,485	5,909,852	2,041,165	31,707,172	2,093,917
Intergovernmental Agreements	342,666	-	114,222	228,444	114,222
Compensated Absences Payable	517,635	435,715	517,635	435,715	435,715
Net Pension Liability	4,554,574	-	3,214,962	1,339,612	-
Total OPEB Liability	490,764	10,774	-	501,538	-
TOTAL	\$ 51,718,495	\$ 8,076,121	\$ 7,377,518	\$ 52,417,098	\$ 3,631,434

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.

6. LONG-TERM DEBT (Continued)

H. Noncommitment Debt

Special Service Area Bonds

Special service area bonds outstanding as of the date of this report totaled \$1,375,000. These bonds are not an obligation of the City and are secured by the levy of special assessments and real estate taxes on certain property within the special assessment and special service areas. The City is in no way liable for repayment but is only acting as agent for the property owners in levying and collecting the assessments and forwarding the collections to bondholders.

The construction phase of this special service area is accounted for in a capital projects fund while the bond repayment phase is accounted for in an agency fund.

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, 2018, there were two series of IDRBs outstanding. The aggregate principal amount payable for the IDRBs outstanding could not be determined at April 30, 2018. 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.

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

7. RISK MANAGEMENT (Continued)

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

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

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

Workers' Compensation Insurance - The City is self-insured with a specific stop loss of \$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, 2017 and 2018 is as follows:

	2017	2018
CLAIMS PAYABLE, MAY 1	\$ 1,315,206	\$ 1,759,569
Add Claims Incurred	4,413,334	4,140,453
Less Claims Paid	3,968,971	4,187,088
CLAIMS PAYABLE, APRIL 30	<u>\$ 1,759,569</u>	<u>\$ 1,712,934</u>

8. INDIVIDUAL FUND DISCLOSURES

As of April 30, 2018, individual fund interfund receivables and payables were as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 357,285
Electric	Internal Service	701,000
Nonmajor Governmental	General	<u>701,249</u>
TOTAL DUE TO/FROM OTHER FUNDS		<u>\$ 1,759,534</u>

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

8. INDIVIDUAL FUND DISCLOSURES (Continued)

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 2017 Revenue Bond Fund.

As of April 30, 2018, major individual fund advances between funds were as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 4,489,802
General	Electric	623,167
General	Water	129,990
General	Sewer	306,843
Electric	Internal Service	801,624
Internal Service	Nonmajor Governmental	647,570
TOTAL		\$ 6,998,996

During the year ended April 30, 2018, TIF District #2 has paid back \$190,000 towards their advance. In prior years, \$4,472,026 was advanced to cover debt service and capital improvements for TIF District #1, TIF District #2, TIF District #3, TIF District #4 and TIF District #5. The \$4,312,899 advanced as of April 30, 2018 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, 2018, the balance is \$801,624.

Interfund transfers during the year ended April 30, 2018 were as follows:

	Transfers In	Transfers Out
General		
Nonmajor Governmental	\$ -	\$ 6,585,098
Electric	-	235,538
Nonmajor Enterprise	-	80,000
Total General	-	6,900,636
Nonmajor Governmental		
General	6,585,098	-
Electric	385,230	-
Water	135,596	-
Sewer	247,728	-
Nonmajor Governmental	4,499,665	4,499,665
Total Nonmajor Governmental	11,853,317	4,499,665

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

8. INDIVIDUAL FUND DISCLOSURES (Continued)

	Transfers In	Transfers Out
Electric		
General	\$ 235,538	\$ -
Nonmajor Governmental	-	385,230
Total Electric	235,538	385,230
Water		
Nonmajor Governmental	-	135,596
Sewer		
Nonmajor Governmental	-	247,728
Nonmajor Enterprise		
General	80,000	-
TOTAL	\$ 12,168,855	\$ 12,168,855

Major interfund transfers resulted from the following:

- \$6,585,098 transfer from the General Fund to Nonmajor Funds. This transaction relates to money transferred to debt service funds for payments of principal and interest on general obligation debt and for money transferred to the Capital Project Funds and Equipment Replacement Fund.
- \$4,499,665 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 capital and equipment replacement funds.
- \$768,554 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.
- \$235,538 transfer to the Electric Fund from the General Fund for maintenance of streetlights and Christmas light decorations.

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

8. INDIVIDUAL FUND DISCLOSURES (Continued)

The following funds reported deficit fund balances/net position at April 30, 2018:

Fund	Deficit Balance
TIF District #1 Special Revenue Fund	\$ 30,204
TIF District #2 Special Revenue Fund	146,861
TIF District #3 Special Revenue Fund	1,057,971
TIF District #4 Special Revenue Fund	729,595
TIF District #5 Special Revenue Fund	1,202,722

- 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.

9. CONTINGENT LIABILITIES (Continued)

B. Grants

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

10. TAX ABATEMENTS

The City rebates property and sales taxes to recruit, retain or improve local business facilities or their supporting public infrastructure under certain circumstances. The terms of these rebate arrangements are specified within written agreements with the businesses concerned.

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, 2018 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 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, 2018, a liability of \$88,043 has been accrued and payments of \$169,624 have been made under this agreement. As of April 30, 2018, the City has incurred total incentives of \$941,952.

The City has entered into an agreement with a car dealer to provide economic incentives over a 15-year period. The City loaned the dealer \$800,000 and will rebate 75% of sales taxes generated by applying the rebate amount to the principal and interest on the outstanding loan balance. After repayment of the loan and interest, the City will rebate 60% of sales tax generated to the dealer up to maximum of \$1,500,000 through June 15, 2030. As of and for the year ended April 30, 2018, a liability of \$34,604 has been accrued and payments of \$178,385 have been made under this agreement. As of April 30, 2018, the City has incurred total incentives of \$301,504.

10. TAX ABATEMENTS (Continued)

The City has entered into an agreement with a motorcycle dealer to provide economic incentives over a five-year period. Payments are to be made annually as 50% of sales taxes up to a maximum reimbursement of \$70,000 through July 1, 2018. As of and for the year ended April 30, 2018, a liability of \$8,621 has been accrued and payments of \$10,864 have been made under this agreement. As of April 30, 2018, the City has incurred total incentives of \$33,348.

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 \$1,800,000 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, 2018, a liability of \$182,854 has been accrued and payments of \$256,787 have been made under this agreement. As of April 30, 2018, the City has incurred total incentives of \$1,142,880.

The City has an agreement with a local business to rebate a portion of its share of property taxes paid for costs of construction of improvements or the renovation or rehabilitation of existing improvements. The term of the agreement is seven years commencing with upon completion of construction. The rebate amount is 90% of taxes levied in calendar year 2017 and payable in 2018, 80% taxes levied in calendar year 2018 and payable in 2019, and 70% of taxes levied in calendar year 2019 and payable in 2020. The rebate is subject to recapture, in whole or in part, if the company relocates or otherwise transfers its operations outside of the City within seven years of commencement of the agreement. As of April 30, 2018, no amounts have been paid or accrued under this agreement.

The City has an agreement with a local business to rebate a portion of its share of property taxes paid for costs of construction of improvements or the renovation or rehabilitation of existing improvements. The term of the agreement is seven years commencing with upon completion of construction. The rebate amount is 60% of taxes levied in calendar year 2018 and payable in 2019, 50% taxes levied in calendar year 2019 and payable in 2020, and 40% of taxes levied in calendar year 2020 and payable in 2021. The rebate is subject to recapture, in whole or in part, if the company relocates or otherwise transfers its operations outside of the City within seven years of commencement of the agreement. As of April 30, 2018, no amounts have been paid or accrued under this agreement.

11. 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 Governmental Activities (General Fund), Electric Fund, Water Fund and Sewer Fund and certain internal service funds.

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. For certain disabled public safety employees who qualify under the Public Safety Employee Benefits Act (PSEBA), the City is required to pay 100% of the cost of basic health insurance for retirees and their dependents for their lifetime. 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.

C. Membership

At April 30, 2018, membership consisted of:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	39
Inactive Employees Entitled to but not yet Receiving Benefit Payments	-
Active Employees	<u>237</u>
TOTAL	<u>276</u>

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

D. Total OPEB Liability

The City's total OPEB liability of \$3,430,419 was measured as of April 30, 2018 and was determined by an actuarial valuation as of that date.

E. Actuarial Assumptions and Other Inputs

The total OPEB liability in the April 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry-Age
Actuarial Value of Assets	N/A
Inflation	2.50%
Salary Increases	4.00% to 5.00%
Discount Rate	3.97%
Healthcare Cost Trend Rates	8.50% Initial 4.00% Ultimate
Retirees Share of Benefit-Related Costs	100% Regular Plan

The discount rate was based on the index rate for tax exempt general obligation municipal bonds rated AA or better at April 30, 2018. The discount rate at April 30, 2017 was 3.82%.

For Police and Fire employees, mortality is projected to the valuation date using Rp-2000 Improvement Scale BB. For IMRF employees, mortality was updated to use RP-2014 Blue Collar Mortality tables with improvement using Scale MP-2017 with base year 2015.

The actuarial assumptions used in the April 30, 2018 valuation are based on 30% participation assumed, with 50% electing spouse coverage.

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

F. Changes in the Total OPEB Liability

	Total OPEB Liability
BALANCES AT MAY 1, 2017	<u>\$ 3,356,727</u>
Changes for the Period	
Service Cost	167,373
Interest	131,448
Difference Between Expected and Actual Experience	-
Changes in Benefit Terms	-
Changes in Assumptions	(57,430)
Benefit Payments	<u>(167,699)</u>
Net Changes	<u>73,692</u>
BALANCES AT APRIL 30, 2018	<u>\$ 3,430,419</u>

The health care trend rate assumption has been updated from the prior valuation to reflect recent healthcare trend rate surveys, blended with the long-term rates from the Getzen model published by the Society of Actuaries. The discount rate was also changed from 3.82% to 3.97%. Finally, the annual per capita claims costs and premium rates have been updated.

G. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the City calculated using the discount rate of 3.97% as well as what the City total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.97%) or 1 percentage point higher (4.97%) than the current rate:

	1% Decrease (2.97%)	Current Discount Rate (3.97%)	1% Increase (4.97%)
Total OPEB Liability	\$ 3,845,841	\$ 3,430,419	\$ 3,084,636

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

G. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the City calculated using the healthcare rate of 4.00% to 8.50% as well as what the City's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (3.00% to 7.50%) or 1 percentage point higher (5.00% to 9.50%) than the current rate:

	1% Decrease (3.00% to 7.50%)	Current Healthcare Rate (4.00% to 8.50%)	1% Increase (5.00% to 9.50%)
Total OPEB Liability	\$ 2,988,905	\$ 3,430,419	\$ 3,979,820

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended April 30, 2018, the City recognized OPEB expense of \$298,142. At April 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ -
Changes in Assumptions	50,251	-
TOTAL	\$ 50,251	\$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ending April 30,	
2019	\$ (7,179)
2020	(7,179)
2021	(7,179)
2022	(7,179)
2023	(7,179)
Thereafter	(14,356)
TOTAL	\$ (50,251)

12. 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.stcharlesil.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.

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel

A. Plan Membership

At December 31, 2017, IMRF and SLEP membership consisted of:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel
Inactive Employees or Their Beneficiaries		
Currently Receiving Benefits	178	1
Inactive Employees Entitled to but not yet Receiving Benefits	86	-
Active Employees	166	-
TOTAL	430	1

12. DEFINED BENEFIT PENSION PLANS (Continued)

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

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.

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 2.50% 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 2.50% of their final rate of earnings, for each year of credited service up to 30 years of service to a maximum of 75%.

12. 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 (Continued)

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 6.50% of their annual salary to SLEP. The City is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute.

C. Contributions

Participating members are required to contribute 4.50% and 6.50% of their annual salary to IMRF and SLEP, respectively. The City is required to contribute the remaining amounts necessary to fund IMRF and SLEP as specified by statute. The employer contribution for calendar 2017 was 12.48% and 0.00% of covered payroll for IMRF and SLEP, respectively.

D. Actuarial Assumptions

The City's net pension liability was measured as of December 31, 2017 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, 2017	December 31, 2017
Actuarial Cost Method	Entry-Age Normal	Entry-Age Normal
Assumptions		
Inflation	2.50%	2.50%
Salary Increases	3.39% to 14.25%	3.39% to 14.25%
Interest Rate	7.50%	7.50%
Cost of Living Adjustments	3.50%	3.50%
Asset Valuation Method	Five-Year Smoothed Market	Five-Year Smoothed Market

12. DEFINED BENEFIT PENSION PLANS (Continued)

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

D. Actuarial Assumptions (Continued)

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

E. Discount Rate

The discount rate used to measure the total pension liability for IMRF was 7.50%. 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 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 applied to all periods of projected benefit payments 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)

12. 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, 2017	\$ 86,951,068	\$ 74,181,017	\$ 12,770,051
Changes for the Period			
Service Cost	1,422,112	-	1,422,112
Interest	6,417,451	-	6,417,451
Difference Between Expected and Actual Experience	459,884	-	459,884
Changes in Assumptions	(2,824,068)	-	(2,824,068)
Employer Contributions	-	1,668,138	(1,668,138)
Employee Contributions	-	632,341	(632,341)
Net Investment Income	-	13,190,424	(13,190,424)
Benefit Payments and Refunds	(4,192,219)	(4,192,219)	-
Administrative Expense	-	-	-
Other (Net Transfer)	-	(1,247,529)	1,247,529
Net Changes	1,283,160	10,051,155	(8,767,995)
BALANCES AT DECEMBER 31, 2017	\$ 88,234,228	\$ 84,232,172	\$ 4,002,056

Changes in assumptions related to price inflation, salary increases, retirement age and mortality rates were made since the prior measurement date.

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

12. 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, 2017	\$ 848,536	\$ 949,108	\$ (100,572)
Changes for the Period			
Service Cost	-	-	-
Interest	60,980	-	60,980
Difference Between Expected and Actual Experience	9,055	-	9,055
Changes in Assumptions	(23,774)	-	(23,774)
Employer Contributions	-	-	-
Employee Contributions	-	-	-
Net Investment Income	-	191,065	(191,065)
Benefit Payments and Refunds	(70,952)	(70,952)	-
Administrative Expense	-	-	-
Other (Net Transfer)	-	(19,414)	19,414
Net Changes	(24,691)	100,699	(125,390)
BALANCES AT DECEMBER 31, 2017	\$ 823,845	\$ 1,049,807	\$ (225,962)

Changes in assumptions related to mortality rates were made since the prior measurement date.

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

12. 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, 2018, the City recognized pension expense of \$2,234,763. At April 30, 2018, 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 Difference Between Expected and Actual Experience	\$ 606,199	\$ -
Changes in Assumption	927,500	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	72,358	2,375,349
	<u>2,241,607</u>	<u>6,195,656</u>
TOTAL	<u>\$ 3,847,664</u>	<u>\$ 8,571,005</u>

\$606,199 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending April 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending April 30,	
2019	\$ (774,134)
2020	(817,103)
2021	(1,928,337)
2022	(1,809,966)
2023	-
Thereafter	-
TOTAL	<u>\$ (5,329,540)</u>

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

12. 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, 2018, the City recognized pension income of \$12,562. At April 30, 2018, 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	-	69,467
	<hr/>	<hr/>
TOTAL	\$ -	\$ 69,467
	<hr/>	<hr/>

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

Fiscal Year Ending April 30,	
	<hr/>
2019	\$ (10,443)
2020	(10,445)
2021	(23,924)
2022	(24,655)
2023	-
Thereafter	-
	<hr/>
TOTAL	\$ (69,467)
	<hr/>

12. 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 (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 (asset) 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)	\$ 15,125,944	\$ 4,002,056	\$ (5,195,498)

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)	\$ (152,147)	\$ (225,962)	\$ (289,790)

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.

12. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

A. Plan Administration (Continued)

The Police Pension 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 Police Pension 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, 2018, the measurement date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	44
Inactive Plan Members Entitled to but not yet Receiving Benefits	10
Active Plan Members	<u>53</u>
 TOTAL	 <u><u>107</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 2.50% 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.

12. 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 2.50% 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 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% 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, 2018, the City's contribution was 42.03% of covered payroll.

12. 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, 2018 using the following actuarial methods and assumptions.

Actuarial Valuation Date	April 30, 2018
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) 1.25% (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, 2018 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 ended April 30, 2018 and 2017 was 6.75%. 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 Police Pension Fund's (the Fund) 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)

12. 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 ended April 30, 2018.

The table below presents the pension liability of the City, for year ended April 30, 2018, 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	\$ 43,121,522	\$ 33,417,978	\$ 25,483,825

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, 2017	\$ 64,045,847	\$ 31,957,538	\$ 32,088,309
Changes for the Period			
Service Cost	1,399,417	-	1,399,417
Interest	4,326,878	-	4,326,878
Difference Between Expected and Actual Experience	1,126,204	-	1,126,204
Changes in Assumptions	(828,107)	-	(828,107)
Employer Contributions	-	2,281,640	(2,281,640)
Employee Contributions	-	531,282	(531,282)
Net Investment Income	-	1,901,160	(1,901,160)
Benefit Payments and Refunds	(2,686,739)	(2,686,739)	-
Administrative Expense	-	(19,359)	19,359
Net Changes	3,337,653	2,007,984	1,329,669
BALANCES AT APRIL 30, 2018	\$ 67,383,500	\$ 33,965,522	\$ 33,417,978

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

H. Changes in the Net Pension Liability (Continued)

Changes in assumptions related to mortality were made since the prior measurement date. Additionally, assumed payroll growth rate was reduced from 5.00% to 4.50%.

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

For the year ended April 30, 2018, the City recognized police pension expense of \$3,867,584. At April 30, 2018, 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	\$ 1,240,017	\$ 1,416,321
Changes in Assumption	2,000,547	690,090
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,194,595	-
TOTAL	\$ 4,435,159	\$ 2,106,411

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:

Fiscal Year Ending April 30,	
2019	\$ 813,953
2020	813,953
2021	206,312
2022	444,847
2023	49,683
Thereafter	-
TOTAL	\$ 2,328,748

12. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan

A. Plan Administration

Firefighter sworn personnel are covered by the Firefighters' Pension Plan, 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 Firefighters' Pension Plan 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 Firefighters' Pension 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, 2018, the measurement date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	25
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	<u>47</u>
 TOTAL	 <u><u>74</u></u>

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 2.50% 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

12. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan (Continued)

C. Benefits Provided (Continued)

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.

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 2.50% 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 Firefighters' Pension Fund (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 34.71% of covered payroll for the year ended April 30, 2018.

12. 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, 2018 using the following actuarial methods and assumptions.

Actuarial Valuation Date	April 30, 2018
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) 1.25% (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, 2018 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 ended April 30, 2018 and 2017 was 6.75%. 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)

12. 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 ended April 30, 2018.

The table below presents the net pension liability of the City, for year ended April 30, 2018, 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	\$ 24,591,785	\$ 16,269,851	\$ 9,498,374

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, 2017	\$ 52,655,120	\$ 35,856,520	\$ 16,798,600
Changes for the Period			
Service Cost	1,541,454	-	1,541,454
Interest	3,601,739	-	3,601,739
Difference Between Expected and Actual Experience	(262,058)	-	(262,058)
Changes in Assumptions	(1,212,486)	-	(1,212,486)
Employer Contributions	-	1,749,113	(1,749,113)
Employee Contributions	-	477,541	(477,541)
Net Investment Income	-	1,984,516	(1,984,516)
Benefit Payments and Refunds	(1,674,951)	(1,674,951)	-
Administrative Expense	-	(13,772)	13,772
Net Changes	1,993,698	2,522,447	(528,749)
BALANCES AT April 30, 2018	\$ 54,648,818	\$ 38,378,967	\$ 16,269,851

12. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan (Continued)

H. Changes in the Net Pension Liability (Continued)

Changes in assumptions related to mortality were made since the prior measurement date. Additionally, assumed payroll growth rate was reduced from 5.00% to 4.50%.

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

For the year ended April 30, 2018, the City recognized firefighters' pension expense of \$2,932,903. At April 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to the firefighters' pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 439,945	\$ 1,078,047
Changes in Assumption	1,401,867	1,060,927
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,441,028	-
TOTAL	\$ 3,282,840	\$ 2,138,974

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

Fiscal Year Ending April 30,	
2019	\$ 691,950
2020	691,950
2021	19,050
2022	108,362
2023	1,190
Thereafter	(368,636)
TOTAL	\$ 1,143,866

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

13. CHANGE IN ACCOUNTING PRINCIPLES

In 2018, the City early implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. With the implementation, the City is required to retroactively record the total post employment benefit liability.

	Increase (Decrease)					
CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES						
Change in Accounting Principal						
To Write-Off the Net OPEB Obligation	\$ 5,248,430					
To Record the Total OPEB Liability	(2,865,963)					
TOTAL CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES	\$ 2,382,467					
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Enterprise	Total Business- Type Activities	Internal Service Funds
CHANGE IN ACCOUNTING PRINCIPLE						
To Write-Off the Net OPEB Obligation	\$ 316,205	\$ 291,343	\$ 299,742	\$ -	\$ 907,290	\$ 219,028
To Record the Total OPEB Liability	(172,367)	(187,079)	(131,318)	-	490,764	(38,991)
TOTAL CHANGE IN ACCOUNTING PRINCIPLE	\$ 143,838	\$ 104,264	\$ 168,424	\$ -	\$ 416,526	\$ 180,037

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, 2018
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Property Taxes	\$12,498,375	\$12,498,375	\$12,389,899	\$12,447,465
Personal Property Replacement Taxes	105,000	105,000	85,334	115,429
Municipal Sales and Use Taxes	17,766,634	17,663,964	17,506,878	17,025,806
Franchise Fees	3,927,453	3,927,453	3,695,126	3,738,184
Liquor Tax	1,159,725	1,159,725	1,211,935	1,130,982
Hotel Occupations Tax	1,885,532	1,885,532	1,939,791	1,905,544
Telecommunications Fee	958,848	958,848	830,799	901,280
Other Taxes	72,688	72,688	56,548	101,363
Business Licenses and Permits	224,355	224,355	249,147	231,595
Nonbusiness License and Permits	326,521	326,521	486,676	326,241
Fines and Court Fees	412,606	412,606	475,527	368,726
Grants	45,250	45,250	95,629	57,154
Illinois State Income Tax Allotments	3,546,146	3,267,161	2,990,144	3,116,862
Charges for Current Services	630,027	681,926	721,461	652,478
Investment Income	146,350	146,350	162,160	164,853
Miscellaneous	244,127	244,127	65,195	209,102
Total Revenues	<u>43,949,637</u>	<u>43,619,881</u>	<u>42,962,249</u>	<u>42,493,064</u>
EXPENDITURES				
General Government	3,560,159	3,573,140	3,249,589	3,159,803
Public Health and Safety	23,710,052	23,691,477	23,005,879	21,754,348
Public Works	8,185,859	8,618,099	7,410,096	6,728,049
Community Development	2,677,113	2,772,889	2,589,739	2,696,515
Debt Service				
Principal	4,586	4,586	4,586	4,586
Total Expenditures	<u>38,137,769</u>	<u>38,660,191</u>	<u>36,259,889</u>	<u>34,343,301</u>
EXCESS (DEFICIENCIES) OF REVENUES OVER EXPENDITURES	<u>5,811,868</u>	<u>4,959,690</u>	<u>6,702,360</u>	<u>8,149,763</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the Sale of Capital Assets	2,500	2,500	-	-
Transfers (Out)	(6,464,368)	(6,996,716)	(6,900,636)	(6,232,518)
Total Other Financing Sources (Uses)	<u>(6,461,868)</u>	<u>(6,994,216)</u>	<u>(6,900,636)</u>	<u>(6,232,518)</u>
NET CHANGE IN FUND BALANCE	<u>(\$ 650,000)</u>	<u>(\$ 2,034,526)</u>	<u>(198,276)</u>	<u>1,917,245</u>
FUND BALANCE, MAY 1			<u>27,889,169</u>	<u>25,971,924</u>
FUND BALANCE, APRIL 30			<u>\$27,690,893</u>	<u>\$27,889,169</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2018

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.

CITY OF ST. CHARLES, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Three Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018
Actuarially Determined Contribution	\$ 1,689,415	\$ 1,679,591	\$ 1,705,946
Contributions in Relation to the Actuarially Determined Contribution	1,689,415	1,679,591	1,705,946
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 13,362,747	\$ 13,099,992	\$ 13,590,039
Contributions as a Percentage of Covered- Employee Payroll	12.64%	12.82%	12.55%

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 26 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 3.75% to 14.50% compounded annually and postretirement benefit increases of 3.00% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

CITY OF ST. CHARLES, ILLINOIS

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

Last Three Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018
Actuarially Determined Contribution	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	-	-	-
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered- Employee Payroll	0.00%	0.00%	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 26 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 3.75% to 14.50% compounded annually and postretirement benefit increases of 3.00% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

Last Three Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018
Actuarially Determined Contribution	\$ 1,553,197	\$ 1,988,762	\$ 2,303,017
Contributions in Relation to the Actuarially Determined Contribution	1,540,294	1,980,740	2,281,640
CONTRIBUTION DEFICIENCY (Excess)	\$ 12,903	\$ 8,022	\$ 21,377
Covered-Employee Payroll	\$ 5,115,650	\$ 5,364,361	\$ 5,428,931
Contributions as a Percentage of Covered- Employee Payroll	30.11%	36.92%	42.03%

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 25 years; the asset valuation method was five-year smoothed market, and the interest rate assumption was 6.75% annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

CITY OF ST. CHARLES, ILLINOIS

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

Last Three Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018
Actuarially Determined Contribution	\$ 1,170,934	\$ 1,280,310	\$ 1,765,500
Contributions in Relation to the Actuarially Determined Contribution	1,162,413	1,318,803	1,749,113
CONTRIBUTION DEFICIENCY (Excess)	\$ 8,521	\$ (38,493)	\$ 16,387
Covered-Employee Payroll	\$ 4,545,823	\$ 4,826,779	\$ 5,039,014
Contributions as a Percentage of Covered- Employee Payroll	25.57%	27.32%	34.71%

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 25 years; the asset valuation method was five-year smoothed market; and the interest rate assumption was 6.75% annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

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

Last Three Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017
TOTAL PENSION LIABILITY			
Service Cost	\$ 1,414,466	\$ 1,404,178	\$ 1,422,112
Interest	5,825,396	6,104,148	6,417,451
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	303,109	828,319	459,884
Changes of Assumptions	207,055	(320,176)	(2,824,068)
Benefit Payments, Including Refunds of Member Contributions	(3,452,418)	(4,157,633)	(4,192,219)
Net Change in Total Pension Liability	4,297,608	3,858,836	1,283,160
Total Pension Liability - Beginning	78,794,624	83,092,232	86,951,068
TOTAL PENSION LIABILITY - ENDING	\$ 83,092,232	\$ 86,951,068	\$ 88,234,228
PLAN FIDUCIARY NET POSITION			
Contributions - Employer	\$ 1,610,740	\$ 1,613,129	\$ 1,668,138
Contributions - Member	629,146	576,509	632,341
Net Investment Income	353,512	4,831,704	13,190,424
Benefit Payments, Including Refunds of Member Contributions	(3,452,418)	(4,157,633)	(4,192,219)
Other	412,901	454,761	(1,247,529)
Net Change in Plan Fiduciary Net Position	(446,119)	3,318,470	10,051,155
Plan Fiduciary Net Position - Beginning	71,308,666	70,862,547	74,181,017
PLAN FIDUCIARY NET POSITION - ENDING	\$ 70,862,547	\$ 74,181,017	\$ 84,232,172
EMPLOYER'S NET PENSION LIABILITY	\$ 12,229,685	\$ 12,770,051	\$ 4,002,056
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.28%	85.31%	95.46%
Covered-Employee Payroll	\$ 12,865,332	\$ 12,977,702	\$ 13,363,604
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	95.06%	98.40%	29.95%

2016 changes in assumptions related to retirement age and mortality were made since the prior measurement date.

In 2017, there were no benefit changes during the year. Changes in assumptions related to the discount rate were made since the prior measurement date.

In 2018, there were no benefit changes during the year. Changes in assumptions related to price inflation, salary increases, retirement age and rates were made since the prior measurement date.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

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

Last Three Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017
TOTAL PENSION LIABILITY			
Service Cost	\$ -	\$ -	\$ -
Interest	61,023	61,032	60,980
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	8,040	8,559	9,055
Changes of Assumptions	-	-	(23,774)
Benefit Payments, Including Refunds of Member Contributions	(68,253)	(69,630)	(70,952)
Net Change in Total Pension Liability	810	(39)	(24,691)
Total Pension Liability - Beginning	847,765	848,575	848,536
TOTAL PENSION LIABILITY - ENDING	\$ 848,575	\$ 848,536	\$ 823,845
PLAN FIDUCIARY NET POSITION			
Contributions - Employer	\$ -	\$ -	\$ -
Contributions - Member	-	-	-
Net Investment Income	4,742	64,980	191,065
Benefit Payments, Including Refunds of Member Contributions	(68,253)	(69,630)	(70,952)
Other	26,932	7,742	(19,414)
Net Change in Plan Fiduciary Net Position	(36,579)	3,092	100,699
Plan Fiduciary Net Position - Beginning	982,595	946,016	949,108
PLAN FIDUCIARY NET POSITION - ENDING	\$ 946,016	\$ 949,108	\$ 1,049,807
EMPLOYER'S NET PENSION LIABILITY (ASSET)	\$ (97,441)	\$ (100,572)	\$ (225,962)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	111.48%	111.85%	127.43%
Covered-Employee Payroll	\$ -	\$ -	\$ -
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%

2016 changes in assumptions related to retirement age and mortality were made since the prior measurement date.

In 2017, there were no benefit changes during the year. Changes in assumptions related to the discount rate were made since the prior measurement date.

In 2018, there were no benefit changes during the year. Changes in assumptions related to price inflation, salary increases, retirement age and rates were made since the prior measurement date.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

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

Last Three Fiscal Years

MEASUREMENT DATE APRIL 30,	2016	2017	2018
TOTAL PENSION LIABILITY			
Service Cost	\$ 1,227,434	\$ 1,314,030	\$ 1,399,417
Interest	4,004,458	3,996,291	4,326,878
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(2,832,641)	452,268	1,126,204
Changes of Assumptions	1,858,133	1,607,217	(828,107)
Benefit Payments, Including Refunds of Member Contributions	(2,263,911)	(2,428,491)	(2,686,739)
Net Change in Total Pension Liability	1,993,473	4,941,315	3,337,653
Total Pension Liability - Beginning	57,111,059	59,104,532	64,045,847
TOTAL PENSION LIABILITY - ENDING	\$ 59,104,532	\$ 64,045,847	\$ 67,383,500
PLAN FIDUCIARY NET POSITION			
Contributions - Employer	\$ 1,540,294	\$ 1,980,740	\$ 2,281,640
Contributions - Member	506,838	626,881	531,282
Net Investment Income	(906,365)	2,372,287	1,901,160
Benefit Payments, Including Refunds of Member Contributions	(2,263,911)	(2,428,491)	(2,686,739)
Other	(23,889)	(22,018)	(19,359)
Net Change in Plan Fiduciary Net Position	(1,147,033)	2,529,399	2,007,984
Plan Fiduciary Net Position - Beginning	30,575,172	29,428,139	31,957,538
PLAN FIDUCIARY NET POSITION - ENDING	\$ 29,428,139	\$ 31,957,538	\$ 33,965,522
EMPLOYER'S NET PENSION LIABILITY	\$ 29,676,393	\$ 32,088,309	\$ 33,417,978
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	49.79%	49.90%	50.41%
Covered-Employee Payroll	\$ 5,115,650	\$ 5,364,361	\$ 5,428,931
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	580.11%	598.18%	615.55%

Changes of assumptions

For measurement date April 30, 2018, amounts reported as changes of assumptions resulted from the following changes:

- Updated retirement, termination and disability rate tables.
- Updated assumed salary increase rates.
- Updated the percentage of disabilities assumed to be in the line of duty from 70% to 60%.
- Updated the percentage of deaths assumed to be in the line of duty from 5% to 10%.

For measurement date April 30, 2017, amounts reported as changes of assumptions resulted from the following changes:

- The mortality assumptions were updated to include a projection to the valuation date using Scale BB.
- The salary scale was updated from a flat 5% to a service based schedule.
- The assumed payroll growth rate was reduced from 5.00% to 4.50%.

For measurement date April 30, 2016, amounts reported as changes of assumptions, resulted from lowering the interest rate from 7.0

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

CITY OF ST. CHARLES, ILLINOIS

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

Last Three Fiscal Years

MEASUREMENT DATE APRIL 30,	2016	2017	2018
TOTAL PENSION LIABILITY			
Service Cost	\$ 1,413,134	\$ 1,463,666	\$ 1,541,454
Interest	3,185,463	3,296,461	3,601,739
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(1,485,308)	615,920	(262,058)
Changes of Assumptions	1,599,975	682,680	(1,212,486)
Benefit Payments, Including Refunds of Member Contributions	(1,315,059)	(1,552,815)	(1,674,951)
Net Change in Total Pension Liability	3,398,205	4,505,912	1,993,698
Total Pension Liability - Beginning	44,751,003	48,149,208	52,655,120
TOTAL PENSION LIABILITY - ENDING	\$ 48,149,208	\$ 52,655,120	\$ 54,648,818
PLAN FIDUCIARY NET POSITION			
Contributions - Employer	\$ 1,162,413	\$ 1,318,803	\$ 1,749,113
Contributions - Member	473,869	460,623	477,541
Net Investment Income	(997,840)	2,678,813	1,984,516
Benefit Payments, Including Refunds of Member Contributions	(1,315,059)	(1,552,815)	(1,674,951)
Other	(18,132)	(12,033)	(13,772)
Net Change in Plan Fiduciary Net Position	(694,749)	2,893,391	2,522,447
Plan Fiduciary Net Position - Beginning	33,657,878	32,963,129	35,856,520
PLAN FIDUCIARY NET POSITION - ENDING	\$ 32,963,129	\$ 35,856,520	\$ 38,378,967
EMPLOYER'S NET PENSION LIABILITY	\$ 15,186,079	\$ 16,798,600	\$ 16,269,851
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.46%	68.10%	70.23%
Covered-Employee Payroll	\$ 4,545,823	\$ 4,826,779	\$ 5,039,014
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	334.07%	348.03%	322.88%

Changes of assumptions

For measurement date April 30, 2018, amounts reported as changes of assumptions resulted from the following changes:

- Updated retirement, termination and disability rate tables.
- Updated assumed salary increase rates.
- Updated the percentage of disabilities assumed to be in the line of duty from 90% to 80%.
- Updated the percentage of deaths assumed to be in the line of duty from 5% to 20%.

For measurement date April 30, 2017, amounts reported as changes of assumptions resulted from the following changes:

- The base mortality table was updated to RP-2000 Disabled Mortality Table.
- The salary scale was updated from a flat 5% to a service based schedule.
- The assumed payroll growth rate was reduced from 5.00% to 4.50%.

For measurement date April 30, 2016, amounts reported as changes of assumptions, resulted from lowering the interest rate from 7.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

Last Fiscal Year

MEASUREMENT DATE APRIL 30,	2018
TOTAL OPEB LIABILITY	
Service Cost	\$ 167,373
Interest	131,448
Differences Between Expected and Actual Experience	-
Changes of Benefit Terms	-
Changes of Assumptions	(57,430)
Benefit Payments	<u>(167,699)</u>
Net Change in Total OPEB Liability	73,692
Total OPEB Liability - Beginning	<u>3,356,727</u>
TOTAL OPEB LIABILITY - ENDING	<u><u>\$ 3,430,419</u></u>
Covered-Employee Payroll	\$ 23,647,991
Employer's Total OPEB Liability as a Percentage of Covered-Employee Payroll	14.51%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

The health care trend rate assumption has been updated from the prior valuation to reflect recent healthcare trend rate surveys, blended with the long-term rates from the Getzen model published by the Society of Actuaries. The discount rate has been updated from 3.82% to 3.97%. The annual per capita claims costs and premium rates have been updated.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

See independent auditor's report.

NONMAJOR GOVERNMENTAL FUNDS

CITY OF ST. CHARLES, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
April 30, 2018

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS				
Cash and Investments	\$ 2,682,541	\$ 1,577,566	\$24,296,967	\$28,557,074
Receivables				
Property Taxes	1,683,724	-	24,192	1,707,916
Accounts Receivable	-	-	8,078	8,078
Prepaid Items	-	-	26,283	26,283
Due from Other Governments	75,486	-	26,494	101,980
Due From Other Funds	-	701,249	-	701,249
Total Assets	4,441,751	2,278,815	24,382,014	31,102,580
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 4,441,751	\$ 2,278,815	\$24,382,014	\$31,102,580
LIABILITIES				
Accounts Payable	\$ 317,289	\$ -	\$ 1,056,597	\$ 1,373,886
Contracts Payable	1,039	-	34,506	35,545
Due to Other Governments	63,784	-	-	63,784
Due to Other Funds	-	357,285	-	357,285
Advances From Other Funds	3,345,387	-	1,791,986	5,137,373
Total Liabilities	3,727,499	357,285	2,883,089	6,967,873
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenue - Property Taxes	1,683,724	-	24,192	1,707,916
Total Deferred Inflows of Resources	1,683,724	-	24,192	1,707,916
Total Liabilities and Deferred Inflows of Resources	5,411,223	357,285	2,907,281	8,675,789
FUND BALANCES				
Nonspendable				
Prepaid Items	-	-	26,283	26,283
Restricted				
Capital Outlay	-	-	18,299,673	18,299,673
Community Development	37,367	-	-	37,367
Highway and Street Maintenance	1,929,352	-	-	1,929,352
Fire Department	231,162	-	-	231,162
Debt Service	-	1,921,530	-	1,921,530
Unrestricted				
Assigned				
Capital Improvement Projects	-	-	3,148,777	3,148,777
Unassigned				
Special Revenue Funds (Deficit)	(3,167,353)	-	-	(3,167,353)
Capital Projects Funds (Deficit)	-	-	-	-
Total Fund Balances	(969,472)	1,921,530	21,474,733	22,426,791
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 4,441,751	\$ 2,278,815	\$24,382,014	\$31,102,580

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, 2018

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES				
Property Taxes	\$ 1,452,754	\$ -	\$ 24,305	\$ 1,477,059
Municipal Sales and Use Taxes	-	1,064,287	-	1,064,287
Other Taxes	-	-	114,327	114,327
Grants	76,096	-	82,889	158,985
Motor Fuel Tax Allotments	876,028	-	-	876,028
Investment Income	22,233	10,918	68,116	101,267
Contributions	-	-	108,230	108,230
Total Revenues	2,427,111	1,075,205	397,867	3,900,183
EXPENDITURES				
Current Operating-				
General Government	-	4,273	-	4,273
Public Health and Safety	60,615	-	210,253	270,868
Public Works	883,015	-	216,372	1,099,387
Community Development	14,146	-	20,466	34,612
Debt Service-				
Principal	-	4,300,192	-	4,300,192
Interest and Fiscal Charges	-	2,830,163	-	2,830,163
Capital Outlay	-	-	6,353,372	6,353,372
Total Expenditures	957,776	7,134,628	6,800,463	14,892,867
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,469,335	(6,059,423)	(6,402,596)	(10,992,684)
OTHER FINANCING SOURCES (USES)				
Issuance of Bonds	-	-	18,640,000	18,640,000
Premium on Bonds	-	-	1,208,784	1,208,784
Transfers In	-	6,170,455	5,682,862	11,853,317
Transfers (Out)	(1,152,352)	-	(3,347,313)	(4,499,665)
Total Other Financing Sources (Uses)	(1,152,352)	6,170,455	22,184,333	27,202,436
NET CHANGE IN FUND BALANCES	316,983	111,032	15,781,737	16,209,752
FUND BALANCES (DEFICIT), MAY 1	(1,286,455)	1,810,498	5,692,996	6,217,039
FUND BALANCES (DEFICIT), APRIL 30	(\$ 969,472)	\$ 1,921,530	\$21,474,733	\$22,426,791

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, 2018

	TIF District #1 <u>Fund</u>	TIF District #2 <u>Fund</u>	TIF District #3 <u>Fund</u>	TIF District #4 <u>Fund</u>	TIF District #5 <u>Fund</u>	TIF District #6 <u>Fund</u>	TIF District #7 <u>Fund</u>	Motor Fuel Tax <u>Fund</u>	Foreign Fire Insurance	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES										
ASSETS										
Cash and Investments	\$ 151,065	\$ 90,604	\$ 13	\$ 97	\$ 39	\$ 29,881	\$ 7,486	\$2,160,813	\$ 242,543	\$2,682,541
Receivables										
Property Taxes, net	158,472	416,345	98,264	466,400	180,978	13,997	349,268	-	-	1,683,724
Due From Other Governments	-	-	-	-	-	-	-	75,486	-	75,486
Total Assets	309,537	506,949	98,277	466,497	181,017	43,878	356,754	2,236,299	242,543	4,441,751
DEFERRED OUTFLOWS OF RESOURCES										
None	-	-	-	-	-	-	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 309,537	\$ 506,949	\$ 98,277	\$ 466,497	\$ 181,017	\$ 43,878	\$ 356,754	\$2,236,299	\$ 242,543	\$4,441,751
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
LIABILITIES										
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 305,908	\$ 11,381	\$ 317,289
Contracts Payable	-	-	-	-	-	-	-	1,039	-	1,039
Due to Other Governments	-	-	63,784	-	-	-	-	-	-	63,784
Advance from Other Funds	181,269	237,465	994,200	729,692	1,202,761	-	-	-	-	3,345,387
Total Liabilities	181,269	237,465	1,057,984	729,692	1,202,761	-	-	306,947	11,381	3,727,499
DEFERRED INFLOWS OF RESOURCES										
Deferred Revenue - Property Tax	158,472	416,345	98,264	466,400	180,978	13,997	349,268	-	-	1,683,724
Total Deferred Inflows of Resources	158,472	416,345	98,264	466,400	180,978	13,997	349,268	-	-	1,683,724
Total Liabilities and Deferred Inflows of Resources	339,741	653,810	1,156,248	1,196,092	1,383,739	13,997	349,268	306,947	11381	5,411,223
FUND BALANCES (DEFICIT)										
Restricted										
Highway and Street Maintenance	-	-	-	-	-	-	-	1,929,352	-	1,929,352
Fire Department	-	-	-	-	-	-	-	-	231,162	231,162
Community Development	-	-	-	-	-	29,881	7,486	-	-	37,367
Unrestricted										
Unassigned (Deficit)	(30,204)	(146,861)	(1,057,971)	(729,595)	(1,202,722)	-	-	-	-	(3,167,353)
Total Fund Balances (Deficit)	(30,204)	(146,861)	(1,057,971)	(729,595)	(1,202,722)	29,881	7,486	1,929,352	231,162	(969,472)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 309,537	\$ 506,949	\$ 98,277	\$ 466,497	\$ 181,017	\$ 43,878	\$ 356,754	\$2,236,299	\$ 242,543	\$4,441,751

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, 2018

	TIF District #1 Fund	TIF District #2 Fund	TIF District #3 Fund	TIF District #4 Fund	TIF District #5 Fund	TIF District #6 Fund	TIF District #7 Fund	Motor Fuel Tax Fund	Foreign Fire Insurance	Total
REVENUES										
Property Taxes	\$ 150,459	\$ 431,347	\$ 69,119	\$ 459,158	\$ 191,660	\$ 12,060	\$ 138,951	\$ -	\$ -	\$1,452,754
Grants	-	-	-	-	-	-	-	-	76,096	76,096
Motor Fuel Tax Allotments	-	-	-	-	-	-	-	876,028	-	876,028
Investment Income	606	1,411	-	505	209	137	299	16,270	2,796	22,233
Total Revenues	<u>151,065</u>	<u>432,758</u>	<u>69,119</u>	<u>459,663</u>	<u>191,869</u>	<u>12,197</u>	<u>139,250</u>	<u>892,298</u>	<u>78,892</u>	<u>2,427,111</u>
EXPENDITURES										
Public Health and Safety	-	-	-	-	-	-	-	-	60,615	60,615
Public Works	-	-	-	-	-	-	-	883,015	-	883,015
Community Development	-	-	14,146	-	-	-	-	-	-	14,146
Total Expenditures	<u>-</u>	<u>-</u>	<u>14,146</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>883,015</u>	<u>60,615</u>	<u>957,776</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>151,065</u>	<u>432,758</u>	<u>54,973</u>	<u>459,663</u>	<u>191,869</u>	<u>12,197</u>	<u>139,250</u>	<u>9,283</u>	<u>18,277</u>	<u>1,469,335</u>
OTHER FINANCING SOURCES (USES)										
Transfers (Out)	-	(341,250)	-	(459,619)	(191,850)	-	(159,633)	-	-	(1,152,352)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(341,250)</u>	<u>-</u>	<u>(459,619)</u>	<u>(191,850)</u>	<u>-</u>	<u>(159,633)</u>	<u>-</u>	<u>-</u>	<u>(1,152,352)</u>
NET CHANGE IN FUND BALANCE	151,065	91,508	54,973	44	19	12,197	(20,383)	9,283	18,277	316,983
FUND BALANCE (DEFICIT), MAY 1	<u>(181,269)</u>	<u>(238,369)</u>	<u>(1,112,944)</u>	<u>(729,639)</u>	<u>(1,202,741)</u>	<u>17,684</u>	<u>27,869</u>	<u>1,920,069</u>	<u>212,885</u>	<u>(1,286,455)</u>
FUND BALANCE (DEFICIT), APRIL 30	<u><u>(\$ 30,204)</u></u>	<u><u>(\$ 146,861)</u></u>	<u><u>(\$1,057,971)</u></u>	<u><u>(\$ 729,595)</u></u>	<u><u>(\$1,202,722)</u></u>	<u><u>\$ 29,881</u></u>	<u><u>\$ 7,486</u></u>	<u><u>\$1,929,352</u></u>	<u><u>\$ 231,162</u></u>	<u><u>(\$ 969,472)</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 #1 FUND

For the Year Ended April 30, 2018

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Property Taxes	\$ 155,556	\$ 155,556	\$ 150,459	\$ 155,557
Sales and Use Tax	33,492	33,492	-	28,155
Hotel Occupation Tax	73,586	73,586	-	52,791
Investment Income	150	150	606	111
Total Revenues	262,784	262,784	151,065	236,614
EXPENDITURES				
None	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	262,784	262,784	151,065	236,614
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	-	-	(258,525)
NET CHANGE IN FUND BALANCE	<u>\$ 262,784</u>	<u>\$ 262,784</u>	151,065	(21,911)
FUND BALANCE (DEFICIT), MAY 1			(181,269)	(159,358)
FUND BALANCE (DEFICIT), APRIL 30			<u>(\$ 30,204)</u>	<u>(\$ 181,269)</u>

See independent auditor's report.

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

TIF DISTRICT #2 FUND

For the Year Ended April 30, 2018

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Property Taxes	\$ 529,683	\$ 529,683	\$ 431,347	\$ 524,440
Investment Income	704	704	1,411	849
Total Revenues	530,387	530,387	432,758	525,289
EXPENDITURES				
None	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	530,387	530,387	432,758	525,289
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(341,250)	(341,250)	(341,250)	(336,325)
NET CHANGE IN FUND BALANCE	<u>\$ 189,137</u>	<u>\$ 189,137</u>	91,508	188,964
FUND BALANCE (DEFICIT), MAY 1			<u>(238,369)</u>	<u>(427,333)</u>
FUND BALANCE (DEFICIT), APRIL 30			<u><u>(\$ 146,861)</u></u>	<u><u>(\$ 238,369)</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 FUND

For the Year Ended April 30, 2018

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Property Taxes	\$ 124,950	\$ 124,950	\$ 69,119	\$ -
Investment Income	50	50	-	49
Total Revenues	125,000	125,000	69,119	49
EXPENDITURES				
Community Development:	-	14,146	14,146	125,322
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	125,000	110,854	54,973	(125,273)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers (Out)	(125,000)	-	-	(124,433)
Total Other Financing Sources (Uses)	(125,000)	-	-	(124,433)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 110,854</u>	54,973	(249,706)
FUND BALANCE (DEFICIT), MAY 1			<u>(1,112,944)</u>	<u>(863,238)</u>
FUND BALANCE (DEFICIT), APRIL 30			<u>(\$1,057,971)</u>	<u>(\$1,112,944)</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 FUND

For the Year Ended April 30, 2018

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Property Taxes	\$ 489,858	\$ 489,858	\$ 459,158	\$ 485,008
Investment Income	239	239	505	237
Total Revenues	490,097	490,097	459,663	485,245
EXPENDITURES				
None	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	490,097	490,097	459,663	485,245
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers (Out)	(490,097)	(459,619)	(459,619)	(493,323)
Total Other Financing Sources (Uses)	(490,097)	(459,619)	(459,619)	(493,323)
NET CHANGE IN FUND BALANCE	\$ -	\$ 30,478	44	(8,078)
FUND BALANCE (DEFICIT), MAY 1			(729,639)	(721,561)
FUND BALANCE (DEFICIT), APRIL 30			(\$ 729,595)	(\$ 729,639)

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, 2018

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Property Taxes	\$ 191,300	\$ 191,300	\$ 191,660	\$ 190,349
Investment Income	140	140	209	90
Total Revenues	191,440	191,440	191,869	190,439
EXPENDITURES				
None	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	191,440	191,440	191,869	190,439
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers (Out)	(191,440)	(191,850)	(191,850)	(190,439)
Total Other Financing Sources (Uses)	(191,440)	(191,850)	(191,850)	(190,439)
NET CHANGE IN FUND BALANCE	\$ -	(\$ 410)	19	-
FUND BALANCE (DEFICIT), MAY 1			(1,202,741)	(1,202,741)
FUND BALANCE (DEFICIT), APRIL 30			(\$1,202,722)	(\$1,202,741)

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, 2018

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Property Taxes	\$ 9,017	\$ 9,017	\$ 12,060	\$ 8,972
Investment Income	25	25	137	39
Total Revenues	9,042	9,042	12,197	9,011
EXPENDITURES				
None	-	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ 9,042</u>	<u>\$ 9,042</u>	12,197	9,011
FUND BALANCE, MAY 1			<u>17,684</u>	<u>8,673</u>
FUND BALANCE, APRIL 30			<u><u>\$ 29,881</u></u>	<u><u>\$ 17,684</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 #7 FUND

For the Year Ended April 30, 2018

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Property Taxes	\$ 133,606	\$ 133,606	\$ 138,951	\$ 129,715
Investment Income	150	150	299	154
Total Revenues	133,756	133,756	139,250	129,869
EXPENDITURES				
None	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	133,756	133,756	139,250	129,869
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(159,633)	(159,633)	(159,633)	(102,000)
Total Other Financing Sources (Uses)	(159,633)	(159,633)	(159,633)	(102,000)
NET CHANGE IN FUND BALANCE	<u>(\$ 25,877)</u>	<u>(\$ 25,877)</u>	(20,383)	27,869
FUND BALANCE, MAY 1			27,869	-
FUND BALANCE, APRIL 30			<u>\$ 7,486</u>	<u>\$ 27,869</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

MOTOR FUEL TAX FUND

For the Year Ended April 30, 2018

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Motor Fuel Tax Allotments	\$ 845,000	\$ 845,000	\$ 876,028	\$ 870,414
Investment Income	4,000	4,000	16,270	7,712
Total Revenues	849,000	849,000	892,298	878,126
EXPENDITURES				
Public Works:				
Contractual	1,453,822	1,453,822	883,015	1,235,888
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(604,822)	(604,822)	9,283	(357,762)
NET CHANGE IN FUND BALANCE	<u>(\$ 604,822)</u>	<u>(\$ 604,822)</u>	9,283	(357,762)
FUND BALANCE, MAY 1			1,920,069	2,277,831
FUND BALANCE, APRIL 30			<u>\$1,929,352</u>	<u>\$1,920,069</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 #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, 2018

	<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>2016 Revenue Bond Issue</u>	<u>2011A G.O. Bond Issue</u>
ASSETS							
Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,577,566	\$ -
Due From Other Funds	-	-	-	-	-	701,249	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,278,815</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Due To Other Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 357,285</u>	<u>\$ -</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>357,285</u>	<u>-</u>
FUND BALANCE							
Restricted For Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,921,530</u>	<u>-</u>
Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,921,530</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,278,815</u>	<u>\$ -</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS
COMBINING BALANCE SHEET (Continued)
NONMAJOR DEBT SERVICE FUNDS
April 30, 2018

	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>	2015A G.O. Bond <u>Issue</u>	2016A G.O. Bond <u>Issue</u>
ASSETS							
Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due From Other Funds	-	-	-	-	-	-	-
TOTAL ASSETS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Due To Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-	-	-	-
FUND BALANCE							
Restricted For Debt Service	-	-	-	-	-	-	-
Total Fund Balance	-	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS
COMBINING BALANCE SHEET (Continued)
NONMAJOR DEBT SERVICE FUNDS
April 30, 2018

	2016B Refunding G.O. Bond <u>Issue</u>	2018A G.O. Bond <u>Issue</u>	<u>Total</u>
ASSETS			
Cash and Investments	\$ -	\$ -	\$1,577,566
Due From Other Funds	-	-	701,249
	<u>-</u>	<u>-</u>	<u>701,249</u>
TOTAL ASSETS	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$2,278,815</u></u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Due To Other Funds	\$ -	\$ -	\$ 357,285
	<u>-</u>	<u>-</u>	<u>357,285</u>
Total Liabilities	-	-	357,285
	<u>-</u>	<u>-</u>	<u>357,285</u>
FUND BALANCE			
Restricted For Debt Service	-	-	1,921,530
	<u>-</u>	<u>-</u>	<u>1,921,530</u>
Total Fund Balance	-	-	1,921,530
	<u>-</u>	<u>-</u>	<u>1,921,530</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$2,278,815</u></u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

NONMAJOR DEBT SERVICE FUNDS

For the Year Ended April 30, 2018

	<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>2016 Revenue Bond Issue</u>	<u>2011A G.O. Bond Issue</u>
REVENUES							
Sales and Use Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,064,287	\$ -
Investment Income	-	-	-	-	-	10,918	-
Total Revenues	-	-	-	-	-	1,075,205	-
EXPENDITURES							
General Government:							
Contractual	-	-	-	-	-	4,273	-
Debt Service:							
Principal Retirement	325,000	170,000	125,000	245,000	535,330	715,000	172,184
Interest and Fiscal Charges	16,250	50,450	1,002,690	73,675	50,012	244,900	130,065
Total Expenditures	341,250	220,450	1,127,690	318,675	585,342	964,173	302,249
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(341,250)	(220,450)	(1,127,690)	(318,675)	(585,342)	111,032	(302,249)
OTHER FINANCING SOURCES (USES)							
Transfers In	341,250	220,450	1,127,690	318,675	585,342	-	302,249
Total Other Financing Sources (Uses)	341,250	220,450	1,127,690	318,675	585,342	-	302,249
NET CHANGE IN FUND BALANCE	-	-	-	-	-	111,032	-
FUND BALANCE, MAY 1	-	-	-	-	-	1,810,498	-
FUND BALANCE, APRIL 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,921,530	\$ -

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, 2018

	2011B Refunding G.O. <u>Bond Issue</u>	2011C Refunding G.O. <u>Bond Issue</u>	2012A G.O. <u>Bond Issue</u>	2012B Refunding G.O. <u>Bond Issue</u>	2013B G.O. <u>Bond Issue</u>	2015A G.O. <u>Bond Issue</u>	2016A G.O. <u>Bond Issue</u>
REVENUES							
Sales and Use Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-
EXPENDITURES							
General Government:							
Contractual	-	-	-	-	-	-	-
Debt Service:							
Principal Retirement	25,434	-	460,870	1,190,000	150,984	66,590	118,800
Interest and Fiscal Charges	1,017	105,325	201,252	325,300	119,165	29,484	178,902
Total Expenditures	26,451	105,325	662,122	1,515,300	270,149	96,074	297,702
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(26,451)	(105,325)	(662,122)	(1,515,300)	(270,149)	(96,074)	(297,702)
OTHER FINANCING SOURCES (USES)							
Transfers In	26,451	105,325	662,122	1,515,300	270,149	96,074	297,702
Total Other Financing Sources (Uses)	26,451	105,325	662,122	1,515,300	270,149	96,074	297,702
NET CHANGE IN FUND BALANCE	-	-	-	-	-	-	-
FUND BALANCE, MAY 1	-	-	-	-	-	-	-
FUND BALANCE, APRIL 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2018

	2016B Refunding G.O. <u>Bond Issue</u>	2018A G.O. <u>Bond Issue</u>	<u>Total</u>
REVENUES			
Sales and Use Tax	\$ -	\$ -	\$1,064,287
Investment Income	-	-	10,918
	<u>-</u>	<u>-</u>	<u>1,075,205</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>1,075,205</u>
EXPENDITURES			
General Government:			
Contractual	-	-	4,273
Debt Service:			
Principal Retirement	-	-	4,300,192
Interest and Fiscal Charges	301,676	-	2,830,163
	<u>301,676</u>	<u>-</u>	<u>7,134,628</u>
Total Expenditures	<u>301,676</u>	<u>-</u>	<u>7,134,628</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(301,676)</u>	<u>-</u>	<u>(6,059,423)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	301,676	-	6,170,455
	<u>301,676</u>	<u>-</u>	<u>6,170,455</u>
Total Other Financing Sources (Uses)	<u>301,676</u>	<u>-</u>	<u>6,170,455</u>
NET CHANGE IN FUND BALANCE	-	-	111,032
FUND BALANCE, MAY 1	-	-	1,810,498
FUND BALANCE, APRIL 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$1,921,530</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 #2 DEBT SERVICE FUND

For the Year Ended April 30, 2018

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service:				
Principal Retirement	325,000	325,000	325,000	310,000
Interest and Fiscal Charges	16,250	16,250	16,250	26,325
Total Expenditures	341,250	341,250	341,250	336,325
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(341,250)	(341,250)	(341,250)	(336,325)
OTHER FINANCING SOURCES (USES)				
Transfers In	341,250	341,250	341,250	336,325
Total Other Financing Sources (Uses)	341,250	341,250	341,250	336,325
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 #3 DEBT SERVICE FUND

For the Year Ended April 30, 2018

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service:				
Principal Retirement	170,000	170,000	170,000	165,000
Interest and Fiscal Charges	50,450	50,450	50,450	57,050
Total Expenditures	220,450	220,450	220,450	222,050
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(220,450)	(220,450)	(220,450)	(222,050)
OTHER FINANCING SOURCES (USES)				
Transfers In	220,450	220,450	220,450	222,050
Total Other Financing Sources (Uses)	220,450	220,450	220,450	222,050
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	-
FUND BALANCE, MAY 1			-	-
FUND BALANCE, APRIL 30			\$ -	\$ -

See independent auditor's report.

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

TIF DISTRICT #4 DEBT SERVICE FUND

For the Year Ended April 30, 2018

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
General Government:				
Contractual	-	-	-	33,971
Debt Service:				
Principal Retirement	125,000	125,000	125,000	100,000
Interest and Fiscal Charges	1,002,690	1,002,690	1,002,690	992,708
Total Expenditures	1,127,690	1,127,690	1,127,690	1,126,679
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,127,690)	(1,127,690)	(1,127,690)	(1,126,679)
OTHER FINANCING SOURCES (USES)				
Issuance of Bonds	-	-	-	2,275,000
Premium on Bonds	-	-	-	412,579
Payment to Escrow Agent	-	-	-	(2,653,608)
Transfers In	1,127,690	1,127,690	1,127,690	1,092,708
Total Other Financing Sources (Uses)	1,127,690	1,127,690	1,127,690	1,126,679
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, 2018

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service:				
Principal Retirement	245,000	245,000	245,000	240,000
Interest and Fiscal Charges	73,675	73,675	73,675	80,875
Total Expenditures	318,675	318,675	318,675	320,875
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(318,675)	(318,675)	(318,675)	(320,875)
OTHER FINANCING SOURCES (USES)				
Transfers In	318,675	318,675	318,675	320,875
Total Other Financing Sources (Uses)	318,675	318,675	318,675	320,875
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	-
FUND BALANCE, MAY 1			-	-
FUND BALANCE, APRIL 30			<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
2008C GENERAL OBLIGATION BOND FUND
For the Year Ended April 30, 2018
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service:				
Principal Retirement	535,330	535,330	535,330	515,052
Interest and Fiscal Charges	50,012	50,012	50,012	238,508
Total Expenditures	585,342	585,342	585,342	753,560
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(585,342)	(585,342)	(585,342)	(753,560)
OTHER FINANCING SOURCES (USES)				
Transfers In	585,342	585,342	585,342	753,560
Total Other Financing Sources (Uses)	585,342	585,342	585,342	753,560
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**

2016 REFUNDING REVENUE BOND FUND

For the Year Ended April 30, 2018

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Sales and Use Tax	\$1,071,470	\$1,071,470	\$1,064,287	\$ 910,854
Investment Income	750	750	10,918	1,374
Total Revenues	1,072,220	1,072,220	1,075,205	912,228
EXPENDITURES				
General Government:				
Contractual	4,203	4,273	4,273	183,037
Debt Service:				
Principal Retirement	715,000	715,000	715,000	710,000
Interest and Fiscal Charges	244,900	244,900	244,900	447,292
Total Expenditures	964,103	964,173	964,173	1,340,329
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	107,367	107,297	111,032	(428,101)
OTHER FINANCING SOURCES (USES)				
Issuance of Bonds	-	-	-	7,195,000
Premium on Bonds	-	-	-	121,940
Payment to Escrow Agent	-	-	-	(7,136,156)
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	180,784
NET CHANGE IN FUND BALANCE	<u>\$ 108,117</u>	<u>\$ 108,047</u>	111,032	(247,317)
FUND BALANCE, MAY 1			<u>1,810,498</u>	<u>2,057,815</u>
FUND BALANCE, APRIL 30			<u>\$1,921,530</u>	<u>\$1,810,498</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, 2018

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service:				
Principal Retirement	172,184	172,184	172,184	167,880
Interest and Fiscal Charges	130,065	130,065	130,065	135,101
Total Expenditures	302,249	302,249	302,249	302,981
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(302,249)	(302,249)	(302,249)	(302,981)
OTHER FINANCING SOURCES (USES)				
Transfers In	302,249	302,249	302,249	302,981
Total Other Financing Sources (Uses)	302,249	302,249	302,249	302,981
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**

2011B REFUNDING GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2018

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service:				
Principal Retirement	25,434	25,434	25,434	24,492
Interest and Fiscal Charges	1,018	1,018	1,017	1,752
Total Expenditures	26,452	26,452	26,451	26,244
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(26,452)	(26,452)	(26,451)	(26,244)
OTHER FINANCING SOURCES (USES)				
Transfers In	26,452	26,452	26,451	26,244
Total Other Financing Sources (Uses)	26,452	26,452	26,451	26,244
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
2011C REFUNDING GENERAL OBLIGATION BOND FUND
For the Year Ended April 30, 2018
(with comparative actual)

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

2012A GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2018

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service:				
Principal Retirement	460,870	460,870	460,870	451,872
Interest and Fiscal Charges	201,252	201,252	201,252	208,404
Total Expenditures	662,122	662,122	662,122	660,276
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(662,122)	(662,122)	(662,122)	(660,276)
OTHER FINANCING SOURCES (USES)				
Transfers In	662,122	662,122	662,122	660,276
Total Other Financing Sources (Uses)	662,122	662,122	662,122	660,276
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**

2012B REFUNDING GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2018

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Investment Income	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service:				
Principal Retirement	1,190,000	1,190,000	1,190,000	1,150,000
Interest and Fiscal Charges	325,300	325,300	325,300	371,300
Total Expenditures	1,515,300	1,515,300	1,515,300	1,521,300
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,515,300)	(1,515,300)	(1,515,300)	(1,521,300)
OTHER FINANCING SOURCES (USES)				
Transfers In	1,515,300	1,515,300	1,515,300	1,521,300
Total Other Financing Sources (Uses)	1,515,300	1,515,300	1,515,300	1,521,300
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

2013B GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2018

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service:				
Principal Retirement	150,984	150,984	150,984	147,209
Interest and Fiscal Charges	119,166	119,166	119,165	120,638
Total Expenditures	270,150	270,150	270,149	267,847
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(270,150)	(270,150)	(270,149)	(267,847)
OTHER FINANCING SOURCES (USES)				
Transfers In	270,150	270,150	270,149	267,847
Total Other Financing Sources (Uses)	270,150	270,150	270,149	267,847
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

2015A GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2018

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service:				
Principal Retirement	66,590	66,590	66,590	66,590
Interest and Fiscal Charges	29,485	29,485	29,484	30,816
Total Expenditures	96,075	96,075	96,074	97,406
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(96,075)	(96,075)	(96,074)	(97,406)
OTHER FINANCING SOURCES (USES)				
Transfers In	96,075	96,075	96,074	97,406
Total Other Financing Sources (Uses)	96,075	96,075	96,074	97,406
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**

2016A GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
None	\$ -	\$ -	\$ -
Total Revenues	-	-	-
EXPENDITURES			
Debt Service:			
Principal Retirement	118,800	118,800	118,800
Interest and Fiscal Charges	178,902	178,902	178,902
Total Expenditures	297,702	297,702	297,702
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(297,702)	(297,702)	(297,702)
OTHER FINANCING SOURCES (USES)			
Transfers In	297,702	297,702	297,702
Total Other Financing Sources (Uses)	297,702	297,702	297,702
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**

2016B REFUNDING GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2018

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
General Government:				
Contractual	-	-	-	87,205
Debt Service:				
Interest and Fiscal Charges	301,677	301,677	301,676	98,886
Total Expenditures	301,677	301,677	301,676	186,091
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(301,677)	(301,677)	(301,676)	(186,091)
OTHER FINANCING SOURCES (USES)				
Issuance of Bonds	-	-	-	5,839,958
Premium on Bonds	-	-	-	1,059,096
Payment to Escrow Agent	-	-	-	(6,811,849)
Transfers In	301,677	301,677	301,676	98,886
Total Other Financing Sources (Uses)	301,677	301,677	301,676	186,091
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	-
FUND BALANCE, MAY 1			-	-
FUND BALANCE, APRIL 30			\$ -	\$ -

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 projects financed by a five cent property tax levy.

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.

Police Building Capital Fund - to account for the resources used for the acquisition of land and the construction of a new police department.

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

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, 2018

	<u>Capital Levy Fund</u>	<u>Capital Projects Fund</u>	<u>Police Building Capital Fund</u>	<u>Equipment Replacement Fund</u>	<u>TIF District #7 Project Fund</u>	<u>Total</u>
ASSETS						
Cash and Investments	\$1,200,962	\$1,869,117	\$19,033,639	\$1,021,752	\$1,171,497	\$24,296,967
Receivables						
Property Taxes, net	-	24,192	-	-	-	24,192
Accounts Receivable	8,034	-	-	-	44	8,078
Prepaid Items	-	-	-	26,283	-	26,283
Due from Other Governments	-	26,494	-	-	-	26,494
Total Assets	<u>1,208,996</u>	<u>1,919,803</u>	<u>19,033,639</u>	<u>1,048,035</u>	<u>1,171,541</u>	<u>24,382,014</u>
DEFERRED OUTFLOWS OF RESOURCES						
None	-	-	-	-	-	-
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$1,208,996</u>	<u>\$1,919,803</u>	<u>\$19,033,639</u>	<u>\$1,048,035</u>	<u>\$1,171,541</u>	<u>\$24,382,014</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ -	\$ 697,378	\$ 345,813	\$ -	\$ 13,406	\$1,056,597
Contracts Payable	-	34,506	-	-	-	34,506
Advances to Other Funds	-	824,473	-	-	967,513	1,791,986
Total Liabilities	<u>-</u>	<u>1,556,357</u>	<u>345,813</u>	<u>-</u>	<u>980,919</u>	<u>2,883,089</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Revenue - Property Tax	-	24,192	-	-	-	24,192
Total Deferred Inflows of Resources	<u>-</u>	<u>24,192</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,192</u>
Total Liabilities and Deferred Inflows of Resources	<u>-</u>	<u>1,580,549</u>	<u>345,813</u>	<u>-</u>	<u>980,919</u>	<u>2,907,281</u>
FUND BALANCES						
Nonspendable						
Prepaid Items	-	-	-	26,283	-	26,283
Restricted						
Capital Outlay	-	339,254	17,960,419	-	-	18,299,673
Unrestricted						
Assigned						
Capital Improvements	<u>1,208,996</u>	<u>-</u>	<u>727,407</u>	<u>1,021,752</u>	<u>190,622</u>	<u>3,148,777</u>
Total Fund Balances	<u>1,208,996</u>	<u>339,254</u>	<u>18,687,826</u>	<u>1,048,035</u>	<u>190,622</u>	<u>21,474,733</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$1,208,996</u>	<u>\$1,919,803</u>	<u>\$19,033,639</u>	<u>\$1,048,035</u>	<u>\$1,171,541</u>	<u>\$24,382,014</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, 2018

	<u>Capital Levy Fund</u>	<u>Capital Projects Fund</u>	<u>Police Building Capital Fund</u>	<u>Equipment Replacement Fund</u>	<u>TIF District #7 Project Fund</u>	<u>Total</u>
REVENUES						
Property Tax	\$ -	\$ 24,305	\$ -	\$ -	\$ -	\$ 24,305
Other Taxes	-	114,327	-	-	-	114,327
Grants	-	82,889	-	-	-	82,889
Investment Income	7,944	6,704	38,324	5,566	9,578	68,116
Contributions	-	108,230	-	-	-	108,230
Total Revenues	<u>7,944</u>	<u>336,455</u>	<u>38,324</u>	<u>5,566</u>	<u>9,578</u>	<u>397,867</u>
EXPENDITURES						
Public Health and Safety:						
Contractual	-	-	210,253	-	-	210,253
Public Works:						
Contractual	85,063	131,309	-	-	-	216,372
Community Development:						
Contractual	-	-	-	-	20,466	20,466
Capital Outlay	-	4,818,797	1,383,642	111,761	39,172	6,353,372
Total Expenditures	<u>85,063</u>	<u>4,950,106</u>	<u>1,593,895</u>	<u>111,761</u>	<u>59,638</u>	<u>6,800,463</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(77,119)</u>	<u>(4,613,651)</u>	<u>(1,555,571)</u>	<u>(106,195)</u>	<u>(50,060)</u>	<u>(6,402,596)</u>
OTHER FINANCING SOURCES (USES)						
Issuance of Bonds	-	2,005,533	16,634,467	-	-	18,640,000
Premium on Bonds	-	130,057	1,078,727	-	-	1,208,784
Transfers In	681,730	2,058,978	2,530,203	294,971	116,980	5,682,862
Transfers (Out)	(721,036)	(2,626,277)	-	-	-	(3,347,313)
Total Other Financing Sources (Uses)	<u>(39,306)</u>	<u>1,568,291</u>	<u>20,243,397</u>	<u>294,971</u>	<u>116,980</u>	<u>22,184,333</u>
NET CHANGE IN FUND BALANCES	<u>(116,425)</u>	<u>(3,045,360)</u>	<u>18,687,826</u>	<u>188,776</u>	<u>66,920</u>	<u>15,781,737</u>
FUND BALANCES, MAY 1	<u>1,325,421</u>	<u>3,384,614</u>	<u>-</u>	<u>859,259</u>	<u>123,702</u>	<u>5,692,996</u>
FUND BALANCES, APRIL 30	<u><u>\$1,208,996</u></u>	<u><u>\$ 339,254</u></u>	<u><u>\$18,687,826</u></u>	<u><u>\$1,048,035</u></u>	<u><u>\$ 190,622</u></u>	<u><u>\$21,474,733</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, 2018

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Grants	\$ -	\$ -	\$ -	\$ 467,270
Investment Income	-	-	7,944	11,721
Contributions	-	-	-	396,182
Total Revenues	-	-	7,944	875,173
EXPENDITURES				
Public Works:				
Contractual	-	93,098	85,063	-
Capital Outlay	-	-	-	256,056
Total Expenditures	-	93,098	85,063	256,056
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(93,098)	(77,119)	619,117
OTHER FINANCING SOURCES (USES)				
Transfers In	655,000	681,731	681,730	661,213
Transfers (Out)	(722,044)	(722,044)	(721,036)	(859,953)
Total Other Financing Sources (Uses)	(67,044)	(40,313)	(39,306)	(198,740)
NET CHANGE IN FUND BALANCE	<u>(\$ 67,044)</u>	<u>(\$ 133,411)</u>	(116,425)	420,377
FUND BALANCE, MAY 1			1,325,421	905,044
FUND BALANCE, APRIL 30			<u>\$1,208,996</u>	<u>\$1,325,421</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, 2018

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Property Tax	\$24,475	\$24,475	\$24,305	\$24,475
Other Taxes	65,000	65,000	114,327	-
Grants	-	-	82,889	89,950
Investment Income	11,000	11,000	6,704	16,190
Charges for Current Services	-	-	-	1,200
Contributions	44,000	62,287	108,230	-
Total Revenues	144,475	162,762	336,455	131,815
EXPENDITURES				
Public Works:				
Contractual	141,000	240,639	131,309	92,994
Capital Outlay	6,537,956	8,989,117	4,818,797	3,938,167
Total Expenditures	6,678,956	9,229,756	4,950,106	4,031,161
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,534,481)	(9,066,994)	(4,613,651)	(3,899,346)
OTHER FINANCING SOURCES (USES)				
Issuance of Bonds	2,843,468	2,005,533	2,005,533	3,947,400
Premium (Discount) on Bonds	-	130,057	130,057	489,102
Transfers In	2,004,939	2,058,978	2,058,978	1,443,425
Transfers (Out)	-	(2,944,074)	(2,626,277)	(57,797)
Total Other Financing Sources (Uses)	4,848,407	1,250,494	1,568,291	5,822,130
NET CHANGE IN FUND BALANCE	<u>(\$1,686,074)</u>	<u>(\$7,816,500)</u>	(3,045,360)	1,922,784
FUND BALANCE, MAY 1			3,384,614	1,461,830
FUND BALANCE, APRIL 30			<u>\$ 339,254</u>	<u>\$3,384,614</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

POLICE BUILDING CAPITAL FUND

For the Year Ended April 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
Investment Income	\$ -	\$ -	\$ 38,324
Contributions	-	108,230	-
Total Revenues	-	108,230	38,324
EXPENDITURES			
Public Health and Safety:			
Contractual	-	210,253	210,253
Capital Outlay	-	3,550,268	1,383,642
Total Expenditures	-	3,760,521	1,593,895
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(3,652,291)	(1,555,571)
OTHER FINANCING SOURCES (USES)			
Issuance of Bonds	-	16,634,467	16,634,467
Premium (Discount) on Bonds	-	1,078,727	1,078,727
Transfers In	-	2,944,074	2,530,203
Total Other Financing Sources (Uses)	-	20,657,268	20,243,397
NET CHANGE IN FUND BALANCE	\$ -	\$17,004,977	18,687,826
FUND BALANCE, MAY 1			-
FUND BALANCE, APRIL 30			\$18,687,826

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, 2018

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Investment Income	\$ 1,600	\$ 1,600	\$ 5,566	\$ 2,342
Miscellaneous	-	1,901	-	-
Total Revenues	1,600	3,501	5,566	2,342
EXPENDITURES				
Capital Outlay	100,000	113,965	111,761	169,172
Total Expenditures	100,000	113,965	111,761	169,172
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(98,400)	(110,464)	(106,195)	(166,830)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	294,971	294,971	289,895
Total Other Financing Sources (Uses)	-	294,971	294,971	289,895
NET CHANGE IN FUND BALANCE	\$ 98,400	\$ 184,507	188,776	123,065
FUND BALANCE, MAY 1			859,259	736,194
FUND BALANCE, APRIL 30			\$1,048,035	\$ 859,259

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, 2018

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Investment Income	\$ 8,000	\$ 8,000	\$ 9,578	\$ 8,455
Total Revenues	8,000	8,000	9,578	8,455
EXPENDITURES				
Community Development:				
Contractual	20,000	147,976	20,466	121,805
Capital Outlay	543,944	512,279	39,172	1,725,902
Total Expenditures	563,944	660,255	59,638	1,847,707
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(555,944)	(652,255)	(50,060)	(1,839,252)
OTHER FINANCING SOURCES (USES)				
Transfers In	117,987	117,987	116,980	262,015
Total Other Financing Sources (Uses)	117,987	117,987	116,980	262,015
NET CHANGE IN FUND BALANCE	<u>(\$ 437,957)</u>	<u>(\$ 534,268)</u>	66,920	(1,577,237)
FUND BALANCE, MAY 1			123,702	1,700,939
FUND BALANCE, APRIL 30			<u>\$ 190,622</u>	<u>\$ 123,702</u>

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, 2018

	Health Insurance Fund	Workers' Compensation Liability Insurance Fund	Inventory Fund	Motor Vehicle Replacement Fund	Communications Fund	Total
CURRENT ASSETS						
Cash and Investments	\$3,625,218	\$4,145,922	\$ 16,720	\$4,118,750	\$ 536,100	\$12,442,710
Accrued Interest on Investments	-	3,597	-	-	-	3,597
Miscellaneous Receivables	57,758	1,947	2,660	26,746	-	89,111
Prepaid Items	450	215,885	989	738	420	218,482
Inventory (Net of Allowance for Excess and Obsolete Inventory of \$90,000)	-	-	4,680,777	-	-	4,680,777
Total Current Assets	3,683,426	4,367,351	4,701,146	4,146,234	536,520	17,434,677
NONCURRENT ASSETS						
Advance To Other Funds	-	-	-	647,570	-	647,570
Capital Assets						
Capital Assets Not Being Depreciated	-	-	-	-	-	-
Capital Assets Being Depreciated	-	-	79,364	10,743,322	1,280,923	12,103,609
Accumulated Depreciation	-	-	(40,199)	(5,935,888)	(213,647)	(6,189,734)
Net Capital Assets	-	-	39,165	4,807,434	1,067,276	5,913,875
Total Assets	3,683,426	4,367,351	4,740,311	9,601,238	1,603,796	23,996,122
CURRENT LIABILITIES						
Accounts Payable	-	6,018	10,614	164,113	977	181,722
Claims Payable	441,421	1,179,540	-	13,549	-	1,634,510
Accrued Salaries	-	-	9,963	8,899	881	19,743
Accrued Compensated Absences	-	-	36,578	45,856	-	82,434
Due to Other Funds	-	-	701,000	-	-	701,000
Total Current Liabilities	441,421	1,185,558	758,155	232,417	1,858	2,619,409
NONCURRENT LIABILITIES						
Advances from Other Funds	-	-	-	-	801,624	801,624
Total OPEB Liability	-	-	22,470	17,377	-	39,847
Total Noncurrent Liabilities	-	-	22,470	17,377	801,624	841,471
Total Liabilities	441,421	1,185,558	780,625	249,794	803,482	3,460,880
DEFERRED INFLOWS OF RESOURCES						
Other Postemployment Benefits	-	-	329	255	-	584
Total Deferred Inflows of Resources	-	-	329	255	-	584
Total Liabilities and Deferred Inflows of Resources	441,421	1,185,558	780,954	250,049	803,482	3,461,464
NET POSITION						
Invested in Capital Assets	-	-	39,165	4,807,434	1,067,276	5,913,875
Unrestricted (Deficit)	3,242,005	3,181,793	3,920,192	4,543,755	(266,962)	14,620,783
TOTAL NET POSITION	\$3,242,005	\$3,181,793	\$3,959,357	\$9,351,189	\$ 800,314	\$20,534,658

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, 2018

	Health Insurance Fund	Workers' Compensation Liability Insurance Fund	Inventory Fund	Motor Vehicle Replacement Fund	Communications Fund	Total
OPERATING REVENUES						
Charges for Services	\$ -	\$ -	\$ -	\$1,049,962	\$ 422,958	\$1,472,920
Insurance Premiums	4,249,473	1,000,000	-	-	-	5,249,473
Rental Income	-	-	-	1,187,742	-	1,187,742
Sale of Inventory	-	-	3,001,631	-	-	3,001,631
Miscellaneous	-	52,601	1,077,164	-	-	1,129,765
Total Operating Revenues	4,249,473	1,052,601	4,078,795	2,237,704	422,958	12,041,531
OPERATING EXPENSES						
Personnel Services	19,765	-	437,794	521,902	91,898	1,071,359
Fleet Maintenance	-	-	-	879,988	-	879,988
Insurance Claims	3,500,523	639,930	-	-	-	4,140,453
Insurance Premiums	508,045	376,106	-	-	-	884,151
Cost of Inventory	-	-	3,001,176	-	-	3,001,176
Miscellaneous	429,402	138,082	347,823	-	174,665	1,089,972
Provision for Depreciation	-	-	7,401	713,791	23,739	744,931
Total Operating Expenses	4,457,735	1,154,118	3,794,194	2,115,681	290,302	11,812,030
Operating Income (Loss)	(208,262)	(101,517)	284,601	122,023	132,656	229,501
NON-OPERATING REVENUES (EXPENSES)						
Gain on Sale of Property	-	-	-	26,293	-	26,293
Investment Income	21,540	43,796	(2,587)	44,454	1,696	108,899
Total Non-Operating Revenues (Expenses)	21,540	43,796	(2,587)	70,747	1,696	135,192
Net Income (Loss) before Transfers & Capital Grants & Contributions	(186,722)	(57,721)	282,014	192,770	134,352	364,693
TRANSFERS						
Transfers In	-	-	-	-	-	-
Transfers (Out)	-	-	-	-	-	-
Total Transfers	-	-	-	-	-	-
CHANGE IN NET POSITION	(186,722)	(57,721)	282,014	192,770	134,352	364,693
NET POSITION, MAY 1	3,428,727	3,239,514	3,618,712	9,063,312	639,663	19,989,928
Change in accounting principle	-	-	58,631	95,107	26,299	180,037
Net Position, May 1, restated	3,428,727	3,239,514	3,677,343	9,158,419	665,962	20,169,965
NET POSITION, APRIL 30	\$3,242,005	\$3,181,793	\$3,959,357	\$9,351,189	\$ 800,314	\$20,534,658

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
For the Year Ended April 30, 2018

	Health Insurance Fund	Workers' Compensation Liability Insurance Fund	Inventory Fund	Motor Vehicle Replacement Fund	Communications Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Interfund Services	\$ 3,000,000	\$ 1,000,000	\$ 4,077,345	\$ 2,281,186	\$ 422,958	\$ 10,781,489
Receipts from Miscellaneous Revenue	1,249,472	64,329	455	-	-	1,314,256
Payments to Suppliers	(4,365,145)	(849,211)	(4,106,077)	(446,589)	(192,993)	(9,960,015)
Payments to Employees	(19,188)	-	(387,183)	(523,519)	(90,507)	(1,020,397)
Payments to Other Funds	(112,476)	(11,172)	(282,014)	(353,881)	-	(759,543)
Net Cash from Operating Activities	(247,337)	203,946	(697,474)	957,197	139,458	355,790
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Advances Received from (Paid to) Other Funds	-	-	701,000	(647,570)	(61,664)	(8,234)
Transfers In	-	-	-	-	-	-
Net Cash from Noncapital Financing Activities	-	-	701,000	(647,570)	(61,664)	(8,234)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital Assets Purchased	-	-	-	(501,604)	-	(501,604)
Proceeds on Sale of Capital Assets	-	-	-	51,052	-	51,052
Net Cash from Capital and Related Financing Activities	-	-	-	(450,552)	-	(450,552)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of Investments	(17,121)	(24,606)	-	(2,836,242)	-	(2,877,969)
Proceeds from Sale and Maturities of Investment Securities	-	6,455	-	1,000,000	-	1,006,455
Interest Received (Deducted)	21,540	45,414	(2,585)	44,454	1,696	110,519
Net Cash from Investing Activities	4,419	27,263	(2,585)	(1,791,788)	1,696	(1,760,995)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(242,918)	231,209	941	(1,932,713)	79,490	(1,863,991)
CASH AND CASH EQUIVALENTS, MAY 1	694,622	903,217	15,779	1,967,036	456,610	4,037,264
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 451,704	\$ 1,134,426	\$ 16,720	\$ 34,323	\$ 536,100	\$ 2,173,273
CASH AND INVESTMENTS						
Cash and Cash Equivalents	\$ 451,704	\$ 1,134,426	\$ 16,720	\$ 34,323	\$ 536,100	\$ 2,173,273
Investments	3,173,514	3,011,496	-	4,084,427	-	10,269,437
TOTAL CASH AND INVESTMENTS	\$ 3,625,218	\$ 4,145,922	\$ 16,720	\$ 4,118,750	\$ 536,100	\$ 12,442,710
NONCASH TRANSACTIONS						
Contributions of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL NONCASH TRANSACTIONS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CASH FLOWS FROM OPERATING ACTIVITIES						
Operating Income (Loss)	\$ (208,262)	\$ (101,517)	\$ 284,601	\$ 122,023	\$ 132,656	\$ 229,501
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities						
Depreciation	-	-	7,401	713,791	23,739	744,931
Changes in Assets and Liabilities						
Receivables	(14,465)	11,729	(997)	43,482	1,527	41,276
Inventory	-	-	(989,375)	-	-	(989,375)
Prepays	(450)	4,558	-	-	(276)	3,832
Accounts and Claims Payable	(24,160)	289,176	(2,717)	77,168	(2,913)	336,554
Accrued Salaries	-	-	3,736	1,745	(590)	4,891
Compensated Absences Payable	-	-	(935)	(1,641)	(14,685)	(17,261)
Deferred Inflows of Resources						
OPEB	-	-	329	255	-	584
Total OPEB Liability	-	-	483	374	-	857
NET CASH FROM OPERATING ACTIVITIES	\$ (247,337)	\$ 203,946	\$ (697,474)	\$ 957,197	\$ 139,458	\$ 355,790

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, 2018

	Pension Trust Funds			Agency Funds
	Police Pension Fund	Fire Pension Fund	Total	
ASSETS				
Cash and Short-Term Investments	\$ 881,343	\$ 811,476	\$1,692,819	\$3,431,136
Investments, at Fair Value				
Certificates of Deposit	406,652	861,844	1,268,496	-
U.S. Treasury and U.S. Agency Securities	5,396,295	7,142,064	12,538,359	-
Corporate Bonds	4,679,521	4,443,267	9,122,788	-
Mutual Funds	13,418,862	15,092,283	28,511,145	-
Equity Securities	9,095,633	9,936,533	19,032,166	-
Receivables				
Accounts Receivable	-	-	-	786,173
Accrued Interest on Investments	66,668	67,452	134,120	-
Prepaid Items	21,688	24,048	45,736	-
TOTAL ASSETS	33,966,662	38,378,967	72,345,629	\$4,217,309
LIABILITIES				
Accounts Payable	1,140	-	1,140	\$ 120,702
Due to Other Governments	-	-	-	3,707,296
Due to Bondholders	-	-	-	389,311
TOTAL LIABILITIES	1,140	-	1,140	\$4,217,309
NET POSITION RESTRICTED FOR PENSION BENEFITS	\$33,965,522	\$38,378,967	\$72,344,489	

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, 2018

	<u>Police Pension Fund</u>	<u>Fire Pension Fund</u>	<u>Total</u>
ADDITIONS			
Contributions -			
Employer	\$ 2,281,640	\$ 1,749,113	\$ 4,030,753
Employee	531,282	477,541	1,008,823
Total Contributions	<u>2,812,922</u>	<u>2,226,654</u>	<u>5,039,576</u>
Investment Income -			
Net Appreciation in the Fair Value of Investments	1,016,946	1,059,529	2,076,475
Interest	<u>1,032,735</u>	<u>1,089,493</u>	<u>2,122,228</u>
Total Investment Income	<u>2,049,681</u>	<u>2,149,022</u>	<u>4,198,703</u>
Less Investment Expense	<u>(148,521)</u>	<u>(164,506)</u>	<u>(313,027)</u>
Net Investment Income	<u>1,901,160</u>	<u>1,984,516</u>	<u>3,885,676</u>
Total Additions	<u>4,714,082</u>	<u>4,211,170</u>	<u>8,925,252</u>
DEDUCTIONS			
Pension Benefits and Refunds	2,686,739	1,674,951	4,361,690
Administrative Expenses	<u>19,359</u>	<u>13,772</u>	<u>33,131</u>
Total Deductions	<u>2,706,098</u>	<u>1,688,723</u>	<u>4,394,821</u>
NET INCREASE	2,007,984	2,522,447	4,530,431
NET POSITION RESTRICTED FOR PENSION BENEFITS			
May 1	<u>31,957,538</u>	<u>35,856,520</u>	<u>67,814,058</u>
April 30	<u>\$33,965,522</u>	<u>\$38,378,967</u>	<u>\$72,344,489</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, 2018

	Balance May 1	Additions	Deductions	Balance April 30
Tri-City Ambulance Fund:				
Assets -				
Cash and Investments	\$ 1,620,959	\$ 4,259,105	\$ 3,492,398	\$ 2,387,666
Accounts Receivable, net	989,163	6,771,310	6,974,300	786,173
	<u>\$ 2,610,122</u>	<u>\$ 11,030,415</u>	<u>\$ 10,466,698</u>	<u>\$ 3,173,839</u>
Liabilities -				
Accounts Payable	\$ 23,414	\$ 3,490,324	\$ 3,491,856	\$ 21,882
Due to Other Governments	2,586,708	6,740,616	6,175,367	3,151,957
	<u>\$ 2,610,122</u>	<u>\$ 10,230,940</u>	<u>\$ 9,667,223</u>	<u>\$ 3,173,839</u>
Special Service Area #21 Bond:				
Assets -				
Cash and Investments	\$ 399,245	\$ 242,211	\$ 239,094	\$ 402,362
	<u>\$ 399,245</u>	<u>\$ 242,211</u>	<u>\$ 239,094</u>	<u>\$ 402,362</u>
Liabilities -				
Due to Other Governments	\$ 12,863	\$ 188	\$ -	\$ 13,051
Due to Bondholders	386,382	242,023	239,094	389,311
	<u>\$ 399,245</u>	<u>\$ 242,211</u>	<u>\$ 239,094</u>	<u>\$ 402,362</u>
North Central Narcotics Task Force:				
Assets -				
Cash and Investments	\$ 328,955	\$ 1,601,522	\$ 1,289,369	\$ 641,108
Liabilities -				
Accounts Payable	\$ 13,983	\$ 1,051,620	\$ 966,783	\$ 98,820
Due to Other Governments	314,972	564,713	337,397	542,288
	<u>\$ 328,955</u>	<u>\$ 1,616,333</u>	<u>\$ 1,304,180</u>	<u>\$ 641,108</u>
Total:				
Assets -				
Cash and Investments	\$ 2,349,159	\$ 6,102,838	\$ 5,020,861	\$ 3,431,136
Accounts Receivable	989,163	6,771,310	6,974,300	786,173
	<u>\$ 3,338,322</u>	<u>\$ 12,874,148</u>	<u>\$ 11,995,161</u>	<u>\$ 4,217,309</u>
Liabilities -				
Accounts Payable	\$ 37,397	\$ 4,541,944	\$ 4,458,639	\$ 120,702
Due to Other Governments	2,914,543	7,305,517	6,512,764	3,707,296
Due to Bondholders	386,382	242,023	239,094	389,311
	<u>\$ 3,338,322</u>	<u>\$ 12,089,484</u>	<u>\$ 11,210,497</u>	<u>\$ 4,217,309</u>

See independent auditor's report.

SUPPLEMENTAL FINANCIAL INFORMATION

CITY OF ST. CHARLES, ILLINOIS

BALANCE SHEET

GENERAL CORPORATE FUND

APRIL 30, 2018

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
ASSETS		
Cash and Investments		\$20,558,035
Receivables		
Property Taxes, net	\$12,461,883	
Accrued Interest on Investments	23,330	
Notes, net	621,939	
Miscellaneous, net	<u>649,845</u>	13,756,997
Prepaid Items		159,867
Due From Other Governments		4,503,517
Due From Other Funds		357,285
Advance to Other Funds		<u>5,549,802</u>
Total Assets		<u>44,885,503</u>
DEFERRED OUTFLOWS OF RESOURCES		
None		<u>-</u>
Total Deferred Outflows of Resources		<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		<u><u>\$44,885,503</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
LIABILITIES		
Accounts Payable		\$ 1,192,359
Accrued Salaries		496,471
Escrows and Refundable Deposits		2,075,666
Due to Other Funds		701,249
Unearned Revenue		<u>266,982</u>
Total Liabilities		<u>4,732,727</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Revenue - Property Tax		<u>12,461,883</u>
Total Deferred Inflows of Resources		12,461,883
Total Liabilities and Deferred Inflows of Resources		<u>17,194,610</u>
FUND BALANCES		
Nonspendable		
Prepaid Items		159,867
Notes Receivable		621,939
Advances to Other Funds		5,549,802
Restricted		
Mental Health		12,319
Unrestricted		
Assigned		
Community Development - Debt Service		3,000,000
Subsequent Year's Budget		212,500
Unassigned		<u>18,134,466</u>
Total Fund Balances		<u>27,690,893</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		<u><u>\$44,885,503</u></u>

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, 2018
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
General Government:				
General Administrative-				
Office of the Mayor-				
Personal Services	\$ 58,305	\$ 58,573	\$ 37,743	\$ 49,082
Contractual Services	13,467	13,117	4,013	2,018
Materials and Supplies	7,646	9,133	4,702	4,850
Miscellaneous	578	12	-	-
Capital Outlay	-	350	341	-
Allocations To Other Funds	(54,672)	(46,672)	(46,672)	(53,352)
	<u>25,324</u>	<u>34,513</u>	<u>127</u>	<u>2,598</u>
City Council-				
Personal Services	86,233	86,233	88,825	84,465
Contractual Services	58,646	58,296	51,664	78,756
Materials and Supplies	2,180	2,830	2,008	7,656
Miscellaneous	2,340	-	-	-
Capital Outlay	-	-	341	-
Allocations To Other Funds	(146,724)	(142,724)	(142,724)	(171,640)
	<u>2,675</u>	<u>4,635</u>	<u>114</u>	<u>(763)</u>
City Administrator-				
Personal Services	438,175	428,699	484,889	444,124
Contractual Services	730,799	748,449	719,007	681,714
Materials and Supplies	6,601	7,727	7,638	4,698
Miscellaneous	4,288	204	236	206
Capital Outlay	10,000	10,000	6,830	862
Allocations To Other Funds	(297,648)	(309,648)	(309,648)	(261,884)
	<u>892,215</u>	<u>885,431</u>	<u>908,952</u>	<u>869,720</u>
Community and Public Affairs-				
Personal Services	131,870	132,620	132,187	116,995
Contractual Services	12,873	19,249	16,951	25,189
Materials and Supplies	100	151	94	200
Capital Outlay	388	1,096	844	1,239
	<u>145,231</u>	<u>153,116</u>	<u>150,076</u>	<u>143,623</u>
City Clerk-				
Personal Services	4,840	7,640	6,836	7,337
Miscellaneous	3,804	5,504	5,170	2,184
	<u>8,644</u>	<u>13,144</u>	<u>12,006</u>	<u>9,521</u>
City Treasurer-				
Personal Services	1,942	1,942	1,984	1,966
Contractual Services	3,588	1,549	1,268	1,256
Allocations To Other Funds	(1,896)	(1,896)	(1,896)	(1,836)
	<u>3,634</u>	<u>1,595</u>	<u>1,356</u>	<u>1,386</u>

CITY OF ST. CHARLES, ILLINOIS
SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL CORPORATE FUND
For the Year Ended April 30, 2018
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
General Government (Continued):				
General Administrative (Continued)-				
Board of Police and Fire-				
Personal Services	\$ 2,916	\$ 3,916	\$ 3,027	\$ 2,047
Contractual Services	36,150	47,650	31,423	28,949
Materials and Supplies	1,489	1,489	940	613
	<u>40,555</u>	<u>53,055</u>	<u>35,390</u>	<u>31,609</u>
Total General Administrative	<u>1,118,278</u>	<u>1,145,489</u>	<u>1,108,021</u>	<u>1,057,694</u>
Central Support Services-				
Purchasing-				
Personal Services	161,175	157,609	127,000	156,882
Contractual Services	35,876	40,155	33,386	30,737
Materials and Supplies	10,100	9,387	6,595	9,281
Miscellaneous	4,026	3,389	1,132	1,274
Allocations To Other Funds	(135,229)	(135,229)	(135,229)	(130,475)
	<u>75,948</u>	<u>75,311</u>	<u>32,884</u>	<u>67,699</u>
Human Resources-				
Personal Services	759,250	755,613	739,286	681,763
Contractual Services	145,793	213,025	176,581	138,432
Materials and Supplies	25,196	25,376	20,455	23,421
Miscellaneous	8,592	408	207	25,416
Capital Outlay	-	2,000	1,866	-
Allocations To Other Funds	(399,420)	(399,420)	(399,420)	(389,676)
	<u>539,411</u>	<u>597,002</u>	<u>538,975</u>	<u>479,356</u>
Information Systems-				
Personal Services	1,567,253	1,568,413	1,517,179	1,407,993
Contractual Services	418,592	417,971	307,675	441,783
Materials and Supplies	11,490	11,552	6,026	8,752
Miscellaneous	96,970	4,432	3,651	3,566
Capital Outlay	35,500	35,500	23,029	37,540
Allocations To Other Funds	(811,980)	(811,980)	(811,980)	(792,168)
	<u>1,317,825</u>	<u>1,225,888</u>	<u>1,045,580</u>	<u>1,107,466</u>
Finance Administration-				
Personal Services	1,350,175	1,350,275	1,350,673	1,274,443
Contractual Services	420,916	446,637	444,398	422,541
Materials and Supplies	7,232	8,406	7,779	8,009
Miscellaneous	9,775	528	587	307

CITY OF ST. CHARLES, ILLINOIS
SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL CORPORATE FUND
For the Year Ended April 30, 2018
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
General Government (Continued):				
Central Support Services (Continued)-				
Finance Administration-				
Capital Outlay	\$ 3,500	\$ 6,505	\$ 3,589	\$ 1,677
Allocations To Other Funds	(1,282,901)	(1,282,901)	(1,282,897)	(1,259,389)
	<u>508,697</u>	<u>529,450</u>	<u>524,129</u>	<u>447,588</u>
Total Central Support Services	<u>2,441,881</u>	<u>2,427,651</u>	<u>2,141,568</u>	<u>2,102,109</u>
Total General Government	<u>3,560,159</u>	<u>3,573,140</u>	<u>3,249,589</u>	<u>3,159,803</u>
Public Health and Safety:				
Police Department-				
Administration & Operations				
Personal Services	10,739,307	10,751,541	10,637,140	9,943,047
Contractual Services	1,160,605	1,194,214	1,013,111	963,729
Materials and Supplies	230,183	240,139	181,502	228,476
Miscellaneous	255,867	195,885	192,375	186,365
Capital Outlay	18,700	18,700	17,984	12,412
	<u>12,404,662</u>	<u>12,400,479</u>	<u>12,042,112</u>	<u>11,334,029</u>
Fire Department-				
Administration-				
Personal Services	2,919,847	2,923,807	2,865,130	2,434,180
Contractual Services	211,903	205,532	203,863	205,890
Materials and Supplies	16,996	16,998	15,402	16,108
Miscellaneous	11,301	1,152	198	248
Capital Outlay	-	-	-	5,459
	<u>3,160,047</u>	<u>3,147,489</u>	<u>3,084,593</u>	<u>2,661,885</u>
Fire Operations-				
Personal Services	6,050,281	6,050,319	5,884,564	5,802,271
Contractual Services	886,354	877,745	816,614	773,179
Materials and Supplies	113,882	122,729	116,254	120,884
Miscellaneous	354,324	335,090	334,303	358,566
Capital Outlay	61,000	63,594	49,829	53,804
	<u>7,465,841</u>	<u>7,449,477</u>	<u>7,201,564</u>	<u>7,108,704</u>

CITY OF ST. CHARLES, ILLINOIS
SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL CORPORATE FUND
For the Year Ended April 30, 2018
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Public Health and Safety (Continued):				
Fire Department (Continued)-				
Emergency Management Agency-				
Personal Services	\$ 93,302	\$ 94,682	\$ 84,799	\$ 89,255
Contractual Services	30,075	29,899	25,474	18,049
Materials and Supplies	2,864	2,540	2,181	1,617
Miscellaneous	14,573	11,601	11,590	11,530
Capital Outlay	3,200	3,200	-	4,229
	<u>144,014</u>	<u>141,922</u>	<u>124,044</u>	<u>124,680</u>
Total Fire Department	<u>10,769,902</u>	<u>10,738,888</u>	<u>10,410,201</u>	<u>9,895,269</u>
Public Health Planning-				
Contractual Services	535,488	552,110	553,566	525,050
	<u>535,488</u>	<u>552,110</u>	<u>553,566</u>	<u>525,050</u>
Total Public Health and Safety	<u>23,710,052</u>	<u>23,691,477</u>	<u>23,005,879</u>	<u>21,754,348</u>
Public Works:				
Administration & Engineering-				
Personal Services	807,998	806,688	780,043	699,712
Contractual Services	271,651	308,266	237,174	166,382
Materials and Supplies	7,828	9,138	6,405	5,017
Miscellaneous	15,041	3,709	3,128	12,352
Capital Outlay	-	-	-	3,069
Allocations To Other Funds	(149,052)	(149,052)	(149,056)	(142,680)
	<u>953,466</u>	<u>978,749</u>	<u>877,694</u>	<u>743,852</u>
Public Services-				
Personal Services	2,991,253	2,991,253	2,868,210	2,698,065
Contractual Services	3,909,887	4,109,774	3,317,007	3,137,348
Materials and Supplies	1,059,902	1,272,572	1,066,083	823,829
Miscellaneous	728,113	722,513	737,660	746,953
Capital Outlay	950	950	1,154	146
Allocations To Other Funds	(1,457,712)	(1,457,712)	(1,457,712)	(1,422,144)
	<u>7,232,393</u>	<u>7,639,350</u>	<u>6,532,402</u>	<u>5,984,197</u>
Total Public Works	<u>8,185,859</u>	<u>8,618,099</u>	<u>7,410,096</u>	<u>6,728,049</u>

CITY OF ST. CHARLES, ILLINOIS
SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL CORPORATE FUND
For the Year Ended April 30, 2018
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Community Development:				
Planning Services-				
Personal Services	\$ 561,842	\$ 563,035	\$ 561,412	\$ 526,079
Contractual Services	109,375	150,832	67,918	96,128
Materials and Supplies	6,202	4,399	2,885	3,448
Miscellaneous	5,844	1,599	1,616	771
Capital Outlay	650	2,410	-	281
Allocations To Other Funds	(85,236)	(85,236)	(85,236)	(83,160)
	<u>598,677</u>	<u>637,039</u>	<u>548,595</u>	<u>543,547</u>
Planning Commission-				
Personal Services	720	720	700	550
Contractual Services	21,250	21,939	12,809	19,911
	<u>21,970</u>	<u>22,659</u>	<u>13,509</u>	<u>20,461</u>
Building and Code Enforcement-				
Personal Services	788,878	775,795	749,200	688,405
Contractual Services	75,653	96,668	88,018	87,773
Materials and Supplies	7,370	8,038	7,672	7,146
Miscellaneous	20,364	13,832	13,077	13,845
Capital Outlay	2,850	3,359	2,883	-
Allocations To Other Funds	(86,196)	(86,196)	(86,196)	(84,084)
	<u>808,919</u>	<u>811,496</u>	<u>774,654</u>	<u>713,085</u>
Zoning Board of Appeals-				
Personal Services	200	200	-	-
Contractual Services	2,100	2,552	1,742	-
	<u>2,300</u>	<u>2,752</u>	<u>1,742</u>	<u>-</u>
Development Engineering-				
Personal Services	274,837	281,278	244,323	264,917
Contractual Services	56,915	97,400	76,718	133,897
Materials and Supplies	2,810	2,250	1,228	1,913
Miscellaneous	11,493	4,349	3,326	3,331
Allocations To Other Funds	(81,180)	(81,180)	(81,180)	(79,200)
	<u>264,875</u>	<u>304,097</u>	<u>244,415</u>	<u>324,858</u>

CITY OF ST. CHARLES, ILLINOIS
SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL CORPORATE FUND
For the Year Ended April 30, 2018
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Community Development (Continued):				
Economic Development-				
Personal Services	\$ 212,706	\$ 213,880	\$ 181,732	\$ 195,201
Contractual Services	660,688	674,792	739,950	788,241
Materials and Supplies	6,590	6,590	4,824	5,419
Miscellaneous	1,792	572	70	128
Capital Outlay	-	416	416	734
Allocations To Other Funds	(136,404)	(136,404)	(136,404)	(133,080)
	<u>745,372</u>	<u>759,846</u>	<u>790,588</u>	<u>856,643</u>
Special Service Area-				
Contractual Services	235,000	235,000	216,236	237,921
	<u>235,000</u>	<u>235,000</u>	<u>216,236</u>	<u>237,921</u>
Total Community Development	<u>2,677,113</u>	<u>2,772,889</u>	<u>2,589,739</u>	<u>2,696,515</u>
Debt Service:				
Principal	4,586	4,586	4,586	4,586
Interest and Fiscal Charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Debt Service	<u>4,586</u>	<u>4,586</u>	<u>4,586</u>	<u>4,586</u>
Total Expenditures	<u><u>\$38,137,769</u></u>	<u><u>\$38,660,191</u></u>	<u><u>\$36,259,889</u></u>	<u><u>\$34,343,301</u></u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS
COMBINING SCHEDULE OF NET POSITION
WATER DIVISION ACCOUNTS
APRIL 30, 2018

	Operations & Maintenance	Connection Fees	Total
CURRENT ASSETS			
Cash and Investments	\$ 4,870,584	\$ 370,203	\$ 5,240,787
Restricted Cash and Investments	1,006,424	-	1,006,424
Receivables-			
Billed	205,917	-	205,917
Unbilled	366,555	-	366,555
Allowance for Doubtful Accounts	(2,000)	-	(2,000)
Accrued Interest on Investments	11,440	-	11,440
Miscellaneous, net	2,517	-	2,517
Prepaid Items	34,753	-	34,753
Total Current Assets	<u>6,496,190</u>	<u>370,203</u>	<u>6,866,393</u>
NONCURRENT ASSETS			
Capital Assets			
Capital Assets Not Being Depreciated	1,059,412	-	1,059,412
Capital Assets Being Depreciated	55,250,594	-	55,250,594
Accumulated Depreciation	(24,490,098)	-	(24,490,098)
Net Capital Assets	<u>31,819,908</u>	<u>-</u>	<u>31,819,908</u>
Total Assets	<u>38,316,098</u>	<u>370,203</u>	<u>38,686,301</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized Loss on Refunding	58,396	-	58,396
Pension Items - IMRF	257,904	-	257,904
Total Deferred Outflows of Resources	<u>316,300</u>	<u>-</u>	<u>316,300</u>
Total Assets and Deferred Outflows of Resources	<u>38,632,398</u>	<u>370,203</u>	<u>39,002,601</u>
CURRENT LIABILITIES			
Accounts Payable	718,552	-	718,552
Accrued Salaries	26,141	-	26,141
Accrued Interest Payable	93,021	-	93,021
Escrows and Customer Deposits	37,085	-	37,085
Accrued Compensated Absences	77,093	-	77,093
Due to Other Governments	114,222	-	114,222
General Obligation Bonds Payable	239,706	-	239,706
IEPA Loan Payable	591,803	-	591,803
Total Current Liabilities	<u>1,897,623</u>	<u>-</u>	<u>1,897,623</u>
LONG-TERM LIABILITIES			
Due to Other Governments	114,222	-	114,222
Total OPEB Liability	191,186	-	191,186
IMRF Net Pension Liability	244,264	-	244,264
General Obligation Bonds Payable	4,175,348	-	4,175,348
IEPA Loan Payable	9,845,600	-	9,845,600
Advances from Other Funds	129,990	-	129,990
Total Long-Term Liabilities	<u>14,700,610</u>	<u>-</u>	<u>14,700,610</u>
Total Liabilities	<u>16,598,233</u>	<u>-</u>	<u>16,598,233</u>
DEFERRED INFLOWS OF RESOURCES			
Other Postemployment Benefits	2,801	-	2,801
Pension Items - IMRF	613,089	-	613,089
Total Deferred Inflows of Resources	<u>615,890</u>	<u>-</u>	<u>615,890</u>
Total Liabilities and Deferred Inflows of Resources	<u>17,214,123</u>	<u>-</u>	<u>17,214,123</u>
NET POSITION			
Net Investment in Capital Assets	18,032,271	-	18,032,271
Unrestricted	3,386,004	370,203	3,756,207
TOTAL NET POSITION	<u>\$21,418,275</u>	<u>\$ 370,203</u>	<u>\$21,788,478</u>

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS**COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGE IN NET POSITION
WATER DIVISION ACCOUNTS**

For the Year Ended April 30, 2018

	Operations & Maintenance	Connection Fees	Total
OPERATING REVENUES			
Charges for Services, net	\$6,062,171	\$ -	\$ 6,062,171
Miscellaneous Revenues	24,177	-	24,177
Total Operating Revenues	6,086,348	-	6,086,348
OPERATING EXPENSES			
Personnel Services	1,450,388	-	1,450,388
Materials and Supplies	537,055	-	537,055
Other Services and Charges	2,244,277	-	2,244,277
Depreciation	1,282,379	-	1,282,379
Total Operating Expenses	5,514,099	-	5,514,099
OPERATING INCOME	572,249	-	572,249
NON-OPERATING REVENUES (EXPENSES)			
Gain on Sale of Property	64,389	-	64,389
Investment Income	27,146	1,009	28,155
Connection Charges	-	369,194	369,194
Rental Income	77,761	-	77,761
Interest Expense	(318,913)	-	(318,913)
Other Income	(2,804)	-	(2,804)
Non-Operative Revenues (Expenses), Net	(152,421)	370,203	217,782
NET INCOME BEFORE TRANSFERS			
CAPITAL GRANTS & CONTRIBUTIONS	419,828	370,203	790,031
TRANSFERS			
Transfers (Out)	(135,596)	-	(135,596)
Total Transfers	(135,596)	-	(135,596)
CAPITAL GRANTS & CONTRIBUTIONS	341,228	-	341,228
CHANGE IN NET POSITION	625,460	370,203	995,663
NET POSITION, MAY 1	20,688,551	-	20,688,551
Change in accounting principle	104,264	-	104,264
NET POSITION, MAY 1, RESTATED	20,792,815	-	20,792,815
NET POSITION, APRIL 30	\$21,418,275	\$ 370,203	\$21,788,478

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS
COMBINING SCHEDULE OF NET POSITION
SEWER DIVISION ACCOUNTS
APRIL 30, 2018

	Operations & Maintenance	Connection Fees	Total
CURRENT ASSETS			
Cash and Investments	\$ 5,151,040	\$ 754,180	\$ 5,905,220
Restricted Cash and Investments	567,950	-	567,950
Receivables-			
Billed	3,056,786	-	3,056,786
Unbilled	671,778	-	671,778
Allowance for Doubtful Accounts	(3,000)	-	(3,000)
Accrued Interest on Investments	4,420	-	4,420
Prepaid Items	53,527	-	53,527
Total Current Assets	9,502,500	754,180	10,256,680
NONCURRENT ASSETS			
Advance To Other Funds	-	-	-
Capital Assets			
Capital Assets Not Being Depreciated	6,288,600	-	6,288,600
Capital Assets Being Depreciated	90,015,460	-	90,015,460
Accumulated Depreciation	(47,084,062)	-	(47,084,062)
Net Capital Assets	49,219,998	-	49,219,998
Total Assets	58,722,498	754,180	59,476,678
DEFERRED OUTFLOWS OF RESOURCES			
Pension Items - IMRF	383,477	-	383,477
Total Deferred Outflows of Resources	383,477	-	383,477
Total Assets and Deferred Outflows of Resources	59,105,975	754,180	59,860,154
CURRENT LIABILITIES			
Accounts Payable	2,156,037	-	2,156,037
Claims Payable	428	-	428
Contracts Payable	463,072	-	463,072
Accrued Salaries	30,872	-	30,872
Accrued Interest Payable	145,072	-	145,072
Escrows and Customer Deposits	160,146	-	160,146
Accrued Compensated Absences	107,557	-	107,557
General Obligation Bonds Payable	216,121	-	216,121
IEPA Loan Payable	1,502,114	-	1,502,114
Total Current Liabilities	4,781,419	-	4,781,419
LONG-TERM LIABILITIES			
Total OPEB Liability	134,201	-	134,201
IMRF Net Pension Liability	370,815	-	370,815
General Obligation Bonds Payable	3,433,912	-	3,433,912
IEPA Loan Payable	19,767,655	-	19,767,655
Advances from Other Funds	306,843	-	306,843
Total Long-Term Liabilities	24,013,426	-	24,013,426
Total Liabilities	28,794,845	-	28,794,845
DEFERRED INFLOWS OF RESOURCES			
Unamortized Gain on Refunding	36,910	-	36,910
Other Postemployment Benefits	1,966	-	1,966
Pension Items - IMRF	901,285	-	901,285
Total Deferred Inflows of Resources	940,161	-	940,161
Total Liabilities and Deferred Inflows of Resources	29,735,006	-	29,735,006
NET POSITION			
Net Investment in Capital Assets	24,831,236	-	24,831,236
Unrestricted	4,539,732	754,180	5,293,912
TOTAL NET POSITION	\$29,370,968	\$ 754,180	\$30,125,148

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS

COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGE IN NET POSITION
SEWER DIVISION ACCOUNTS
For the Year Ended April 30, 2018

	Operations & Maintenance	Connection Fees	Total
OPERATING REVENUES			
Charges for Services, net	\$9,551,128	\$ -	\$ 9,551,128
Miscellaneous Revenues	57,440	-	57,440
Total Operating Revenues	9,608,568	-	9,608,568
OPERATING EXPENSES			
Personnel Services	1,979,982	-	1,979,982
Materials and Supplies	282,097	-	282,097
Other Services and Charges	3,901,442	-	3,901,442
Depreciation	2,083,144	-	2,083,144
Total Operating Expenses	8,246,665	-	8,246,665
OPERATING INCOME	1,361,903	-	1,361,903
NON-OPERATING REVENUES (EXPENSES)			
Investment Income	30,354	2,051	32,405
Connection Charges	-	752,129	752,129
Interest Expense	(458,255)	-	(458,255)
Other Income	5,602	-	5,602
Non-Operative Revenues (Expenses), Net	(422,299)	754,180	331,881
NET INCOME BEFORE TRANSFERS			
CAPITAL GRANTS & CONTRIBUTIONS	939,604	754,180	1,693,784
TRANSFERS			
Transfers (Out)	(247,728)	-	(247,728)
Total Transfers	(247,728)	-	(247,728)
CAPITAL GRANTS & CONTRIBUTIONS	136,983	-	136,983
CHANGE IN NET POSITION	828,859	754,180	1,583,039
NET POSITION, MAY 1	28,373,685	-	28,373,685
Change in accounting principle	168,424	-	168,424
NET POSITION, MAY 1, RESTATED	28,542,109	-	28,542,109
NET POSITION, APRIL 30	\$29,370,968	\$ 754,180	\$30,125,148

See accompanying notes to financial statements.

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.	153-157
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	158-163
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.	164-168
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.	169-170
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.	171-173

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

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016*	2017	2018
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 99,628,444	\$ 95,258,795	\$ 97,483,604	\$ 104,284,999	\$ 111,517,071	\$ 122,912,679	\$ 120,315,642	\$ 119,609,141	\$ 117,710,012	\$ 117,679,418
Restricted	13,196,304	21,309,478	20,622,400	5,937,316	5,011,926	4,428,376	4,538,841	4,562,624	4,007,455	4,131,730
Unrestricted	3,062,631	564,787	2,561,737	12,974,169	7,839,905	10,501,379	14,170,788	(26,011,037)	(26,324,127)	(26,666,608)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 115,887,379	\$ 117,133,060	\$ 120,667,741	\$ 123,196,484	\$ 124,368,902	\$ 137,842,434	\$ 139,025,271	\$ 98,160,728	\$ 95,393,340	\$ 95,144,540
BUSINESS-TYPE ACTIVITIES										
Net Investment in Capital Assets	\$ 89,806,332	\$ 94,444,575	\$ 92,601,321	\$ 93,911,050	\$ 94,974,541	\$ 97,764,596	\$ 97,792,753	\$ 100,347,715	\$ 102,341,428	\$ 103,088,527
Unrestricted	21,814,925	12,835,960	8,586,709	3,718,155	2,249,595	2,398,911	8,263,349	8,439,329	15,098,657	25,007,864
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 111,621,257	\$ 107,280,535	\$ 101,188,030	\$ 97,629,205	\$ 97,224,136	\$ 100,163,507	\$ 106,056,102	\$ 108,787,044	\$ 117,440,085	\$ 128,096,391
PRIMARY GOVERNMENT										
Net Investment in Capital Assets	\$ 189,434,776	\$ 189,703,370	\$ 190,084,925	\$ 198,196,049	\$ 206,491,612	\$ 220,677,275	\$ 218,108,395	\$ 219,956,856	\$ 220,051,440	\$ 220,767,945
Restricted	13,196,304	21,309,478	20,622,400	5,937,316	5,011,926	4,428,376	4,538,841	4,562,624	4,007,455	4,131,730
Unrestricted	24,877,556	13,400,747	11,148,446	16,692,324	10,089,500	12,900,290	22,434,137	(17,571,708)	(11,225,470)	(1,658,744)
TOTAL PRIMARY GOVERNMENT	\$ 227,508,636	\$ 224,413,595	\$ 221,855,771	\$ 220,825,689	\$ 221,593,038	\$ 238,005,941	\$ 245,081,373	\$ 206,947,772	\$ 212,833,425	\$ 223,240,931

*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	2009	2010	2011	2012	2013	2014	2015	2016*	2017	2018
EXPENSES										
Governmental Activities										
General Government	\$ 3,204,672	\$ 2,959,301	\$ 2,742,777	\$ 3,025,823	\$ 3,450,520	\$ 3,802,373	\$ 3,888,778	\$ 4,045,920	\$ 4,668,291	\$ 4,933,499
Public Health and Safety	21,200,071	20,932,430	21,580,962	20,571,645	19,765,029	20,381,206	20,978,758	23,640,334	24,914,111	27,170,802
Public Works	14,834,725	11,262,837	10,723,015	11,383,917	13,669,557	14,154,683	13,630,872	12,276,753	14,335,558	12,971,858
Community Development	9,204,338	1,990,403	2,462,651	2,440,911	2,386,567	2,394,814	2,514,641	2,510,058	3,050,009	2,724,288
Interest	3,455,958	3,872,452	3,689,961	3,566,565	3,220,116	3,119,201	3,041,571	2,905,641	2,606,194	2,336,514
Total Governmental Activities Expenses	51,899,764	41,017,423	41,199,366	40,988,861	42,491,789	43,852,277	44,054,620	45,378,706	49,574,163	50,136,961
BUSINESS-TYPE ACTIVITIES										
Electric	43,795,302	43,918,182	50,035,085	50,786,616	51,824,029	55,605,730	53,934,609	54,356,130	55,892,738	55,488,175
Water	4,708,626	4,037,587	4,485,657	4,763,481	4,532,692	5,254,578	4,938,558	5,360,981	5,330,434	5,768,623
Sewer	6,764,238	6,803,134	6,899,149	6,704,787	7,770,772	7,299,203	7,561,114	8,387,212	8,420,155	8,704,920
Refuse	728,318	608,738	630,873	497,610	601,327	503,038	650,289	574,312	788,296	616,372
Total Business-Type Activities Expenses	55,996,484	55,367,641	62,050,764	62,752,494	64,728,820	68,662,549	67,084,570	68,678,635	70,431,623	70,578,090
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 107,896,248	\$ 96,385,064	\$ 103,250,130	\$ 103,741,355	\$ 107,220,609	\$ 112,514,826	\$ 111,139,190	\$ 114,057,341	\$ 120,005,786	\$ 120,715,051
PROGRAM REVENUES										
Governmental Activities										
Charges for Services										
General Government	\$ 380,742	\$ 235,721	\$ 242,525	\$ 265,044	\$ 247,539	\$ 228,902	\$ 225,775	\$ 240,922	\$ 241,225	\$ 257,314
Public Health and Safety	2,202,465	2,492,351	2,502,699	703,165	745,094	717,112	716,204	687,519	680,851	900,658
Public Works	189,408	288,865	150,108	275,566	336,322	241,604	143,081	122,205	183,980	157,428
Community Development	580,337	411,719	332,768	346,950	325,558	302,459	319,477	479,775	539,387	623,747
Operating Grants and Contributions	1,092,490	981,183	1,195,977	1,155,398	1,073,880	1,172,273	1,247,419	998,611	1,020,721	1,007,753
Capital Grants and Contributions	143,008	357,245	533,933	598,761	1,409,288	13,121,556	82,174	67,724	558,419	421,366
Total Governmental Activities Program Revenues	4,588,450	4,767,084	4,958,010	3,344,884	4,137,681	15,783,906	2,734,130	2,596,756	3,224,583	3,368,266
Business-Type Activities										
Charges for Services										
Electric	39,670,266	39,716,828	46,274,757	48,816,782	52,522,963	57,488,550	58,305,490	59,693,030	63,207,328	62,895,933
Water	2,851,707	2,800,859	3,008,409	3,528,785	4,607,863	4,612,261	4,793,723	5,197,497	5,736,340	6,086,348
Sewer	5,555,699	5,514,181	5,829,457	6,151,173	6,750,315	7,173,530	7,641,607	8,173,256	8,943,711	9,608,568
Refuse	493,399	489,325	527,638	413,189	396,283	400,203	497,403	480,442	513,855	519,050
Capital Grants and Contributions	-	601,490	163,733	232,671	69,487	1,810,669	-	11,052	340,710	478,211
Total Business-Type Activities Program Revenues	48,571,071	49,122,683	55,803,994	59,142,600	64,346,911	71,485,213	71,238,223	73,555,277	78,741,944	79,588,110
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 53,159,521	\$ 53,889,767	\$ 60,762,004	\$ 62,487,484	\$ 68,484,592	\$ 87,269,119	\$ 73,972,353	\$ 76,152,033	\$ 81,966,527	\$ 82,956,376

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

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016*	2017	2018
NET (EXPENSE) REVENUE										
Governmental Activities	\$ (47,311,314)	\$ (36,250,339)	\$ (36,241,356)	\$ (37,643,977)	\$ (38,354,108)	\$ (28,068,371)	\$ (41,320,490)	\$ (42,781,950)	\$ (46,349,580)	\$ (46,768,695)
Business-Type Activities	(7,425,413)	(6,244,958)	(6,246,770)	(3,609,894)	(381,909)	2,822,664	4,153,653	4,876,642	8,310,321	9,010,020
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	\$ (54,736,727)	\$ (42,495,297)	\$ (42,488,126)	\$ (41,253,871)	\$ (38,736,017)	\$ (25,245,707)	\$ (37,166,837)	\$ (37,905,308)	\$ (38,039,259)	\$ (37,758,675)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities										
Taxes										
Property	\$ 13,131,263	\$ 13,936,514	\$ 13,842,186	\$ 14,088,521	\$ 14,102,024	\$ 14,155,111	\$ 14,078,954	\$ 13,952,924	\$ 13,965,981	\$ 13,866,958
Personal Property Replacement	100,102	88,607	98,485	88,849	85,873	103,019	98,355	88,879	115,429	85,334
Municipal Sales and Use	14,800,130	14,363,468	14,885,976	15,659,218	15,784,687	16,049,054	17,080,577	17,807,036	17,964,815	18,571,165
Franchise Fees	2,371,898	2,413,921	2,836,050	2,910,646	3,154,983	3,400,525	3,485,932	3,577,986	3,738,184	3,695,126
Liquor	-	-	837,925	977,452	992,079	995,618	1,062,211	1,099,613	1,130,982	1,211,935
Hotel Occupation	1,795,525	1,624,075	1,664,216	1,807,919	1,838,057	1,685,830	1,834,358	2,079,543	1,958,335	1,939,791
Telecommunications Fee	1,510,057	1,421,576	1,336,605	1,289,388	1,221,476	1,040,496	1,037,563	989,529	901,280	830,799
Other	49,626	56,660	55,745	76,215	80,495	73,962	73,061	68,582	101,363	170,875
State Income Tax	2,900,549	2,528,377	2,481,991	2,675,585	2,971,635	3,213,190	3,229,295	3,514,119	3,116,862	2,990,144
Investment Income	750,645	222,192	303,135	126,336	105,306	113,570	(45,202)	161,088	215,361	263,427
Miscellaneous	177,423	65,333	111,106	53,906	86,760	228,278	134,665	127,252	91,457	58,858
Contributions	1,205,121	1,573,396	-	-	-	-	-	-	-	-
Transfers	251,524	(798,099)	413,146	418,685	306,097	483,250	433,558	548,044	282,143	453,016
Total Governmental Activities	39,043,863	37,496,020	38,866,566	40,172,720	40,729,472	41,541,903	42,503,327	44,014,595	43,582,192	44,137,428
Business-Type Activities										
Investment Income	374,971	54,556	38,136	41,095	29,573	30,470	(24,651)	34,391	98,729	219,247
Connection Charges	255,960	448,899	81,447	173,852	207,086	246,124	154,966	237,268	231,037	1,207,603
Miscellaneous	205,265	314,883	447,828	254,807	283,102	323,363	2,042,185	619,879	295,097	255,926
Contributions	280,286	287,799	-	-	-	-	-	-	-	-
Transfers	(251,524)	798,099	(413,146)	(418,685)	(306,097)	(483,250)	(433,558)	(548,044)	(282,143)	(453,016)
Total Business-Type Activities	864,958	1,904,236	154,265	51,069	213,664	116,707	1,738,942	343,494	342,720	1,229,760
TOTAL PRIMARY GOVERNMENT	\$ 39,908,821	\$ 39,400,256	\$ 39,020,831	\$ 40,223,789	\$ 40,943,136	\$ 41,658,610	\$ 44,242,269	\$ 44,358,089	\$ 43,924,912	\$ 45,367,188
CHANGE IN NET POSITION										
Governmental Activities	\$ (8,267,451)	\$ 1,245,681	\$ 2,625,210	\$ 2,528,743	\$ 2,375,364	\$ 13,473,532	\$ 1,182,837	\$ 1,232,645	\$ (2,767,388)	\$ (2,631,267)
Business-Type Activities	(6,560,455)	(4,340,722)	(6,092,505)	(3,558,825)	(168,245)	2,939,371	5,892,595	5,220,136	8,653,041	10,239,780
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ (14,827,906)	\$ (3,095,041)	\$ (3,467,295)	\$ (1,030,082)	\$ 2,207,119	\$ 16,412,903	\$ 7,075,432	\$ 6,452,781	\$ 5,885,653	\$ 7,608,513

*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

Fiscal Year	2009	2010	2011	2012*	2013	2014	2015	2016	2017	2018
GENERAL FUND										
Reserved	\$ 4,490,108	\$ 4,312,920	\$ 3,007,493	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved - Designated	-	3,000,000	3,000,000	-	-	-	-	-	-	-
Unreserved - Undesignated	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	6,855,596	6,331,608
Restricted	-	-	-	127,772	128,840	530	2,051	8,047	18,450	12,319
Unrestricted										
Assigned	-	-	-	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,212,500
Unassigned	-	-	-	16,180,462	14,980,071	15,578,156	16,614,515	16,054,014	18,015,123	18,134,466
TOTAL GENERAL FUND	\$ 19,347,527	\$ 22,635,755	\$ 22,243,106	\$ 22,363,669	\$ 23,827,659	\$ 24,331,611	\$ 25,180,552	\$ 25,971,924	\$ 27,889,169	\$ 27,690,893
ALL OTHER GOVERNMENTAL FUNDS										
Reserved	\$ 12,443,079	\$ 20,749,408	\$ 20,828,559	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported in										
Special Revenue Funds	(2,400,267)	(2,573,701)	(2,726,537)	-	-	-	-	-	-	-
Debt Service Funds	-	-	-	-	-	-	-	-	-	-
Capital Project Funds	14,836,247	1,132,189	1,819,784	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	14,454	26,283	26,283
Restricted	-	-	-	12,753,678	9,737,766	8,149,847	7,845,366	6,403,843	6,724,129	22,419,084
Unrestricted										
Assigned	-	-	-	9,116,178	1,493,662	1,302,026	894,877	2,940,287	2,931,589	3,148,777
Unassigned	-	-	-	(2,780,307)	(3,556,145)	(3,640,987)	(3,580,720)	(3,374,231)	(3,464,962)	(3,167,353)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 24,879,059	\$ 19,307,896	\$ 19,921,806	\$ 19,089,549	\$ 7,675,283	\$ 5,810,886	\$ 5,159,523	\$ 5,984,353	\$ 6,217,039	\$ 22,426,791

* 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

Fiscal Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
REVENUES										
Taxes	\$ 33,758,601	\$ 33,904,821	\$ 35,557,188	\$ 36,898,208	\$ 37,257,664	\$ 37,501,365	\$ 38,750,016	\$ 39,664,092	\$ 39,876,369	\$ 40,371,983
Licenses and Permits	497,362	422,200	459,408	444,857	444,620	483,624	476,400	604,871	557,836	735,823
Intergovernmental	4,106,734	3,789,542	3,879,399	4,087,010	4,171,714	4,429,551	4,495,519	4,580,455	4,676,788	4,120,786
Fines and Forfeitures	376,626	435,340	403,325	415,922	422,550	414,253	384,990	360,695	368,726	475,527
Charges for Services	2,357,393	2,571,116	2,365,366	677,652	734,242	531,068	473,771	509,667	653,678	721,461
Investment Income	750,645	222,192	303,135	126,336	105,306	113,572	(45,202)	161,088	215,361	263,427
Miscellaneous	325,808	127,853	242,416	191,267	1,109,570	479,050	267,709	339,635	647,808	173,425
Total Revenues	42,173,169	41,473,064	43,210,237	42,841,252	44,245,666	43,952,483	44,803,203	46,220,503	46,996,566	46,862,432
EXPENDITURES										
General Government	3,435,154	3,007,179	2,438,740	3,227,421	3,169,478	3,042,207	3,151,388	3,056,183	3,464,016	3,253,862
Public Health and Safety	20,643,649	19,824,807	21,839,500	20,537,176	20,259,849	20,363,198	20,846,693	20,945,195	21,828,044	23,276,747
Public Works	10,882,985	7,700,583	7,412,063	8,615,910	9,226,171	8,582,627	8,341,328	7,990,502	8,056,931	8,509,483
Community Development	9,491,872	1,925,440	1,982,888	2,493,934	2,641,168	2,403,623	2,825,480	2,444,837	2,943,642	2,624,351
Debt Service										
Principal	3,247,523	3,797,436	3,939,836	4,318,359	11,254,781	5,137,911	5,037,635	5,016,601	4,462,681	4,304,778
Interest	3,040,808	4,107,956	3,839,569	3,566,095	3,577,438	3,197,224	3,310,100	3,184,089	2,920,105	2,830,163
Capital Outlay	8,644,334	6,933,971	1,864,348	5,288,531	13,734,492	6,745,179	2,529,140	2,977,825	6,089,297	6,353,372
Total Expenditures	59,386,325	47,297,372	43,316,944	48,047,426	63,863,377	49,471,969	46,041,764	45,615,232	49,764,716	51,152,756
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(17,213,156)	(5,824,308)	(106,707)	(5,206,174)	(19,617,711)	(5,519,486)	(1,238,561)	605,271	(2,768,150)	(4,290,324)
OTHER FINANCING SOURCES (USES)										
Transfers In	5,985,919	10,330,710	9,262,302	8,015,123	9,282,783	9,238,153	8,888,061	13,047,196	8,877,456	11,853,317
Transfers (Out)	(6,019,265)	(7,253,837)	(9,155,055)	(7,795,467)	(8,895,986)	(8,933,783)	(8,658,763)	(12,036,265)	(8,655,313)	(11,400,301)
Bonds Issued	19,935,000	5,481,550	6,225,000	10,072,748	42,855,000	3,710,428	1,156,689	-	19,257,358	18,640,000
Premium (Discount) on Bonds Issued	(47,806)	161,547	217,846	572,336	2,226,154	(19,767)	49,452	-	2,082,717	1,208,784
Payment to Escrow Agent	-	(5,570,590)	(6,355,910)	(6,373,811)	(35,804,866)	-	-	-	(16,601,613)	-
Sale of Capital Assets	2,500	391,993	133,785	3,551	4,350	164,010	700	-	-	-
Total Other Financing Sources (Uses)	19,856,348	3,541,373	327,968	4,494,480	9,667,435	4,159,041	1,436,139	1,010,931	4,960,605	20,301,800
NET CHANGE IN FUND BALANCES	\$ 2,643,192	\$ (2,282,935)	\$ 221,261	\$ (711,694)	\$ (9,950,276)	\$ (1,360,445)	\$ 197,578	\$ 1,616,202	\$ 2,192,455	\$ 16,011,476
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES										
	12.39%	19.59%	18.77%	18.44%	25.46%	22.42%	19.95%	18.87%	15.99%	15.53%

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

Levy Year	Residential Property	Commercial Property	Industrial Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
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	0.9275	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%
2016	932,797,716	308,615,197	129,090,529	1,370,503,442	0.8796	4,111,510,326	33.333%
2017	968,262,277	320,234,847	135,935,928	1,424,433,052	0.8463	4,273,299,156	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

Tax Calendar Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
City of St. Charles										
Corporate	0.0643	0.0311	0.1373	0.1674	0.1844	0.2353	0.2428	0.2700	0.2874	0.2308
IMRF*	0.0711	0.0605	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Fire Protection	0.1539	0.1607	0.1646	0.1746	0.1855	0.1801	0.1847	0.1769	0.1277	0.1228
Fire Pension	0.0645	0.0753	0.0708	0.0679	0.0731	0.0930	0.0904	0.1000	0.1288	0.1423
Police Protection	0.1539	0.1607	0.1646	0.1746	0.1855	0.1801	0.1847	0.1596	0.1277	0.1228
Police Pension	0.0772	0.0948	0.0882	0.0844	0.0964	0.1131	0.1198	0.1503	0.1680	0.1879
Mental Health	0.0400	0.0418	0.0410	0.0405	0.0403	0.0394	0.0397	0.0405	0.0399	0.0396
Street and Bridge	0.1051	0.1051	0.1120	0.1166	0.1122	0.0638	0.0654	0.0136	0.0000	0.0000
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	0.7300	0.7300	0.7785	0.8260	0.8774	0.9048	0.9275	0.9109	0.8795	0.8463
Kane County	0.3336	0.3398	0.3730	0.3990	0.4336	0.4622	0.4684	0.4479	0.4201	0.4025
Kane County Forest Preserve	0.1932	0.1997	0.2201	0.2609	0.2710	0.3039	0.3126	0.2944	0.2253	0.1658
St. Charles Township	0.0327	0.0413	0.0000	0.0380	0.0418	0.0439	0.0454	0.0450	0.0440	0.0437
St. Charles Township Road	0.0647	0.0659	0.0723	0.0783	0.0864	0.0911	0.0942	0.0933	0.0914	0.0907
St. Charles Cemetery	0.0002	0.0117	0.0128	0.0138	0.0152	0.0160	0.0165	0.0163	0.0160	0.0159
St. Charles Park District	0.4211	0.4613	0.5550	0.0553	0.6056	0.6407	0.6634	0.6568	0.6419	0.6327
St. Charles Library District	0.2372	0.2415	0.2654	0.2874	0.3179	0.3354	0.3486	0.3452	0.3375	0.3344
School District # 303	4.0916	4.1645	4.6040	5.0175	5.5199	5.8846	6.1340	6.1178	5.9501	5.3470
Elgin Community College	0.3275	0.3833	0.4407	0.4454	0.5215	0.5707	0.6076	0.5601	0.5296	0.4999
Waubonsee Community College	0.3995	0.4043	0.4070	0.4710	0.5312	0.5807	0.5954	0.5875	0.5607	0.5533
Total Representative Tax **	6.8313	7.0433	7.7288	7.8926	9.2215	9.8340	10.2136	10.0752	9.6961	8.9322

*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

Tax Calendar Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
City of St. Charles										
Corporate	0.0642	0.0238	0.1387	0.1691	0.1862	0.1777	0.1796	0.2727	0.2904	0.2332
IMRF*	0.0709	0.0612	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Fire Protection	0.1539	0.1623	0.1663	0.1764	0.1874	0.1820	0.1866	0.1787	0.1290	0.1241
Fire Pension	0.0646	0.0761	0.0716	0.0686	0.0739	0.0940	0.0914	0.1011	0.1302	0.1437
Police Protection	0.1539	0.1623	0.1663	0.1764	0.1874	0.1820	0.1866	0.1612	0.1290	0.1241
Police Pension	0.0773	0.0958	0.0891	0.0853	0.0975	0.1143	0.1210	0.1518	0.1698	0.1898
Mental Health	0.0401	0.0422	0.0414	0.0410	0.0407	0.0398	0.0402	0.0409	0.0404	0.0401
Street and Bridge	0.1047	0.1057	0.1127	0.1171	0.1131	0.0600	0.0657	0.0135	0.0000	0.0000
Total City of St. Charles	0.7296	0.7294	0.7861	0.8339	0.8862	0.8498	0.8711	0.9199	0.8888	0.8550
DuPage County	0.1557	0.1554	0.1659	0.1773	0.1929	0.2040	0.2057	0.1971	0.1848	0.1749
DuPage County Forest Preserve	0.1206	0.1217	0.1321	0.1414	0.1542	0.1657	0.1691	0.1622	0.1514	0.1306
Wayne Township	0.0649	0.0658	0.0733	0.0804	0.0896	0.0979	0.1025	0.1847	0.1759	0.1724
St. Charles Park District	0.4207	0.4812	0.5710	0.5531	0.6060	0.6412	0.6639	0.6574	0.6424	0.6335
St. Charles Library District	0.2348	0.2415	0.2654	0.2875	0.3179	0.3355	0.3486	0.3453	0.3375	0.3345
West Chicago Mosquito District	0.0099	0.0101	0.0111	0.0122	0.0139	0.0153	0.0161	0.0160	0.1520	0.0148
Unit School District # 303	4.0604	4.1646	4.6042	5.0177	5.5201	5.8847	6.1343	6.1179	5.9502	5.3485
Elgin Community College	0.3298	0.3760	0.3921	0.4895	0.5360	0.6919	0.5013	0.5673	0.5304	0.5055
Total Representative Tax	6.126	6.346	7.001	7.593	8.317	8.886	9.013	9.168	9.013	8.170

*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	2017			2008		
	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	\$ 16,926,173	1	1.19%	\$ 17,766,504	1	1.08%
Legia St Charles Associates LLC	14,896,244	2	1.05%	-		
AMVF St Charles LLC	6,682,103	3	0.47%	11,080,225	3	0.67%
FLT Park Shore LLC	6,499,070	4	0.46%	-		
St. Charles Country Club	6,298,311	5	0.44%	6,048,265	8	0.37%
Axiom St Charles LLC	6,216,336	6	0.44%	-		
Windy City Re LLC	6,042,942	7	0.42%	-		
Slate Main Street Holding LLC	5,281,453	8	0.42%	-		
St Charles IL Senior Property LLC	5,181,482	9	0.37%	-		
R R Donnelley & Sons Company	5,137,202	10	0.36%	-		
Pheasant Run Resort	-			13,647,390	2	0.83%
Main Street Commons	-			8,817,810	4	0.53%
Towne Center Equities LLC	-			7,677,014	5	0.47%
Charlestowne 1998 MS XL1 LLC	-			7,262,778	6	0.44%
Meijer Stores Limited Partnership	-			6,154,385	7	0.37%
Delnor Community Residential Living	-			5,845,820	9	0.35%
Covington Court	-			5,570,862	10	0.34%
	<u>\$ 79,161,316</u>		<u>5.62%</u>	<u>\$ 89,871,053</u>		<u>5.45%</u>

Data Source

Office of the County Clerk

CITY OF ST. CHARLES, ILLINOIS
PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Levied		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
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	12,040,793	99.86%	-	12,040,793	99.86%
2016		12,057,918	11,980,977	99.36%	-	11,980,977	99.36%
2017		12,057,982	6,892,364	57.16%	-	6,892,364	57.16%

Note : Property in the City is reassessed each year. Property is assessed at 33.333% of actual value.
In 2017 total distribution of property tax is as of August 8, 2018.

Data Source

Office of the County Clerk

CITY OF ST. CHARLES, ILLINOIS

SALES TAXES BY CATEGORY

Last Ten Calendar Years

Calendar Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Merchandise	\$ 2,523,026	\$ 2,293,963	\$ 2,225,218	\$ 2,021,127	\$ 2,171,503	\$ 2,048,338	\$ 3,311,891	\$ 3,310,733	\$ 3,201,074	\$ 3,100,863
Food	1,281,233	1,192,639	1,109,241	1,051,039	1,003,882	960,005	1,026,775	1,075,718	961,677	1,069,463
Drinking and Eating Places	1,693,616	1,598,774	1,666,350	1,825,577	1,818,128	1,819,151	1,960,453	2,166,866	2,290,079	2,406,612
Apparel	192,502	148,348	133,778	280,413	96,630	88,764	115,118	73,714	72,288	78,590
Furniture, Household and Radio	202,537	160,847	169,268	163,801	141,039	113,144	107,397	112,504	137,846	69,541
Lumber, Building Hardware	958,927	758,083	777,607	779,051	812,833	850,505	875,758	915,433	958,563	977,509
Automobile and Filling Stations	4,005,061	4,444,623	4,632,453	5,126,606	5,549,349	5,744,538	5,058,132	5,249,517	5,419,558	5,968,988
Drugs and Miscellaneous Retail	1,960,829	1,886,071	2,113,267	2,143,193	2,095,158	2,097,707	2,089,273	1,671,688	2,022,839	2,014,841
Agriculture and All Others	1,831,132	1,262,633	1,220,630	1,302,627	1,410,636	1,376,312	1,476,024	1,950,539	1,662,249	1,712,199
Manufacturers	141,690	152,211	142,528	174,400	179,327	180,057	206,914	206,683	237,790	195,271
TOTAL	\$ 14,790,553	\$ 13,898,192	\$ 14,190,340	\$ 14,867,834	\$ 15,278,485	\$ 15,278,521	\$ 16,227,735	\$ 16,733,395	\$ 16,963,963	\$ 17,593,877
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

Fiscal Year	City Direct Rate	County Rate	RTA Rate	State Rate
2009	2.00%	0.25%	0.25%	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%
2017	2.00%	0.25%	0.75%	5.00%
2018	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

Fiscal Year Ended	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Installment Notes Payable	Revenue Bonds	General Obligation Bonds	Installment Notes Payable			
2009	\$ 81,999,951	\$ 257,600	\$ 8,882,663	\$ 10,551,046	\$ 14,522,883	\$ 116,214,143	9.42%	\$ 3,600.64
2010	78,373,147	181,868	8,885,934	9,844,793	13,926,307	111,212,049	8.74%	3,445.66
2011	74,678,416	103,048	8,889,205	16,164,668	18,202,396	118,037,733	9.08%	3,579.72
2012	75,007,551	89,036	8,612,476	15,982,589	18,777,806	118,469,458	9.57%	3,573.42
2013	76,705,991	84,451	8,295,747	16,690,294	19,483,598	121,260,081	9.15%	3,657.59
2014	75,445,961	79,864	7,894,018	16,712,036	24,053,028	124,184,907	9.21%	3,726.26
2015	71,887,674	75,279	7,407,289	16,785,720	25,798,823	121,954,785	8.69%	3,665.94
2016	67,328,179	70,694	6,890,560	15,491,768	28,491,938	118,273,139	7.81%	3,534.76
2017	69,003,891	66,108	6,606,940	17,974,372	27,838,485	121,489,796	8.45%	3,713.35
2018	85,033,553	61,523	5,876,698	18,204,617	31,707,172	140,883,563	9.39%	4,306.52

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 169 for personal income and population data.

CITY OF ST. CHARLES, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Installment Notes Payable	Revenue Bonds	Less Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
2009	\$ 92,550,997	\$ 14,780,483	\$ 8,882,663	\$ 2,520,861	\$ 113,693,282	6.90%	\$ 3,522.53
2010	88,217,940	14,108,175	8,885,934	1,633,070	109,578,979	6.67%	3,395.06
2011	90,843,084	18,305,444	8,889,205	1,762,318	116,275,415	7.51%	3,526.28
2012	90,990,140	18,866,842	8,612,476	1,836,526	116,632,932	7.99%	3,518.02
2013	93,396,285	19,568,049	8,295,747	2,004,235	119,255,846	8.68%	3,597.14
2014	92,157,997	24,132,892	7,894,018	2,045,188	122,139,719	9.17%	3,664.89
2015	88,673,394	25,874,102	7,407,289	2,089,766	119,865,019	9.23%	3,603.12
2016	82,819,947	28,562,632	6,890,560	2,057,815	116,215,324	8.79%	3,473.26
2017	86,978,263	27,904,593	6,606,940	1,810,498	119,679,298	8.73%	3,658.02
2018	103,238,170	31,768,695	5,876,698	1,921,530	138,962,033	9.76%	4,247.78

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 158 for property value data.

CITY OF ST. CHARLES, ILLINOIS

PLEDGED REVENUE COVERAGE

Last Ten Fiscal Years

BUSINESS-TYPE ACTIVITIES				
Revenue Bonds/IEPA Loans				
<u>Fiscal Year</u>	<u>Operating Revenue</u>	<u>Debt Service</u>		<u>Coverage</u>
		<u>Principal</u>	<u>Interest</u>	
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
2017	14,680,051	1,852,051	516,392	6.20
2018	15,694,916	2,041,166	548,095	6.06

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, 2018

Governmental Unit	Gross Debt	Percentage Debt Applicable to the City of St. Charles (1)	City's Share of Debt
City of St. Charles	\$ 90,971,774	100.00%	\$ 90,971,774
Kane County Forest Preserve District	149,300,000	10.203%	15,233,079
Dupage County	31,845,000	0.086%	27,387
Dupage County Forest Preserve	111,711,749	0.086%	96,072
St. Charles Park District	22,110,000	64.167%	14,187,324
Schools			
Community Unit SD #303	41,350,000	48.799%	20,178,387
Community Unit SD #304	122,848,296	0.133%	163,388
Community College #509	173,388,754	12.084%	20,952,297
Community College #516	58,005,000	0.020%	11,601
Subtotal:	710,558,799		70,849,535
Total:	\$ 801,530,573		\$ 161,821,309

(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

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
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%
2017	32,717	1,437,094,225	43,925	5.2%
2018	32,714	1,500,525,752	45,868	3.2%

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

2017					2008				
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	1,689	9.48%	5.16%	St. Charles Community School District	1	1,248	5.61%	3.80%
RR Donnelley & Sons	2	795	4.46%	2.43%	System Sensor	2	570	2.56%	1.74%
Omron Automotive	3	709	3.98%	2.17%	Wallace	3	360	1.62%	1.10%
Smithfield Foods	4	315	1.77%	0.96%	Omron Automotive	4	350	1.57%	1.07%
City of St Charles	5	300	1.68%	0.92%	Armour Eckrich	5	350	1.57%	1.07%
Jewel/Osco	6	275	1.54%	0.84%	Mason Corporation	6	320	1.44%	0.97%
Pheasant Run Resort	7	252	1.41%	0.77%	Illinois Youth Center	7	300	1.35%	0.91%
Do Paco Inc	8	191	1.07%	0.58%	Pheasant Run Resort	8	250	1.12%	0.76%
Dukane Corporation	9	190	1.07%	0.58%	Coca-Cola Bottling Co.	9	250	1.12%	0.76%
System Sensor	10	140	0.79%	0.43%	Dopaco Inc.	10	235	1.06%	0.72%
				14.84%					12.90%

Data Source

Municipal Research Services

CITY OF ST. CHARLES, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Administration	46.60	43.00	40.60	40.90	41.80	40.50	39.40	42.50	42.90	42.60
Public Health & Safety	148.80	147.10	130.20	123.80	122.00	121.90	119.20	119.60	116.80	118.70
M & C of Public Right of Ways	61.90	52.20	40.50	40.10	41.80	42.20	40.80	41.10	41.70	44.60
M & C of Public Utilities	65.50	61.70	61.10	61.50	59.30	58.60	52.60	51.30	51.40	48.80
Community and Economic Development	16.50	17.90	17.50	17.50	16.00	16.20	14.50	14.60	14.60	15.80
Total:	339.30	321.90	289.90	283.80	280.90	279.40	266.50	269.10	267.40	270.50

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety										
Police										
Physical arrests	1,613	1,404	1,259	1,109	1,042	1,051	1,050	984	852	832
Parking violations	1,500	1,400	1,743	1,647	1,141	2,434	2,429	1,634	1,434	1,885
Traffic violations	6,316	4,491	4,496	3,939	3,964	4,194	3,847	3,223	2,980	3,425
Fire										
Emergency responses	5,044	4,831	5,100	4,434	4,092	4,282	4,456	4,452	4,622	4,763
Fires Extinguished	134	103	174	77	125	108	110	83	92	105
Public Works										
Streeting (miles)	183	184	184	179	180	180	166	166	166	168
Electric										
Number of Customers	15,233	15,364	15,419	16,174	15,503	15,521	15,526	15,558	15,560	15,674
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	6,512,000	7,930,000
# of water mains (miles)	202	220	219.9	219	230.7	225.2	221.8	223.2	224.9	225.0
Wastewater										
Average daily storage (flow)	6,562,758	6,060,000	5,788,975	6,216,128	4,235,221	4,440,000	4,827,771	5,310,356	4,921,805	5,063,742

Data Source

Various City departments

CITY OF ST. CHARLES, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Calendar Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	33	34	33	32	33	34	33	32	34	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)	49	49	49	49	49	49	49	49	49	49
Residential Streets (Miles)	134.2	135.5	136	131	131.5	131.5	131.5	131.5	131.5	132.8
Streetlights	3,271	3,291	3298	3299	3236	3241	3255	3180	3196	3188
Traffic Signals	6	6	7	7	8	10	10	10	10	10
Water										
Water Mains (Miles)	202	219.9	220	227	230.7	225.2	221.8	223.2	224.9	225.0
Fire Hydrants	2,742	2,820	2820	2822	2849	2742	2742	2763	2764	2783
Storage Capacity (Gallons)	2,425,000	2,425,000	2,425,000	2,425,000	4,200,000	4,200,000	4,200,000	4,200,000	6,700,000	6,700,000
Wastewater										
Sanitary Sewers (Miles)	174.5	174.6	180.1	175.2	175.0	174.9	174.9	175.6	175.8	177.6
Storm Sewers (Miles)	159.9	160.8	161.3	162.9	203.7	157.9	158.9	159.1	165.3	167.8
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