

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF ST. CHARLES, IL
FOR THE YEAR ENDED APRIL 30, 2017



CITY OF ST. CHARLES, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
April 30, 2017

Prepared by the Finance Department

Christopher A. Minick
Director of Finance

Mark Koenen
City Administrator

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INTRODUCTORY SECTION

Officers and Officials

Mayor

Raymond P. Rogina

City Administrator

Mark W. Koenen

City Council

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

City Treasurer

Warren J. Drewes

City Clerk

Nancy Garrison

City Attorney

John McGuirk

Department Heads

Christopher A. Minick
Director of Finance

Peter Suhr
Director of Public Works

Rita Tungare
*Director of Community &
Economic Development*

Joseph R. Schelstreet
Fire Chief

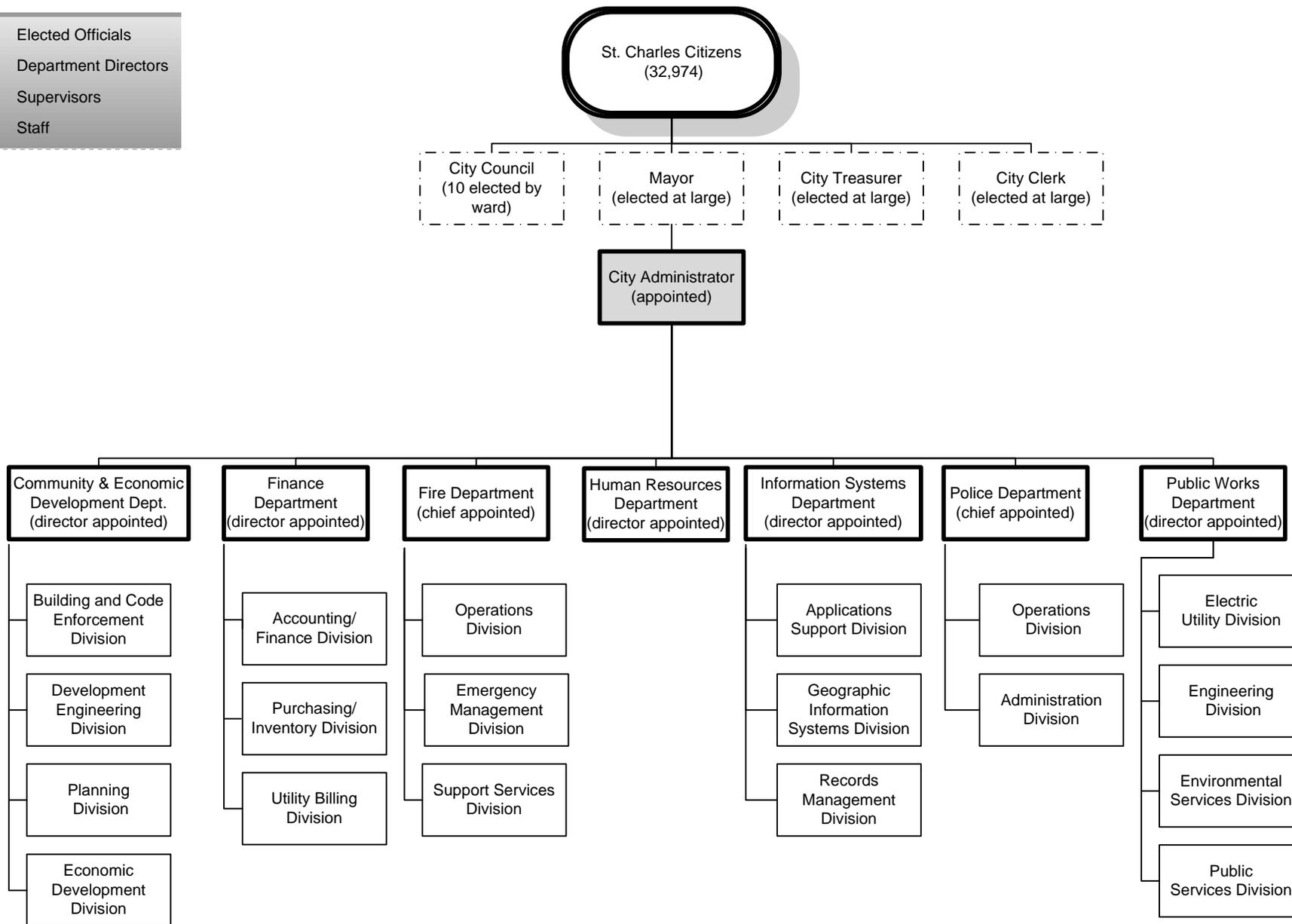
Larry Gunderson
Director of Information Systems

James Keegan
Police Chief

Jennifer McMahan
Director of Human Resources

Key

- - - - Elected Officials
- Department Directors
- Supervisors
- Staff





Government Finance Officers Association

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

Presented to

**City of St. Charles
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2016

Executive Director/CEO



RAYMOND P. ROGINA *Mayor*
MARK KOENEN, P.E. *City Administrator*

October 4, 2017

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, 2017 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, 2017 are free of material misstatement. The audit process includes examination, on a test basis, of evidence supporting the amounts and disclosures reported in the financial statements. The independent auditors also assess the accounting principles used and include their report as the first component of the financial section of the City's Comprehensive Annual Financial Report.

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

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

Heritage. Community. Service. Opportunity.

Profile of the City

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

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

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

The City adopts annual budgets for the General, Special Revenue (except the Foreign Fire Insurance Fund), 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 18-19 budget later this year.

Factors Affecting Financial Condition

Local Economy – Within the City of St. Charles, over 2,100 businesses employ approximately 18,000 people, consisting of a balanced mix of retailers, restaurants, and manufacturing facilities. Also within the City are over 2,000 hotel rooms in 12 lodging and training centers, including a full-service resort, a world-class corporate conference center, a boutique hotel and nine select service properties, several distinct shopping areas in its riverfront downtown, and four performance venues. There are two business parks that are currently in development within the City. On the east side of the City is the 36-acre Legacy Business Park with vacant pads available for retail, office, and light industrial development. The Corporate Reserve of St. Charles is a 27-acre business park located on the west side of the City. There are currently three vacant lots as well as a portion of one lot that is pending approval for new construction.

Historically, the City of St. Charles has enjoyed a healthy and growing economy. The City did experience a decline in sales tax revenue as a result of the global economic downturn that began in 2008. However, sales taxes have rebounded over the past few years, increasing by an annual average of 2.96% 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 taxes levied be consistent each year. This methodology has continued over the years, including in the development of the FY 16-17 tax levy. However, after six straight years of declines in EAV, the last two years have seen modest increases in the EAV, including a 3.55% increase in the 2016 levy year. Other bright spots in the City's current and future economic picture include:

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

First Street Development – In March 2015, City Council approved a Redevelopment Agreement between the City and First Street Development II, LLC for the development of First Street, Phase 3, for property located at the northeast corner of Illinois and First Street. The Phase 3 plan includes the construction of three mixed use buildings and a public municipally-owned parking deck. Construction on the first building of Phase 3 and the 110-space public parking deck was completed in late fall 2016. Building #3 is currently under construction and will add 42,504 square feet of office space and nine residential units to downtown.

Fox Valley Volkswagen – Fox Valley Volkswagen opened for business at the end of July 2016. To facilitate Fox Valley’s relocation from West Chicago to St. Charles, the City and Fox Valley Volkswagen LLC entered into a 15 year, \$1.5 million sales tax loan and sharing agreement.

AJR Filtration – AJR Filtration completed construction of a new expanded facility off of Kirk Road in St. Charles in October 2016. They relocated from a smaller location within one of the City’s industrial parks. AJR expects to add 150 employees in the first year and up to 200 in the next three to five years.

CVS – The 15,000 square foot drug store/pharmacy opened in the late fall of 2016.

Downtown Business Economic Incentive Award Program - Staff created the new Downtown Business Economic Incentive Award program to attract new businesses to the downtown area. This is a 50/50 matching grant program that provides funding assistance for permanent upgrades (plumbing, electric, HVAC, ADA Accessibility, etc.) for businesses locating on the 1st floor of downtown buildings. During FY 16-17, over \$132,000 in grants were awarded under this program.

Silverado Retirement Community – City Council approved the 90-unit retirement community in 2016. Construction is expected to begin in summer of 2017.

Metro Storage – Metro Storage is constructing a new 101,000 square foot facility west of Randall Road on Rt. 38. The permit was released in 2016. It is anticipated to be completed during FY 17-18.

Ryder Truck – Ryder Truck is constructing a new rental office and maintenance facility at 510 S. Tyler Road. A building permit was issued in June of 2017.

“Save”ty Yellow- This Rockford, IL based company is constructing a new warehouse facility at 3550 Legacy Blvd. Their permit was released in June of 2017. Their facility is expected to be completed by fall of 2017.

Prairie Centre – In March of 2017, the City Council approved a new mixed use development on the 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:

- 671 rental residential units in 16 buildings (some of the buildings are mixed use with retail on the first floor)
- 6 commercial outlots
- 116,478 square feet of commercial/retail space

This parcel 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.

Prairie Winds – In April of 2017, the City Council approved the Prairie Winds multi-family development north of Bricher Road and directly to the west of the St. Charles Lowe’s store. The development consists of 250 rental residential units and accompanying accessory uses (clubhouse facility, open space amenities, private pool, etc.). Construction on the project began in August 2017. The developer has shared the goal is to build the entire project in 18 months.

Major Initiatives

There were a number of major initiatives that began, were continuing, or were completed during Fiscal 16-17, including:

- Construction on a new 110-space public parking deck in the First St. Redevelopment area was completed during FY 16-17. The parking deck represents a \$1.9 million commitment by the City for the Phase 3 First Street Redevelopment Project.
- Development of a new substation, Substation 9, located in the Legacy Industrial Park, continued during FY 16-17. The substation will be constructed over a four year time frame and is expected to be completed in FY 18-19. This project is being reported as Construction in Progress.
- The construction of the City’s third water tower was completed during FY 16-17. The 1.5 million gallon water tower was funded by a low interest loan with the IEPA.
- Design engineering for the Wastewater Phosphorus Removal and Digester Improvement project continued in FY 16-17. The total cost for this project is anticipated to be around \$15.0 million with construction expected to begin in FY 17-18. This project is mandated as part of the EPA discharge permit for the Main Wastewater Treatment Plant. This project will be funded with a low interest IEPA loan.
- An architectural study of the Police Department facility, including an existing conditions report, needs assessment, and master plan study, was completed during FY 16-17. Results of the study recommended construction of a new Police facility on an alternative site. Architectural design for a new facility is currently on hold until a location for the facility is finalized.

Financial Policies

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

Other Information

Independent Audit. The State of Illinois and City policy dictate that an annual audit be performed of the financial statements of the City. The City engaged the independent accounting firm of Sikich LLP to render an opinion on the financial statements. All requirements have been

completed relative to the audit, and the report of independent public accountant's opinion has been included in the financial section of the report.

Awards. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended April 30, 2016. This was the 31st consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City satisfied both generally accepted accounting principles and applicable legal requirements.

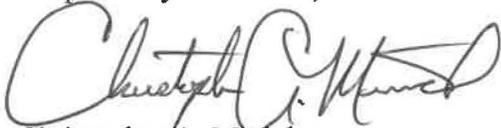
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

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

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

Respectfully Submitted,



Christopher A. Minick
Finance Director

FINANCIAL SECTION



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, 2017, 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. 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, 2017, 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.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, supplemental financial information and statistical section as listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules and the supplemental financial information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City's basic financial statements for the year ended April 30, 2016, which are not presented with the accompanying financial statements. In our report dated October 4, 2016 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 2016 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 2016 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 2016 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.

Sikich LLP

Naperville, Illinois
October 4, 2017

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

City of St. Charles, Illinois

Management's Discussion and Analysis

April 30, 2017

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, 2017. Since the Management's Discussion and Analysis (MD & A) is designed to focus on the City's current year activities, changes in the City's financial position, and to identify any material deviations from approved budget and financial plans, it should be read in conjunction with the Transmittal Letter and the City's financial statements.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

The focus of the governmental funds is narrower than that of the government-wide financial statements; it may be useful to compare the information presented for the governmental funds with similar information presented in the governmental activities and government-wide statements. By comparing statements, users may better understand the long-term impact of the government's near-term financing decisions.

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

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

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

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

Notes to the Financial Statements

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

Other Information

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

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

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

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City of St. Charles, assets exceeded liabilities by \$212.8 million as of April 30, 2017. 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, 2017 and 2016
(In Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Assets						
Current & Other Assets	\$68.2	\$68.5	\$30.5	\$24.0	\$98.7	\$92.5
Capital Assets	177.5	178.0	144.1	141.8	321.6	319.8
Total Assets	245.7	246.5	174.7	165.8	420.4	412.3
Deferred outflows of Resources	14.8	13.9	1.9	1.8	16.7	15.7
Total Assets and Deferred Outflows	260.5	260.4	176.60	167.6	437.10	428.0
Liabilities						
Current & Other Liabilities	6.6	9.1	6.9	8.7	13.5	17.8
Long-Term Liabilities	141.4	135.4	52.1	50.0	193.6	185.4
Total Liabilities	148.0	144.5	59.0	58.8	207.0	203.3
Deferred Inflows of Resources	17.1	17.7	0.1	0.0	17.2	17.8
Total Liabilities and Deferred Inflows	165.08	162.2	59.2	58.8	224.2	221.0
Net Position						
Net Investment in Capital Assets	117.7	119.6	102.3	100.3	220.1	220.0
Restricted	4.0	4.6	0.0	0.0	4.0	4.6
Unrestricted	(26.3)	(26.0)	15.1	8.4	(11.2)	(17.6)
Total Net Position	\$95.4	\$98.2	\$117.4	\$108.8	\$212.8	\$206.9

Note: Columns may not foot due to rounding.

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of St. Charles, assets exceeded liabilities by \$212.8 million as of April 30, 2017. At \$220.1 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 \$4.0 million. These net assets represent resources that are subject to restrictions, such as for Highways and Streets and Debt Service.

The City's combined net position increased by \$5.9 million from April 30, 2016 to April 30, 2017. This change is the result of a decrease in the net position of governmental activities by \$2.8 million, offset by an increase in the net position of business type activities of \$8.7 million. The decrease in net position of governmental activities was primarily the result of an increase in the City's Net Pension Liability, as reported under Statement No. 68, *Accounting and Financial Reporting for Pensions*, of the Governmental Accounting Standards Board (GASB). These items pertain to the City's participation in the City of St. Charles Firefighter's Pension Fund, City of St. Charles Police Pension Fund and Illinois Municipal Retirement Fund.

As noted previously, the net position of business-type activities increased by \$8.7 million during the year and ended the year at \$117.4 million. The \$8.7 million increase was the result of a combination of an increase in total assets and deferred outflows of \$9.0 million, offset by an increase in total liabilities and deferred outflows of \$0.3 million. Unrestricted net position, the amount available to finance the continuing operations of its business-type activities, was \$15.1 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, 2017
(In Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues						
Charges for Services	\$1.6	\$1.5	\$78.4	\$73.5	\$80.0	\$75.1
Operating Grants/Contributions	1.0	1.0	0.0	0.0	1.0	1.0
Capital Grants/Contributions	0.6	0.1	0.3	0.0	0.9	0.1
General Revenues						
Property Tax/Replacement Tax	14.1	14.0		0.0	14.1	14.0
Other Taxes	25.8	25.6		0.0	25.8	25.6
Other	3.4	3.8	0.6	0.9	4.0	4.7
Total Revenues	46.5	46.1	79.4	74.4	125.9	120.5
Expenses						
General Government	4.7	4.0		0.0	4.7	4.0
Public Health/Safety	24.9	23.6		0.0	24.9	23.6
Public Works	14.3	12.3		0.0	14.3	12.3
Comm. Develop	3.1	2.5		0.0	3.1	2.5
Interest	2.6	2.9		0.0	2.6	2.9
Electric		0.0	55.9	54.4	55.9	54.4
Water		0.0	5.3	5.4	5.3	5.4
Sewer		0.0	8.4	8.4	8.4	8.4
Refuse		0.0	0.8	0.6	0.8	0.6
Total Expenses	49.6	45.4	70.4	68.7	120.0	114.1
Excess Before Transfers	(3.0)	0.7	8.9	5.8	5.9	6.5
Transfers	0.3	0.5	(0.3)	(0.5)	0.0	0.0
Change in Net Position	(2.8)	1.2	8.7	5.2	5.9	6.5
Change in Accounting Principle	0.0	(42.1)	0.0	(2.5)	0.0	(44.6)
Ending Net Position	\$95.4	\$98.2	\$117.4	\$108.8	\$212.8	\$206.9

Note: Columns may not foot due to rounding.

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

Governmental Activities

Revenues:

Total revenues increased \$0.4 million, from \$46.1 million to \$46.5 million. The governmental activities program revenues increased \$0.6 million from \$2.6 to \$3.2 million. The governmental activities general revenues decreased \$0.2 million from \$43.5 to \$43.3 million.

Expenses:

Total expenses of governmental activities increased \$4.2 million from \$45.4 million in FY 15-16 to \$49.6 million in FY 16-17. The \$49.6 million consists of actual expenditures for the general fund and other governmental funds (\$49.8 million), the amount of the capital assets subtracted out (\$3.6 million), the amount of depreciation added (\$4.9 million), less the net gain of the internal service funds (\$1.0 million), plus the change in the OPEB liability (\$0.1 million) plus the change in the Net Pension liability (\$3.6 million) less the change in long-term debt and compensated absences (\$4.2 million).

Business Type Activities

Revenues:

Operating revenues from business-type activities increased to \$78.4 million, a total increase of \$4.9 million or 6.6% from the previous fiscal year. This was primarily due to utility rate increases during FY 16-17 for all four utilities.

Expenses:

Operating expenses from all business-type activities increased by \$1.7 million from \$68.7 to \$70.4 million, an increase of 2.5% from the prior fiscal year. This increase is mainly attributable to an increase in wholesale power costs in the Electric Fund.

Financial Analysis of the Funds

Governmental Funds – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Specifically, unrestricted fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year. For the fiscal year ended April 30, 2017, the Governmental Funds reported a combined ending fund balance of \$34.1 million. This represents an increase of \$2.1 million over the prior year.

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

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 \$21.0 million, of which \$3.0 million is assigned for debt service. Total fund balance was \$27.9 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 51.8 percent of the total General Fund expenditures, while total fund balance represents 68.7 percent of that same amount. This compares to prior year results of 45.9 percent and 62.6 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, 2017, the level of Unassigned Fund Balance in the City's General Fund amounted to \$18.0 million which equates to a level of 44.4%. In FY 2016, the amounts were \$16.1 million and 38.7% respectively.

General Fund Budgetary Highlights
For the Fiscal Year Ended April 30, 2017

	Original Budget	Final Budget	Actual
Revenues and Other Financing Sources:			
Taxes	\$37,622,341	\$37,622,341	\$37,366,053
Licenses & Permits	533,318	537,890	557,836
Charges for Services	584,570	646,890	652,478
Illinois State Income Tax			
Allotments	3,476,614	3,476,614	3,116,862
Other	913,480	923,480	799,835
Transfers	0	0	0
Total	\$43,130,323	\$43,207,215	\$42,493,064
Expenditures/Transfers:			
General Government	\$3,544,519	\$3,612,265	\$3,159,803
Public Health/Safety	22,759,423	22,834,592	21,754,348
Public Works	8,038,312	8,177,578	6,728,049
Comm. Develop	2,585,163	2,747,560	2,696,515
Debt Service	4,586	4,586	4,586
Transfers	6,466,007	6,457,423	6,232,518
Total	\$43,398,010	\$43,834,004	\$40,575,819
Change in Fund Balance	(\$267,687)	(\$626,789)	\$1,917,245

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

The General Fund results were due to the combination of General Fund revenues being below expectations by \$714,151 while expenditures were less than the final amended budget by \$3,258,185.

General Fund Revenues - Actual taxes received were slightly under budget by \$256,288 mainly due to Municipal Sales and Use tax collections being slightly below budgeted 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 mainly attributable to timing differences in capital projects as well as actual contractual services expenses being less than anticipated. In addition, personal services had a positive budget variance primarily due to several vacant positions that were budgeted, but not yet filled, prior to the end of the fiscal year. There were also positive variances in materials and supplies and capital outlay purchases.

Budgetary Controls and Revisions - The City's budgetary operations are governed by the Budget Act as provided for in the Illinois Compiled Statutes and are administered by the Director of Finance. Under the Budget Act, no appropriation is required to be passed, and an annual budget must be adopted prior to the beginning of the fiscal year funds to be expended. Budgets are based upon anticipated cash needs for specifically identified projects and ongoing activities. Budget amendments require the approval by a two-thirds vote of the City Council; however, no revision of the budget shall be made increasing the budget in the event funds are not available to effectuate the purpose of the revision.

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

Capital Assets

The City's total capital assets for its Governmental and Business-Type Activities as of April 30, 2017, amounts to \$321,642,771 (net of accumulated depreciation). The capital assets include land, buildings, equipment, and improvements other than buildings, underground systems, infrastructure, intangibles and construction in progress. This amount represents a net increase (including additions and deductions) of \$1,853,605 from the prior year.

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

Capital Assets
As of April 30, 2017

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land & Right of Way	\$60.1	\$60.0	\$2.3	\$2.3	\$62.4	\$62.3
Construction in Progress	0.3	0.7	8.4	8.0	8.8	8.7
Intangible Assets.	3.7	3.5	0.6	0.6	4.2	4.0
Buildings and Improvements	52.2	49.9	61.8	61.6	114.1	111.4
Infrastructure	157.1	155.9	184.2	177.5	341.3	333.4
Machinery, Vehicles and Equipment	15.0	14.5	11.0	10.8	26.0	25.3
Accumulated Depreciation	(110.9)	(106.5)	(124.2)	(118.9)	(235.1)	(225.3)
Total:	\$177.5	\$178.0	\$144.1	\$141.8	\$321.6	\$319.8

Major capital asset events during FY 2016-2017 included the following:

- Construction on a new 110-space public parking deck in the First St. Redevelopment area was completed in FY 16-17. The parking deck represents a \$1.9 million commitment by the City for the Phase 3 First Street Redevelopment Project.
- Development of a new substation, Substation 9, located in the Legacy Industrial Park, continued during FY 16-17. The substation will be constructed over a four year time frame and is expected to be completed in FY 18-19. This project is being reported as Construction in Progress
- The construction of the City's third water tower was completed in FY 16-17. The 1.5 million gallon water tower, at an approximate cost of \$4.0 million is funded by a low interest loan with the IEPA.
- Design engineering for the Wastewater Phosphorus Removal and Digester Improvement project continued during FY 16-17. The total cost for this project is anticipated to be around \$15.0 million with construction expected to begin in FY 17-18. This project is mandated as part of the EPA discharge permit for the Main Wastewater Treatment Plant. This project will be funded with a low interest IEPA loan.

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

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

Debt Outstanding

At the end of the fiscal year, the City had total debt outstanding of \$116,352,260 (excluding compensated absences and net pension obligations). Of this amount, \$81,620,000 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 \$28,175,000 of the total debt outstanding. The City also has \$6,485,000 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 \$27,838,485 in IEPA loans and \$66,108 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 composition is primarily residential with a smaller commercial and industrial component. Since 2009, the City's equalized assessed value has declined, corresponding to a decrease in the value of real estate in the community. As a result, the City Council has made the decision to maintain a constant amount of money collected from the community via this source. For the 2016 tax levy, collected in FY 17-18, the City Council elected to keep the City's operating levy at \$12,055,117, which has remained frozen since the 2009 tax levy. Sales and use taxes are anticipated to continue to rebound from their recession low in FY 09-10. Since FY 09-10, sales and use taxes have increased an average of over 2% per year. The City anticipates continued modest growth to continue into FY 17-18.

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

The City has a demonstrated history of reducing expenditures to match the revenue streams that the City receives. In FY 07-08 the City's actual expenditures and transfers out in the General Fund amounted to \$42.7 million. Over the next two fiscal years, this amount had been reduced to \$37.7 million, an 11.7% reduction from the FY 07-08 total. The General Fund's expenditures and transfers out total \$40.6 million for FY 16-17, compared with \$42.5 million in revenues. Current expenditures remain approximately 4.9% below the 2007-2008 level and demonstrate the City's commitment to continue matching expenditure levels to anticipated revenue streams to maintain the City's fiscal health.

The City continued its practice of matching revenues and expenditure streams in the budget for FY 16-17. Previously accumulated reserves are anticipated to offset the small operating deficit budgeted for FY 17-18. Timing differences related to projects and aggressive expenditure management have resulted in a significant positive Net Change in Fund Balance in the General Fund for FY 16-17. The resources related to the deferred projects have been re-budgeted in the current fiscal year and are resulting in an anticipated negative Net Change in Fund Balance for FY 17-18.

In April of 2011, the City accepted an external rate study report on all of its utilities. The rate study outlines a multi-year plan to bring the City's utility rate structure in line with its expenses. The City is performing an annual analysis of the revenues, expenses, and reserve levels of the individual utilities and adjusting user rates accordingly in conjunction with the results of the rate study. Rates have been adjusted each year since the study was adopted. The changes to the rate structure have resulted in a positive Change in Net Position of \$7,430,324 in the Electric Fund and \$800,811 in the Water Fund. The Sewer Fund had a change in net position of \$455,602 for FY 16-17. 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 will be having another utility rate study performed during FY 17-18.

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 2017-2018 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.

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

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, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$41,892,573	\$18,743,523	\$60,636,096
Restricted Cash and Investments	-	3,816,428	3,816,428
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	13,956,687	35,000	13,991,687
Accounts Receivable	599,910	8,041,545	8,641,455
Accrued Interest on Investments	22,252	13,587	35,839
Notes Receivable	761,155	-	761,155
Miscellaneous	830,445	113,395	943,840
Prepaid Items	1,043,378	172,917	1,216,295
Internal Balances	391,712	(391,712)	-
Due from Other Governments	4,991,904	-	4,991,904
Inventory	3,691,403	-	3,691,403
Capital Assets Not Being Depreciated	61,417,291	10,681,111	72,098,402
Capital Assets (Net of Accumulated Depreciation)	116,077,223	133,467,146	249,544,369
Total Assets	245,675,933	174,692,940	420,368,873
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges on Refunding	3,252,314	195,394	3,447,708
Pension Items - IMRF	3,151,626	1,714,603	4,866,229
Pension Items - Pension Trust Funds	8,390,791	-	8,390,791
Total Deferred Outflows of Resources	14,794,731	1,909,997	16,704,728
Total Assets and Deferred Outflows of Resources	260,470,664	176,602,937	437,073,601
LIABILITIES			
Accounts Payable	1,313,467	4,142,150	5,455,617
Claims Payable	1,444,715	314,854	1,759,569
Contracts Payable	687,629	1,247,200	1,934,829
Accrued Salaries	385,223	98,846	484,069
Accrued Interest Payable	1,208,376	463,252	1,671,628
Escrows and Refundable Deposits	1,174,523	537,132	1,711,655
Due to Other Governments	149,631	-	149,631
Unearned Revenue	232,381	96,237	328,618
Long-Term Liabilities			
Due Within One Year	7,796,325	3,956,647	11,752,972
Due in More than One Year	133,622,406	48,178,374	181,800,780
Total Liabilities	148,014,676	59,034,692	207,049,368
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Property Taxes	13,956,687	35,000	13,991,687
Pension Items - IMRF	156,598	93,160	249,758
Pension Items - Pension Trust Funds	2,949,363	-	2,949,363
Total Deferred Inflows of Resources	17,062,648	128,160	17,190,808
Total Liabilities and Deferred Inflows of Resources	165,077,324	59,162,852	224,240,176
NET POSITION			
Net Investment in Capital Assets	117,710,012	102,341,428	220,051,440
Restricted			
Mental Health	18,450	-	18,450
Community Development	45,553	-	45,553
Highway and Street Maintenance	1,920,069	-	1,920,069
Fire Department	212,885	-	212,885
Debt Service	1,810,498	-	1,810,498
Unrestricted	(26,324,127)	15,098,657	(11,225,470)
TOTAL NET POSITION	\$95,393,340	\$117,440,085	\$212,833,425

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2017

<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	\$ 4,668,291	\$ 241,225	\$ -	\$ -
Public Health and Safety	24,914,111	680,851	146,951	9,681
Public Works	14,335,558	183,980	873,770	548,738
Community Development	3,050,009	539,387	-	-
Interest	2,606,194	-	-	-
Total Governmental Activities	49,574,163	1,645,443	1,020,721	558,419
Business-Type Activities				
Electric	55,892,738	63,207,328	-	-
Water	5,330,434	5,736,340	-	313,210
Sewer	8,420,155	8,943,711	-	27,500
Refuse	788,296	513,855	-	-
Total Business-Type Activities	70,431,623	78,401,234	-	340,710
TOTAL PRIMARY GOVERNMENT	\$ 120,005,786	\$ 80,046,677	\$ 1,020,721	\$ 899,129

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS
STATEMENT OF ACTIVITIES (Continued)
For the Year Ended April 30, 2017

	Net (Expense) Revenue and Change in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (4,427,066)	\$ -	\$ (4,427,066)
	(24,076,628)	-	(24,076,628)
	(12,729,070)	-	(12,729,070)
	(2,510,622)	-	(2,510,622)
	(2,606,194)	-	(2,606,194)
	<u>(46,349,580)</u>	<u>-</u>	<u>(46,349,580)</u>
	-	7,314,590	7,314,590
	-	719,116	719,116
	-	551,056	551,056
	-	(274,441)	(274,441)
	<u>-</u>	<u>8,310,321</u>	<u>8,310,321</u>
	<u>(46,349,580)</u>	<u>8,310,321</u>	<u>(38,039,259)</u>
General Revenues			
Taxes			
Property	13,965,981	-	13,965,981
Personal Property Replacement	115,429	-	115,429
Municipal Sales and Use	17,964,815	-	17,964,815
Franchise Fees	3,738,184	-	3,738,184
Liquor	1,130,982	-	1,130,982
Hotel Occupation	1,958,335	-	1,958,335
Telecommunications Fee	901,280	-	901,280
Other	101,363	-	101,363
State Income Tax	3,116,862	-	3,116,862
Investment Income	215,361	98,729	314,090
Connection Charges	-	231,037	231,037
Miscellaneous	124,685	295,097	419,782
Gain (Loss) on Sale of Capital Assets	(33,228)	-	(33,228)
Transfers In (Out)	282,143	(282,143)	-
Total	<u>43,582,192</u>	<u>342,720</u>	<u>43,924,912</u>
CHANGE IN NET POSITION	(2,767,388)	8,653,041	5,885,653
NET POSITION, MAY 1	98,160,728	108,787,044	206,947,772
NET POSITION, APRIL 30	<u>\$ 95,393,340</u>	<u>\$ 117,440,085</u>	<u>\$ 212,833,425</u>

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS

BALANCE SHEET

GOVERNMENTAL FUNDS

April 30, 2017

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
ASSETS			
Cash and Investments	\$18,658,367	\$10,799,020	\$29,457,387
Receivables			
Property Taxes	12,450,756	1,505,931	13,956,687
Accounts Receivable	-	599,910	599,910
Accrued Interest on Investments	17,037	-	17,037
Notes Receivable, net	761,155	-	761,155
Miscellaneous, net	700,058	-	700,058
Prepaid Items	190,513	26,283	216,796
Due from Other Funds	320,258	693,129	1,013,387
Due from Other Governments	4,919,708	72,196	4,991,904
Advances to Other Funds	5,903,928	-	5,903,928
Total Assets	<u>43,921,780</u>	<u>13,696,469</u>	<u>57,618,249</u>
DEFERRED OUTFLOWS OF RESOURCES			
None	-	-	-
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$43,921,780</u>	<u>\$13,696,469</u>	<u>\$57,618,249</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 1,111,451	\$ 167,053	\$ 1,278,504
Contracts Payable	-	687,629	687,629
Accrued Salaries	370,371	-	370,371
Escrows and Refundable Deposits	1,174,523	-	1,174,523
Due to Other Governments	-	149,631	149,631
Due to Other Funds	693,129	320,258	1,013,387
Advances From Other Funds	-	4,648,928	4,648,928
Unearned Revenue	232,381	-	232,381
Total Liabilities	<u>3,581,855</u>	<u>5,973,499</u>	<u>9,555,354</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Property Tax	12,450,756	1,505,931	13,956,687
Total Deferred Inflows of Resources	<u>12,450,756</u>	<u>1,505,931</u>	<u>13,956,687</u>
Total Liabilities and Deferred Inflows of Resources	<u>16,032,611</u>	<u>7,479,430</u>	<u>23,512,041</u>

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS

BALANCE SHEET (Continued)

GOVERNMENTAL FUNDS

April 30, 2017

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
FUND BALANCES			
Nonspendable			
Prepaid Items	\$ 190,513	\$ 26,283	\$ 216,796
Notes Receivable	761,155	-	761,155
Advances to Other Funds	5,903,928	-	5,903,928
Restricted			
Mental Health	18,450	-	18,450
Capital Outlay	-	2,735,124	2,735,124
Community Development	-	45,553	45,553
Highway and Street Maintenance	-	1,920,069	1,920,069
Fire Department	-	212,885	212,885
Debt Service	-	1,810,498	1,810,498
Assigned			
Capital Improvement Projects	-	2,931,589	2,931,589
Debt Service	3,000,000	-	3,000,000
Unassigned			
General Fund	18,015,123	-	18,015,123
Special Revenue Funds (Deficit)	-	(3,464,962)	(3,464,962)
Total Fund Balances	<u>27,889,169</u>	<u>6,217,039</u>	<u>34,106,208</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	 <u>\$43,921,780</u>	 <u>\$13,696,469</u>	 <u>\$57,618,249</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, 2017

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 34,106,208
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	171,916,818
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds Payable and Installment Contracts Payable	(71,420,382)
Compensated Absences Payable	(3,391,853)
Interest Payable	(1,208,376)
Other Postemployment Benefits	(5,029,402)
Premiums or discounts on long-term liabilities and gains and losses on debt refundings are capitalized and amortized at the government-wide level	
Premiums	(4,273,359)
Discounts	16,802
Loss on Refundings	3,252,314
Net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position	(8,114,905)
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	2,995,028
Net pension liability for the Pension Trust Funds is shown as a liability on the statement of net position	(48,886,909)
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	5,441,428
The net position of the internal service funds are included in the governmental activities in the statement of net assets	<u>19,989,928</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 95,393,340</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, 2017

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Property Taxes	\$12,447,465	\$ 1,518,516	\$13,965,981
Personal Property Replacement Taxes	115,429	-	115,429
Municipal Sales and Use Taxes	17,025,806	939,009	17,964,815
Franchise Fees	3,738,184	-	3,738,184
Liquor Tax	1,130,982	-	1,130,982
Hotel Occupations Tax	1,905,544	52,791	1,958,335
Telecommunications Fee	901,280	-	901,280
Other Taxes	101,363	-	101,363
Licenses and Permits	557,836	-	557,836
Fines and Court Fees	368,726	-	368,726
Grants	57,154	632,358	689,512
Illinois State Income Tax Allotments	3,116,862	-	3,116,862
Motor Fuel Tax Allotments	-	870,414	870,414
Charges for Current Services	652,478	1,200	653,678
Investment Income	164,853	50,508	215,361
Contributions	-	396,182	396,182
Miscellaneous	209,102	-	209,102
Total Revenues	42,493,064	4,460,978	46,954,042
EXPENDITURES			
Current-			
General Government	3,159,803	304,213	3,464,016
Public Health and Safety	21,754,348	73,696	21,828,044
Public Works	6,728,049	1,328,882	8,056,931
Community Development	2,696,515	247,127	2,943,642
Debt Service-			
Principal	4,586	4,458,095	4,462,681
Interest and Fiscal Charges	-	2,920,105	2,920,105
Capital Outlay	-	6,089,297	6,089,297
Total Expenditures	34,343,301	15,421,415	49,764,716
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	8,149,763	(10,960,437)	(2,810,674)
OTHER FINANCING SOURCES (USES)			
Issuance of Bonds	-	19,257,358	19,257,358
Premium on Bonds	-	2,082,717	2,082,717
Payment to Escrow Agent	-	(16,601,613)	(16,601,613)
Transfers In	-	8,877,456	8,877,456
Transfers (Out)	(6,232,518)	(2,422,795)	(8,655,313)
Total Other Financing Sources (Uses)	(6,232,518)	11,193,123	4,960,605
NET CHANGE IN FUND BALANCES	1,917,245	232,686	2,149,931
FUND BALANCES, MAY 1	25,971,924	5,984,353	31,956,277
FUND BALANCES, APRIL 30	\$27,889,169	\$ 6,217,039	\$34,106,208

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, 2017

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 2,149,931
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	3,598,409
Assumption of long-term debt from other funds is reported only in the statement of activities	(396,182)
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	(3,947,400)
Issuance of refunding bonds	(15,309,958)
Payment of refunded bonds	15,681,571
Premium on issuance of bonds	(2,082,717)
Loss on refunding bonds	1,057,449
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	4,462,681
The change in accrued interest payable is reported as interest expense on the statement of activities	(27,995)
The change in compensated absences is an increase of expenses on the statement of activities	(162,744)
The change in other postemployment benefit payable is reported as an expense on the statement of activities	(112,789)
The change in the net pension liability for the Illinois Municipal Retirement Fund is reported only in the statement of activities	(335,678)
The change in the deferred inflows and outflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities	(242,210)
The change in the net pension liability for the Pension Trust Funds is reported only in the statement of activities	(4,024,437)
The change in the deferred inflows and outflows of resources for the Pension Trust Funds is reported only in the statement of activities	1,033,068
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	(4,973,194)
Amortization of bond premiums or discounts	204,499
Amortization of gain or loss on refunding	(400,672)
Loss on disposal of capital assets	(33,228)
The change in net position of internal service funds is reported with governmental activities	<u>1,094,208</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (2,767,388)</u>

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

April 30, 2017

	Business-Type Activities					Governmental
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Fund (Refuse)	Total	Internal
						Service Funds
CURRENT ASSETS						
Cash and Investments	\$10,050,003	\$ 4,788,638	\$ 3,531,685	\$ 373,197	\$ 18,743,523	\$ 12,435,187
Restricted Cash and Investments	2,765,408	891,206	159,814	-	3,816,428	-
Receivables-						
Property Tax	35,000	-	-	-	35,000	-
Billed	1,824,206	658,915	497,096	35,700	3,015,917	-
Unbilled	4,103,825	354,254	621,647	31,902	5,111,628	-
Allowance for Doubtful Accounts	(80,000)	(2,000)	(3,000)	(1,000)	(86,000)	-
Accrued Interest on Investments	-	9,167	4,420	-	13,587	5,215
Miscellaneous, net	111,061	-	2,334	-	113,395	130,387
Prepaid Items	82,497	31,226	59,194	-	172,917	826,582
Inventory	-	-	-	-	-	3,691,403
Total Current Assets	18,892,000	6,731,406	4,873,190	439,799	30,936,395	17,088,774
NONCURRENT ASSETS						
Advance To Other Funds	863,288	-	-	-	863,288	-
Capital Assets						
Capital Assets Not Being Depreciated	4,335,928	5,229,589	1,115,594	-	10,681,111	-
Capital Assets Being Depreciated	117,608,372	50,107,321	89,806,623	-	257,522,316	11,230,187
Accumulated Depreciation	(55,818,282)	(23,235,970)	(45,000,918)	-	(124,055,170)	(5,652,492)
Net Capital Assets	66,126,018	32,100,940	45,921,299	-	144,148,257	5,577,695
Total Assets	85,881,306	38,832,346	50,794,489	439,799	175,947,940	22,666,469
DEFERRED OUTFLOWS OF RESOURCES						
Unamortized Loss on Refunding	172,169	64,236	-	-	236,405	-
Pension Items - IMRF	901,006	327,637	485,960	-	1,714,603	-
Total Deferred Outflows of Resources	1,073,175	391,873	485,960	-	1,951,008	-
Total Assets and Deferred Outflows of Resources	86,954,481	39,224,219	51,280,449	439,799	177,898,948	22,666,469
CURRENT LIABILITIES						
Accounts Payable	3,840,473	82,010	196,778	22,889	4,142,150	34,963
Claims Payable	259,739	55,115	-	-	314,854	1,444,715
Contracts Payable	48,701	1,198,499	-	-	1,247,200	-
Accrued Salaries	50,431	19,192	29,223	-	98,846	14,852
Accrued Interest Payable	186,723	110,817	165,712	-	463,252	-
Escrows and Customer Deposits	330,964	46,843	159,325	-	537,132	-
Unearned Revenue	96,237	-	-	-	96,237	-
Accrued Compensated Absences	302,238	70,693	144,704	-	517,635	99,695
Due to Other Governments	-	114,222	-	-	114,222	-
General Obligation Bonds Payable	856,243	225,210	193,355	-	1,274,808	-
IEPA Loan Payable	-	581,635	1,468,347	-	2,049,982	-
Total Current Liabilities	5,971,749	2,504,236	2,357,444	22,889	10,856,318	1,594,225
LONG-TERM LIABILITIES						
Due to Other Governments	-	228,444	-	-	228,444	-
Net OPEB Obligation	316,205	291,343	299,742	-	907,290	219,028
IMRF Net Pension Liability	2,391,110	871,225	1,292,239	-	4,554,574	-
General Obligation Bonds Payable	9,493,394	4,040,288	3,165,881	-	16,699,563	-
IEPA Loan Payable	-	10,428,156	15,360,347	-	25,788,503	-
Advances from Other Funds	737,807	153,903	363,290	-	1,255,000	863,288
Total Long-Term Liabilities	12,938,516	16,013,359	20,481,499	-	49,433,374	1,082,316
Total Liabilities	18,910,265	18,517,595	22,838,943	22,889	60,289,692	2,676,541
DEFERRED INFLOWS OF RESOURCES						
Deferred Revenue - Property Tax	35,000	-	-	-	35,000	-
Unamortized Gain on Refunding	-	-	41,011	-	41,011	-
Pension Items - IMRF	48,277	18,073	26,810	-	93,160	-
Total Deferred Inflows of Resources	83,277	18,073	67,821	-	169,171	-
Total Liabilities and Deferred Inflows of Resources	18,993,542	18,535,668	22,906,764	22,889	60,458,863	2,676,541
NET POSITION						
Net Investment in Capital Assets	58,713,958	17,776,279	25,851,191	-	102,341,428	5,577,695
Unrestricted	9,246,981	2,912,272	2,522,494	416,910	15,098,657	14,412,233
TOTAL NET POSITION	\$67,960,939	\$20,688,551	\$28,373,685	\$ 416,910	\$117,440,085	\$19,989,928

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, 2017

	Business-Type Activities				Governmental	
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Fund (Refuse)	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES						
Charges for Services, net	\$62,273,904	\$5,711,490	\$8,891,308	\$ 513,855	\$77,390,557	\$1,709,993
Insurance Premiums	-	-	-	-	-	5,256,821
Rental Income	-	-	-	-	-	1,235,695
Sale of Inventory	-	-	-	-	-	2,402,018
Miscellaneous Revenues	933,424	24,850	52,403	-	1,010,677	934,501
Total Operating Revenues	63,207,328	5,736,340	8,943,711	513,855	78,401,234	11,539,028
OPERATING EXPENSES						
Personnel Services	2,496,391	1,423,804	2,002,845	-	5,923,040	1,173,981
Materials and Supplies	184,176	416,819	263,210	-	864,205	-
Other Services and Charges	49,525,369	2,041,681	3,563,362	831,881	55,962,293	9,077,748
Depreciation	3,443,424	1,202,297	2,082,195	-	6,727,916	682,822
Total Operating Expenses	55,649,360	5,084,601	7,911,612	831,881	69,477,454	10,934,551
OPERATING INCOME (LOSS)	7,557,968	651,739	1,032,099	(318,026)	8,923,780	604,477
NON-OPERATING REVENUES (EXPENSES)						
Gain (Loss) on Sale of Property	97,514	36,054	(2,313)	43,585	174,840	254,563
Pole Rental	33,141	-	-	-	33,141	-
Investment Income	49,055	32,003	16,381	1,290	98,729	47,608
Connection Charges	27,795	74,931	128,311	-	231,037	-
Rental Income	15,000	105,175	3,499	6,600	130,274	-
Interest Expense	(340,892)	(281,887)	(506,230)	-	(1,129,009)	-
Other Income	120,424	5,701	5,047	510	131,682	-
Non-Operative Revenues (Expenses), Net	2,037	(28,023)	(355,305)	51,985	(329,306)	302,171
NET INCOME (LOSS) BEFORE TRANSFERS	7,560,005	623,716	676,794	(266,041)	8,594,474	906,648
CAPITAL GRANTS & CONTRIBUTIONS						
TRANSFERS						
Transfers In	257,048	-	-	232,345	489,393	60,000
Transfers (Out)	(386,729)	(136,115)	(248,692)	-	(771,536)	-
Total Transfers	(129,681)	(136,115)	(248,692)	232,345	(282,143)	60,000
CAPITAL GRANTS & CONTRIBUTIONS						
	-	313,210	27,500	-	340,710	127,560
CHANGE IN NET POSITION	7,430,324	800,811	455,602	(33,696)	8,653,041	1,094,208
NET POSITION, MAY 1	60,530,615	19,887,740	27,918,083	450,606	108,787,044	18,895,720
NET POSITION, APRIL 30	\$67,960,939	\$20,688,551	\$28,373,685	\$ 416,910	\$117,440,085	\$19,989,928

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended April 30, 2017

	Business-Type Activities				Governmental	
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Funds (Refuse)	Internal Service Funds	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers and Users	\$ 59,767,473	\$ 5,557,175	\$ 8,606,471	\$ 507,831	\$ 74,438,950	\$ -
Receipts from Interfund Users	1,848,108	111,626	147,749	-	2,107,483	10,154,616
Receipts from Miscellaneous Revenues	1,122,928	198,545	60,949	7,110	1,389,532	1,295,850
Payments to Suppliers	(46,942,650)	(1,313,923)	(2,176,088)	(741,161)	(51,173,822)	(8,136,004)
Payments to Employees	(2,296,287)	(1,342,473)	(1,899,827)	-	(5,538,587)	(1,035,788)
Payments to Other Funds	(2,246,729)	(1,028,564)	(1,517,420)	(92,824)	(4,885,537)	(815,651)
Net Cash from Operating Activities	11,252,843	2,182,386	3,221,834	(319,044)	16,338,019	1,463,023
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Advances Received from (Paid to) Other Funds	(50,036)	(23,300)	(55,000)	-	(128,336)	(61,664)
Connection Charges	27,795	74,931	128,311	-	231,037	-
Property Taxes	35,000	-	-	-	35,000	-
Transfers In	257,048	-	-	232,345	489,393	60,000
Transfers (Out)	(386,729)	(136,115)	(248,692)	-	(771,536)	-
Net Cash from Noncapital Financing Activities	(116,922)	(84,484)	(175,381)	232,345	(144,442)	(1,664)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital Assets Purchased	(6,355,811)	(3,420,584)	(1,396,479)	-	(11,172,874)	(1,493,537)
Proceeds on Sale of Capital Assets	127,061	36,054	27,234	43,585	233,934	279,183
Proceeds of Long-Term Debt	3,368,631	2,822,054	190,421	-	6,381,106	-
Principal Payments on Long-Term Debt	(839,095)	(920,521)	(1,540,523)	-	(3,300,139)	-
Interest Payments on Long-Term Debt	(538,190)	(379,577)	(711,997)	-	(1,629,764)	-
Net Cash from Capital and Related Financing Activities	(4,237,404)	(1,862,574)	(3,431,344)	43,585	(9,487,737)	(1,214,354)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of Investment Securities	(7,991,146)	(146,718)	(9,048)	-	(8,146,912)	(1,295,788)
Proceeds from Sale and Maturities of Investment Securities	445,983	882,261	20,163	-	1,348,407	6,432
Interest Received	49,055	34,574	16,379	1,289	101,297	44,955
Net Cash from Investing Activities	(7,496,108)	770,117	27,494	1,289	(6,697,208)	(1,244,401)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(597,591)	1,005,445	(357,397)	(41,825)	8,632	(997,396)
CASH AND CASH EQUIVALENTS, MAY 1	3,074,505	690,597	1,877,420	415,022	6,057,544	5,034,660
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 2,476,914	\$ 1,696,042	\$ 1,520,023	\$ 373,197	\$ 6,066,176	\$ 4,037,264

See accompanying notes to financial statements.

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

PROPRIETARY FUNDS

For the Year Ended April 30, 2017

	Business-Type Activities				Governmental Activities	
	Electric Fund	Water Fund	Sewer Fund	Other Nonmajor Enterprise Funds (Refuse)	Total	Internal Service Funds
CASH AND INVESTMENTS						
Cash and Cash Equivalents	\$ 2,476,914	\$ 1,696,042	\$ 1,520,023	\$ 373,197	\$ 6,066,176	\$ 4,037,264
Investments	7,573,090	3,060,892	2,011,661	-	12,645,643	8,397,923
Restricted cash and investments	2,765,408	891,206	159,814	-	3,816,428	-
TOTAL CASH AND INVESTMENTS	\$ 12,815,412	\$ 5,648,140	\$ 3,691,498	\$ 373,197	\$ 22,528,247	\$ 12,435,187
NONCASH TRANSACTIONS						
Contributions of Capital Assets	\$ -	\$ 313,210	\$ -	\$ -	\$ 313,210	\$ 129,135
Issuance of Refunding Bonds	1,606,690	1,187,260	1,240,421	-	4,034,371	-
Payment to Escrow Agent	(1,609,411)	(1,189,270)	(1,242,521)	-	(4,041,202)	-
Decrease in IEPA Loans Receivable	-	(848,172)	-	-	(848,172)	-
TOTAL NONCASH TRANSACTIONS	\$ (2,721)	\$ (536,972)	\$ (2,100)	\$ -	\$ (541,793)	\$ 129,135
CASH FLOWS FROM OPERATING ACTIVITIES						
Operating Income (Loss)	\$ 7,557,968	\$ 651,739	\$ 1,032,099	\$ (318,026)	\$ 8,923,780	\$ 604,477
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities						
Depreciation	3,443,424	1,202,297	2,082,195	-	6,727,916	682,822
Other Non-Operating Revenues	133,566	110,876	8,546	7,110	260,098	-
Changes in Assets and Liabilities						
Receivables	(331,776)	12,734	(137,487)	(6,022)	(462,551)	(118,234)
Inventory	-	-	-	-	-	(35,362)
Prepays	1,012	6,482	(4,971)	-	2,523	(14,152)
Deferred Outflows of Resources -						
Pension Items - IMRF	23,137	8,661	12,849	-	44,647	-
Accounts and Claims Payable	470,453	109,531	138,035	(2,106)	715,913	355,142
Contracts Payable	48,701	-	-	-	48,701	-
Accrued Salaries	(9,007)	(3,893)	(2,208)	-	(15,108)	(7,154)
Accrued Compensated Absences	27,327	9,368	1,988	-	38,683	6,985
Net Pension Liability - IMRF	104,449	39,102	58,006	-	201,557	-
Net OPEB Obligation	5,921	7,324	5,573	-	18,818	2,814
Deferred Inflows of Resources						
Pension Items - IMRF	48,277	18,073	26,810	-	93,160	-
Deferred Revenue	(322,364)	-	-	-	(322,364)	(14,315)
Customer Deposits	51,755	10,092	399	-	62,246	-
NET CASH FROM OPERATING ACTIVITIES	\$ 11,252,843	\$ 2,182,386	\$ 3,221,834	\$ (319,044)	\$ 16,338,019	\$ 1,463,023

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
April 30, 2017

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and Short-Term Investments	\$1,419,375	\$2,349,159
Investments, at Fair Value		
Certificates of Deposit	1,424,250	-
U.S. Treasury and U.S. Agency Securities	11,001,757	-
Corporate Bonds	8,772,066	-
Preferred Securities	2,213,520	-
Mutual Funds	18,198,260	-
Equity Securities	24,624,351	-
Receivables		
Accounts Receivable	-	989,163
Accrued Interest on Investments	115,095	-
Prepaid Items	45,700	-
TOTAL ASSETS	67,814,374	\$3,338,322
LIABILITIES		
Accounts Payable	316	\$ 37,397
Due to Other Governments	-	2,914,543
Due to Bondholders	-	386,382
TOTAL LIABILITIES	316	\$3,338,322
NET POSITION RESTRICTED FOR PENSION BENEFITS	\$67,814,058	

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, 2017

ADDITIONS

Contributions -		
Employer		\$3,299,543
Employee		1,087,454
Other		50
Total Contributions		4,387,047
Investment Income -		
Net Appreciation in the Fair Value of Investments		3,599,090
Interest		1,764,654
Total Investment Income		5,363,744
Less Investment Expense		(312,644)
Net Investment Income		5,051,100
Total Additions		9,438,147

DEDUCTIONS

Pension Benefits		3,981,306
Miscellaneous		34,051
Total Deductions		4,015,357

NET INCREASE		5,422,790
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**NET POSITION RESTRICTED
FOR PENSION BENEFITS**

May 1		62,391,268
April 30		\$67,814,058

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

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 generally accepted accounting principles. 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	3-46

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

2. DEPOSITS AND INVESTMENTS

A. City Investments

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

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

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

Deposits with Financial Institutions

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

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

2. DEPOSITS AND INVESTMENTS (Continued)

A. City Investments (Continued)

Investments

The following table presents the investments and maturities of the City's debt securities as of April 30, 2017:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Agency Obligations	\$ 3,225,183	\$ 250,108	\$ 2,975,075	\$ -	\$ -
State and Municipal Obligations	2,056,218	402,990	1,653,228	-	-
IMET 1 to 3 Years	11,307,914	-	11,307,914	-	-
TOTAL	\$ 16,589,315	\$ 653,098	\$ 15,936,217	\$ -	\$ -

The City has the following recurring fair value measurements as of April 30, 2017. 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.

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

2. DEPOSITS AND INVESTMENTS (Continued)

A. City Investments (Continued)

Investments (Continued)

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 Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds, corporate equity and corporate debt securities and real estate investment trusts.

It is the policy of the Fund to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the cash flow demands of the Fund and conforming to all state and local statutes governing the investment of public funds. The primary objectives of the policy are, in order of priority, safety of principal, rate of return, public trust and liquidity.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Fund's deposits may not be returned to it. The Fund's investment policy does not require pledging of collateral for its deposits in excess of federal depository insurance. However, all deposits at April 30, 2017 are covered by federal depository insurance.

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

2. DEPOSITS AND INVESTMENTS (Continued)

B. Police Pension Investments (Continued)

The following table presents the investments and maturities of the Fund's debt securities as of April 30, 2017:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury Obligations	\$ 2,663,299	\$ 445,786	\$ 1,031,469	\$ 1,083,515	\$ 102,529
U.S. Agency Obligations	2,348,193	119,730	423,517	173,596	1,631,350
Corporate Bonds	4,611,598	196,085	1,779,724	2,444,377	191,412
Negotiable Certificates of Deposit	793,722	25,558	768,164	2,444,377	191,412
TOTAL	\$ 10,416,812	\$ 787,159	\$ 4,002,874	\$ 3,701,488	\$ 1,925,291

Investments

The Fund has the following recurring fair value measurements as of April 30, 2017. The U.S. Treasury obligations, preferred securities, 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 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.

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)

2. DEPOSITS AND INVESTMENTS (Continued)

C. Firefighters' Pension Investments

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

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

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, 2017 are covered by federal depository insurance.

Investments

The following table presents the investments and maturities of the Fund's debt securities as of April 30, 2017:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury Obligations	\$ 2,969,169	\$ -	\$ 2,121,360	\$ 847,809	\$ -
U.S. Agency Obligations	3,021,096	-	1,212,823	377,105	1,431,168
Corporate Bonds	4,160,468	278,008	1,798,600	1,983,462	100,398
Negotiable Certificates of Deposit	930,528	-	930,528	-	-
TOTAL	\$ 11,081,261	\$ 278,008	\$ 6,063,311	\$ 3,208,376	\$ 1,531,566

2. DEPOSITS AND INVESTMENTS (Continued)

C. Firefighters' Pension Investments (Continued)

Investments (Continued)

The Fund has the following recurring fair value measurements as of April 30, 2017. The U.S. Treasury obligations, preferred securities, 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+.

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.

3. RECEIVABLES - PROPERTY TAXES

Property taxes for the 2016 levy year attach as an enforceable lien on January 1, 2016, 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, 2017 and August 1, 2017, and are payable in two installments, on or about June 1, 2017 and September 1, 2017. The Counties collect such taxes and remits them periodically.

The 2016 taxes are intended to finance the 2018 fiscal year and are not considered available or earned for current operations and are, therefore, shown as deferred revenue. The 2017 tax levy has not been recorded as a receivable at April 30, 2017, as the tax attached as a lien on property as of January 1, 2017; however, the tax will not be levied until December 2017 and, accordingly, is not measurable at April 30, 2017.

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

4. DUE FROM OTHER GOVERNMENTS

Due from other governments consisted of the following amounts at April 30, 2017:

GOVERNMENTAL ACTIVITIES	
Sales Tax	\$ 2,638,780
Home Rule Sales Tax	1,352,787
Income Tax	502,639
Local Use Tax	194,077
Auto Rental	13,264
Motor Fuel Tax	72,196
Simplified Telecommunications Tax	<u>218,161</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 4,991,904</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2017 is as follows:

	Balances May 1	Increases	Decreases	Balances April 30
GOVERNMENTAL ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 19,011,419	\$ 78,500	\$ -	\$ 19,089,919
Land Right of Ways	41,026,148	-	-	41,026,148
Construction in Progress	717,343	299,248	685,198	331,393
Intangible Assets	901,700	68,131	-	969,831
Total Capital Assets not Being Depreciated	<u>61,656,610</u>	<u>445,879</u>	<u>685,198</u>	<u>61,417,291</u>
Capital Assets Being Depreciated				
Buildings	50,004,163	2,346,610	-	52,350,773
Improvements Other Than Buildings	16,374,943	1,349,642	188,601	17,535,984
Equipment and Fixtures	14,460,820	1,622,672	1,103,602	14,979,890
Streets	68,998,360	-	-	68,998,360
Traffic Signals	757,420	-	-	757,420
Storm Sewers	36,438,537	-	-	36,438,537
Bridges	31,611,660	-	-	31,611,660
Culverts	1,599,906	-	-	1,599,906
Intangible Assets	2,577,072	141,478	-	2,718,550
Total Capital Assets Being Depreciated	<u>222,822,881</u>	<u>5,460,402</u>	<u>1,292,203</u>	<u>226,991,080</u>
Less Accumulated Depreciation for				
Buildings	17,689,428	1,419,883	-	19,109,311
Improvements Other Than Buildings	5,018,796	772,098	-	5,790,894
Equipment and Fixtures	7,813,537	787,867	1,077,407	7,523,997
Streets	45,412,943	1,164,157	155,373	46,421,727
Traffic Signals	60,926	16,945	-	77,871
Storm Sewers	24,426,054	672,612	-	25,098,666
Bridges	3,347,640	636,000	-	3,983,640
Culverts	1,390,059	11,518	-	1,401,577
Intangible Assets	1,331,239	174,935	-	1,506,174
Total Accumulated Depreciation	<u>106,490,622</u>	<u>5,656,015</u>	<u>1,232,780</u>	<u>110,913,857</u>
Total Capital Assets Being Depreciated, Net	<u>116,332,259</u>	<u>(195,613)</u>	<u>59,423</u>	<u>116,077,223</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 177,988,869</u>	<u>\$ 250,266</u>	<u>\$ 744,621</u>	<u>\$ 177,494,514</u>

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

5. CAPITAL ASSETS (Continued)

	Balances May 1	Increases	Decreases	Balances April 30
BUSINESS-TYPE ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 2,162,294	\$ -	\$ -	\$ 2,162,294
Intangibles	87,777	-	-	87,777
Construction in Progress	7,988,378	4,346,861	3,904,199	8,431,040
Total Capital Assets not Being Depreciated	10,238,449	4,346,861	3,904,199	10,681,111
Capital Assets Being Depreciated				
Refuse Equipment	97,908	-	97,908	-
Electric Property	114,830,851	3,949,023	1,171,502	117,608,372
Water and Sewer Plant and Equipment	135,492,352	4,819,053	397,461	139,913,944
Total Capital Assets Being Depreciated	250,421,111	8,768,076	1,666,871	257,522,316
Less Accumulated Depreciation for				
Refuse Equipment	97,908	-	97,908	-
Electric Property	53,516,813	3,443,424	1,141,955	55,818,282
Water and Sewer Plant and Equipment	65,244,542	3,284,492	292,146	68,236,888
Total Accumulated Depreciation	118,859,263	6,727,916	1,532,009	124,055,170
Total Capital Assets Being Depreciated, Net	131,561,848	2,040,160	134,862	133,467,146
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 141,800,297	\$ 6,387,021	\$ 4,039,061	\$ 144,148,257

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

GOVERNMENTAL ACTIVITIES

General Government	\$ 385,026
Public Health and Safety	645,698
Public Works, Including Depreciation of General Infrastructure Assets	4,611,446
Community Development	13,845
	<u>13,845</u>

**TOTAL DEPRECIATION EXPENSE -
GOVERNMENTAL ACTIVITIES**

\$ 5,656,015

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

6. LONG-TERM DEBT

A. General Obligation Bonds

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

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements/ Refundings	Balances April 30	Current Portion
\$10,000,000 General Obligation Bonds of 2006, annual installments of \$3,065,000, interest at 3.95% payable each June 1 and December 1.	TIF #4	\$ 1,190,000	\$ -	\$ 1,190,000	\$ -	\$ -
\$4,470,000 General Obligation Bonds of 2007A, annual installments of \$1,660,000 to \$2,810,000, interest at 3.90% to 3.95% payable each June 1 and December 1.	TIF #4	590,000	-	590,000	-	-
\$2,000,000 General Obligation Bonds of 2007B, annual installments of \$70,000 to \$405,000, interest at 3.7% payable each June 1 and December 1.	Sewer	1,280,000	-	1,280,000	-	-
\$3,530,000 General Obligation Bonds of 2007C, annual installments of \$500,000 to \$2,245,000, interest at 4% payable each June 1 and December 1.	TIF #4	245,000	-	245,000	-	-
\$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	775,000	-	650,000	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	1,280,000	-	1,195,000	85,000	85,000
\$13,440,000 General Obligation Bonds of 2008C, annual installments of \$465,000 to \$775,000, interest at 3.6% to 5.4% payable each July 1 and January 1.	Electric Debt Service	1,820,000 7,815,000	- -	1,566,881 6,728,119	253,119 1,086,881	124,670 535,330

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	\$ 635,000	\$ -	\$ 310,000	\$ 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	2,674,867	-	134,789	2,540,078	139,437
	Water	1,888,618	-	95,169	1,793,449	98,451
	Sewer	1,191,515	-	60,042	1,131,473	62,112
\$1,920,000 General Obligation Refunding Bonds of 2010C, annual installments of \$10,000 to \$215,000, interest at 3.0% to 4.5% payable each June 1 and December 1.	TIF #3	1,305,000	-	165,000	1,140,000	170,000
\$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	576,470	-	27,120	549,350	27,815
	Debt Service	3,568,530	-	167,880	3,400,650	172,185
\$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	745,074	-	365,508	379,566	379,566
	Debt Service	49,926	-	24,492	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	-
\$3,090,000 General Obligation Refunding Bonds of 2011D, annual installments of \$210,000 to \$310,000, interest at 2% to 4% payable each June 1 and December 1.	TIF #5	2,195,000	-	240,000	1,955,000	245,000

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

6. LONG-TERM DEBT (Continued)

A. General Obligation Bonds (Continued)

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements/ Refundings	Balances April 30	Current Portion
\$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	\$ 835,000	\$ -	\$ 124,980	\$ 710,020	\$ 34,448
	Water	730,000	-	324,330	405,670	19,682
	Debt Service	6,095,000	-	55,690	6,039,310	460,869
\$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	10,315,000	-	1,150,000	9,165,000	1,190,000
\$1,190,000 Taxable General Obligation Refunding Bonds of 2012C, annual installments of \$30,000 to \$410,000, interest at 0.65% to 1.25% payable each June 1 and December 1.	TIF #1	410,000	-	410,000	-	-
\$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	590,770	-	25,459	565,311	26,111
	Water	101,288	-	4,365	96,923	4,477
	Sewer	416,932	-	17,967	398,965	18,428
	Debt Service	3,416,010	-	147,209	3,268,801	150,985
\$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	1,132,569	-	68,410	1,064,159	68,410
	Debt Service	1,102,431	-	66,590	1,035,841	66,590
\$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	-	2,777,800	83,600
	Water	-	584,800	-	584,800	17,600
	Debt Service	-	3,947,400	-	3,947,400	118,800

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 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	\$ -
	Water	-	1,005,000	-	1,005,000	-
	Sewer	-	1,050,000	-	1,050,000	85,000
	Debt Service	-	5,839,958	-	5,839,958	-
	TIF #4	-	2,275,000	-	2,275,000	-
TOTAL GENERAL OBLIGATION BONDS		\$ 80,210,000	\$ 18,840,000	\$ 17,430,000	\$ 81,620,000	\$ 4,860,000

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
\$8,935,000 Revenue Bonds of 2008, term bonds due 2021 and 2025 subject to mandatory redemption in annual installments of \$280,000 to \$1,340,000, interest at 6.95% payable each July 1 and January 1.	Debt Service	\$ 6,920,000	\$ -	\$ 6,920,000	\$ -	\$ -
\$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	-	7,195,000	710,000	6,485,000	715,000
TOTAL		\$ 6,920,000	\$ 7,195,000	\$ 7,630,000	\$ 6,485,000	\$ 715,000

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 79.28% 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	\$ 2,180,515	\$ -	\$ 414,413	\$ 1,766,102	\$ 424,985
EPA Loan IV	Sewer	5,447,980	-	518,092	4,929,888	531,125
EPA Loan V	Water	4,752,102	-	289,923	4,462,179	293,558
EPA Loan VI	Sewer	1,419,435	-	97,892	1,321,543	97,892
EPA Loan VII	Sewer	9,216,158	-	404,997	8,811,161	414,345
EPA Loan VIII*	Water	2,812,123	895,916	68,561	3,639,478	159,269
EPA Loan IX*	Water	2,663,625	302,682	58,173	2,908,134	128,808
TOTAL		\$ 28,491,938	\$ 1,198,598	\$ 1,852,051	\$ 27,838,485	\$ 2,049,982

* The IEPA loan has not been closed out by the IEPA and, therefore, no repayment schedule has been determined as of April 30, 2017.

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	\$ 70,693	\$ -	\$ 4,585	\$ 66,108	\$ 4,586
School District Agreement	Water	342,666	-	-	342,666	114,222
TOTAL		\$ 413,359	\$ -	\$ 4,585	\$ 408,774	\$ 118,808

In 2012, the City entered into an agreement with St. Charles Community School District #303 (the District) for the transfer of a title of property to the City. In exchange for the property, the City will provide the District with a high school resource officer at no charge as defined in the agreement from June 7, 2011 through June 6, 2019. As of April 30, 2017, a liability of \$342,666 has been accrued and \$114,222 of services have been provided related to this agreement, which is recorded in the water fund. The liability will be reduced as services are provided to the District.

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

6. LONG-TERM DEBT (Continued)

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
2018	\$ 3,585,192	\$ 2,585,263	\$ 715,000	\$ 244,900	\$ 4,586	\$ -
2019	3,418,070	2,351,121	735,000	223,450	4,586	-
2020	3,014,764	2,236,973	760,000	201,400	4,586	-
2021	3,613,638	2,122,505	790,000	171,000	4,586	-
2022	3,752,279	1,988,178	820,000	139,400	4,586	-
2023	3,883,386	1,853,285	855,000	106,600	4,586	-
2024	3,540,907	1,704,166	885,000	72,400	4,586	-
2025	3,348,262	1,583,308	925,000	37,000	4,586	-
2026	2,988,483	1,466,922	-	-	4,586	-
2027	1,991,238	1,362,985	-	-	4,586	-
2028	3,040,944	1,277,774	-	-	4,586	-
2029	3,172,697	1,151,980	-	-	4,586	-
2030	3,319,166	1,019,643	-	-	4,586	-
2031	2,663,603	880,852	-	-	4,586	-
2032	2,800,234	773,241	-	-	1,904	-
2033	2,622,638	662,318	-	-	-	-
2034	2,346,973	558,487	-	-	-	-
2035	2,253,400	463,004	-	-	-	-
2036	2,351,500	375,352	-	-	-	-
2037	2,461,900	283,857	-	-	-	-
2038	2,300,000	188,000	-	-	-	-
2039	2,400,000	96,000	-	-	-	-
TOTAL	\$ 64,869,274	\$ 26,985,214	\$ 6,485,000	\$ 1,196,150	\$ 66,108	\$ -

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
2018	\$ 2,049,983	\$ 552,137	\$ 1,274,808	\$ 700,984
2019	2,093,486	508,634	956,931	602,897
2020	2,137,996	464,124	855,236	573,810
2021	2,183,444	418,584	996,362	545,295
2022	1,760,095	374,945	1,022,721	511,212
2023	1,795,780	339,259	1,061,614	476,350
2024	1,832,267	302,772	1,109,093	435,444
2025	1,869,577	265,463	1,146,738	393,357
2026	1,547,157	227,755	1,191,517	348,858
2027	1,282,505	201,460	1,243,762	302,058
2028	1,305,674	178,293	1,139,056	248,131
2029	1,329,319	154,647	1,062,303	197,920
2030	1,353,452	130,515	1,105,834	150,922
2031	1,329,135	105,886	886,397	101,867
2032	955,816	81,838	394,766	61,603
2033	977,090	60,564	362,362	45,976
2034	998,839	38,815	288,027	31,638
2035	713,973	16,581	211,600	19,596
2036	322,897	3,897	218,500	13,248
2037	-	-	223,099	6,693
TOTAL	\$ 27,838,485	\$ 4,426,169	\$ 16,750,726	\$ 5,767,859

F. Changes in Long-Term Liabilities

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

	Balances May 1,	Issuances	Retirements/ Refundings	Balances April 30	Current Portion
General Obligation Bonds Payable	\$ 64,946,896	\$ 12,062,358	\$ 12,139,980	\$ 64,869,274	\$ 3,585,191
Revenue Bonds Payable	6,920,000	7,195,000	7,630,000	6,485,000	715,000
Unamortized (Discount) Premium on Bonds Payable	2,351,843	2,082,717	178,003	4,256,557	-
Installment Contracts Payable - Governmental Funds	70,694	-	4,586	66,108	4,586
Compensated Absences Payable - Governmental Funds (General Fund)	3,229,109	3,391,853	3,229,109	3,391,853	3,391,853
Compensated Absences Payable - Internal Service Funds	92,710	99,695	92,710	99,695	99,695
Net Pension Liability (General Fund)	52,641,699	4,360,115	-	57,001,814	-
Net OPEB Obligation (General Fund)	4,916,613	112,789	-	5,029,402	-
Net OPEB Obligation - Internal Service Funds	216,214	2,814	-	219,028	-
TOTAL	\$ 135,385,778	\$ 29,307,341	\$ 23,274,388	\$ 141,418,731	\$ 7,796,325

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,	Issuances	Retirements	Balances April 30	Current Portion
General Obligation Bonds Payable	\$ 15,263,104	\$ 6,777,642	\$ 5,290,020	\$ 16,750,726	\$ 1,274,808
Unamortized (Discount) Premium on Bonds Payable	228,664	1,035,972	40,991	1,223,645	-
IEPA Loans Payable	28,491,938	1,198,598	1,852,051	27,838,485	2,049,982
Intergovernmental Agreements	342,666	-	-	342,666	114,222
Compensated Absences Payable	478,952	517,635	478,952	517,635	517,635
Net Pension Liability	4,353,017	201,557	-	4,554,574	-
Net OPEB Obligation	888,472	18,818	-	907,290	-
TOTAL	\$ 50,046,813	\$ 9,750,222	\$ 7,662,014	\$ 52,135,021	\$ 3,956,647

G. Advance Refunding

On September 15, 2016, the City issued \$11,530,000 General Obligation Refunding Bonds, Series 2016B, to advance refund \$1,190,000 of the General Obligation Bonds, Series 2006, \$590,000 of the General Obligation Bonds, Series 2007A, \$1,280,000 of the General Obligation Bonds, Series 2007B, \$245,000 of the General Obligation Bonds, Series 2007C, \$550,000 of the General Obligation Bonds, Series 2008A, \$1,115,000 of the General Obligation Bonds, Series 2008B and \$7,660,000 of the General Obligation Bonds, Series 2008C. The defeased bonds were called on December 1, 2016. As a result of the refunding, the City achieved cash flow savings of \$1,847,451 and an economic gain on the refunding of \$1,655,424.

On November 17, 2016, the City issued \$7,195,000 Senior Lien Limited Sales Tax Revenue Refunding Bonds, Series 2016 to advance refund \$6,920,000 of Senior Lien Limited Incremental Sales Tax Revenue Bonds, Series 2008, which will be called on January 1, 2018. As a result of the refunding, the City realized a cash flow savings of approximately \$812,023 and an economic gain of \$682,343.

6. LONG-TERM DEBT (Continued)

H. Legal Debt Margin

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

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

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

I. Noncommitment Debt

Special Service Area Bonds

Special service area bonds outstanding as of the date of this report totaled \$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.

J. Conduit Debt

The City has issued Industrial Development Revenue Bonds (IDRBs) to provide financial assistance to private organizations for the construction and acquisition of industrial and commercial improvements deemed to be in the public interest. The bonds are secured solely by the property financed and are payable solely from the payments received on the underlying mortgage loans on the property. The City is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not reported as a liability in these financial statements. As of April 30, 2017, there were two series of IDRBs outstanding. The aggregate principal amount payable for the IDRBs outstanding could not be determined at April 30, 2017. The original principal balance is \$16,742,164.

7. RISK MANAGEMENT

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

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

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

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

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, 2016 and 2017 is as follows:

	2016	2017
CLAIMS PAYABLE, MAY 1	\$ 1,075,077	\$ 1,315,206
Add Claims Incurred	3,480,572	4,413,334
Less Claims Paid	3,240,443	3,968,971
CLAIMS PAYABLE, APRIL 30	<u>\$ 1,315,206</u>	<u>\$ 1,759,569</u>

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

8. INDIVIDUAL FUND DISCLOSURES

As of April 30, 2017, individual fund interfund receivables and payables were as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 320,258
Nonmajor Governmental	General	693,129
TOTAL DUE TO/FROM OTHER FUNDS		<u>\$ 1,013,387</u>

These receivables in the General Fund are for interfund loans to the Nonmajor Governmental Funds to be repaid in one year. The receivable in the Nonmajor Governmental Funds results from accounting of sales taxes to the 2016 Revenue Bond Fund.

As of April 30, 2017, major individual fund advances between funds were as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 4,648,928
General	Electric	737,807
General	Water	153,903
General	Sewer	363,290
Electric	Internal Service	863,288
TOTAL		<u>\$ 6,767,216</u>

During the year ended April 30, 2017, TIF District #2 has paid back \$190,000 towards their advance and the General Fund advanced an additional \$118,572 for capital improvements to TIF District #7. In prior years, \$4,443,377 was advanced to cover debt service for TIF District #1, TIF District #2, TIF District #3, TIF District #4 and TIF District #5. The \$4,472,026 advanced as of April 30, 2017 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, 2017, the balance is \$863,288.

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

8. INDIVIDUAL FUND DISCLOSURES (Continued)

Interfund transfers during the year ended April 30, 2017 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General		
Nonmajor Governmental	\$ -	\$ 5,683,125
Electric	-	257,048
Nonmajor Enterprise	-	232,345
Internal Service	-	60,000
Total General	<u>-</u>	<u>6,232,518</u>
Nonmajor Governmental		
General	5,451,026	-
Electric	386,729	-
Water	136,115	-
Sewer	248,692	-
Nonmajor Governmental	<u>2,654,894</u>	<u>2,422,795</u>
Total Nonmajor Governmental	<u>8,877,456</u>	<u>2,422,795</u>
Electric		
General	257,048	-
Nonmajor Governmental	<u>-</u>	<u>386,729</u>
Total Electric	<u>257,048</u>	<u>386,729</u>
Water		
Nonmajor Governmental	<u>-</u>	<u>136,115</u>
Sewer		
Nonmajor Governmental	<u>-</u>	<u>248,692</u>
Nonmajor Enterprise		
General	<u>232,345</u>	-
Internal Service		
General	<u>60,000</u>	-
TOTAL	<u>\$ 9,426,849</u>	<u>\$ 9,426,849</u>

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

8. INDIVIDUAL FUND DISCLOSURES (Continued)

Major interfund transfers resulted from the following:

- \$5,683,125 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.
- \$2,422,795 transfers from Nonmajor Governmental Funds to Nonmajor Governmental Funds and Internal Service Funds. This transaction relates to money transferred from the Special Revenue Funds and Capital Project Fund to Debt Service Funds for payments of principal and interest on general obligation debt and to transfer equipment replacement funds.
- \$771,536 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.
- \$257,048 transfer to the Electric Fund from the General Fund for maintenance of streetlights and Christmas light decorations.
- \$60,000 transfer from the General Fund to Internal Service Funds. This transaction relates to money transferred to the Workers' Compensation/Liability Insurance Fund to cover insurance premiums.

The following funds reported deficit fund balances/net position at April 30, 2017:

Fund	Deficit Balance
TIF District #1 Special Revenue Fund	\$ 181,269
TIF District #2 Special Revenue Fund	238,369
TIF District #3 Special Revenue Fund	1,112,944
TIF District #4 Special Revenue Fund	729,639
TIF District #5 Special Revenue Fund	1,202,741

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

8. INDIVIDUAL FUND DISCLOSURES (Continued)

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

9. CONTINGENT LIABILITIES

A. Litigation

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

B. Grants

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

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, 2017 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 ten-year period. The incentives are paid every four months at 50% of the total sales tax generated by the business up to a maximum of \$450,000 through May 31, 2021. As of and for the year ended April 30, 2017, no liability has been accrued and payments of \$51,738 have been made under this agreement. As of April 30, 2017, the City has incurred total incentives of \$450,000.

10. TAX ABATEMENTS (Continued)

The City has entered into an agreement with a local retailer to provide economic incentives over a five-year period. Payments are to be made annually as 50% of sales taxes that exceed a base of \$16,000 and up to a maximum annual reimbursement of \$10,000 through July 31, 2016. No liability for the incentives has been accrued as of April 30, 2017 under this agreement. As of April 30, 2017, the agreement has ended.

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, 2017, a liability of \$132,345 has been accrued and payments of \$210,716 have been made under this agreement. As of April 30, 2017, the City has incurred total incentives of \$767,164.

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, 2017, a liability of \$16,500 has been accrued and payments of \$103,765 have been made under this agreement. As of April 30, 2017, the City has incurred total incentives of \$120,265.

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, 2017, a liability of \$7,606 has been accrued and payments of \$7,559 have been made under this agreement. As of April 30, 2017, the City has incurred total incentives of \$21,470.

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, 2017, a liability of \$160,500 has been accrued and payments of \$230,646 have been made under this agreement. As of April 30, 2017, the City has incurred total incentives of \$865,738.

10. TAX ABATEMENTS (Continued)

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, 2017, 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 2017 and payable in 2018, 50% taxes levied in calendar year 2018 and payable in 2019, and 40% 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, 2017, 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 General Fund, Electric Fund, Water Fund and Sewer Fund.

B. Benefits Provided

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

B. Benefits Provided (Continued)

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

C. Membership

At April 30, 2017, membership consisted of:

Retirees And Beneficiaries Currently Receiving Benefits	47
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Active Employees	<u>185</u>
 TOTAL	 <u>232</u>
 Participating Employers	 <u><u>1</u></u>

D. Funding Policy

The City negotiates the contribution percentages between the City and employees through the union contracts and personnel policy. All retirees contribute 100% of the actuarially determined premium to the plan to cover the cost of providing the benefits to the current members via the insured plan (pay as you go) which results in an implicit subsidy to the City as defined by the GASB Statement No. 45. For the fiscal year ended April 30, 2017, retirees contributed \$336,879 and the City contributed \$175,154. The City is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

E. Annual OPEB Costs and Net OPEB Obligation

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

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 286,957	\$ 183,683	64.00%	\$ 5,903,702
2016	279,774	162,177	58.00%	6,021,299
2017	309,575	175,154	56.60%	6,155,720

The net OPEB obligation (NOPEBO) as of April 30, 2017 was calculated as follows:

Annual Required Contribution	\$ 277,462
Interest on Net OPEB Obligation	240,851
Adjustment to Annual Required Contribution	<u>(208,738)</u>
Annual OPEB Cost	309,575
Contributions Made	<u>(175,154)</u>
Increase in Net OPEB Obligation	134,421
Net OPEB Obligation, Beginning of Year	<u>6,021,299</u>
NET OPEB OBLIGATION, END OF YEAR	<u>\$ 6,155,720</u>

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

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

In the April 30, 2017 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate starting at 7.25% declining 0.75% annually for four years then declining 0.50% for one year to 4.50% by 2022. Both rates include a 2.50% inflation assumption. The actuarial value of assets was not determined as the City has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a 30-year open basis.

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

governed by ILCS and can only be amended by the Illinois General Assembly. The Police Pension Plan and the Firefighters' Pension Plan issue separate reports. Those reports are available on the City's website at www.sthcharlesil.gov/departments/Finance. 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, 2016, IMRF and SLEP membership consisted of:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel
Inactive Employees or Their Beneficiaries		
Currently Receiving Benefits	172	1
Inactive Employees Entitled to but not yet Receiving Benefits	78	-
Active Employees	171	-
 TOTAL	 421	 1

B. Benefits Provided

Illinois Municipal Retirement Fund

All employees (other than those covered by SLEP) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

12. DEFINED BENEFIT PENSION PLANS (Continued)

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

B. Benefits Provided (Continued)

Illinois Municipal Retirement Fund (Continued)

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.

Sherriff's Law Enforcement Personnel

SLEP provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, having accumulated at least 20 years of SLEP service and terminating IMRF participation on or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. SLEP members meeting these two qualifications are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5% of their final rate of earnings, for each year of credited service up to 32 years or 80% of their final rate of earnings. For those SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 50 (reduced benefits) or after age 55 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5% of their final rate of earnings, for each year of credited service up to 30 years of service to a maximum of 75%.

SLEP also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 6.5% of their annual salary to SLEP. The City is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute.

12. DEFINED BENEFIT PENSION PLANS (Continued)

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

C. Contributions

Participating members are required to contribute 4.5% and 6.5% 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 2016 was 12.43% 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, 2016 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, 2016	December 31, 2016
Actuarial Cost Method	Entry-Age Normal	Entry-Age Normal
Assumptions		
Inflation	2.75%	2.75%
Salary Increases	3.75% to 14.50%	3.75% to 14.50%
Interest Rate	7.50%	7.50%
Cost of Living Adjustments	3.00%	3.00%
Asset Valuation Method	Market Value	Market Value

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-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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-2014 (base year 2012). 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 7.5%. 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 7.5% 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 7.5% 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, 2016	\$ 83,092,232	\$ 70,862,547	\$ 12,229,685
Changes for the Period			
Service Cost	1,404,178	-	1,404,178
Interest	6,104,148	-	6,104,148
Difference Between Expected and Actual Experience	828,319	-	828,319
Changes in Assumptions	(320,176)	-	(320,176)
Employer Contributions	-	1,613,129	(1,613,129)
Employee Contributions	-	576,509	(576,509)
Net Investment Income	-	4,831,704	(4,831,704)
Benefit Payments and Refunds	(4,157,633)	(4,157,633)	-
Administrative Expense	-	-	-
Other (Net Transfer)	-	454,761	(454,761)
Net Changes	3,858,836	3,318,470	540,366
BALANCES AT DECEMBER 31, 2016	\$ 86,951,068	\$ 74,181,017	\$ 12,770,051

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, 2016	\$ 848,575	\$ 946,016	\$ (97,441)
Changes for the Period			
Service Cost	-	-	-
Interest	61,032	-	61,032
Difference Between Expected and Actual Experience	8,559	-	8,559
Changes in Assumptions	-	-	-
Employer Contributions	-	-	-
Employee Contributions	-	-	-
Net Investment Income	-	64,980	(64,980)
Benefit Payments and Refunds	(69,630)	(69,630)	-
Administrative Expense	-	-	-
Other (Net Transfer)	-	7,742	(7,742)
Net Changes	(39)	3,092	(3,131)
BALANCES AT DECEMBER 31, 2016	\$ 848,536	\$ 949,108	\$ (100,572)

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, 2017, the City recognized pension expense of \$2,519,674. At April 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
To Record the Deferred Outflow for Contributions after the Measurement Date Difference Between Expected and Actual Experience	\$ 568,030	\$ -
Changes in Assumption	817,796	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	117,257	249,758
	<u>3,319,785</u>	-
TOTAL	<u>\$ 4,822,868</u>	<u>\$ 249,758</u>

\$568,030 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending April 30,</u>	
2018	\$ 1,300,563
2019	1,300,563
2020	1,257,594
2021	146,360
2022	-
Thereafter	-
TOTAL	<u>\$ 4,005,080</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, 2017, the City recognized pension expense of \$7,430. At April 30, 2017, 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
	<u> </u>	<u> </u>
Difference Between Expected and Actual Experience	\$ -	\$ -
Changes in Assumption	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>43,361</u>	<u>-</u>
TOTAL	<u><u>\$ 43,361</u></u>	<u><u>\$ -</u></u>

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

Fiscal Year Ending April 30,	
<u> </u>	
2018	\$ 14,211
2019	14,211
2020	14,209
2021	730
2022	-
Thereafter	<u>-</u>
TOTAL	<u><u>\$ 43,361</u></u>

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 to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.5% 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 (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net Pension Liability	\$ 24,286,066	\$ 12,770,051	\$ 3,288,991

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 7.5% 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 (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net Pension Liability (Asset)	\$ (19,612)	\$ (100,572)	\$ (169,990)

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, 2017, the measurement date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	41
Inactive Plan Members Entitled to but not yet Receiving Benefits	9
Active Plan Members	54
 TOTAL	 104

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 ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

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 ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years of creditable service may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ 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, 2017, the City's contribution was 36.92% 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, 2017 using the following actuarial methods and assumptions.

Actuarial Valuation Date	April 30, 2017
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.50%
Salary Increases	4.50%
Investment Rate	6.75%
Cost of Living Adjustments	3.00% (Tier 1) 2.00% (Tier 2)
Asset Valuation Method	Market

Mortality rates were based on the RP-2000 Mortality Table (CHBCA). The actuarial assumptions used in the April 30, 2017 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, 2017 and 2016 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, 2017.

The table below presents the pension liability of the City, for year ended April 30, 2017, 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	\$ 41,355,716	\$ 32,088,309	\$ 24,504,295

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, 2016	\$ 59,104,532	\$ 29,428,139	\$ 29,676,393
Changes for the Period			
Service Cost	1,314,030	-	1,314,030
Interest	3,996,291	-	3,996,291
Difference Between Expected and Actual Experience	452,268	-	452,268
Changes in Assumptions	1,607,217	-	1,607,217
Employer Contributions	-	1,980,740	(1,980,740)
Employee Contributions	-	626,881	(626,881)
Net Investment Income	-	2,372,287	(2,372,287)
Benefit Payments and Refunds	(2,428,491)	(2,428,491)	-
Administrative Expense	-	(22,018)	22,018
Net Changes	4,941,315	2,529,399	2,411,916
BALANCES AT April 30, 2017	\$ 64,045,847	\$ 31,957,538	\$ 32,088,309

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, 2017, the City recognized police pension expense of \$3,426,107. At April 30, 2017, 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	\$ 376,890	\$ 1,888,428
Changes in Assumption	2,578,106	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,518,455	-
TOTAL	\$ 4,473,451	\$ 1,888,428

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,	
2018	\$ 712,354
2019	712,354
2020	712,354
2021	104,713
2022	343,248
Thereafter	-
TOTAL	\$ 2,585,023

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, 2017, the measurement date, membership consisted of:

Inactive Plan Members Currently Receiving Benefits	24
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	46
 TOTAL	 72

C. Benefits Provided

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20

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 ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ 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 27.32% of covered payroll for the year ended April 30, 2017.

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, 2017 using the following actuarial methods and assumptions.

Actuarial Valuation Date	April 30, 2017
Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.50%
Salary Increases	4.50%
Investment Rate	6.75%
Cost of Living Adjustments	3.00% (Tier 1) 2.00% (Tier 2)
Asset Valuation Method	Market

Mortality rates were based on the RP-2000 Mortality Table (CHBCA). The actuarial assumptions used in the April 30, 2017 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, 2017 and 2016 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, 2017.

The table below presents the net pension liability of the City, for year ended April 30, 2017, 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	\$ 24,883,196	\$ 16,798,600	\$ 10,227,384

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, 2016	\$ 48,149,208	\$ 32,963,129	\$ 15,186,079
Changes for the Period			
Service Cost	1,463,666	-	1,463,666
Interest	3,296,461	-	3,296,461
Difference Between Expected and Actual Experience	615,920	-	615,920
Changes in Assumptions	682,680	-	682,680
Employer Contributions	-	1,318,803	(1,318,803)
Employee Contributions	-	460,623	(460,623)
Net Investment Income	-	2,678,813	(2,678,813)
Benefit Payments and Refunds	(1,552,815)	(1,552,815)	-
Administrative Expense	-	(12,033)	12,033
Net Changes	4,505,912	2,893,391	1,612,521
BALANCES AT April 30, 2017	\$ 52,655,120	\$ 35,856,520	\$ 16,798,600

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

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, 2017, the City recognized firefighters' pension expense of \$2,864,805. At April 30, 2017, 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	\$ 527,934	\$ 1,060,935
Changes in Assumption	1,727,954	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,661,452	-
TOTAL	\$ 3,917,340	\$ 1,060,935

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,	
2018	\$ 785,477
2019	785,477
2020	785,477
2021	112,577
2022	201,889
Thereafter	185,508
TOTAL	\$ 2,856,405

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, 2017
(with comparative actual)

	Original Budget	Final Budget	Actual	Last Year Actual
REVENUES				
Property Taxes	\$12,522,749	\$12,522,749	\$12,447,465	\$12,352,793
Personal Property Replacement Taxes	103,950	103,950	115,429	88,879
Municipal Sales and Use Taxes	17,272,923	17,272,923	17,025,806	16,760,801
Franchise Fees	3,703,904	3,703,904	3,738,184	3,577,986
Liquor Tax	1,092,248	1,092,248	1,130,982	1,099,613
Hotel Occupations Tax	1,848,561	1,848,561	1,905,544	2,007,436
Telecommunications Fee	998,800	998,800	901,280	989,529
Other Taxes	79,206	79,206	101,363	68,582
Business Licenses and Permits	226,750	226,750	231,595	230,830
Nonbusiness License and Permits	306,568	311,140	326,241	374,041
Fines and Court Fees	417,056	417,056	368,726	360,695
Grants	53,000	53,000	57,154	53,983
Illinois State Income Tax Allotments	3,476,614	3,476,614	3,116,862	3,514,119
Charges for Current Services	584,570	646,890	652,478	509,667
Investment Income	135,654	135,654	164,853	131,970
Miscellaneous	305,270	315,270	209,102	182,440
Total Revenues	<u>43,127,823</u>	<u>43,204,715</u>	<u>42,493,064</u>	<u>42,303,364</u>
EXPENDITURES				
General Government	3,544,519	3,612,265	3,159,803	3,051,995
Public Health and Safety	22,759,423	22,834,592	21,754,348	20,885,737
Public Works	8,038,312	8,177,578	6,728,049	7,138,347
Community Development	2,585,163	2,747,560	2,696,515	2,346,953
Debt Service				
Principal	4,586	4,586	4,586	4,586
Total Expenditures	<u>36,932,003</u>	<u>37,376,581</u>	<u>34,343,301</u>	<u>33,427,618</u>
EXCESS (DEFICIENCIES) OF REVENUES OVER EXPENDITURES	<u>6,195,820</u>	<u>5,828,134</u>	<u>8,149,763</u>	<u>8,875,746</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the Sale of Capital Assets	2,500	2,500	-	-
Transfers (Out)	(6,466,007)	(6,457,423)	(6,232,518)	(8,084,374)
Total Other Financing Sources (Uses)	<u>(6,463,507)</u>	<u>(6,454,923)</u>	<u>(6,232,518)</u>	<u>(8,084,374)</u>
NET CHANGE IN FUND BALANCE	<u>(\$ 267,687)</u>	<u>(\$ 626,789)</u>	1,917,245	791,372
FUND BALANCE, MAY 1			<u>25,971,924</u>	<u>25,180,552</u>
FUND BALANCE, APRIL 30			<u>\$27,889,169</u>	<u>\$25,971,924</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2017

1. BUDGETS

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

Budgets are adopted on a basis consistent with GAAP. Annual budgets are adopted for the General, certain Special Revenue (except the Foreign Fire Insurance Fund), Debt Service, Capital Projects and Enterprise Funds. The annual budget is legally enacted and provides for a legal level of control at the function level. Management of the City can transfer budgeted amounts between object codes without City Council approval. Management of the City can over expend the object level, but any over expenditures at the function level requires City Council approval by two-thirds vote. All annual budgets lapse at fiscal year end. During the year, the budget was amended by the City Council.

2. EXPENDITURES OVER BUDGET

The Equipment Replacement Fund expenditures exceed budget by \$19,624 and the 2008/2016 Revenue Bond Fund expenditures exceeded budget by \$130.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFIT PLAN

April 30, 2017

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age Normal	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Active Members Covered Payroll	UAAL As a Percentage of Covered Payroll (4) / (5)
2012	\$ -	\$ 6,507,582	0.00%	\$ 6,507,582	\$ 23,092,645	28.18%
2013	N/A	N/A	N/A	N/A	N/A	N/A
2014	-	2,919,438	0.00%	2,919,438	23,081,287	12.65%
2015	N/A	N/A	N/A	N/A	N/A	N/A
2016	-	3,575,904	0.00%	3,575,904	22,702,684	15.75%
2017	N/A	N/A	N/A	N/A	N/A	N/A

Information for 2013, 2015 and 2017 is not available as the City only has a biannual valuation.

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Two Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017 *
Actuarially Determined Contribution	\$ 1,689,415	\$ 1,679,591
Contributions in Relation to the Actuarially Determined Contribution	<u>1,689,415</u>	<u>1,679,591</u>
CONTRIBUTION DEFICIENCY (Excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Covered-Employee Payroll	\$ 12,865,332	\$ 12,977,702
Contributions as a Percentage of Covered- Employee Payroll	13.13%	12.94%

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 27 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.

*Valuations used for fiscal year 2017 contributions were dated December 31, 2014 and December 31, 2015.

CITY OF ST. CHARLES, ILLINOIS

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

Last Two Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017 *
Actuarially Determined Contribution	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	-	-
CONTRIBUTION DEFICIENCY (Excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ -	\$ -
Contributions as a Percentage of Covered- Employee Payroll	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 27 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.

*Valuations used for fiscal year 2017 contributions were dated December 31, 2014 and December 31, 2015.

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

Last Two Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017
Actuarially Determined Contribution	\$ 1,553,197	\$ 1,988,762
Contributions in Relation to the Actuarially Determined Contribution	<u>1,540,294</u>	<u>1,980,740</u>
CONTRIBUTION DEFICIENCY (Excess)	<u>\$ 12,903</u>	<u>\$ 8,022</u>
Covered-Employee Payroll	\$ 5,115,650	\$ 5,364,361
Contributions as a Percentage of Covered- Employee Payroll	30.11%	36.92%

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 26 years; the asset valuation method was at five-year smoothed market; and the interest rate assumption was 7.00% 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.

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

Last Two Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017
Actuarially Determined Contribution	\$ 1,170,934	\$ 1,280,310
Contributions in Relation to the Actuarially Determined Contribution	<u>1,162,413</u>	<u>1,318,803</u>
CONTRIBUTION DEFICIENCY (Excess)	<u>\$ 8,521</u>	<u>\$ (38,493)</u>
Covered-Employee Payroll	\$ 4,545,823	\$ 4,826,779
Contributions as a Percentage of Covered- Employee Payroll	25.57%	27.32%

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 26 years; the asset valuation method was at five-year smoothed market; and the interest rate assumption was 7.00% 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.

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

April 30, 2017

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2012	\$ 164,548	\$ 841,739	19.55%
2013	130,849	572,010	22.88%
2014	183,683	572,010	32.11%
2015	183,683	248,288	73.98%
2016	162,177	248,288	65.32%
2017	175,154	277,462	63.13%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

Last Two Fiscal Years

	Actuarial Valuation Date December 31, 2015	Actuarial Valuation Date December 31, 2016
TOTAL PENSION LIABILITY		
Service Cost	\$ 1,414,466	\$ 1,404,178
Interest	5,825,396	6,104,148
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	303,109	828,319
Changes of Assumptions	207,055	(320,176)
Benefit Payments, Including Refunds of Member Contributions	<u>(3,452,418)</u>	<u>(4,157,633)</u>
Net Change in Total Pension Liability	4,297,608	3,858,836
Total Pension Liability - Beginning	<u>78,794,624</u>	<u>83,092,232</u>
TOTAL PENSION LIABILITY - ENDING	<u>\$ 83,092,232</u>	<u>\$ 86,951,068</u>
PLAN FIDUCIARY NET POSITION		
Contributions - Employer	\$ 1,610,740	\$ 1,613,129
Contributions - Member	629,146	576,509
Net Investment Income	353,512	4,831,704
Benefit Payments, Including Refunds of Member Contributions	(3,452,418)	(4,157,633)
Other	<u>412,901</u>	<u>454,761</u>
Net Change in Plan Fiduciary Net Position	(446,119)	3,318,470
Plan Fiduciary Net Position - Beginning	<u>71,308,666</u>	<u>70,862,547</u>
PLAN FIDUCIARY NET POSITION - ENDING	<u>\$ 70,862,547</u>	<u>\$ 74,181,017</u>
EMPLOYER'S NET PENSION LIABILITY	<u>\$ 12,229,685</u>	<u>\$ 12,770,051</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.28%	85.31%
Covered-Employee Payroll	\$ 12,865,332	\$ 12,977,702
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	95.06%	98.40%

Changes of assumptions:

For measurement date December 31, 2017, amounts reported as changes of assumptions resulted from changes related to mortality. Additionally, the discount rate was changed from 7.47% to 7.50%.

For measurement date December 31, 2016, amounts reported as changes of assumptions resulted from changes related to retirement age and mortality.

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 Two Fiscal Years

	Actuarial Valuation Date December 31, 2015	Actuarial Valuation Date December 31, 2016
TOTAL PENSION LIABILITY		
Service Cost	\$ -	\$ -
Interest	61,023	61,032
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	8,040	8,559
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Member Contributions	<u>(68,253)</u>	<u>(69,630)</u>
Net Change in Total Pension Liability	810	(39)
Total Pension Liability - Beginning	<u>847,765</u>	<u>848,575</u>
TOTAL PENSION LIABILITY - ENDING	<u>\$ 848,575</u>	<u>\$ 848,536</u>
PLAN FIDUCIARY NET POSITION		
Contributions - Employer	\$ -	\$ -
Contributions - Member	-	-
Net Investment Income	4,742	64,980
Benefit Payments, Including Refunds of Member Contributions	(68,253)	(69,630)
Other	<u>26,932</u>	<u>7,742</u>
Net Change in Plan Fiduciary Net Position	(36,579)	3,092
Plan Fiduciary Net Position - Beginning	<u>982,595</u>	<u>946,016</u>
PLAN FIDUCIARY NET POSITION - ENDING	<u>\$ 946,016</u>	<u>\$ 949,108</u>
EMPLOYER'S NET PENSION LIABILITY (ASSET)	<u>\$ (97,441)</u>	<u>\$ (100,572)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	111.48%	111.85%
Covered-Employee Payroll	\$ -	\$ -
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	0.00%	0.00%

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 Two Fiscal Years

MEASUREMENT DATE APRIL 30,	2016	2017
TOTAL PENSION LIABILITY		
Service Cost	\$ 1,227,434	\$ 1,314,030
Interest	4,004,458	3,996,291
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(2,832,641)	452,268
Changes of Assumptions	1,858,133	1,607,217
Benefit Payments, Including Refunds of Member Contributions	<u>(2,263,911)</u>	<u>(2,428,491)</u>
Net Change in Total Pension Liability	1,993,473	4,941,315
Total Pension Liability - Beginning	<u>57,111,059</u>	<u>59,104,532</u>
TOTAL PENSION LIABILITY - ENDING	<u>\$ 59,104,532</u>	<u>\$ 64,045,847</u>
PLAN FIDUCIARY NET POSITION		
Contributions - Employer	\$ 1,540,294	\$ 1,980,740
Contributions - Member	506,838	626,881
Net Investment Income	(906,365)	2,372,287
Benefit Payments, Including Refunds of Member Contributions	(2,263,911)	(2,428,491)
Other	<u>(23,889)</u>	<u>(22,018)</u>
Net Change in Plan Fiduciary Net Position	(1,147,033)	2,529,399
Plan Fiduciary Net Position - Beginning	<u>30,575,172</u>	<u>29,428,139</u>
PLAN FIDUCIARY NET POSITION - ENDING	<u>\$ 29,428,139</u>	<u>\$ 31,957,538</u>
EMPLOYER'S NET PENSION LIABILITY	<u>\$ 29,676,393</u>	<u>\$ 32,088,309</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	49.79%	49.90%
Covered-Employee Payroll	\$ 5,115,650	\$ 5,364,361
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	580.11%	598.18%

Changes of assumptions:

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 7.00% to 6.75%.

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 Two Fiscal Years

MEASUREMENT DATE APRIL 30,	2016	2017
TOTAL PENSION LIABILITY		
Service Cost	\$ 1,413,134	\$ 1,463,666
Interest	3,185,463	3,296,461
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(1,485,308)	615,920
Changes of Assumptions	1,599,975	682,680
Benefit Payments, Including Refunds of Member Contributions	<u>(1,315,059)</u>	<u>(1,552,815)</u>
Net Change in Total Pension Liability	3,398,205	4,505,912
Total Pension Liability - Beginning	<u>44,751,003</u>	<u>48,149,208</u>
TOTAL PENSION LIABILITY - ENDING	<u>\$ 48,149,208</u>	<u>\$ 52,655,120</u>
PLAN FIDUCIARY NET POSITION		
Contributions - Employer	\$ 1,162,413	\$ 1,318,803
Contributions - Member	473,869	460,623
Net Investment Income	(997,840)	2,678,813
Benefit Payments, Including Refunds of Member Contributions	(1,315,059)	(1,552,815)
Other	<u>(18,132)</u>	<u>(12,033)</u>
Net Change in Plan Fiduciary Net Position	(694,749)	2,893,391
Plan Fiduciary Net Position - Beginning	<u>33,657,878</u>	<u>32,963,129</u>
PLAN FIDUCIARY NET POSITION - ENDING	<u>\$ 32,963,129</u>	<u>\$ 35,856,520</u>
EMPLOYER'S NET PENSION LIABILITY	<u>\$ 15,186,079</u>	<u>\$ 16,798,600</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.46%	68.10%
Covered-Employee Payroll	\$ 4,545,823	\$ 4,826,779
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	334.07%	348.03%

Changes of assumptions:

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

- The base mortality table was updated to the 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 7.00% to 6.75%.

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, 2017

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS				
Cash and Investments	\$ 2,675,355	\$ 1,437,627	\$ 6,686,038	\$10,799,020
Receivables				
Property Taxes	1,505,931	-	-	1,505,931
Accounts Receivable	-	-	599,910	599,910
Prepaid Items	-	-	26,283	26,283
Due from Other Governments	72,196	-	-	72,196
Due From Other Funds	-	693,129	-	693,129
Total Assets	4,253,482	2,130,756	7,312,231	13,696,469
DEFERRED OUTFLOWS OF RESOURCES				
None	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
	\$ 4,253,482	\$ 2,130,756	\$ 7,312,231	\$13,696,469
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ 167,053	\$ 167,053
Contracts Payable	379,862	-	307,767	687,629
Due to Other Governments	149,631	-	-	149,631
Due to Other Funds	-	320,258	-	320,258
Advances From Other Funds	3,504,513	-	1,144,415	4,648,928
Total Liabilities	4,034,006	320,258	1,619,235	5,973,499
DEFERRED INFLOWS OF RESOURCES				
Deferred Revenue - Property Taxes	1,505,931	-	-	1,505,931
Total Deferred Inflows of Resources	1,505,931	-	-	1,505,931
Total Liabilities and Deferred Inflows of Resources	5,539,937	320,258	1,619,235	7,479,430
FUND BALANCES				
Nonspendable				
Prepaid Items	-	-	26,283	26,283
Restricted				
Capital Outlay	-	-	2,735,124	2,735,124
Community Development	45,553	-	-	45,553
Highway and Street Maintenance	1,920,069	-	-	1,920,069
Fire Department	212,885	-	-	212,885
Debt Service	-	1,810,498	-	1,810,498
Unrestricted				
Assigned				
Capital Improvement Projects	-	-	2,931,589	2,931,589
Unassigned				
Special Revenue Funds (Deficit)	(3,464,962)	-	-	(3,464,962)
Total Fund Balances	(1,286,455)	1,810,498	5,692,996	6,217,039
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
	\$ 4,253,482	\$ 2,130,756	\$ 7,312,231	\$13,696,469

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, 2017

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES				
Property Taxes	\$ 1,494,041	\$ -	\$ 24,475	\$ 1,518,516
Municipal Sales and Use Taxes	28,155	910,854	-	939,009
Hotel Occupation Tax	52,791	-	-	52,791
Grants	75,138	-	557,220	632,358
Motor Fuel Tax Allotments	870,414	-	-	870,414
Charges for Current Services	-	-	1,200	1,200
Investment Income	10,426	1,374	38,708	50,508
Contributions	-	-	396,182	396,182
Total Revenues	<u>2,530,965</u>	<u>912,228</u>	<u>1,017,785</u>	<u>4,460,978</u>
EXPENDITURES				
Current Operating-				
General Government	-	304,213	-	304,213
Public Health and Safety	73,696	-	-	73,696
Public Works	1,235,888	-	92,994	1,328,882
Community Development	125,322	-	121,805	247,127
Debt Service-				
Principal	-	4,458,095	-	4,458,095
Interest and Fiscal Charges	-	2,920,105	-	2,920,105
Capital Outlay	-	-	6,089,297	6,089,297
Total Expenditures	<u>1,434,906</u>	<u>7,682,413</u>	<u>6,304,096</u>	<u>15,421,415</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,096,059</u>	<u>(6,770,185)</u>	<u>(5,286,311)</u>	<u>(10,960,437)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Bonds	-	15,309,958	3,947,400	19,257,358
Premium on Bonds	-	1,593,615	489,102	2,082,717
Payment to Escrow Agent	-	(16,601,613)	-	(16,601,613)
Transfers In	-	6,220,908	2,656,548	8,877,456
Transfers (Out)	(1,505,045)	-	(917,750)	(2,422,795)
Total Other Financing Sources (Uses)	<u>(1,505,045)</u>	<u>6,522,868</u>	<u>6,175,300</u>	<u>11,193,123</u>
NET CHANGE IN FUND BALANCES	(408,986)	(247,317)	888,989	232,686
FUND BALANCES (DEFICIT), MAY 1	(877,469)	2,057,815	4,804,007	5,984,353
FUND BALANCES (DEFICIT), APRIL 30	<u>(\$ 1,286,455)</u>	<u>\$ 1,810,498</u>	<u>\$ 5,692,996</u>	<u>\$ 6,217,039</u>

See independent auditor's report.

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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, 2017

	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
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES										
ASSETS										
Cash and Investments	\$ -	\$ 189,096	\$ 13	\$ 53	\$ 20	\$ 17,684	\$ 27,869	\$2,227,735	\$ 212,885	\$2,675,355
Receivables										
Property Taxes, Net	150,459	431,347	100,975	480,479	191,660	12,060	138,951	-	-	1,505,931
Due From Other Governments	-	-	-	-	-	-	-	72,196	-	72,196
Total Assets	<u>150,459</u>	<u>620,443</u>	<u>100,988</u>	<u>480,532</u>	<u>191,680</u>	<u>29,744</u>	<u>166,820</u>	<u>2,299,931</u>	<u>212,885</u>	<u>4,253,482</u>
DEFERRED OUTFLOWS OF RESOURCES										
None	-	-	-	-	-	-	-	-	-	-
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>						
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES										
	<u>\$ 150,459</u>	<u>\$ 620,443</u>	<u>\$ 100,988</u>	<u>\$ 480,532</u>	<u>\$ 191,680</u>	<u>\$ 29,744</u>	<u>\$ 166,820</u>	<u>\$2,299,931</u>	<u>\$ 212,885</u>	<u>\$4,253,482</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
LIABILITIES										
Contracts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 379,862	\$ -	\$ 379,862
Due to Other Governments	-	-	149,631	-	-	-	-	-	-	149,631
Advance from Other Funds	181,269	427,465	963,326	729,692	1,202,761	-	-	-	-	3,504,513
Total Liabilities	<u>181,269</u>	<u>427,465</u>	<u>1,112,957</u>	<u>729,692</u>	<u>1,202,761</u>	<u>-</u>	<u>-</u>	<u>379,862</u>	<u>-</u>	<u>4,034,006</u>
DEFERRED INFLOWS OF RESOURCES										
Deferred Revenue - Property Tax	150,459	431,347	100,975	480,479	191,660	12,060	138,951	-	-	1,505,931
Total Deferred Inflows of Resources	<u>150,459</u>	<u>431,347</u>	<u>100,975</u>	<u>480,479</u>	<u>191,660</u>	<u>12,060</u>	<u>138,951</u>	<u>-</u>	<u>-</u>	<u>1,505,931</u>
Total Liabilities and Deferred Inflows of Resources	<u>331,728</u>	<u>858,812</u>	<u>1,213,932</u>	<u>1,210,171</u>	<u>1,394,421</u>	<u>12,060</u>	<u>138,951</u>	<u>379,862</u>	<u>-</u>	<u>5,539,937</u>
FUND BALANCES (DEFICIT)										
Restricted										
Highway and Street Maintenance	-	-	-	-	-	-	-	1,920,069	-	1,920,069
Fire Department	-	-	-	-	-	-	-	-	212,885	212,885
Community Development	-	-	-	-	-	17,684	27,869	-	-	45,553
Unrestricted										
Unassigned (Deficit)	(181,269)	(238,369)	(1,112,944)	(729,639)	(1,202,741)	-	-	-	-	(3,464,962)
Total Fund Balances (Deficit)	<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>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
	<u>\$ 150,459</u>	<u>\$ 620,443</u>	<u>\$ 100,988</u>	<u>\$ 480,532</u>	<u>\$ 191,680</u>	<u>\$ 29,744</u>	<u>\$ 166,820</u>	<u>\$2,299,931</u>	<u>\$ 212,885</u>	<u>\$4,253,482</u>

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, 2017

	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	\$ 155,557	\$ 524,440	\$ -	\$ 485,008	\$ 190,349	\$ 8,972	\$ 129,715	\$ -	\$ -	\$1,494,041
Grants	-	-	-	-	-	-	-	-	75,138	75,138
Sales and Use Tax	28,155	-	-	-	-	-	-	-	-	28,155
Hotel Occupation Tax	52,791	-	-	-	-	-	-	-	-	52,791
Motor Fuel Tax Allotments	-	-	-	-	-	-	-	870,414	-	870,414
Investment Income	111	849	49	237	90	39	154	7,712	1,185	10,426
Total Revenues	<u>236,614</u>	<u>525,289</u>	<u>49</u>	<u>485,245</u>	<u>190,439</u>	<u>9,011</u>	<u>129,869</u>	<u>878,126</u>	<u>76,323</u>	<u>2,530,965</u>
EXPENDITURES										
Public Health and Safety	-	-	-	-	-	-	-	-	73,696	73,696
Public Works	-	-	-	-	-	-	-	1,235,888	-	1,235,888
Community Development	-	-	125,322	-	-	-	-	-	-	125,322
Total Expenditures	<u>-</u>	<u>-</u>	<u>125,322</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,235,888</u>	<u>73,696</u>	<u>1,434,906</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>236,614</u>	<u>525,289</u>	<u>(125,273)</u>	<u>485,245</u>	<u>190,439</u>	<u>9,011</u>	<u>129,869</u>	<u>(357,762)</u>	<u>2,627</u>	<u>1,096,059</u>
OTHER FINANCING SOURCES (USES)										
Transfers (Out)	(258,525)	(336,325)	(124,433)	(493,323)	(190,439)	-	(102,000)	-	-	(1,505,045)
Total Other Financing Sources (Uses)	<u>(258,525)</u>	<u>(336,325)</u>	<u>(124,433)</u>	<u>(493,323)</u>	<u>(190,439)</u>	<u>-</u>	<u>(102,000)</u>	<u>-</u>	<u>-</u>	<u>(1,505,045)</u>
NET CHANGE IN FUND BALANCE	(21,911)	188,964	(249,706)	(8,078)	-	9,011	27,869	(357,762)	2,627	(408,986)
FUND BALANCE (DEFICIT), MAY 1	<u>(159,358)</u>	<u>(427,333)</u>	<u>(863,238)</u>	<u>(721,561)</u>	<u>(1,202,741)</u>	<u>8,673</u>	<u>-</u>	<u>2,277,831</u>	<u>210,258</u>	<u>(877,469)</u>
FUND BALANCE (DEFICIT), APRIL 30	<u><u>(\$ 181,269)</u></u>	<u><u>(\$ 238,369)</u></u>	<u><u>(\$1,112,944)</u></u>	<u><u>(\$ 729,639)</u></u>	<u><u>(\$1,202,741)</u></u>	<u><u>\$ 17,684</u></u>	<u><u>\$ 27,869</u></u>	<u><u>\$1,920,069</u></u>	<u><u>\$ 212,885</u></u>	<u><u>(\$1,286,455)</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, 2017

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Property Taxes	\$ 170,200	\$ 170,200	\$ 155,557	\$ 168,514
Sales and Use Tax	29,313	29,313	28,155	37,033
Hotel Occupation Tax	70,375	70,375	52,791	72,107
Investment Income	80	80	111	48
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	269,968	269,968	236,614	277,702
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES				
None	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	269,968	269,968	236,614	277,702
	<hr/>	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(269,968)	(258,525)	(258,525)	(260,594)
	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ -	\$ 11,443	(21,911)	17,108
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCE (DEFICIT), MAY 1			(159,358)	(176,466)
			<hr/>	<hr/>
FUND BALANCE (DEFICIT), APRIL 30			(\$ 181,269)	(\$ 159,358)
			<hr/>	<hr/>

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, 2017

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Property Taxes	\$ 527,938	\$ 527,938	\$ 524,440	\$ 522,711
Investment Income	310	310	849	312
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	528,248	528,248	525,289	523,023
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES				
None	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	528,248	528,248	525,289	523,023
	<hr/>	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(336,325)	(336,325)	(336,325)	(341,775)
	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ 191,923</u>	<u>\$ 191,923</u>	188,964	181,248
FUND BALANCE (DEFICIT), MAY 1			<hr/> (427,333)	<hr/> (608,581)
FUND BALANCE (DEFICIT), APRIL 30			<hr/> <u>(\$ 238,369)</u>	<hr/> <u>(\$ 427,333)</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, 2017

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Property Taxes	\$ 123,641	\$ 123,641	\$ -	\$ 123,641
Investment Income	28	28	49	20
Total Revenues	<u>123,669</u>	<u>123,669</u>	<u>49</u>	<u>123,661</u>
EXPENDITURES				
Community Development	-	125,322	125,322	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>123,669</u>	<u>(1,653)</u>	<u>(125,273)</u>	<u>123,661</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	<u>(123,669)</u>	<u>(124,433)</u>	<u>(124,433)</u>	<u>(123,653)</u>
Total Other Financing Sources (Uses)	<u>(123,669)</u>	<u>(124,433)</u>	<u>(124,433)</u>	<u>(123,653)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>(\$ 126,086)</u>	<u>(249,706)</u>	<u>8</u>
FUND BALANCE (DEFICIT), MAY 1			<u>(863,238)</u>	<u>(863,246)</u>
FUND BALANCE (DEFICIT), APRIL 30			<u>(\$1,112,944)</u>	<u>(\$ 863,238)</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, 2017

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Property Taxes	\$ 500,739	\$ 500,739	\$ 485,008	\$ 586,301
Investment Income	206	206	237	133
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	500,945	500,945	485,245	586,434
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES				
None	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	500,945	500,945	485,245	586,434
	<hr/>	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(500,945)	(493,323)	(493,323)	(578,323)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(500,945)	(493,323)	(493,323)	(578,323)
	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ -	\$ 7,622	(8,078)	8,111
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCE (DEFICIT), MAY 1			(721,561)	(729,672)
			<hr/>	<hr/>
FUND BALANCE (DEFICIT), APRIL 30			(\$ 729,639)	(\$ 721,561)
			<hr/>	<hr/>

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, 2017

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Property Taxes	\$ 195,821	\$ 195,821	\$ 190,349	\$ 194,847
Investment Income	63	63	90	34
Total Revenues	<u>195,884</u>	<u>195,884</u>	<u>190,439</u>	<u>194,881</u>
EXPENDITURES				
None	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>195,884</u>	<u>195,884</u>	<u>190,439</u>	<u>194,881</u>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	<u>(195,884)</u>	<u>(190,439)</u>	<u>(190,439)</u>	<u>(194,867)</u>
Total Other Financing Sources (Uses)	<u>(195,884)</u>	<u>(190,439)</u>	<u>(190,439)</u>	<u>(194,867)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ 5,445</u>	-	14
FUND BALANCE (DEFICIT), MAY 1			<u>(1,202,741)</u>	<u>(1,202,755)</u>
FUND BALANCE (DEFICIT), APRIL 30			<u>(\$1,202,741)</u>	<u>(\$1,202,741)</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 #6 FUND

For the Year Ended April 30, 2017

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Property Taxes	\$ 4,138	\$ 4,138	\$ 8,972	\$ 4,117
Investment Income	6	6	39	8
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	4,144	4,144	9,011	4,125
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES				
None	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,144	4,144	9,011	4,125
	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ 4,144</u>	<u>\$ 4,144</u>	9,011	4,125
			<hr/>	<hr/>
FUND BALANCE (DEFICIT), MAY 1			8,673	4,548
			<hr/>	<hr/>
FUND BALANCE (DEFICIT), APRIL 30			<u>\$ 17,684</u>	<u>\$ 8,673</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, 2017

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Property Taxes	\$ 138,357	\$ 138,357	\$ 129,715	\$ -
Investment Income	-	-	154	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	138,357	138,357	129,869	-
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES				
None	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	138,357	138,357	129,869	-
	<hr/>	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	(85,562)	(102,000)	(102,000)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(85,562)	(102,000)	(102,000)	-
	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ 52,795</u>	<u>\$ 36,357</u>	27,869	-
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCE (DEFICIT), MAY 1			-	-
			<hr/>	<hr/>
FUND BALANCE (DEFICIT), APRIL 30			<u>\$ 27,869</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**

MOTOR FUEL TAX FUND

For the Year Ended April 30, 2017

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Motor Fuel Tax Allotments	\$ 844,600	\$ 844,600	\$ 870,414	\$ 878,032
Investment Income	3,000	3,000	7,712	12,114
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	847,600	847,600	878,126	890,146
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES				
Public Works				
Contractual	1,950,407	1,950,407	1,235,888	852,155
	<hr/>	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,102,807)	(1,102,807)	(357,762)	37,991
	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	(\$1,102,807)	(\$1,102,807)	(357,762)	37,991
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCE, MAY 1			2,277,831	2,239,840
			<hr/>	<hr/>
FUND BALANCE, APRIL 30			\$1,920,069	\$2,277,831
			<hr/>	<hr/>

See independent auditor's report.

NONMAJOR DEBT SERVICE FUNDS

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

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

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

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

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

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

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

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

CITY OF ST. CHARLES, ILLINOIS

COMBINING BALANCE SHEET

NONMAJOR DEBT SERVICE FUNDS

April 30, 2017

	<u>TIF District #1</u>	<u>TIF District #2</u>	<u>TIF District #3</u>	<u>TIF District #4</u>	<u>TIF District #5</u>	2008C G.O. Bond Issue	2008/2016 Revenue Bond Issue
ASSETS							
Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,437,627
Due From Other Funds	-	-	-	-	-	-	693,129
TOTAL ASSETS	<u>\$ -</u>	<u>\$2,130,756</u>					
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Due To Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 320,258
Total Liabilities	-	-	-	-	-	-	320,258
FUND BALANCES							
Restricted For Debt Service	-	-	-	-	-	-	1,810,498
Total Fund Balances	-	-	-	-	-	-	1,810,498
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$2,130,756</u>					

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS
 COMBINING BALANCE SHEET (Continued)
 NONMAJOR DEBT SERVICE FUNDS
 April 30, 2017

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

CITY OF ST. CHARLES, ILLINOIS
 COMBINING BALANCE SHEET (Continued)
 NONMAJOR DEBT SERVICE FUNDS
 April 30, 2017

	2015A G.O. Bond Issue	2016A G.O. Bond Issue	2016B Refunding G.O. Bond Issue	Total
ASSETS				
Cash and Investments	\$ -	\$ -	\$ -	\$1,437,627
Due From Other Funds	-	-	-	693,129
TOTAL ASSETS	\$ -	\$ -	\$ -	\$2,130,756
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due To Other Funds	\$ -	\$ -	\$ -	\$ 320,258
Total Liabilities	-	-	-	320,258
FUND BALANCES				
Restricted For Debt Service	-	-	-	1,810,498
Total Fund Balances	-	-	-	1,810,498
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -	\$ -	\$2,130,756

CITY OF ST. CHARLES, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

NONMAJOR DEBT SERVICE FUNDS

For the Year Ended April 30, 2017

	<u>TIF District #1</u>	<u>TIF District #2</u>	<u>TIF District #3</u>	<u>TIF District #4</u>	<u>TIF District #5</u>	<u>2008C G.O. Bond Issue</u>	<u>2008/2016 Revenue Bond Issue</u>
REVENUES							
Sales and Use Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 910,854
Investment Income	-	-	-	-	-	-	1,374
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>912,228</u>
EXPENDITURES							
General Government:							
Contractual	-	-	-	33,971	-	-	183,037
Debt Service:							
Principal Retirement	410,000	310,000	165,000	100,000	240,000	515,052	710,000
Interest and Fiscal Charges	5,125	26,325	57,050	992,708	80,875	238,508	447,292
Total Expenditures	<u>415,125</u>	<u>336,325</u>	<u>222,050</u>	<u>1,126,679</u>	<u>320,875</u>	<u>753,560</u>	<u>1,340,329</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(415,125)</u>	<u>(336,325)</u>	<u>(222,050)</u>	<u>(1,126,679)</u>	<u>(320,875)</u>	<u>(753,560)</u>	<u>(428,101)</u>
OTHER FINANCING SOURCES (USES)							
Issuance of Bonds	-	-	-	2,275,000	-	-	7,195,000
Premium on Bonds	-	-	-	412,579	-	-	121,940
Payment to Escrow Agent	-	-	-	(2,653,608)	-	-	(7,136,156)
Transfers In	415,125	336,325	222,050	1,092,708	320,875	753,560	-
Total Other Financing Sources (Uses)	<u>415,125</u>	<u>336,325</u>	<u>222,050</u>	<u>1,126,679</u>	<u>320,875</u>	<u>753,560</u>	<u>180,784</u>
NET CHANGE IN FUND BALANCES	-	-	-	-	-	-	(247,317)
FUND BALANCES, MAY 1	-	-	-	-	-	-	2,057,815
FUND BALANCES, APRIL 30	<u>\$ -</u>	<u>\$1,810,498</u>					

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

NONMAJOR DEBT SERVICE FUNDS

For the Year Ended April 30, 2017

	2010B	2011A	2011B	2011C	2012A	2012B	2013B
	Refunding G.O.	G.O.	Refunding G.O.	Refunding G.O.	G.O.	Refunding G.O.	G.O.
	<u>Bond Issue</u>						
REVENUES							
Sales and Use Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	-	-	-	-	-	-	-
Total Revenues	-						
EXPENDITURES							
General Government:							
Contractual	-	-	-	-	-	-	-
Debt Service:							
Principal Retirement	-	167,880	24,492	-	451,872	1,150,000	147,209
Interest and Fiscal Charges	-	135,101	1,752	105,325	208,404	371,300	120,638
Total Expenditures	-	302,981	26,244	105,325	660,276	1,521,300	267,847
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(302,981)	(26,244)	(105,325)	(660,276)	(1,521,300)	(267,847)
OTHER FINANCING SOURCES (USES)							
Issuance of Bonds	-	-	-	-	-	-	-
Premium on Bonds	-	-	-	-	-	-	-
Payment to Escrow Agent	-	-	-	-	-	-	-
Transfers In	-	302,981	26,244	105,325	660,276	1,521,300	267,847
Total Other Financing Sources (Uses)	-	302,981	26,244	105,325	660,276	1,521,300	267,847
NET CHANGE IN FUND BALANCES	-						
FUND BALANCES, MAY 1	-						
FUND BALANCES, 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, 2017

	2015A G.O. <u>Bond Issue</u>	2016A G.O. <u>Bond Issue</u>	2016B Refunding G.O. <u>Bond Issue</u>	<u>Total</u>
REVENUES				
Sales and Use Tax	\$ -	\$ -	\$ -	\$ 910,854
Investment Income	-	-	-	1,374
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>912,228</u>
EXPENDITURES				
General Government:				
Contractual	-	-	87,205	304,213
Debt Service:				
Principal Retirement	66,590	-	-	4,458,095
Interest and Fiscal Charges	30,816	-	98,886	2,920,105
Total Expenditures	<u>97,406</u>	<u>-</u>	<u>186,091</u>	<u>7,682,413</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(97,406)</u>	<u>-</u>	<u>(186,091)</u>	<u>(6,770,185)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Bonds	-	-	5,839,958	15,309,958
Premium on Bonds	-	-	1,059,096	1,593,615
Payment to Escrow Agent	-	-	(6,811,849)	(16,601,613)
Transfers In	97,406	-	98,886	6,220,908
Total Other Financing Sources (Uses)	<u>97,406</u>	<u>-</u>	<u>186,091</u>	<u>6,522,868</u>
NET CHANGE IN FUND BALANCES	-	-	-	(247,317)
FUND BALANCES, MAY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,057,815</u>
FUND BALANCES, APRIL 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$1,810,498</u></u>

CITY OF ST. CHARLES, ILLINOIS

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

TIF DISTRICT #1 DEBT SERVICE FUND

For the Year Ended April 30, 2017

(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	410,000	410,000	410,000	385,000
Interest and Fiscal Charges	5,125	5,125	5,125	8,975
Total Expenditures	415,125	415,125	415,125	393,975
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(415,125)	(415,125)	(415,125)	(393,975)
OTHER FINANCING SOURCES (USES)				
Transfers In	415,125	415,125	415,125	393,975
Total Other Financing Sources (Uses)	415,125	415,125	415,125	393,975
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	-
FUND BALANCE, MAY 1			-	-
FUND BALANCE, APRIL 30			\$ -	\$ -

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

TIF DISTRICT #2 DEBT SERVICE FUND

For the Year Ended April 30, 2017

(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	310,000	310,000	310,000	305,000
Interest and Fiscal Charges	26,325	26,325	26,325	36,775
Total Expenditures	336,325	336,325	336,325	341,775
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(336,325)	(336,325)	(336,325)	(341,775)
OTHER FINANCING SOURCES (USES)				
Transfers In	336,325	336,325	336,325	341,775
Total Other Financing Sources (Uses)	336,325	336,325	336,325	341,775
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	-
FUND BALANCE, MAY 1			-	-
FUND BALANCE, APRIL 30			<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

TIF DISTRICT #3 DEBT SERVICE FUND

For the Year Ended April 30, 2017

(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	165,000	165,000	165,000	155,000
Interest and Fiscal Charges	57,050	57,050	57,050	63,250
Total Expenditures	222,050	222,050	222,050	218,250
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(222,050)	(222,050)	(222,050)	(218,250)
OTHER FINANCING SOURCES (USES)				
Transfers In	222,050	222,050	222,050	218,250
Total Other Financing Sources (Uses)	222,050	222,050	222,050	218,250
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, 2017

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Investment Income	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
General Government:				
Contractual	-	33,971	33,971	-
Debt Service:				
Principal Retirement	100,000	100,000	100,000	75,000
Interest and Fiscal Charges	1,005,173	992,708	992,708	1,008,173
Total Expenditures	1,105,173	1,126,679	1,126,679	1,083,173
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,105,173)	(1,126,679)	(1,126,679)	(1,083,173)
OTHER FINANCING SOURCES (USES)				
Issuance of Bonds	-	2,275,000	2,275,000	-
Premium on Bonds	-	412,579	412,579	-
Payment to Escrow Agent	-	(2,653,608)	(2,653,608)	-
Transfers In	1,105,173	1,092,708	1,092,708	1,083,173
Total Other Financing Sources (Uses)	1,105,173	1,126,679	1,126,679	1,083,173
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, 2017

(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	240,000	240,000	240,000	235,000
Interest and Fiscal Charges	80,875	80,875	80,875	87,925
Total Expenditures	320,875	320,875	320,875	322,925
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(320,875)	(320,875)	(320,875)	(322,925)
OTHER FINANCING SOURCES (USES)				
Transfers In	320,875	320,875	320,875	322,925
Total Other Financing Sources (Uses)	320,875	320,875	320,875	322,925
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	-
FUND BALANCE, MAY 1			-	-
FUND BALANCE, APRIL 30			\$ -	\$ -

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

2008C GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2017

(with comparative actual)

	Original Budget	Final Budget	Actual	Last Year Actual
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service:				
Principal Retirement	530,000	515,052	515,052	510,000
Interest and Fiscal Charges	404,855	238,508	238,508	425,255
Total Expenditures	934,855	753,560	753,560	935,255
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(934,855)	(753,560)	(753,560)	(935,255)
OTHER FINANCING SOURCES (USES)				
Transfers In	934,855	753,560	753,560	935,255
Total Other Financing Sources (Uses)	934,855	753,560	753,560	935,255
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	-
FUND BALANCE, MAY 1			-	-
FUND BALANCE, APRIL 30			\$ -	\$ -

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

2008/2016 REVENUE BOND FUND

For the Year Ended April 30, 2017

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Sales and Use Tax	\$1,060,875	\$1,060,875	\$ 910,854	\$1,009,202
Investment Income	150	150	1,374	115
Total Revenues	1,061,025	1,061,025	912,228	1,009,317
EXPENDITURES				
General Government:				
Contractual	4,100	182,907	183,037	4,188
Debt Service:				
Principal Retirement	505,000	710,000	710,000	520,000
Interest and Fiscal Charges	480,940	447,292	447,292	517,080
Total Expenditures	990,040	1,340,199	1,340,329	1,041,268
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	70,835	(279,324)	(428,101)	(31,951)
OTHER FINANCING SOURCES (USES)				
Issuance of Bonds	-	7,195,000	7,195,000	-
Premium on Bonds	-	121,940	121,940	-
Payment to Escrow Agent	-	(7,136,156)	(7,136,156)	-
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	-	180,784	180,784	-
NET CHANGE IN FUND BALANCE	\$ 70,985	(\$ 98,390)	(247,317)	(31,951)
FUND BALANCE, MAY 1			2,057,815	2,089,766
FUND BALANCE, APRIL 30			\$1,810,498	\$2,057,815

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, 2017

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Debt Service:				
Principal Retirement	160,485	167,880	167,880	156,370
Interest and Fiscal Charges	129,150	135,101	135,101	133,840
Total Expenditures	<u>289,635</u>	<u>302,981</u>	<u>302,981</u>	<u>290,210</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(289,635)</u>	<u>(302,981)</u>	<u>(302,981)</u>	<u>(290,210)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	289,635	302,981	302,981	290,210
Total Other Financing Sources (Uses)	<u>289,635</u>	<u>302,981</u>	<u>302,981</u>	<u>290,210</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	-
FUND BALANCE, MAY 1			<u>-</u>	<u>-</u>
FUND BALANCE, APRIL 30			<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

2011B REFUNDING GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2017

(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	24,492	24,492	24,492	24,178
Interest and Fiscal Charges	1,752	1,752	1,752	2,236
Total Expenditures	26,244	26,244	26,244	26,414
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(26,244)	(26,244)	(26,244)	(26,414)
OTHER FINANCING SOURCES (USES)				
Transfers In	26,244	26,244	26,244	26,414
Total Other Financing Sources (Uses)	26,244	26,244	26,244	26,414
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, 2017

(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	\$ -	\$ -	-	-
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

2012A GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2017

(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	430,000	451,872	451,872	410,000
Interest and Fiscal Charges	202,000	208,404	208,404	214,300
Total Expenditures	632,000	660,276	660,276	624,300
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(632,000)	(660,276)	(660,276)	(624,300)
OTHER FINANCING SOURCES (USES)				
Transfers In	632,000	660,276	660,276	624,300
Total Other Financing Sources (Uses)	632,000	660,276	660,276	624,300
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

2012B REFUNDING GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2017

(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	1,150,000	1,150,000	1,150,000	1,130,000
Interest and Fiscal Charges	371,300	371,300	371,300	405,200
Total Expenditures	1,521,300	1,521,300	1,521,300	1,535,200
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,521,300)	(1,521,300)	(1,521,300)	(1,535,200)
OTHER FINANCING SOURCES (USES)				
Transfers In	1,521,300	1,521,300	1,521,300	1,535,200
Total Other Financing Sources (Uses)	1,521,300	1,521,300	1,521,300	1,535,200
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, 2017

(with comparative actual)

	Original Budget	Final Budget	Actual	Last Year Actual
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service:				
Principal Retirement	147,210	147,210	147,209	147,209
Interest and Fiscal Charges	120,638	120,638	120,638	122,109
Total Expenditures	267,848	267,848	267,847	269,318
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(267,848)	(267,848)	(267,847)	(269,318)
OTHER FINANCING SOURCES (USES)				
Transfers In	267,848	267,848	267,847	269,318
Total Other Financing Sources (Uses)	267,848	267,848	267,847	269,318
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	-
FUND BALANCE, MAY 1			-	-
FUND BALANCE, APRIL 30			\$ -	\$ -

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

2015A GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2017

(with comparative actual)

	Original Budget	Final Budget	Actual	Last Year Actual
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service:				
Principal Retirement	66,150	66,590	66,590	54,258
Interest and Fiscal Charges	30,614	30,816	30,816	26,496
Total Expenditures	96,764	97,406	97,406	80,754
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(96,764)	(97,406)	(97,406)	(80,754)
OTHER FINANCING SOURCES (USES)				
Transfers In	96,764	97,406	97,406	80,754
Total Other Financing Sources (Uses)	96,764	97,406	97,406	80,754
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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
REVENUES			
None	\$ -	\$ -	\$ -
Total Revenues	-	-	-
EXPENDITURES			
General Government:			
Contractual	-	87,207	87,205
Debt Service:			
Interest and Fiscal Charges	-	98,886	98,886
Total Expenditures	-	186,093	186,091
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(186,093)	(186,091)
OTHER FINANCING SOURCES (USES)			
Issuance of Bonds	-	5,839,958	5,839,958
Premium on Bonds	-	1,059,096	1,059,096
Payment to Escrow Agent	-	(6,811,850)	(6,811,849)
Transfers In	-	98,886	98,886
Total Other Financing Sources (Uses)	-	186,090	186,091
NET CHANGE IN FUND BALANCE	\$ -	(\$ 3)	-
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 the construction of the bridge.

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

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

TIF District #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, 2017

	<u>Capital Levy Fund</u>	<u>Capital Projects Fund</u>	<u>Equipment Replacement Fund</u>	<u>TIF District #7 Project Fund</u>	<u>Total</u>
ASSETS					
Cash and Investments	\$ 858,151	\$3,877,916	\$ 832,976	\$1,116,995	\$6,686,038
Receivables					
Accounts Receivable	467,270	132,640	-	-	599,910
Prepaid Items	-	-	26,283	-	26,283
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$1,325,421</u>	<u>\$4,010,556</u>	<u>\$ 859,259</u>	<u>\$1,116,995</u>	<u>\$7,312,231</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ 141,273	\$ -	\$ 25,780	\$ 167,053
Contracts Payable	-	307,767	-	-	307,767
Advances to Other Funds	-	176,902	-	967,513	1,144,415
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>-</u>	<u>625,942</u>	<u>-</u>	<u>993,293</u>	<u>1,619,235</u>
FUND BALANCES					
Nonspendable					
Prepaid Items	-	-	26,283	-	26,283
Restricted					
Capital Outlay	-	2,735,124	-	-	2,735,124
Unrestricted					
Assigned					
Capital Improvements	1,325,421	649,490	832,976	123,702	2,931,589
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>1,325,421</u>	<u>3,384,614</u>	<u>859,259</u>	<u>123,702</u>	<u>5,692,996</u>
TOTAL LIABILITIES AND FUND BALANCES					
	<u>\$1,325,421</u>	<u>\$4,010,556</u>	<u>\$ 859,259</u>	<u>\$1,116,995</u>	<u>\$7,312,231</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, 2017

	<u>Capital Levy Fund</u>	<u>Capital Projects Fund</u>	<u>Equipment Replacement Fund</u>	<u>TIF District #7 Project Fund</u>	<u>Total</u>
REVENUES					
Property Tax	\$ -	\$ 24,475	\$ -	\$ -	\$ 24,475
Grants	467,270	89,950	-	-	557,220
Investment Income	11,721	16,190	2,342	8,455	38,708
Charges for Current Services	-	1,200	-	-	1,200
Contributions	396,182	-	-	-	396,182
	<u>875,173</u>	<u>131,815</u>	<u>2,342</u>	<u>8,455</u>	<u>1,017,785</u>
Total Revenues					
EXPENDITURES					
Public Works:					
Contractual	-	92,994	-	-	92,994
Community Development:					
Contractual	-	-	-	121,805	121,805
Capital Outlay	256,056	3,938,167	169,172	1,725,902	6,089,297
	<u>256,056</u>	<u>4,031,161</u>	<u>169,172</u>	<u>1,847,707</u>	<u>6,304,096</u>
Total Expenditures					
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>619,117</u>	<u>(3,899,346)</u>	<u>(166,830)</u>	<u>(1,839,252)</u>	<u>(5,286,311)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of Bonds	-	3,947,400	-	-	3,947,400
Premium on Bonds	-	489,102	-	-	489,102
Transfers In	661,213	1,443,425	289,895	262,015	2,656,548
Transfers (Out)	(859,953)	(57,797)	-	-	(917,750)
	<u>(198,740)</u>	<u>5,822,130</u>	<u>289,895</u>	<u>262,015</u>	<u>6,175,300</u>
Total Other Financing Sources (Uses)					
NET CHANGE IN FUND BALANCES	420,377	1,922,784	123,065	(1,577,237)	888,989
FUND BALANCES, MAY 1	<u>905,044</u>	<u>1,461,830</u>	<u>736,194</u>	<u>1,700,939</u>	<u>4,804,007</u>
FUND BALANCES, APRIL 30	<u><u>\$1,325,421</u></u>	<u><u>\$3,384,614</u></u>	<u><u>\$ 859,259</u></u>	<u><u>\$ 123,702</u></u>	<u><u>\$5,692,996</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, 2017

(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	10,600	10,600	11,721	5,935
Contributions	-	-	396,182	-
Total Revenues	<u>10,600</u>	<u>10,600</u>	<u>875,173</u>	<u>5,935</u>
EXPENDITURES				
Capital Outlay	-	256,068	256,056	441
Total Expenditures	<u>-</u>	<u>256,068</u>	<u>256,056</u>	<u>441</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>10,600</u>	<u>(245,468)</u>	<u>619,117</u>	<u>5,494</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	654,461	661,213	661,213	466,734
Transfers (Out)	(569,663)	(859,954)	(859,953)	(352,318)
Total Other Financing Sources (Uses)	<u>84,798</u>	<u>(198,741)</u>	<u>(198,740)</u>	<u>114,416</u>
NET CHANGE IN FUND BALANCE	<u>\$ 95,398</u>	<u>(\$ 444,209)</u>	420,377	119,910
FUND BALANCE, MAY 1			<u>905,044</u>	<u>785,134</u>
FUND BALANCE, APRIL 30			<u>\$1,325,421</u>	<u>\$ 905,044</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, 2017

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Property Tax	\$ -	\$ -	\$24,475	\$ -
Grants	331,250	331,250	89,950	67,724
Investment Income	4,500	4,500	16,190	3,568
Charges for Current Services	95,172	95,172	1,200	-
Contributions	-	40,000	-	157,195
Total Revenues	<u>430,922</u>	<u>470,922</u>	<u>131,815</u>	<u>228,487</u>
EXPENDITURES				
Public Works:				
Contractual	100,500	217,060	92,994	-
Capital Outlay	<u>7,216,250</u>	<u>9,598,618</u>	<u>3,938,167</u>	<u>2,392,709</u>
Total Expenditures	<u>7,316,750</u>	<u>9,815,678</u>	<u>4,031,161</u>	<u>2,392,709</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(6,885,828)</u>	<u>(9,344,756)</u>	<u>(3,899,346)</u>	<u>(2,164,222)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Bonds	4,790,000	3,947,400	3,947,400	-
Premium (Discount) on Bonds	-	489,102	489,102	-
Transfers In	1,620,328	1,443,425	1,443,425	2,308,094
Transfers (Out)	<u>-</u>	<u>(57,797)</u>	<u>(57,797)</u>	<u>(491,341)</u>
Total Other Financing Sources (Uses)	<u>6,410,328</u>	<u>5,822,130</u>	<u>5,822,130</u>	<u>1,816,753</u>
NET CHANGE IN FUND BALANCE	<u>(\$ 475,500)</u>	<u>(\$3,522,626)</u>	1,922,784	(347,469)
FUND BALANCE, MAY 1			<u>1,461,830</u>	<u>1,809,299</u>
FUND BALANCE, APRIL 30			<u>\$3,384,614</u>	<u>\$1,461,830</u>

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, 2017
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
REVENUES				
Investment Income	\$ -	\$ 400	\$ 2,342	\$ 726
Total Revenues	-	400	2,342	726
EXPENDITURES				
Capital Outlay	-	149,548	169,172	77,140
Total Expenditures	-	149,548	169,172	77,140
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(149,148)	(166,830)	(76,414)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	289,895	289,895	812,608
Total Other Financing Sources (Uses)	-	289,895	289,895	812,608
NET CHANGE IN FUND BALANCE	\$ -	\$ 140,747	123,065	736,194
FUND BALANCE, MAY 1			736,194	-
FUND BALANCE, APRIL 30			\$ 859,259	\$ 736,194

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

TIF DISTRICT #7 CAPITAL FUND

For the Year Ended April 30, 2017
(with comparative actual)

	Original Budget	Final Budget	Actual	Last Year Actual
REVENUES				
Investment Income	\$ 4,000	\$ 4,000	\$ 8,455	\$ 5,622
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>8,455</u>	<u>5,622</u>
EXPENDITURES				
Community Development:				
Contractual	7,500	242,921	121,805	97,884
Capital Outlay	433,000	1,862,928	1,725,902	507,535
Total Expenditures	<u>440,500</u>	<u>2,105,849</u>	<u>1,847,707</u>	<u>605,419</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(436,500)</u>	<u>(2,101,849)</u>	<u>(1,839,252)</u>	<u>(599,797)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	262,015	262,015	2,300,736
Total Other Financing Sources (Uses)	<u>-</u>	<u>262,015</u>	<u>262,015</u>	<u>2,300,736</u>
NET CHANGE IN FUND BALANCE	<u>(\$ 436,500)</u>	<u>(\$1,839,834)</u>	<u>(1,577,237)</u>	<u>1,700,939</u>
FUND BALANCE, MAY 1			<u>1,700,939</u>	<u>-</u>
FUND BALANCE, APRIL 30			<u>\$ 123,702</u>	<u>\$1,700,939</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, 2017

	Health Insurance Fund	Workers' Compensation Liability Insurance Fund	Inventory Fund	Motor Vehicle Replacement Fund	Communications Fund	Total
CURRENT ASSETS						
Cash and Investments	\$3,851,015	\$3,896,562	\$ 15,779	\$4,215,221	\$ 456,610	\$12,435,187
Accrued Interest on Investments	-	5,215	-	-	-	5,215
Miscellaneous Receivables	43,293	13,676	1,663	70,228	1,527	130,387
Prepaid Items	-	220,443	989	605,006	144	826,582
Inventory (Net of Allowance for Excess and Obsolete Inventory of \$90,000)	-	-	3,691,403	-	-	3,691,403
Total Current Assets	<u>3,894,308</u>	<u>4,135,896</u>	<u>3,709,834</u>	<u>4,890,455</u>	<u>458,281</u>	<u>17,088,774</u>
NONCURRENT ASSETS						
Capital Assets Being Depreciated	-	-	79,364	9,869,900	1,280,923	11,230,187
Accumulated Depreciation	-	-	(32,797)	(5,429,787)	(189,908)	(5,652,492)
Net Capital Assets	<u>-</u>	<u>-</u>	<u>46,567</u>	<u>4,440,113</u>	<u>1,091,015</u>	<u>5,577,695</u>
Total Assets	<u>3,894,308</u>	<u>4,135,896</u>	<u>3,756,401</u>	<u>9,330,568</u>	<u>1,549,296</u>	<u>22,666,469</u>
CURRENT LIABILITIES						
Accounts Payable	-	3,181	13,331	14,561	3,890	34,963
Claims Payable	465,581	893,201	-	85,933	-	1,444,715
Accrued Salaries	-	-	6,227	7,154	1,471	14,852
Accrued Compensated Absences	-	-	37,513	47,497	14,685	99,695
Total Current Liabilities	<u>465,581</u>	<u>896,382</u>	<u>57,071</u>	<u>155,145</u>	<u>20,046</u>	<u>1,594,225</u>
NONCURRENT LIABILITIES						
Advances from Other Funds	-	-	-	-	863,288	863,288
Net OPEB Obligation	-	-	80,618	112,111	26,299	219,028
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>80,618</u>	<u>112,111</u>	<u>889,587</u>	<u>1,082,316</u>
Total Liabilities	<u>465,581</u>	<u>896,382</u>	<u>137,689</u>	<u>267,256</u>	<u>909,633</u>	<u>2,676,541</u>
NET POSITION						
Invested in Capital Assets	-	-	46,567	4,440,113	1,091,015	5,577,695
Unrestricted (Deficit)	3,428,727	3,239,514	3,572,145	4,623,199	(451,352)	14,412,233
TOTAL NET POSITION	<u>\$3,428,727</u>	<u>\$3,239,514</u>	<u>\$3,618,712</u>	<u>\$9,063,312</u>	<u>\$ 639,663</u>	<u>\$19,989,928</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS

For the Year Ended April 30, 2017

	Health Insurance Fund	Workers' Compensation Liability Insurance Fund	Inventory Fund	Motor Vehicle Replacement Fund	Communications Fund	Total
OPERATING REVENUES						
Charges for Services	\$ -	\$ -	\$ -	\$1,269,519	\$ 440,474	\$1,709,993
Insurance Premiums	4,256,821	1,000,000	-	-	-	5,256,821
Rental Income	-	-	-	1,235,695	-	1,235,695
Sale of Inventory	-	-	2,402,018	-	-	2,402,018
Miscellaneous	-	51,625	882,876	-	-	934,501
Total Operating Revenues	<u>4,256,821</u>	<u>1,051,625</u>	<u>3,284,894</u>	<u>2,505,214</u>	<u>440,474</u>	<u>11,539,028</u>
OPERATING EXPENSES						
Personnel Services	22,053	-	437,295	588,598	126,035	1,173,981
Fleet Maintenance	-	-	-	884,323	-	884,323
Insurance Claims	3,205,352	610,728	-	-	-	3,816,080
Insurance Premiums	455,450	388,061	-	-	-	843,511
Cost of Inventory	-	-	2,395,318	-	-	2,395,318
Miscellaneous	415,077	104,023	429,516	-	189,900	1,138,516
Provision for Depreciation	-	-	7,401	651,682	23,739	682,822
Total Operating Expenses	<u>4,097,932</u>	<u>1,102,812</u>	<u>3,269,530</u>	<u>2,124,603</u>	<u>339,674</u>	<u>10,934,551</u>
Operating Income (Loss)	<u>158,889</u>	<u>(51,187)</u>	<u>15,364</u>	<u>380,611</u>	<u>100,800</u>	<u>604,477</u>
NON-OPERATING REVENUES (EXPENSES)						
Gain on Sale of Property	-	-	-	254,563	-	254,563
Investment Income	15,261	18,695	(509)	13,339	822	47,608
Total Non-Operating Revenues (Expenses)	<u>15,261</u>	<u>18,695</u>	<u>(509)</u>	<u>267,902</u>	<u>822</u>	<u>302,171</u>
Net Income (Loss) before Transfers and Capital Grants and Contributions	<u>174,150</u>	<u>(32,492)</u>	<u>14,855</u>	<u>648,513</u>	<u>101,622</u>	<u>906,648</u>
TRANSFERS						
Transfers In	-	60,000	-	-	-	60,000
Total Transfers	<u>-</u>	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,000</u>
CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,560</u>	<u>-</u>	<u>127,560</u>
CHANGE IN NET POSITION	<u>174,150</u>	<u>27,508</u>	<u>14,855</u>	<u>776,073</u>	<u>101,622</u>	<u>1,094,208</u>
NET POSITION, MAY 1	<u>3,254,577</u>	<u>3,212,006</u>	<u>3,603,857</u>	<u>8,287,239</u>	<u>538,041</u>	<u>18,895,720</u>
NET POSITION, APRIL 30	<u>\$3,428,727</u>	<u>\$3,239,514</u>	<u>\$3,618,712</u>	<u>\$9,063,312</u>	<u>\$ 639,663</u>	<u>\$19,989,928</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
For the Year Ended April 30, 2017

	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	\$ 3,279,156	\$ 2,434,986	\$ 440,474	\$ 10,154,616
Receipts from Miscellaneous Revenue	1,242,504	46,646	6,700	-	-	1,295,850
Payments to Suppliers	(4,009,840)	(697,406)	(2,555,147)	(668,598)	(205,013)	(8,136,004)
Payments to Employees	(18,988)	-	(390,699)	(517,204)	(108,897)	(1,035,788)
Payment to Other Funds	(109,728)	(10,896)	(347,928)	(347,099)	-	(815,651)
Net Cash from Operating Activities	103,948	338,344	(7,918)	902,085	126,564	1,463,023
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Advance to/from Other Funds	-	-	-	-	(61,664)	(61,664)
Transfers In	-	60,000	-	-	-	60,000
Net Cash from Noncapital Financing Activities	-	60,000	-	-	(61,664)	(1,664)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital Assets Purchased	-	-	-	(1,493,537)	-	(1,493,537)
Proceeds on Sale of Capital Assets	-	-	-	279,183	-	279,183
Net Cash from Capital and Related Financing Activities	-	-	-	(1,214,354)	-	(1,214,354)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of Investments	(13,931)	(77,663)	-	(1,204,194)	-	(1,295,788)
Proceeds from Sale and Maturities of Investment Securities	-	6,432	-	-	-	6,432
Interest Received (Deducted)	15,261	16,044	(510)	13,339	821	44,955
Net Cash from Investing Activities	1,330	(55,187)	(510)	(1,190,855)	821	(1,244,401)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	105,278	343,157	(8,428)	(1,503,124)	65,721	(997,396)
CASH AND CASH EQUIVALENTS, MAY 1	589,344	560,060	24,207	3,470,160	390,889	5,034,660
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 694,622	\$ 903,217	\$ 15,779	\$ 1,967,036	\$ 456,610	\$ 4,037,264
CASH AND INVESTMENTS						
Cash and Cash Equivalents	\$ 694,622	\$ 903,217	\$ 15,779	\$ 1,967,036	\$ 456,610	\$ 4,037,264
Investments	3,156,393	2,993,345	-	2,248,185	-	8,397,923
TOTAL CASH AND INVESTMENTS	\$ 3,851,015	\$ 3,896,562	\$ 15,779	\$ 4,215,221	\$ 456,610	\$ 12,435,187
NONCASH TRANSACTIONS						
Contributions of Capital Assets	\$ -	\$ -	\$ -	\$ 129,135	\$ -	\$ 129,135
TOTAL NONCASH TRANSACTIONS	\$ -	\$ -	\$ -	\$ 129,135	\$ -	\$ 129,135
CASH FLOWS FROM OPERATING ACTIVITIES						
Operating Income (Loss)	\$ 158,889	\$ (51,187)	\$ 15,364	\$ 380,611	\$ 100,800	\$ 604,477
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities						
Depreciation	-	-	7,401	651,682	23,739	682,822
Changes in Assets and Liabilities						
Receivables	(42,462)	(4,979)	962	(70,228)	(1,527)	(118,234)
Inventory	-	-	(35,362)	-	-	(35,362)
Prepays	-	20,613	(449)	(34,780)	464	(14,152)
Accounts and Claims Payable	1,836	373,897	5,377	(28,646)	2,678	355,142
Accrued Salaries	-	-	(5,248)	(1,418)	(488)	(7,154)
Compensated Absences Payable	-	-	3,423	2,916	646	6,985
Net OPEB Obligation	-	-	614	1,948	252	2,814
Deferred Revenue	(14,315)	-	-	-	-	(14,315)
NET CASH FROM OPERATING ACTIVITIES	\$ 103,948	\$ 338,344	\$ (7,918)	\$ 902,085	\$ 126,564	\$ 1,463,023

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, 2017

	Pension Trust Funds			Agency Funds
	Police Pension Fund	Fire Pension Fund	Total	
ASSETS				
Cash and Short-Term Investments	\$ 524,578	\$ 894,797	\$1,419,375	\$2,349,159
Investments, at Fair Value				
Certificates of Deposit	493,722	930,528	1,424,250	-
U.S. Treasury and U.S. Agency Securities	5,011,492	5,990,265	11,001,757	-
Corporate Bonds	4,611,598	4,160,468	8,772,066	-
Preferred Securities	1,047,466	1,166,054	2,213,520	-
Mutual Funds	7,735,563	10,462,697	18,198,260	-
Equity Securities	12,453,274	12,171,077	24,624,351	-
Receivables				
Accounts Receivable	-	-	-	989,163
Accrued Interest on Investments	58,258	56,837	115,095	-
Prepaid Items	21,903	23,797	45,700	-
TOTAL ASSETS	31,957,854	35,856,520	67,814,374	\$3,338,322
LIABILITIES				
Accounts Payable	316	-	316	\$ 37,397
Due to Other Governments	-	-	-	2,914,543
Due to Bondholders	-	-	-	386,382
TOTAL LIABILITIES	316	-	316	\$3,338,322
NET POSITION RESTRICTED FOR PENSION BENEFITS	\$31,957,538	\$35,856,520	\$67,814,058	

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, 2017

	<u>Police</u>	<u>Fire</u>	<u>Total</u>
	<u>Pension Fund</u>	<u>Pension Fund</u>	
ADDITIONS			
Contributions -			
Employer	\$ 1,980,740	\$ 1,318,803	\$ 3,299,543
Employee	626,881	460,573	1,087,454
Other	-	50	50
Total Contributions	<u>2,607,621</u>	<u>1,779,426</u>	<u>4,387,047</u>
Investment Income -			
Net Appreciation in the			
Fair Value of Investments	1,683,387	1,915,703	3,599,090
Interest	836,682	927,972	1,764,654
Total Investment Income	<u>2,520,069</u>	<u>2,843,675</u>	<u>5,363,744</u>
Less Investment Expense	<u>(147,782)</u>	<u>(164,862)</u>	<u>(312,644)</u>
Net Investment Income	<u>2,372,287</u>	<u>2,678,813</u>	<u>5,051,100</u>
Total Additions	<u>4,979,908</u>	<u>4,458,239</u>	<u>9,438,147</u>
DEDUCTIONS			
Pension Benefits and Refunds	2,428,491	1,552,815	3,981,306
Administrative Expenses	22,018	12,033	34,051
Total Deductions	<u>2,450,509</u>	<u>1,564,848</u>	<u>4,015,357</u>
NET INCREASE	2,529,399	2,893,391	5,422,790
NET POSITION RESTRICTED			
FOR PENSION BENEFITS			
May 1	<u>29,428,139</u>	<u>32,963,129</u>	<u>62,391,268</u>
April 30	<u>\$31,957,538</u>	<u>\$35,856,520</u>	<u>\$67,814,058</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, 2017

	Balance May 1	Additions	Deductions	Balance April 30
Tri-City Ambulance Fund:				
Assets -				
Cash and Investments	\$ 1,457,109	\$ 3,766,847	\$ 3,602,997	\$ 1,620,959
Accounts Receivable, Net	532,487	6,220,490	5,763,814	989,163
	<u>\$ 1,989,596</u>	<u>\$ 9,987,337</u>	<u>\$ 9,366,811</u>	<u>\$ 2,610,122</u>
Liabilities -				
Accounts Payable	\$ 17,421	\$ 3,613,206	\$ 3,607,213	\$ 23,414
Due to Other Governments	1,972,175	6,211,469	5,596,936	2,586,708
	<u>\$ 1,989,596</u>	<u>\$ 9,824,675</u>	<u>\$ 9,204,149</u>	<u>\$ 2,610,122</u>
Special Service Area #21 Bond:				
Assets -				
Cash and Investments	\$ 398,995	\$ 238,288	\$ 238,038	\$ 399,245
	<u>\$ 398,995</u>	<u>\$ 238,288</u>	<u>\$ 238,038</u>	<u>\$ 399,245</u>
Liabilities -				
Due to Other Governments	\$ 12,341	\$ 522	\$ -	\$ 12,863
Due to Bondholders	386,654	237,766	238,038	386,382
	<u>\$ 398,995</u>	<u>\$ 238,288</u>	<u>\$ 238,038</u>	<u>\$ 399,245</u>
North Central Narcotics Task Force:				
Assets -				
Cash and Investments	\$ 365,173	\$ 421,674	\$ 457,892	\$ 328,955
Liabilities -				
Accounts Payable	\$ 19,381	\$ 559,767	\$ 565,165	\$ 13,983
Due to Other Governments	345,792	277,372	308,192	314,972
	<u>\$ 365,173</u>	<u>\$ 837,139</u>	<u>\$ 873,357</u>	<u>\$ 328,955</u>
Total:				
Assets -				
Cash and Investments	\$ 2,221,277	\$ 4,426,809	\$ 4,298,927	\$ 2,349,159
Accounts Receivable	532,487	6,220,490	5,763,814	989,163
	<u>\$ 2,753,764</u>	<u>\$ 10,647,299</u>	<u>\$ 10,062,741</u>	<u>\$ 3,338,322</u>
Liabilities -				
Accounts Payable	\$ 36,802	\$ 4,172,973	\$ 4,172,378	\$ 37,397
Due to Other Governments	2,330,308	6,489,363	5,905,128	2,914,543
Due to Bondholders	386,654	237,766	238,038	386,382
	<u>\$ 2,753,764</u>	<u>\$ 10,900,102</u>	<u>\$ 10,315,544</u>	<u>\$ 3,338,322</u>

See independent auditor's report.

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

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

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

CITY OF ST. CHARLES, ILLINOIS

GOVERNMENTAL FUNDS - CAPITAL ASSETS

SCHEDULE BY SOURCE

April 30, 2017



CAPITAL ASSETS

Land	\$60,116,067
Buildings	52,206,773
Improvements Other Than Buildings	155,852,595
Equipment	4,982,972
Intangible	3,688,382
Construction in Progress	331,390
Accumulated Depreciation	<u>(105,261,361)</u>
TOTAL	<u><u>\$171,916,818</u></u>

INVESTMENT IN CAPITAL ASSETS

Adjusted Balance, May 1	\$173,324,831
Current Year Additions	3,409,808
Current Year Depreciation	<u>(4,817,821)</u>
BALANCE, APRIL 30	<u><u>\$171,916,818</u></u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

GOVERNMENTAL FUNDS - CAPITAL ASSETS

SCHEDULE BY FUNCTION AND ACTIVITY

April 30, 2017

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements other than Buildings</u>	<u>Equipment</u>	<u>Intangibles</u>	<u>Construction in Progress</u>	<u>Total</u>
General Government:							
General Administration	\$ 2,877,775	\$12,972,861	\$ -	\$ -	\$ 1,966,388	\$ -	\$17,817,024
Central Support Services		-	-	310,645	380,869	-	691,514
Total General Government	<u>2,877,775</u>	<u>12,972,861</u>	<u>-</u>	<u>310,645</u>	<u>2,347,257</u>	<u>-</u>	<u>18,508,538</u>
Public Health and Safety:							
Police Department	-	824,148	418,564	65,443	-	-	1,308,155
Fire Department	-	6,402,494	366,965	213,256	-	-	6,982,715
Total Public Health and Safety	<u>-</u>	<u>7,226,642</u>	<u>785,529</u>	<u>278,699</u>	<u>-</u>	<u>-</u>	<u>8,290,870</u>
Public Works	<u>57,238,292</u>	<u>32,007,271</u>	<u>155,067,059</u>	<u>4,393,628</u>	<u>1,341,127</u>	<u>-</u>	<u>250,047,377</u>
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>331,390</u>	<u>331,390</u>
Accumulated Depreciation	<u>-</u>	<u>(19,109,310)</u>	<u>(82,703,160)</u>	<u>(1,942,717)</u>	<u>(1,506,173)</u>	<u>-</u>	<u>(105,261,361)</u>
TOTAL CAPITAL ASSETS	<u><u>\$60,116,067</u></u>	<u><u>\$33,097,464</u></u>	<u><u>\$73,149,428</u></u>	<u><u>\$ 3,040,255</u></u>	<u><u>\$ 2,182,211</u></u>	<u><u>\$ 331,390</u></u>	<u><u>\$171,916,818</u></u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

GOVERNMENTAL FUNDS - CAPITAL ASSETS

SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY

For the Year Ended April 30, 2017

<u>Function and Activity</u>	<u>Capital Assets May 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Accumulated Depreciation</u>	<u>Capital Assets April 30</u>
General Government:					
General Administration	\$16,638,702	\$ 83,322	\$ -	(\$ 5,784,945)	\$10,937,079
Central Support Services	481,906	141,477	-	(499,810)	123,573
Total General Government	<u>17,120,608</u>	<u>224,799</u>	<u>-</u>	<u>(6,284,755)</u>	<u>11,060,652</u>
Public Health and Safety:					
Police Department	1,256,220	51,935	-	(519,952)	788,203
Fire Department	6,982,715	-	-	(3,108,250)	3,874,465
Total Public Health and Safety	<u>8,238,935</u>	<u>51,935</u>	<u>-</u>	<u>(3,628,202)</u>	<u>4,662,668</u>
Public Works	<u>247,691,487</u>	<u>3,707,626</u>	<u>(188,601)</u>	<u>(95,348,404)</u>	<u>155,862,108</u>
Construction in Progress	<u>717,341</u>	<u>299,247</u>	<u>(685,198)</u>	<u>-</u>	<u>331,390</u>
TOTAL CAPITAL ASSETS	<u><u>\$273,768,371</u></u>	<u><u>\$ 4,283,607</u></u>	<u><u>(\$ 873,799)</u></u>	<u><u>(\$105,261,361)</u></u>	<u><u>\$171,916,818</u></u>

See independent auditor's report.

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

LONG-TERM DEBT PAYABLE BY GOVERNMENTAL FUNDS

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

CITY OF ST. CHARLES, ILLINOIS

LONG-TERM DEBT PAYABLE BY GOVERNMENTAL FUNDS

SCHEDULE OF LONG-TERM DEBT

April 30, 2017

	<u>Debit Balance</u>	<u>Credit Balance</u>
Amount Available in Debt Service Funds for Repayment of Principal	\$ 1,810,498	\$ -
Amounts to be Provided From Future Tax Levies and Other Sources for Payment of -		
Accrued Compensated Absences	3,391,853	-
General Obligation Bond Principal	64,869,274	-
Revenue Bond Principal	4,674,502	-
Unamortized (Discount) Premium on Bonds Payable	4,256,557	-
Installment Purchase Contracts	66,108	-
Net Pension Liability	57,001,814	-
Other Postemployment Benefits	5,029,402	-
Interest Payable	1,208,376	-
Payable From Future Tax Levies and Other Sources-		
Accrued Compensated Absences	-	3,391,853
General Obligation Bond Principal	-	64,869,274
Revenue Bond Principal	-	6,485,000
Unamortized (Discount) Premium on Bonds Payable	-	4,256,557
Installment Purchase Contracts	-	66,108
Net Pension Liability	-	57,001,814
Other Postemployment Benefits	-	5,029,402
Interest Payable	-	1,208,376
TOTAL GENERAL LONG-TERM DEBT PAYABLE	<u><u>\$142,308,384</u></u>	<u><u>\$142,308,384</u></u>

See independent auditor's report.

SUPPLEMENTAL FINANCIAL INFORMATION

CITY OF ST. CHARLES, ILLINOIS

BALANCE SHEET

GENERAL CORPORATE FUND

APRIL 30, 2017

**ASSETS AND DEFERRED OUTFLOWS
OF RESOURCES**

ASSETS

Cash and Investments		\$18,658,367
Receivables		
Property Taxes, Net	\$12,450,756	
Accrued Interest on Investments	17,037	
Notes, Net	761,155	
Miscellaneous, Net	<u>700,058</u>	13,929,006
Prepaid Items		190,513
Due From Other Funds		320,258
Due From Other Governments		4,919,708
Advance to Other Funds		<u>5,903,928</u>
Total Assets		<u>43,921,780</u>

DEFERRED OUTFLOWS OF RESOURCES

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

**TOTAL ASSETS AND DEFERRED OUTFLOWS
OF RESOURCES**

\$43,921,780

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

LIABILITIES

Accounts Payable	\$ 1,111,451
Accrued Salaries	370,371
Escrows and Refundable Deposits	1,174,523
Due to Other Funds	693,129
Unearned Revenue	<u>232,381</u>
Total Liabilities	<u>3,581,855</u>

DEFERRED INFLOWS OF RESOURCES

Deferred Revenue - Property Tax	<u>12,450,756</u>
Total Deferred Inflows of Resources	

Total Liabilities and Deferred Inflows

of Resources 16,032,611

FUND BALANCE

Nonspendable	
Prepaid Items	190,513
Notes Receivable	761,155
Advances to Other Funds	5,903,928
Restricted	
Mental Health	18,450
Unrestricted	
Assigned	
Community Development - Debt Service	3,000,000
Unassigned	<u>18,015,123</u>
Total Fund Balance	<u>27,889,169</u>

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

\$43,921,780

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, 2017
(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	\$ 64,473	\$ 63,573	\$ 49,082	\$ 46,115
Contractual Services	18,050	17,030	2,018	14,120
Materials and Supplies	7,238	9,838	4,850	6,367
Miscellaneous	445	445	-	-
Allocations To Other Funds	<u>(53,352)</u>	<u>(53,352)</u>	<u>(53,352)</u>	<u>(51,804)</u>
	<u>36,854</u>	<u>37,534</u>	<u>2,598</u>	<u>14,798</u>
City Council-				
Personal Services	81,534	83,784	84,465	89,102
Contractual Services	94,250	93,000	78,756	54,426
Materials and Supplies	23,750	21,750	7,656	1,498
Miscellaneous	2,274	2,274	-	-
Allocations To Other Funds	<u>(187,044)</u>	<u>(187,044)</u>	<u>(171,640)</u>	<u>(145,026)</u>
	<u>14,764</u>	<u>13,764</u>	<u>(763)</u>	<u>-</u>
City Administrator-				
Personal Services	420,711	420,555	444,124	432,222
Contractual Services	698,934	706,383	681,714	753,482
Materials and Supplies	13,294	10,376	4,698	4,931
Miscellaneous	4,089	4,089	206	199
Capital Outlay	-	1,116	862	-
Allocations To Other Funds	<u>(246,480)</u>	<u>(246,480)</u>	<u>(261,884)</u>	<u>(239,316)</u>
	<u>890,548</u>	<u>896,039</u>	<u>869,720</u>	<u>951,518</u>
Community and Public Affairs-				
Personal Services	120,225	120,225	116,995	60,873
Contractual Services	30,890	30,728	25,189	9,264
Materials and Supplies	-	401	200	368
Miscellaneous	322	322	-	-
Capital Outlay	-	1,870	1,239	-
	<u>151,437</u>	<u>153,546</u>	<u>143,623</u>	<u>70,505</u>
City Clerk-				
Personal Services	4,844	4,844	7,337	4,893
Miscellaneous	<u>3,696</u>	<u>3,696</u>	<u>2,184</u>	<u>4,114</u>
	<u>8,540</u>	<u>8,540</u>	<u>9,521</u>	<u>9,007</u>
City Treasurer-				
Personal Services	1,938	1,938	1,966	1,957
Contractual Services	3,504	3,504	1,256	1,857
Allocations To Other Funds	<u>(1,836)</u>	<u>(1,836)</u>	<u>(1,836)</u>	<u>(1,788)</u>
	<u>3,606</u>	<u>3,606</u>	<u>1,386</u>	<u>2,026</u>

CITY OF ST. CHARLES, ILLINOIS
SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL CORPORATE FUND
For the Year Ended April 30, 2017
(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	\$ 6,358	\$ 6,458	\$ 2,047	\$ 3,984
Contractual Services	23,904	36,354	28,949	21,548
Materials and Supplies	1,439	1,439	613	986
	<u>31,701</u>	<u>44,251</u>	<u>31,609</u>	<u>26,518</u>
 Total General Administrative	 <u>1,137,450</u>	 <u>1,157,280</u>	 <u>1,057,694</u>	 <u>1,074,372</u>
 Central Support Services-				
Purchasing-				
Personal Services	150,465	150,465	156,882	153,447
Contractual Services	35,449	36,060	30,737	35,949
Materials and Supplies	10,200	10,389	9,281	10,340
Miscellaneous	3,924	3,524	1,274	1,104
Allocations To Other Funds	(130,475)	(130,475)	(130,475)	(168,670)
	<u>69,563</u>	<u>69,963</u>	<u>67,699</u>	<u>32,170</u>
 Human Resources-				
Personal Services	766,806	752,926	681,763	601,820
Contractual Services	144,688	166,888	138,432	160,145
Materials and Supplies	30,684	33,984	23,421	23,430
Miscellaneous	7,982	7,982	25,416	131
Capital Outlay	2,500	2,500	-	2,821
Allocations To Other Funds	(389,676)	(389,676)	(389,676)	(378,324)
	<u>562,984</u>	<u>574,604</u>	<u>479,356</u>	<u>410,023</u>
 Information Systems-				
Personal Services	1,542,350	1,455,350	1,407,993	1,483,424
Contractual Services	429,569	544,215	441,783	330,124
Materials and Supplies	15,800	14,900	8,752	10,052
Miscellaneous	90,244	90,244	3,566	3,661
Capital Outlay	52,950	52,950	37,540	50,723
Allocations To Other Funds	(792,168)	(792,168)	(792,168)	(769,092)
	<u>1,338,745</u>	<u>1,365,491</u>	<u>1,107,466</u>	<u>1,108,892</u>
 Finance Administration-				
Personal Services	1,275,584	1,279,564	1,274,443	1,215,740
Contractual Services	399,100	402,945	422,541	388,379
Materials and Supplies	8,362	9,487	8,009	5,620
Miscellaneous	8,620	8,620	307	658

CITY OF ST. CHARLES, ILLINOIS
SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL CORPORATE FUND
For the Year Ended April 30, 2017
(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	\$ 3,700	\$ 1,677	\$ 1,829
Allocations To Other Funds	(1,259,389)	(1,259,389)	(1,259,389)	(1,185,688)
	<u>435,777</u>	<u>444,927</u>	<u>447,588</u>	<u>426,538</u>
 Total Central Support Services	 <u>2,407,069</u>	 <u>2,454,985</u>	 <u>2,102,109</u>	 <u>1,977,623</u>
 Total General Government	 <u>3,544,519</u>	 <u>3,612,265</u>	 <u>3,159,803</u>	 <u>3,051,995</u>
 Public Health and Safety:				
Police Department-				
Administration & Operations				
Personal Services	10,219,502	10,231,287	9,943,047	9,374,666
Contractual Services	1,211,289	1,223,658	963,729	991,409
Materials and Supplies	264,248	275,542	228,476	195,841
Miscellaneous	261,782	261,782	186,365	216,719
Capital Outlay	2,000	13,120	12,412	3,632
	<u>11,958,821</u>	<u>12,005,389</u>	<u>11,334,029</u>	<u>10,782,267</u>
 Fire Department-				
Administration-				
Personal Services	2,398,645	2,394,955	2,434,180	2,141,987
Contractual Services	216,773	211,919	205,890	162,510
Materials and Supplies	17,153	18,703	16,108	13,296
Miscellaneous	11,023	11,006	248	225
Capital Outlay	5,500	5,500	5,459	2,509
	<u>2,649,094</u>	<u>2,642,083</u>	<u>2,661,885</u>	<u>2,320,527</u>
 Fire Operations-				
Personal Services	6,024,897	6,024,897	5,802,271	5,920,506
Contractual Services	890,412	894,566	773,179	788,713
Materials and Supplies	116,845	131,511	120,884	103,628
Miscellaneous	381,153	381,153	358,566	286,220
Capital Outlay	57,000	58,000	53,804	61,027
	<u>7,470,307</u>	<u>7,490,127</u>	<u>7,108,704</u>	<u>7,160,094</u>

CITY OF ST. CHARLES, ILLINOIS
SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL CORPORATE FUND
For the Year Ended April 30, 2017
(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	\$ 96,283	\$ 98,283	\$ 89,255	\$ 80,684
Contractual Services	30,742	30,670	18,049	23,490
Materials and Supplies	2,818	2,818	1,617	794
Miscellaneous	14,370	14,459	11,530	11,331
Capital Outlay	1,500	15,275	4,229	-
	<u>145,713</u>	<u>161,505</u>	<u>124,680</u>	<u>116,299</u>
Total Fire Department	<u>10,265,114</u>	<u>10,293,715</u>	<u>9,895,269</u>	<u>9,596,920</u>
Public Health Planning-				
Contractual Services	535,488	535,488	525,050	506,550
	<u>535,488</u>	<u>535,488</u>	<u>525,050</u>	<u>506,550</u>
Total Public Health and Safety	<u>22,759,423</u>	<u>22,834,592</u>	<u>21,754,348</u>	<u>20,885,737</u>
Public Works:				
Administration & Engineering-				
Personal Services	720,539	720,962	699,712	832,722
Contractual Services	260,498	276,684	166,382	196,774
Materials and Supplies	10,659	8,036	5,017	5,191
Miscellaneous	22,056	22,056	12,352	6,183
Capital Outlay	500	3,118	3,069	-
Allocations To Other Funds	(142,680)	(142,680)	(142,680)	(138,516)
	<u>871,572</u>	<u>888,176</u>	<u>743,852</u>	<u>902,354</u>
Public Services-				
Personal Services	2,916,723	2,931,598	2,698,065	2,716,499
Contractual Services	3,709,365	3,829,819	3,137,348	3,238,679
Materials and Supplies	1,204,109	1,191,442	823,829	1,041,281
Miscellaneous	757,737	757,737	746,953	593,956
Capital Outlay	950	950	146	26,286
Allocations To Other Funds	(1,422,144)	(1,422,144)	(1,422,144)	(1,380,708)
	<u>7,166,740</u>	<u>7,289,402</u>	<u>5,984,197</u>	<u>6,235,993</u>
Total Public Works	<u>8,038,312</u>	<u>8,177,578</u>	<u>6,728,049</u>	<u>7,138,347</u>

CITY OF ST. CHARLES, ILLINOIS
SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL CORPORATE FUND
For the Year Ended April 30, 2017
(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	\$ 527,944	\$ 527,944	\$ 526,079	\$ 487,942
Contractual Services	113,111	140,604	96,128	110,846
Materials and Supplies	5,775	5,445	3,448	2,709
Miscellaneous	5,762	5,562	771	1,032
Capital Outlay	200	285	281	1,193
Allocations To Other Funds	(83,160)	(83,160)	(83,160)	(80,724)
	<u>569,632</u>	<u>596,680</u>	<u>543,547</u>	<u>522,998</u>
Planning Commission-				
Personal Services	712	712	550	550
Contractual Services	21,250	22,829	19,911	15,093
	<u>21,962</u>	<u>23,541</u>	<u>20,461</u>	<u>15,643</u>
Building and Code Enforcement-				
Personal Services	695,173	699,745	688,405	669,008
Contractual Services	99,897	103,497	87,773	114,320
Materials and Supplies	8,595	8,560	7,146	8,167
Miscellaneous	20,666	20,666	13,845	13,686
Capital Outlay	-	-	-	1,454
Allocations To Other Funds	(84,084)	(84,084)	(84,084)	(81,636)
	<u>740,247</u>	<u>748,384</u>	<u>713,085</u>	<u>724,999</u>
Zoning Board of Appeals-				
Personal Services	200	-	-	-
Contractual Services	3,500	2,098	-	3,008
	<u>3,700</u>	<u>2,098</u>	<u>-</u>	<u>3,008</u>
Development Engineering-				
Personal Services	264,609	264,689	264,917	227,292
Contractual Services	91,323	160,427	133,897	95,616
Materials and Supplies	3,506	3,426	1,913	2,961
Miscellaneous	11,324	11,324	3,331	3,296
Allocations To Other Funds	(79,200)	(79,200)	(79,200)	(76,860)
	<u>291,562</u>	<u>360,666</u>	<u>324,858</u>	<u>252,305</u>

CITY OF ST. CHARLES, ILLINOIS
SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL CORPORATE FUND
For the Year Ended April 30, 2017
(with comparative actual)

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Last Year</u> <u>Actual</u>
Community Development (Continued):				
Economic Development-				
Personal Services	\$ 198,535	\$ 198,710	\$ 195,201	\$ 182,239
Contractual Services	669,018	725,991	788,241	550,215
Materials and Supplies	8,428	8,047	5,419	5,771
Miscellaneous	1,659	1,659	128	204
Capital Outlay	200	734	734	275
Allocations To Other Funds	(133,080)	(133,080)	(133,080)	(129,204)
	<u>744,760</u>	<u>802,061</u>	<u>856,643</u>	<u>609,500</u>
Special Service Area-				
Contractual Services	213,300	214,130	237,921	218,500
	<u>213,300</u>	<u>214,130</u>	<u>237,921</u>	<u>218,500</u>
Total Community Development	<u>2,585,163</u>	<u>2,747,560</u>	<u>2,696,515</u>	<u>2,346,953</u>
Debt Service:				
Principal	4,586	4,586	4,586	4,586
Interest and Fiscal Charges	-	-	-	-
	<u>4,586</u>	<u>4,586</u>	<u>4,586</u>	<u>4,586</u>
Total Expenditures	<u><u>\$36,932,003</u></u>	<u><u>\$37,376,581</u></u>	<u><u>\$34,343,301</u></u>	<u><u>\$33,427,618</u></u>

See independent auditor's report.

STATISTICAL SECTION

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have been changed over time.	154-158
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	159-164
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	165-169
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	170-171
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	172-174

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

CITY OF ST. CHARLES, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015	2016*	2017
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 99,140,750	\$ 99,628,444	\$ 95,258,795	\$ 97,483,604	\$ 104,284,999	\$ 111,517,071	\$ 122,912,679	\$ 120,315,642	\$ 119,609,141	\$ 117,710,012
Restricted	11,617,447	13,196,304	21,309,478	20,622,400	5,937,316	5,011,926	4,428,376	4,538,841	4,562,624	4,007,455
Unrestricted	13,430,037	3,062,631	564,787	2,561,737	12,974,169	7,839,905	10,501,379	14,170,788	(26,011,037)	(26,324,127)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 124,188,234	\$ 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
BUSINESS-TYPE ACTIVITIES										
Net Investment in Capital Assets	\$ 94,294,449	\$ 89,806,332	\$ 94,444,575	\$ 92,601,321	\$ 93,911,050	\$ 94,974,541	\$ 97,764,596	\$ 97,792,753	\$ 100,347,715	\$ 102,341,428
Unrestricted	26,346,235	21,814,925	12,835,960	8,586,709	3,718,155	2,249,595	2,398,911	8,263,349	8,439,329	15,098,657
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 120,640,684	\$ 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
PRIMARY GOVERNMENT										
Net Investment in Capital Assets	\$ 193,435,199	\$ 189,434,776	\$ 189,703,370	\$ 190,084,925	\$ 198,196,049	\$ 206,491,612	\$ 220,677,275	\$ 218,108,395	\$ 219,956,856	\$ 220,051,440
Restricted	11,617,447	13,196,304	21,309,478	20,622,400	5,937,316	5,011,926	4,428,376	4,538,841	4,562,624	4,007,455
Unrestricted	39,776,272	24,877,556	13,400,747	11,148,446	16,692,324	10,089,500	12,900,290	22,434,137	(17,571,708)	(11,225,470)
TOTAL PRIMARY GOVERNMENT	\$ 244,828,918	\$ 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

*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	2008	2009	2010	2011	2012	2013	2014	2015	2016*	2017
EXPENSES										
Governmental Activities										
General Government	\$ 4,635,671	\$ 3,204,672	\$ 2,959,301	\$ 2,742,777	\$ 3,025,823	\$ 3,450,520	\$ 3,802,373	\$ 3,888,778	\$ 4,045,920	\$ 4,668,291
Public Health and Safety	20,569,266	21,200,071	20,932,430	21,580,962	20,571,645	19,765,029	20,381,206	20,978,758	23,640,334	24,914,111
Public Works	12,137,618	14,834,725	11,262,837	10,723,015	11,383,917	13,669,557	14,154,683	13,630,872	12,276,753	14,335,558
Community Development	1,852,758	9,204,338	1,990,403	2,462,651	2,440,911	2,386,567	2,394,814	2,514,641	2,510,058	3,050,009
Interest	2,787,860	3,455,958	3,872,452	3,689,961	3,566,565	3,220,116	3,119,201	3,041,571	2,905,641	2,606,194
Total Governmental Activities Expenses	41,983,173	51,899,764	41,017,423	41,199,366	40,988,861	42,491,789	43,852,277	44,054,620	45,378,706	49,574,163
BUSINESS-TYPE ACTIVITIES										
Electric	42,530,760	43,795,302	43,918,182	50,035,085	50,786,616	51,824,029	55,605,730	53,934,609	54,356,130	55,892,738
Water	4,389,280	4,708,626	4,037,587	4,485,657	4,763,481	4,532,692	5,254,578	4,938,558	5,360,981	5,330,434
Sewer	7,427,906	6,764,238	6,803,134	6,899,149	6,704,787	7,770,772	7,299,203	7,561,114	8,387,212	8,420,155
Refuse	802,619	728,318	608,738	630,873	497,610	601,327	503,038	650,289	574,312	788,296
Total Business-Type Activities Expenses	55,150,565	55,996,484	55,367,641	62,050,764	62,752,494	64,728,820	68,662,549	67,084,570	68,678,635	70,431,623
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 97,133,738	\$ 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
PROGRAM REVENUES										
Governmental Activities										
Charges for Services										
General Government	\$ 330,721	\$ 380,742	\$ 235,721	\$ 242,525	\$ 265,044	\$ 247,539	\$ 228,902	\$ 225,775	\$ 240,922	\$ 241,225
Public Health and Safety	1,836,614	2,202,465	2,492,351	2,502,699	703,165	745,094	717,112	716,204	687,519	680,851
Public Works	253,635	189,408	288,865	150,108	275,566	336,322	241,604	143,081	122,205	183,980
Community Development	636,193	580,337	411,719	332,768	346,950	325,558	302,459	319,477	479,775	539,387
Operating Grants and Contributions	1,151,030	1,092,490	981,183	1,195,977	1,155,398	1,073,880	1,172,273	1,247,419	998,611	1,020,721
Capital Grants and Contributions	4,322,602	143,008	357,245	533,933	598,761	1,409,288	13,121,556	82,174	67,724	558,419
Total Governmental Activities Program Revenues	8,530,795	4,588,450	4,767,084	4,958,010	3,344,884	4,137,681	15,783,906	2,734,130	2,596,756	3,224,583
Business-Type Activities										
Charges for Services										
Electric	39,657,173	39,670,266	39,716,828	46,274,757	48,816,782	52,522,963	57,488,550	58,305,490	59,693,030	63,207,328
Water	2,970,946	2,851,707	2,800,859	3,008,409	3,528,785	4,607,863	4,612,261	4,793,723	5,197,497	5,736,340
Sewer	5,570,674	5,555,699	5,514,181	5,829,457	6,151,173	6,750,315	7,173,530	7,641,607	8,173,256	8,943,711
Refuse	486,012	493,399	489,325	527,638	413,189	396,283	400,203	497,403	480,442	513,855
Capital Grants and Contributions	-	-	601,490	163,733	232,671	69,487	1,810,669	-	11,052	340,710
Total Business-Type Activities Program Revenues	48,684,805	48,571,071	49,122,683	55,803,994	59,142,600	64,346,911	71,485,213	71,238,223	73,555,277	78,741,944
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 57,215,600	\$ 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

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

Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015	2016*	2017
NET (EXPENSE) REVENUE										
Governmental Activities	\$ (33,452,378)	\$ (47,311,314)	\$ (36,250,339)	\$ (36,241,356)	\$ (37,643,977)	\$ (38,354,108)	\$ (28,068,371)	\$ (41,320,490)	\$ (42,781,950)	\$ (46,349,580)
Business-Type Activities	(6,465,760)	(7,425,413)	(6,244,958)	(6,246,770)	(3,609,894)	(381,909)	2,822,664	4,153,653	4,876,642	8,310,321
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	\$ (39,918,138)	\$ (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)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities										
Taxes										
Property	\$ 12,076,065	\$ 13,131,263	\$ 13,936,514	\$ 13,842,186	\$ 14,088,521	\$ 14,102,024	\$ 14,155,111	\$ 14,078,954	\$ 13,952,924	\$ 13,965,981
Personal Property Replacement	109,332	100,102	88,607	98,485	88,849	85,873	103,019	98,355	88,879	115,429
Municipal Sales and Use	16,077,769	14,800,130	14,363,468	14,885,976	15,659,218	15,784,687	16,049,054	17,080,577	17,807,036	17,964,815
Franchise Fees	2,315,892	2,371,898	2,413,921	2,836,050	2,910,646	3,154,983	3,400,525	3,485,932	3,577,986	3,738,184
Liquor	-	-	-	837,925	977,452	992,079	995,618	1,062,211	1,099,613	1,130,982
Hotel Occupation	2,123,542	1,795,525	1,624,075	1,664,216	1,807,919	1,838,057	1,685,830	1,834,358	2,079,543	1,958,335
Telecommunications Fee	1,491,882	1,510,057	1,421,576	1,336,605	1,289,388	1,221,476	1,040,496	1,037,563	989,529	901,280
Other	55,253	49,626	56,660	55,745	76,215	80,495	73,962	73,061	68,582	101,363
State Income Tax	2,931,062	2,900,549	2,528,377	2,481,991	2,675,585	2,971,635	3,213,190	3,229,295	3,514,119	3,116,862
Investment Income	1,665,889	750,645	222,192	303,135	126,336	105,306	113,570	(45,202)	161,088	215,361
Miscellaneous	86,668	177,423	65,333	111,106	53,906	86,760	228,278	134,665	127,252	91,457
Contributions	389,677	1,205,121	1,573,396	-	-	-	-	-	-	-
Transfers	317,945	251,524	(798,099)	413,146	418,685	306,097	483,250	433,558	548,044	282,143
Total Governmental Activities	39,640,976	39,043,863	37,496,020	38,866,566	40,172,720	40,729,472	41,541,903	42,503,327	44,014,595	43,582,192
Business-Type Activities										
Investment Income	1,443,180	374,971	54,556	38,136	41,095	29,573	30,470	(24,651)	34,391	98,729
Connection Charges	645,504	255,960	448,899	81,447	173,852	207,086	246,124	154,966	237,268	231,037
Miscellaneous	235,518	205,265	314,883	447,828	254,807	283,102	323,363	2,042,185	619,879	295,097
Contributions	1,418,607	280,286	287,799	-	-	-	-	-	-	-
Transfers	(317,945)	(251,524)	798,099	(413,146)	(418,685)	(306,097)	(483,250)	(433,558)	(548,044)	(282,143)
Total Business-Type Activities	3,424,864	864,958	1,904,236	154,265	51,069	213,664	116,707	1,738,942	343,494	342,720
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 43,065,840	\$ 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
CHANGE IN NET POSITION										
Governmental Activities	\$ 6,188,598	\$ (8,267,451)	\$ 1,245,681	\$ 2,625,210	\$ 2,528,743	\$ 2,375,364	\$ 13,473,532	\$ 1,182,837	\$ 1,232,645	\$ (2,767,388)
Business-Type Activities	(3,040,896)	(6,560,455)	(4,340,722)	(6,092,505)	(3,558,825)	(168,245)	2,939,371	5,892,595	5,220,136	8,653,041
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 3,147,702	\$ (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

*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	2008	2009	2010	2011	2012*	2013	2014	2015	2016	2017
GENERAL FUND										
Reserved	\$ 2,868,908	\$ 4,490,108	\$ 4,312,920	\$ 3,007,493	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved - Designated	-	-	3,000,000	3,000,000	-	-	-	-	-	-
Unreserved - Undesignated	15,581,064	14,857,419	15,322,835	16,235,613	-	-	-	-	-	-
Nonspendable	-	-	-	-	3,055,435	5,718,748	5,752,925	5,563,986	6,909,863	6,855,596
Restricted	-	-	-	-	127,772	128,840	530	2,051	8,047	18,450
Unrestricted										
Assigned	-	-	-	-	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Unassigned	-	-	-	-	16,180,462	14,980,071	15,578,156	16,614,515	16,054,014	18,015,123
TOTAL GENERAL FUND	\$ 18,449,972	\$ 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
ALL OTHER GOVERNMENTAL FUNDS										
Reserved	\$ 11,061,906	\$ 12,443,079	\$ 20,749,408	\$ 20,828,559	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported in										
Special Revenue Funds	(2,018,141)	(2,400,267)	(2,573,701)	(2,726,537)	-	-	-	-	-	-
Debt Service Funds	-	-	-	-	-	-	-	-	-	-
Capital Project Funds	14,089,657	14,836,247	1,132,189	1,819,784	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	14,454	26,283
Restricted	-	-	-	-	12,753,678	9,737,766	8,149,847	7,845,366	6,403,843	6,724,129
Unrestricted										
Assigned	-	-	-	-	9,116,178	1,493,662	1,302,026	894,877	2,940,287	2,931,589
Unassigned	-	-	-	-	(2,780,307)	(3,556,145)	(3,640,987)	(3,580,720)	(3,374,231)	(3,464,962)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 23,133,422	\$ 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

* 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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
REVENUES										
Taxes	\$ 34,249,735	\$ 33,758,601	\$ 33,904,821	\$ 35,557,188	\$ 36,898,208	\$ 37,257,664	\$ 37,501,365	\$ 38,750,016	\$ 39,664,092	\$ 39,833,845
Licenses and Permits	558,917	497,362	422,200	459,408	444,857	444,620	483,624	476,400	604,871	557,836
Intergovernmental	8,037,262	4,106,734	3,789,542	3,879,399	4,087,010	4,171,714	4,429,551	4,495,519	4,580,455	4,676,788
Fines and Forfeitures	290,130	376,626	435,340	403,325	415,922	422,550	414,253	384,990	360,695	368,726
Charges for Services	2,117,275	2,357,393	2,571,116	2,365,366	677,652	734,242	531,068	473,771	509,667	653,678
Investment Income	1,665,889	750,645	222,192	303,135	126,336	105,306	113,572	(45,202)	161,088	215,361
Miscellaneous	537,833	325,808	127,853	242,416	191,267	1,109,570	479,050	267,709	339,635	647,808
Total Revenues	47,457,041	42,173,169	41,473,064	43,210,237	42,841,252	44,245,666	43,952,483	44,803,203	46,220,503	46,954,042
EXPENDITURES										
General Government	3,469,160	3,435,154	3,007,179	2,438,740	3,227,421	3,169,478	3,042,207	3,151,388	3,056,183	3,464,016
Public Health and Safety	19,947,430	20,643,649	19,824,807	21,839,500	20,537,176	20,259,849	20,363,198	20,846,693	20,945,195	21,828,044
Public Works	10,634,198	10,882,985	7,700,583	7,412,063	8,615,910	9,226,171	8,582,627	8,341,328	7,990,502	8,056,931
Community Development	1,952,881	9,491,872	1,925,440	1,982,888	2,493,934	2,641,168	2,403,623	2,825,480	2,444,837	2,943,642
Debt Service										
Principal	3,165,327	3,247,523	3,797,436	3,939,836	4,318,359	11,254,781	5,137,911	5,037,635	5,016,601	4,462,681
Interest	2,609,282	3,040,808	4,107,956	3,839,569	3,566,095	3,577,438	3,197,224	3,310,100	3,184,089	2,920,105
Capital Outlay	8,993,205	8,644,334	6,933,971	1,864,348	5,288,531	13,734,492	6,745,179	2,529,140	2,977,825	6,089,297
Total Expenditures	50,771,483	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
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,314,442)	(17,213,156)	(5,824,308)	(106,707)	(5,206,174)	(19,617,711)	(5,519,486)	(1,238,561)	605,271	(2,810,674)
OTHER FINANCING SOURCES (USES)										
Transfers In	9,851,717	5,985,919	10,330,710	9,262,302	8,015,123	9,282,783	9,238,153	8,888,061	13,047,196	8,877,456
Transfers (Out)	(9,882,915)	(6,019,265)	(7,253,837)	(9,155,055)	(7,795,467)	(8,895,986)	(8,933,783)	(8,658,763)	(12,036,265)	(8,655,313)
Bonds Issued	14,340,000	19,935,000	5,481,550	6,225,000	10,072,748	42,855,000	3,710,428	1,156,689	-	19,257,358
Premium (Discount) on Bonds Issued	157,970	(47,806)	161,547	217,846	572,336	2,226,154	(19,767)	49,452	-	2,082,717
Payment to Escrow Agent	-	-	(5,570,590)	(6,355,910)	(6,373,811)	(35,804,866)	-	-	-	(16,601,613)
Sale of Capital Assets	9,250	2,500	391,993	133,785	3,551	4,350	164,010	700	-	-
Total Other Financing Sources (Uses)	14,476,022	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
NET CHANGE IN FUND BALANCES	\$ 11,161,580	\$ 2,643,192	\$ (2,282,935)	\$ 221,261	\$ (711,694)	\$ (9,950,276)	\$ (1,360,445)	\$ 197,578	\$ 1,616,202	\$ 2,149,931
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES										
	13.82%	12.39%	19.59%	18.77%	18.44%	25.46%	22.42%	19.95%	18.87%	15.99%

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
2007	\$ 1,093,511,982	\$ 340,689,027	\$ 146,061,935	\$ 1,580,262,944	0.7300	\$ 4,740,788,832	33.333%
2008	1,130,538,083	363,806,483	154,181,792	1,648,526,358	0.7300	4,945,579,074	33.333%
2009	1,114,552,074	374,248,479	153,004,247	1,641,804,800	0.7300	4,925,414,400	33.333%
2010	1,044,846,020	354,606,287	148,675,847	1,548,128,154	0.7785	4,644,384,462	33.333%
2011	985,067,950	333,005,128	140,911,192	1,458,984,270	0.8260	4,376,952,810	33.333%
2012	917,189,293	317,898,847	138,361,189	1,373,449,329	0.8774	4,120,347,987	33.333%
2013	883,219,775	314,100,856	134,378,752	1,331,699,383	0.9048	3,995,098,149	33.333%
2014	862,800,437	307,997,293	128,309,103	1,299,106,833	0.0928	3,897,320,499	33.333%
2015	891,708,866	305,076,606	125,965,723	1,322,751,195	0.9109	3,968,253,585	33.333%
2016	932,797,716	308,615,197	129,090,529	1,370,503,442	0.8796	4,111,510,326	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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
City of St. Charles										
Corporate	0.0643	0.0643	0.0311	0.1373	0.1674	0.1844	0.2353	0.2428	0.2700	0.2874
IMRF*	0.0896	0.0711	0.0605	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Fire Protection	0.1539	0.1539	0.1607	0.1646	0.1746	0.1855	0.1801	0.1847	0.1769	0.1277
Fire Pension	0.0534	0.0645	0.0753	0.0708	0.0679	0.0731	0.0930	0.0904	0.1000	0.1288
Police Protection	0.1539	0.1539	0.1607	0.1646	0.1746	0.1855	0.1801	0.1847	0.1596	0.1277
Police Pension	0.0702	0.0772	0.0948	0.0882	0.0844	0.0964	0.1131	0.1198	0.1503	0.1680
Mental Health	0.0372	0.0400	0.0418	0.0410	0.0405	0.0403	0.0394	0.0397	0.0405	0.0399
Street and Bridge	0.1075	0.1051	0.1051	0.1120	0.1166	0.1122	0.0638	0.0654	0.0136	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	0.7300	0.7785	0.8260	0.8774	0.9048	0.9275	0.9109	0.8796
Kane County	0.3322	0.3336	0.3398	0.3730	0.3990	0.4336	0.4622	0.4684	0.4479	0.4201
Kane County Forest Preserve	0.1974	0.1932	0.1997	0.2201	0.2609	0.2710	0.3039	0.3126	0.2944	0.2253
St. Charles Township	0.0329	0.0327	0.0413	0.0000	0.0380	0.0418	0.0439	0.0454	0.0450	0.0440
St. Charles Township Road	0.0643	0.0647	0.0659	0.0723	0.0783	0.0864	0.0911	0.0942	0.0933	0.0914
St. Charles Cemetery	0.0002	0.0002	0.0117	0.0128	0.0138	0.0152	0.0160	0.0165	0.0163	0.0160
St. Charles Park District	0.3958	0.4211	0.4613	0.5550	0.0553	0.6056	0.6407	0.6634	0.6568	0.6419
St. Charles Library District	0.2356	0.2372	0.2415	0.2654	0.2874	0.3179	0.3354	0.3486	0.3452	0.3375
School District # 303	4.0516	4.0916	4.1645	4.6040	5.0175	5.5199	5.8846	6.1340	6.1178	5.9501
Elgin Community College	0.3406	0.3275	0.3833	0.4407	0.4454	0.5215	0.5707	0.6076	0.5601	0.5296
Waubonsee Community College	0.3950	0.3995	0.4043	0.4070	0.4710	0.5312	0.5807	0.5954	0.5875	0.5607
Total Representative Tax **	6.7756	6.8313	7.0433	7.7288	7.8926	9.2215	9.8340	10.2136	10.0752	9.6962

*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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
City of St. Charles										
Corporate	0.0814	0.0642	0.0238	0.1387	0.1691	0.1862	0.1777	0.1796	0.2727	0.2904
IMRF*	0.0916	0.0709	0.0612	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Fire Protection	0.1475	0.1539	0.1623	0.1663	0.1764	0.1874	0.1820	0.1866	0.1787	0.1290
Fire Pension	0.0546	0.0646	0.0761	0.0716	0.0686	0.0739	0.0940	0.0914	0.1011	0.1302
Police Protection	0.1475	0.1539	0.1623	0.1663	0.1764	0.1874	0.1820	0.1866	0.1612	0.1290
Police Pension	0.0718	0.0773	0.0958	0.0891	0.0853	0.0975	0.1143	0.1210	0.1518	0.1698
Mental Health	0.0409	0.0401	0.0422	0.0414	0.0410	0.0407	0.0398	0.0402	0.0409	0.0404
Street and Bridge	0.1094	0.1047	0.1057	0.1127	0.1171	0.1131	0.0600	0.0657	0.0135	0.0000
Total City of St. Charles	0.7447	0.7296	0.7294	0.7861	0.8339	0.8862	0.8498	0.8711	0.9199	0.8888
DuPage County	0.1651	0.1557	0.1554	0.1659	0.1773	0.1929	0.2040	0.2057	0.1971	0.1848
DuPage County Forest Preserve	0.1187	0.1206	0.1217	0.1321	0.1414	0.1542	0.1657	0.1691	0.1622	0.1514
Wayne Township	0.0647	0.0649	0.0658	0.0733	0.0804	0.0896	0.0979	0.1025	0.1847	0.1759
St. Charles Park District	0.3971	0.4207	0.4812	0.5710	0.5531	0.6060	0.6412	0.6639	0.6574	0.6424
St. Charles Library District	0.2385	0.2348	0.2415	0.2654	0.2875	0.3179	0.3355	0.3486	0.3453	0.3375
West Chicago Mosquito District	0.0099	0.0099	0.0101	0.0111	0.0122	0.0139	0.0153	0.0161	0.0160	0.1520
Unit School District # 303	4.0836	4.0604	4.1646	4.6042	5.0177	5.5201	5.8847	6.1343	6.1179	5.9502
Elgin Community College	0.3294	0.3298	0.3760	0.3921	0.4895	0.5360	0.6919	0.5013	0.5673	0.5304
Total Representative Tax	6.152	6.126	6.346	7.001	7.593	8.317	8.886	9.013	9.168	9.013

*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	2016			2007		
	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	\$ 16,845,619	1	1.23%	\$ 17,145,629	1	1.08%
AMLI at St. Charles LLC	13,986,705	2	1.02%	9,665,701	3	0.61%
Ashford St Charles LLC	6,192,261	3	0.45%	-		
St. Charles Country Club	6,075,582	4	0.44%	6,023,012	7	0.38%
Sir Park Shore LLC	5,858,270	5	0.43%	-		
Axiom St Charles LLC	5,446,497	6	0.40%	-		
Meijer Stores Limited Partnership	5,201,629	7	0.38%	6,830,632	5	0.43%
Windy City Re LLC	5,196,138	8	0.38%	-		
Slate Main Street Holding LLC	5,095,960	9	0.37%	-		
St Charles IL Senior Property LLC	4,999,500	10	0.36%	-		
Pheasant Run Resort	-			13,460,140	2	0.85%
Main Street Commons	-			8,332,500	4	0.53%
Delnor	-			5,712,463	8	0.36%
Pier One	-			5,491,877	9	0.35%
Charlestowne 1998 MS XL1 LLC	-			6,567,291	6	0.42%
Covington Court	-			5,396,538	10	0.34%
	<u>\$ 74,898,161</u>		<u>5.46%</u>	<u>\$ 84,625,783</u>		<u>5.35%</u>

CITY OF ST. CHARLES, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$ 11,543,740	\$ 11,521,398	99.81%	\$ -	\$ 11,521,398	99.81%
2008	12,035,959	12,033,470	99.98%	-	12,033,470	99.98%
2009	11,987,421	11,980,795	99.94%	-	11,980,795	99.94%
2010	12,058,027	11,973,226	99.30%	192	11,973,418	99.30%
2011	12,057,899	12,003,048	99.55%	458	12,003,506	99.55%
2012	12,057,921	11,988,163	99.42%	457	11,988,620	99.43%
2013	12,057,955	11,984,776	99.39%	-	11,984,776	99.39%
2014	12,057,863	11,991,177	99.45%	-	11,991,177	99.45%
2015	12,057,772	12,040,793	99.86%	-	12,040,793	99.86%
2016	12,057,918	6,430,031	53.33%	-	6,430,031	53.33%

Note: Property in the City is reassessed each year. Property is assessed at 33.333% of actual value.
 In 2016 total distribution of property tax is as of August 9, 2017.

Data Source

Office of the County Clerk

CITY OF ST. CHARLES, ILLINOIS

SALES TAXES BY CATEGORY

Last Ten Calendar Years

Calendar Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Merchandise	\$ 2,712,220	\$ 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
Food	1,350,218	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
Drinking and Eating Places	1,801,937	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
Apparel	285,813	192,502	148,348	133,778	280,413	96,630	88,764	115,118	73,714	72,288
Furniture, Household and Radio	270,167	202,537	160,847	169,268	163,801	141,039	113,144	107,397	112,504	137,846
Lumber, Building Hardware	1,090,319	958,927	758,083	777,607	779,051	812,833	850,505	875,758	915,433	958,563
Automobile and Filling Stations	4,059,866	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
Drugs and Miscellaneous Retail	2,151,516	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
Agriculture and All Others	2,074,016	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
Manufacturers	(1,463)	141,690	152,211	142,528	174,400	179,327	180,057	206,914	206,683	237,790
TOTAL	\$ 15,794,609	\$ 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
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
2008	2.00%	0.25%	0.25%	5.00%
2009	2.00%	0.25%	0.75%	5.00%
2010	2.00%	0.25%	0.75%	5.00%
2011	2.00%	0.25%	0.75%	5.00%
2012	2.00%	0.25%	0.75%	5.00%
2013	2.00%	0.25%	0.75%	5.00%
2014	2.00%	0.25%	0.75%	5.00%
2015	2.00%	0.25%	0.75%	5.00%
2016	2.00%	0.25%	0.75%	5.00%
2017	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			
2008	\$ 74,173,767	\$ 337,917	\$ -	\$ 8,748,457	\$ 15,637,454	\$ 98,897,595	7.29%	\$ 3,012.78
2009	81,999,952	257,600	8,987,338	10,551,046	14,522,883	116,318,819	9.42%	3,603.88
2010	78,245,057	181,868	8,984,066	9,844,794	13,926,307	111,182,092	8.74%	3,444.73
2011	74,561,466	103,048	8,980,795	16,164,669	18,202,396	118,012,374	9.08%	3,578.95
2012	74,880,596	89,036	8,697,524	15,982,589	18,777,806	118,427,551	9.56%	3,572.15
2013	76,705,991	84,451	8,374,253	16,690,294	19,483,598	121,338,587	9.16%	3,659.96
2014	75,445,961	79,864	7,965,982	16,712,036	24,053,028	124,256,871	9.22%	3,728.41
2015	71,887,674	75,279	7,472,711	16,785,720	25,798,823	122,020,207	8.69%	3,667.91
2016	67,328,179	70,694	6,949,440	15,491,768	28,491,938	118,332,019	7.81%	3,536.52
2017	69,003,891	66,108	6,606,940	17,974,372	27,838,485	121,489,796	8.45%	3,713.35

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

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

CITY OF ST. CHARLES, ILLINOIS

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

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
2008	\$ 82,922,224	\$ 15,975,371	\$ -	\$ 2,124,092	\$ 96,773,503	6.12%	\$ 2,948.07
2009	92,550,998	14,780,483	8,987,338	2,520,861	113,797,958	6.90%	3,525.78
2010	88,089,851	14,108,175	8,984,066	1,633,070	109,549,022	6.67%	3,394.13
2011	90,726,135	18,305,444	8,980,795	1,762,318	116,250,056	7.51%	3,525.51
2012	90,863,185	18,866,842	8,697,524	1,836,526	116,591,025	7.99%	3,516.76
2013	93,396,285	19,568,049	8,374,253	2,004,235	119,334,352	8.69%	3,599.50
2014	92,157,997	24,132,892	7,965,982	2,045,188	122,211,683	9.18%	3,667.05
2015	88,673,394	25,874,102	7,472,711	2,089,766	119,930,441	9.23%	3,605.09
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

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

* See the Schedule of Assessed Value and Actual Value of Taxable Property on page 162 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>	
2008	\$ 5,570,674	\$ 1,082,995	\$ 432,574	3.68
2009	5,555,699	1,114,571	400,998	3.67
2010	5,514,181	1,147,104	357,797	3.66
2011	5,829,457	1,180,623	323,877	3.87
2012	9,679,958	1,243,430	332,466	6.14
2013	11,358,178	1,184,297	327,623	7.51
2014	11,785,791	1,242,305	312,905	7.58
2015	12,435,330	1,430,171	418,916	6.73
2016	13,370,753	1,698,686	493,966	6.10
2017	14,680,051	1,852,051	516,392	6.20

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

CITY OF ST. CHARLES, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of April 30, 2017

Governmental Unit	Gross Debt	Percentage Debt Applicable to the City of St. Charles (1)	City's Share of Debt
City of St. Charles	\$ 75,676,939	100.00%	\$ 75,676,939
Kane County Forest Preserve District	116,465,000	10.774%	12,547,939
Dupage County	33,905,000	0.084%	28,480
Dupage County Forest Preserve	126,497,595	0.084%	106,258
St. Charles Park District	21,259,000	64.031%	13,612,350
Schools			
Community Unit SD #303	63,660,000	48.793%	31,061,624
Community Unit SD #304	121,498,214	0.131%	159,163
Community College #509	177,623,253	12.808%	22,749,986
Community College #516	62,810,000	0.021%	13,190
Subtotal	723,718,062		80,278,990
Total	\$ 799,395,001		\$ 155,955,929

(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
2008	32,826	\$ 1,357,256,622	\$ 41,347	7.3%
2009	32,276	1,234,298,792	38,242	6.5%
2010	32,276	1,272,707,232	39,432	8.7%
2011	32,974	1,299,769,132	39,418	9.5%
2012	33,153	1,238,463,468	37,356	6.7%
2013	33,153	1,325,258,022	39,974	7.0%
2014	33,327	1,347,743,880	40,440	7.7%
2015	33,267	1,403,501,463	42,189	5.7%
2016	33,460	1,514,734,200	45,270	5.0%
2017	32,717	1,437,094,225	43,925	5.2%

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

2016					2007				
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	1,381	6.21%	4.21%
RR Donnelley & Sons	2	936	5.25%	2.86%	Wallace, Inc.	2	640	2.88%	1.95%
Omron Automotive	3	800	4.49%	2.45%	System Sensor	3	522	2.35%	1.59%
City of St Charles	4	300	1.68%	0.92%	Pheasant Run Resort	4	500	2.25%	1.52%
Armour-Eckrich Meats LLC	5	289	1.62%	0.88%	Jewel Company	5	493	2.22%	1.50%
Jewel/Osco	6	270	1.52%	0.83%	Conagra Foods	6	420	1.89%	1.28%
Pheasant Run Resort	7	250	1.40%	0.76%	Omron Automotive	7	375	1.69%	1.14%
Do Paco Inc	8	191	1.07%	0.58%	Illinois Youth Center	8	327	1.47%	1.00%
Dukane Corporation	9	190	1.07%	0.58%	Coca-Cola Bottling Co	9	280	1.26%	0.85%
System Sensor	10	150	0.84%	0.46%	Wal-Mart	10	250	1.12%	0.76%
				15.48%					15.80%

Data Source

Municipal Research Services

CITY OF ST. CHARLES, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Administration	44.80	46.60	43.00	40.60	40.90	41.80	40.50	39.40	42.50	42.90
Public Health & Safety	157.40	148.80	147.10	130.20	123.80	122.00	121.90	119.20	119.60	116.80
M & C of Public Right of Ways	62.40	61.90	52.20	40.50	40.10	41.80	42.20	40.80	41.10	41.70
M & C of Public Utilities	65.80	65.50	61.70	61.10	61.50	59.30	58.60	52.60	51.30	51.40
Community and Economic Development	17.00	16.50	17.90	17.50	17.50	16.00	16.20	14.50	14.60	14.60
Total	347.40	339.30	321.90	289.90	283.80	280.90	279.40	266.50	269.10	267.40

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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety										
Police										
Physical arrests	1,796	1,613	1,404	1,259	1,109	1,042	1,051	1,050	984	852
Parking violations	1,733	1,500	1,400	1,743	1,647	1,141	2,434	2,429	1,634	1,434
Traffic violations	6,573	6,316	4,491	4,496	3,939	3,964	4,194	3,847	3,223	2,980
Fire										
Emergency responses	5,113	5,044	4,831	5,100	4,434	4,092	4,282	4,456	4,452	4,622
Fires Extinguished	158	134	103	174	77	125	108	110	83	92
Public Works										
Streeting (miles)	180.5	183	184	184	179	180	180	166	166	166
Electric										
Number of Customers	15,196	15,233	15,364	15,419	16,174	15,503	15,521	15,526	15,558	15,560
Water										
Maximum Day Consumption	9,741,000	9,741,000	9,741,000	9,741,000	9,741,000	9,741,000	9,741,000	9,741,000	9,741,000	6,512,000
# of water mains (miles)	197.5	202	220	219.9	219	230.7	225.2	221.8	223.2	224.9
Wastewater										
Average daily storage (flow)	5,289,000	6,562,758	6,060,000	5,788,975	6,216,128	4,235,221	4,440,000	4,827,771	5,310,356	4,921,805

Data Source

Various City departments

CITY OF ST. CHARLES, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Calendar Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area Beats	4	4	4	4	4	4	4	4	4	4
Patrol Officer	31	33	34	33	32	33	34	33	32	34
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	134.2	135.5	136	131	131.5	131.5	131.5	131.5	131.5
Streetlights	3,234	3,271	3,291	3,298	3,299	3,236	3,241	3,255	3,180	3,196
Traffic Signals	6	6	6	7	7	8	10	10	10	10
Water										
Water Mains (Miles)	197.5	202	219.9	220	227	230.7	225.2	221.8	223.2	224.9
Fire Hydrants	2,742	2,742	2,820	2,820	2,822	2,849	2,742	2,742	2,763	2,764
Storage Capacity (Gallons)	2,425,000	2,425,000	2,425,000	2,425,000	2,425,000	4,200,000	4,200,000	4,200,000	4,200,000	6,700,000
Wastewater										
Sanitary Sewers (Miles)	171.3	174.5	174.6	180.1	175.2	175.0	174.9	174.9	175.6	175.8
Storm Sewers (Miles)	159.9	159.9	160.8	161.3	162.9	203.7	157.9	158.9	159.1	165.3
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