

CITY OF ST. CHARLES, ILLINOIS

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

For the Year Ended  
April 30, 2009

Prepared by the Finance Department

Christopher A. Minick  
Director of Finance

Brian Townsend  
City Administrator

CITY OF ST. CHARLES, ILLINOIS  
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# Officers and Officials

## Mayor

Donald P. Dewitte

## City Administrator

Brian Townsend

## City Council

Daniel P. Stellato	Ward 1	William Turner	Ward 3
Ron S. Silkaitis	Ward 1	Jo K. Krieger	Ward 4
Clifford X. Carrignan	Ward 2	James E. Martin	Ward 4
Betsy E. Penny	Ward 2	David W. Richards	Ward 5
John M. McGuirk	Ward 3	Ed Bessner	Ward 5

## City Treasurer

Warren J. Drewes

## City Clerk

Nancy Garrison

## City Attorney

Gerald M. Gorski

## Department Heads

Christopher A. Minick  
*Director of Finance*

Mark W. Koenen  
*Director of Public Works*

Rita Tungare  
*Director of Community Development*

Patrick J. Mullen  
*Fire Chief*

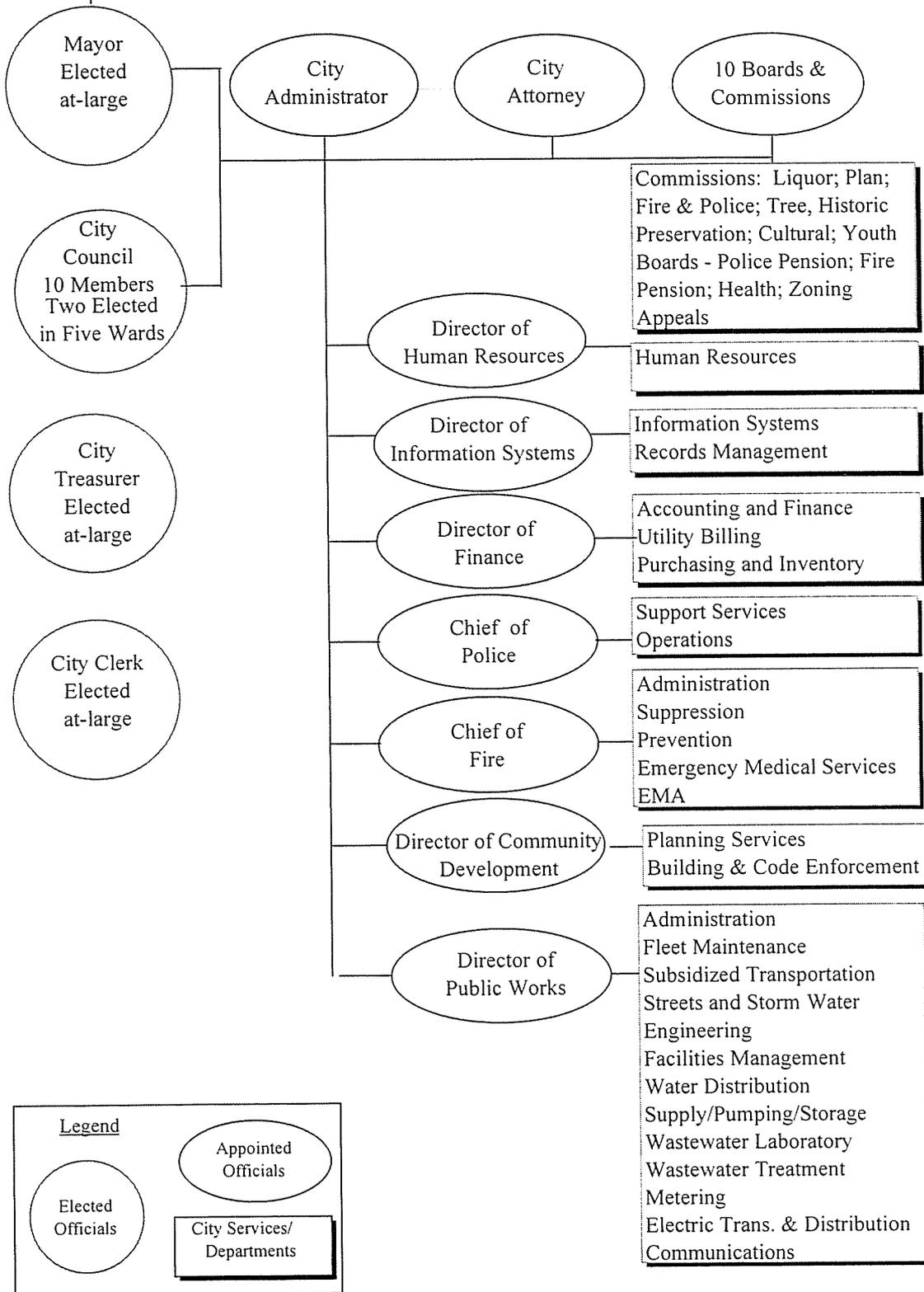
Margaret A. Forster  
*Director of Information Systems*

James E. Lamkin  
*Police Chief*

Kathy A. Livernois  
*Director of Human Resources*

# City of St. Charles Organizational Chart

Citizens of St. Charles



# 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, 2008

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



A handwritten signature in black ink, appearing to read "M. L. Post".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director



September 30, 2009

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, 2009 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 results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

The financial statements included in this report depict the financial position and changes in financial position presented in conformance with Generally Accepted Accounting Principles (GAAP) and have been audited in accordance with generally accepted auditing standards by an independent firm of certified public accountants. Sikich LLP, a firm of licensed certified public accountants has audited the City's basic financial statements and has issued an unqualified opinion on the basic financial statements. The statements have been prepared in accordance with Statement No. 34 (Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments) of the Governmental Accounting Standards Board (GASB). The GASB is an organization that establishes accounting and financial reporting standards for state and local governments in the United States. Sikich LLP is to provide with reasonable assurance that the financial statements are free of material misstatement. The audit process includes examination, on a test basis, of evidence supporting the amounts and disclosures reported in the financial statements. The independent auditors also assess the accounting principles used and include their report as the first component of the financial section of this Comprehensive Annual Financial Report.

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

DONALD P. DEWITTE *Mayor*

BRIAN TOWNSEND *City Administrator*

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

### **Profile of the City**

The City, incorporated as a town in 1853 and as a City in 1874, is located approximately thirty-four miles west of Chicago with a land area of approximately 16.4 square miles. St. Charles' city government is divided into five wards, with two alderpersons elected from each ward and a mayor elected at large to a four-year term. The internal operations of St. Charles are led by a city administrator and divided among seven departments, including Finance, Human Resources, Information Systems, Community 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 now has greater local authority to regulate and finance its operations. A Special Census, completed in August 2003 reflects the City of St. Charles' population of 31,834. Additional demographic information about the City may be found in the Statistical Section of this report.

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

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

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

### **Factors Affecting Financial Condition**

**Local Economy** – Within the City of St. Charles, over 2,100 businesses employ over 33,800 people, consisting of a balanced mix of retailers, restaurants, and manufacturing facilities. Also within the City are 1,360 hotel rooms, three shopping districts, a convention center and a full service resort and spa. There are two new business parks currently under construction within the City. On the east side of the City is the 36-acre Legacy Business Park that is nearing completion with one more industrial building to be finished. The Corporate Reserve of St. Charles is a 50-acre business park located on the west side of the City. Two of the ten proposed buildings for this site have been completed with a third building currently under construction. Historically, the City of St. Charles has enjoyed a healthy and growing economy. However, beginning in late FY 2007-2008 and continuing into FY 2008-2009, the City experienced a decline in sales tax revenue. The current economic challenges facing

our country are being felt in the City of St. Charles. While property taxes have increased due to an increase in the City's equalized assessed valuation, other revenues, including state shared taxes, hotel taxes and investment income have decreased. However, there are some positive initiatives that, once completed, will provide a promising economic future for the City. These initiatives include:

**First Street Redevelopment Project** - The goal of this \$100 million public redevelopment project is to create a "financially viable pedestrian-oriented shopping district" which would execute the vision of the First Street Design and Development Guidelines. Features of this development include:

- 8 acres of retail, office/commercial and residential redevelopment
- 80 condos, 16 rental apartments
- 933 new parking spaces
- First Street widened for diagonal, on-street parking
- Riverfront pedestrian walkway plaza to Illinois Avenue
- Public Plaza at the north end of First Street
- Relocating and expansion of the Blue Goose within the development (30,500 square feet)

Project construction highlights include:

- Construction began in the Fall of 2006
- Underground public utility work has been completed
- All phases of the First Street road reconstruction have been completed
- Rt. 31 widening project was completed
- Blue Goose Supermarket moved into and opened their new store in March 2008
- Demolition/site work for Buildings 1/2/3 (along river where the original Blue Goose was located) was completed in March/April 2008
- Parking deck was completed and opened in July 2008
- Former Manor Restaurant demolition/site work for 1 W. Main St has been completed
- Riverwall construction began September 2008 and was completed spring 2009
- First St. Place (West Plaza) construction was completed summer 2009
- 12,800 square feet of office space and 4,088 square feet of retail space currently occupied in the Plaza Building (Building 4). Occupants include an Italian bakery, a jewelry store, and two professional service firms. It is currently anticipated that two restaurants will be submitting for permit in the next few months.

**Costco** – A new Costco warehouse store and detached gas station opened in mid November 2008. The 154,000 square foot building is located at the intersection of Randall Road and Oak Street. To facilitate this development, the City issued \$8,935,000 in Senior Lien Limited Incremental Sales Tax Revenue Bonds. These bonds will be paid from sales tax generated from Costco.

## **Major Initiatives**

### **IDOT Projects**

- Rt. 64 between 7<sup>th</sup> Avenue and Dunham Road reconstruction-This project has been slated by the State of Illinois for construction in 2011-2012. The project improvement will include a bi-directional center turn lane, pavement and drainage reconstruction.
- Rt. 64 from Pheasant Run Resort to 38th Ave – This project is part of a larger state project to extend the six-lane section of IL 64 from IL 59 to Kautz Rd/38<sup>th</sup> Ave. Construction is anticipated to occur in 2011-2012.

### **Kane County Projects**

- The Stearns Road Corridor construction has commenced. The construction will occur in six construction packages. The anticipated completion date of the project is the fall of 2010.

### **City Projects**

- Fox River Bridge north of Rt. 64 (Redgate Bridge project) - Phase 1 engineering is nearing completion. In coordinating this project with the Federal Highway Administration and IDOT, the City is anticipating final approval in 2010. Phase 2 design engineering would follow in 2009 with construction most likely in 2010 through 2013.
- Municipal Riverwall project located adjacent to the Municipal Downtown Campus – The replacement of the current 70-year old riverwall along the east side of the Fox River began in June 2009. This approximately \$4.0 million project is to be completed in late fall of 2009.
- Construction of Fire Station #1 – Construction of a new fire station adjacent to Century Station began in May 2008. This project was completed and placed in service in early September 2009.

## **Financial Policies**

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

*Cash Management.* Cash temporarily idle during the year was invested in demand deposits, time deposits, U.S. Treasury bills, notes, U.S. Agency obligations and the Illinois State Treasurer's Pool. The City's finance department records fire pension fund investments; however, the Fire Pension Board of Trustees maintains control of these moneys independent of the City Council. The police pension fund investments are under a money manager and are governed by the Police Pension Board of Trustees. In addition, the Police Pension Board maintains accounting and participant records for the Police Pension Fund. The City has a formal investment policy, which includes requirements regarding the amount it

will invest in various types of securities and types of collateral it will accept. U.S. government securities and government agencies account for 12.6% of the City's portfolio. This calculation excludes Police or Fire Pension and restricted investments. Approximately 87% of the portfolio matures in less than 1 year and the remaining 13% matures in less than 4 years. The current rate of return on City investments is 1.7013% as of April 30, 2009. The City investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 102% of the fair market value of the funds secured, with the collateral held by the City, an independent third party or the Federal Reserve Bank of New York in the City's name. In addition, the investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the City's agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the City's name. This is the lowest custodial credit risk as defined by the Governmental Accounting Standards Board. For further information on the City's investments please see the notes to the financial statements.

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

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

## **Other Information**

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

*Awards.* The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended April 30, 2008. This was the 23rd consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

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

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

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Christopher A. Minick". The signature is fluid and cursive, with a large initial "C" and "M".

Christopher A. Minick  
Finance Director



998 Corporate Boulevard • Aurora, IL 60502

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Charles, Illinois, as of and for the year ended April 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the City of St. Charles, Illinois' management. Our responsibility is to express opinions on these basic financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Charles, Illinois, as of April 30, 2009, 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.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules and supplemental financial information as listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements of the City of St. Charles, Illinois. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Aurora, Illinois  
August 31, 2009

A handwritten signature in black ink, appearing to be 'A. L. 2009' or similar, written in a cursive style.

# City of St. Charles, Illinois

## Management's Discussion and Analysis

April 30, 2009

As management of the City of St. Charles (the "City"), we offer readers of the Comprehensive Annual Financial Reports (CAFR) this narrative overview and analysis of the financial activities of the City for the fiscal year ended April 30, 2009. Since the Management's Discussion and Analysis (MD & A) is designed to focus on the City's current year activities, changes in the City's financial position and identify any material deviations from approved budget and financial plans, it should be read in conjunction with the Transmittal Letter and the City's financial statements.

### Overview of the Financial Statements

This discussion and analysis are 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 (governmental-wide) and on the major individual fund level. Both perspectives (governmental-wide and major fund) are intended to provide the reader various views of the City and provide a broader basis for comparison and enhance the City's accountability.

### Governmental-Wide Financial Statements

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

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

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

The Governmental Activities reflect the City's basic services, including public works, police, fire, streets, community development and general administration. Various tax revenues such as property taxes, State sales taxes, State income taxes, home rule sales taxes and telecommunications taxes are the primary funding sources for these activities. The business-

telecommunications taxes are the primary funding sources for these activities. The business-type activities are reflective of private sector-type operations, and include electric, water, sewer, and refuse utilities. User fees for these services typically cover all or most of the cost of these operations.

## **Fund Financial Statements**

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

### **Governmental Funds**

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

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

### **Proprietary Funds**

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

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

### **Fiduciary Funds**

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

## **Notes to the Financial Statements**

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

### **Other Information**

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

### **Infrastructure Assets**

Historically, a government's largest group of assets (infrastructure – streets, storm sewers, etc.) have not been reported nor depreciated in governmental financial statements. GASB Statement 34 now requires that these assets be valued and reported within the governmental column of the governmental-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.

## **GOVERNMENT-WIDE STATEMENT**

### **Statement of Net Assets**

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of St. Charles, assets exceeded liabilities by \$227.5 million as of April 30, 2009. The following table reflects the condensed Statement of Net Assets:

**Statement of Net Assets**  
**As of April 30, 2009**  
**(In Millions)**

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>		<b>Primary</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>Government</b>	<b>2008</b>
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
<b>Assets</b>						
Current & Other Assets	\$74.0	\$69.3	\$29.0	\$32.3	\$103.0	\$101.6
Capital Assets	162.5	156.5	113.8	118.7	276.3	276.7
<b>Total Assets</b>	<b>236.5</b>	<b>225.8</b>	<b>142.8</b>	<b>151.0</b>	<b>379.3</b>	<b>378.3</b>
<b>Liabilities</b>						
Current & Other Liabilities	23.6	21.9	5.2	5.2	28.8	28.2
Long-Term Liabilities	97.0	79.7	26.0	25.2	123.0	103.7
<b>Total Liabilities</b>	<b>120.6</b>	<b>101.6</b>	<b>31.2</b>	<b>30.4</b>	<b>151.8</b>	<b>131.9</b>
<b>Net Assets</b>						
Invested in Capital Assets, Net of Debt	99.6	99.1	89.8	94.3	189.4	193.4
Restricted	13.2	11.7	0.0	0.0	13.2	11.7
Unrestricted	3.1	13.4	21.8	26.3	24.9	39.7
<b>Total of Net Assets</b>	<b>115.9</b>	<b>124.2</b>	<b>111.6</b>	<b>120.6</b>	<b>227.5</b>	<b>244.8</b>

The City has several outstanding bonds that were issued for the purpose of funding Tax Increment Financing (TIF) activities. These issues include: \$4,200,000 G.O. Tax Increment Bonds Series 1999 (\$2,595,000 as of April 30, 2009); \$2,860,000 G. O. Bonds Series 2002 (\$2,300,000 as of April 30, 2009); \$4,435,000 G. O. Bonds Series 2003 (\$3,865,000 as of April 30, 2009); \$10,000,000 G.O. Bond Series 2006 (\$10,000,000 as of April 30, 2009); \$4,470,000 G.O. Bond Series 2007A (\$4,470,000 as of April 30, 2009); \$3,530,000 G.O. Bond Series 2007C (\$3,530,000 as of April 30, 2009) and \$10,810,000 G.O. Bond Series 2008A (\$10,810,000 as of April 30, 2009). Of these bond issues, approximately \$22.5 million was used to fund capital assets related to the First Street Redevelopment Project that are owned by the City. The remaining debt was not used to produce a capital asset that is owned by the City, and the City is generally obligated for the retirement of the debt, therefore, the bonds are required to be reported as a liability of the City and a corresponding reduction of unrestricted net assets results from this treatment.

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

Seventy-five percent of the sales tax revenues collected from the warehouse club are pledged to pay for the debt service on the bonds.

As noted earlier, net assets may serve over time as a useful indicator of a government’s financial position. In the case of the City of St. Charles, assets exceeded liabilities by \$227.5 million as of April 30, 2009. At \$189.4 million, the largest portion of the City’s net assets is its investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The next largest portion of the City’s net assets are unrestricted assets in the amount of \$24.9 million, which can be used to finance the City’s day-to-day operations. The final portion of the City’s net assets in the amount of \$13.2 million represents resources that are subject to restrictions as shown below:

**Net assets restricted for:**

Retirement Obligations	\$559,452
Ambulance Service	124,533
Mental Health	25,313
Special Service Areas	43,927
Community Development	7,724,249
Highways and Streets	2,067,877
Public Safety	130,092
Debt Service	2,520,861
<b>Total</b>	<b>\$13,196,304</b>

**Normal Impacts**

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

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

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

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

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

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

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

### **Current Year Impacts – Net Assets**

The City's combined net assets decreased from \$244.8 million to \$227.5 million. Net assets of the City's governmental activities decreased by \$8.3 million during the year and ended the year at \$115.9 million.

The net assets of business-type activities decreased by \$9.0 million during the year and ended the year at \$111.6 million. Unrestricted net assets, available to finance the continuing operation of its business-type activities, were \$22.8 million. Business-type activities include electric, water, sewer, and refuse utilities. The annual operating cost of these services for fiscal year 2009 was approximately \$56.0 million.

The decrease in Net Assets of the governmental activities in the amount of \$8.3 million was mainly due to the issuance of \$8.9 million in Sales Tax Revenue Bonds, as mentioned previously. Because the City does not own the asset financed by this debt issue, the expenditure of these funds has the effect of lowering the City's Net Assets.

The decrease in the Net Assets of the business-type activities of \$9.0 million was due to a combination of events that occurred during the year. First, operating expenses exceeded revenues mainly due to the increased cost of purchasing wholesale electric power. In addition, non-operating revenues, such as connection charges and investment income, decreased this fiscal year due to current economic conditions. Another factor in the decrease in Net Assets was the change in the City's capitalization threshold. For Electric fixed assets, the threshold was increased from \$500 to \$25,000. For Water and Sewer fixed assets, the threshold increased from \$20,000 to \$25,000. This change in threshold resulted in a write off of business-type capital assets of almost \$2.5 million. Lastly, liabilities of the Electric Fund increased due to the issuance of \$2,440,000 in bonds to fund Electric projects.

**Changes in Net Assets**  
**Statement of Changes in Net Assets**

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

**Changes in Net Assets**  
**For the Fiscal Year Ended April 30, 2009**  
(In Millions)

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>
<b>Revenues</b>						
Program Revenues						
Charges for Service	\$3.4	\$3.1	\$48.6	\$48.7	\$52.0	\$51.7
Operating Grants	1.1	1.2	0.0	0.0	1.1	1.2
Capital Grants	0.1	4.3	0.0	0.0	0.1	4.3
General Revenues						
Property Tax/Replacement Tax	13.2	12.2	0.0	0.0	13.2	12.2
Other Taxes	22.9	24.5	0.0	0.0	22.9	24.5
Other	1.4	2.2	0.9	2.3	2.3	4.5
<b>Total Revenues</b>	<b>42.1</b>	<b>47.5</b>	<b>49.5</b>	<b>51.0</b>	<b>91.6</b>	<b>98.5</b>
<b>Expenses</b>						
General Government	3.2	4.6	0.0	0.0	3.2	4.6
Public Health/Safety	21.2	20.6	0.0	0.0	21.2	20.6
Public Works	14.8	12.1	0.0	0.0	14.8	12.1
Comm. Develop	9.2	1.9	0.0	0.0	9.2	1.9
Interest	3.5	2.8	0.0	0.0	3.5	2.8
Electric	0.0	0.0	43.8	42.6	43.8	42.6
Water	0.0	0.0	4.7	4.4	4.7	4.4
Sewer	0.0	0.0	6.8	7.4	6.8	7.4
Refuse	0.0	0.0	0.7	0.8	0.7	0.8
<b>Total Expenses</b>	<b>51.9</b>	<b>42.0</b>	<b>56.0</b>	<b>55.2</b>	<b>107.9</b>	<b>97.2</b>
<b>Excess Before Contributions and Transfers</b>	<b>(9.8)</b>	<b>5.5</b>	<b>(6.5)</b>	<b>(4.2)</b>	<b>(16.3)</b>	<b>1.3</b>
Contributions	1.2	0.4	0.3	1.4	1.5	1.8
Transfers	0.3	0.3	(0.3)	(0.3)	0.0	0.0
<b>Change in Net Assets</b>	<b>(8.3)</b>	<b>6.2</b>	<b>(6.5)</b>	<b>(3.1)</b>	<b>(14.8)</b>	<b>3.1</b>
Prior Period Adjustment	0.0	0.0	(2.5)	0.0	(2.5)	0.0
<b>Ending Net Assets</b>	<b>115.9</b>	<b>124.2</b>	<b>111.6</b>	<b>120.6</b>	<b>227.5</b>	<b>244.8</b>

## **Normal Impacts- Changes In Net Assets**

There are eight basic impacts on revenues and expenses as reflected below.

### **Revenues:**

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

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

*Changing Patterns in Intergovernmental and Grant Revenue (both recurring and nonrecurring)* – certain recurring revenues (State-shared revenues, etc.) may experience significant changes periodically while nonrecurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons. For example, a \$4.2 million decrease in one-time grant revenue was experienced in Fiscal 2009. This must be taken into account when comparing revenues with Fiscal 2008.

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

### **Expenses:**

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

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

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

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

**Governmental Activities**

**Revenue:**

Total revenues decreased from \$47.5 million to \$42.2 million. The governmental activities program revenues decreased \$4.0 million from \$8.6 to \$4.6 million. This decrease is mainly attributable to a decrease in capital grant revenues of \$4.2 million due to the recognition of a \$3.7 million dollar federal parking facility grant during the last fiscal year. Charges for services increased slightly from last fiscal year. The governmental activities general revenues decreased \$1.4 million from \$38.9 to \$37.5 million. Sales and use taxes decreased almost \$1.3 million. Other taxes combined decreased \$0.3 million, (Hotel Tax decreased by \$0.3 million, Telecommunication Tax increased by \$0.2 million, and State Shared Income Tax revenues decreased by \$0.3 million). Property tax increased \$1.0 million. While the property tax rate for the City remained steady, the City's Equalized Assessed Value (EAV) increased 4.32%.

**Equalized Assessed Valuation**

	<b>Property in Kane County</b>	<b>Property in DuPage County</b>	<b>Total</b>
Levy Year			
2007	\$1,539,779,175	\$40,732,740	\$1,580,511,915
2008	1,606,761,514	42,020,820	1,648,782,334
Increase:	\$66,982,339	\$1,288,080	\$68,270,419

**State Shared Tax Revenue**

	<b>Fiscal Year 2009</b>	<b>Fiscal Year 2008</b>	<b>% Increase/ (Decrease)</b>
Sales Tax*	\$8,960,077	\$9,719,468	(7.81%)
Income Tax	2,900,549	2,931,062	(1.04%)
<b>Total:</b>	<b>\$11,860,626</b>	<b>\$12,650,530</b>	

\* Does not include the City's Home Rule Sales Tax

Total expenses of governmental activities increased by \$9.9 million from \$42.0 million to \$51.9 million. The \$51.9 million consists of actual expenditures for the general fund and other governmental funds (\$59.4 million), the amount of the capital assets subtracted out (\$7.1 million), the amount of depreciation added (\$3.5 million), less the net gain of the internal service funds (\$1.4 million), plus the change in the OPEB liability (\$1.0 million) less the change in long-term debt and compensated absences (\$3.5 million).

The \$9.9 million increase in governmental activities expenses is mainly due to an increase in Community Development expenses of \$7.5 million. These expenses are a result of the economic incentive package that included the issuance of \$8,935,000 in Sales Tax Revenue Bonds (as described previously).

### **Business Type Activities**

#### **Revenues:**

Operating revenues from business-type activities were slightly lower than in the previous fiscal year. Even though utility rates increased 6% in the Electric Fund and 3% in the Water and Sewer Funds as of July 2008, a decrease in usage and consumption negated a majority of the rate increase.

#### **Expenses:**

Operating expenses from all business-type activities increased by \$0.8 million from \$55.2 to \$56.0 million, a 1.4% increase from the prior fiscal year. Even though the cost of wholesale power increased during the fiscal year by almost \$1.0 million, this increase was partially offset by decreases in other operating accounts, due to an across-the-board mandatory two percent reduction in operating budgets that took place during the fiscal year. This reduction effort was applied to all departmental budgets.

## **FINANCIAL ANALYSIS OF THE FUNDS**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

For the fiscal year ended April 30, 2009, the Governmental Funds reported a combined ending fund balance of \$44.2 million. This represents an increase of \$2.6 million over the prior year.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$14.9 million, while total fund balance was \$19.3 million. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year and as a measure of the General Fund's liquidity. It may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 43.0 percent of the total General Fund expenditures, while total fund balance represents 56.0 percent of that same amount.

**General Fund Budgetary Highlights  
For the Fiscal Year Ended April 30, 2009**

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>
<b>Revenues/Other Sources</b>			
Taxes	\$37,144,221	\$37,144,221	\$34,702,956
Licenses & Permits	674,396	678,396	497,362
Charges for Services	2,128,336	2,310,093	2,357,393
Grants	2,015,420	285,420	207,385
Other	1,433,729	1,440,729	1,297,351
Issuance of Bonds	492,000	492,000	1,183,694
<b>Total Revenues/Other Sources</b>	<b>\$43,888,102</b>	<b>\$42,350,859</b>	<b>\$40,246,141</b>
<b>Expenditures/Transfers</b>			
General Government	\$3,992,053	\$4,123,174	\$3,102,405
Public Health/Safety	20,872,270	20,687,860	20,507,678
Public Works	12,254,724	11,378,936	9,005,568
Comm. Develop	2,254,904	2,225,637	1,853,650
Debt Service	124,243	124,243	92,459
Transfers	5,053,870	5,083,870	4,786,826
<b>Total Expenditures/Transfers</b>	<b>\$44,552,064</b>	<b>\$43,623,720</b>	<b>\$39,348,586</b>
<b>Change in Fund Balance</b>	<b>(\$663,962)</b>	<b>(\$1,272,861)</b>	<b>\$897,555</b>

The General Fund results were due to the combination of General Fund revenues being below expectations by \$2,104,718 while expenditures were less than the final budget by \$4,275,134.

General Fund Revenues - Actual taxes received were less than budget by \$2,441,265 mainly due to Municipal Sales and Use tax collections being below budget by \$2,151,284. This decline in sales tax collections is a direct result of the current state of the national and local economy. The \$143,378 variance in actual over amended budget in the Other Revenues category is mainly due to lower than anticipated investment income.

General Fund Expenditures - The majority of the positive budget variance is mainly attributable to timing differences in capital projects as well as actual contractual services expenses being less than anticipated. In addition, several positions that were vacated during the fiscal year were not filled in response to the current economic conditions the City is facing. There were also positive variances in materials and supplies and capital outlay purchases.

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

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

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

### CAPITAL ASSETS

The City's total capital assets for its Governmental and Business-Type Activities as of April 30, 2009 amounts to \$276,369,228 (net of accumulated depreciation). The capital assets include land, buildings, equipment, and improvements other than buildings, underground systems, infrastructure and construction in progress. This amount represents a net increase (including additions and deductions) of \$1,218,965.

#### Capital Assets As of April 30, 2009

	Governmental		Business-Type		Total	
	Activities		Activities			
	2009	2008	2009	2008	2009	2008
Land & Right of Way	\$58.5	\$51.9	\$1.2	\$1.2	\$59.7	\$53.1
Construction in Progress	14.7	20.1	0.6	1.4	15.3	21.6
Bldgs. and Improvements	42.6	42.2	129.9	132.3	172.5	174.5
Infrastructure	109.4	101.5	53.4	53.3	162.8	154.9
Machinery, Vehicles and Equipment	12.5	12.4	9.8	10.6	22.3	23.0
Less:						
Accumulated Depreciation	(75.2)	(71.7)	(81.1)	(80.2)	(156.3)	(151.9)
<b>Total:</b>	<b>162.5</b>	<b>156.5</b>	<b>113.8</b>	<b>118.7</b>	<b>276.3</b>	<b>275.2</b>

Major capital asset events during 2009 included the following:

- Fire Station #1 construction had on-going project costs of \$3,499,453. This project will be completed in FY 09/10.
- Land acquisition costs related to the First Street Redevelopment Project in the amount of \$7,998,590 were removed from Construction in Progress and recorded as land.
- Construction of the First Street Parking Deck was completed at a total cost of \$5,208,472.

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 \$116,110,483 (excluding compensated absences and net pension obligations). Of this amount, \$92,395,000 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 \$39,935,000 of the total debt outstanding. In addition, the City has \$14,522,883 in IEPA loans and \$257,600 in installment contracts. For information regarding the City's debt, see note 6 in the notes to the financial statements.

During fiscal year 2009, the City issued bonds in the amount of \$13,440,000. This bond issue includes \$2,440,000 to fund Electric Utility projects while the remaining \$11,000,000 will be used to fund the Fire Station #1 construction, the municipal riverwall improvement project and a new ladder truck for the Fire Department. Also in the current year, as mentioned previously, the City issued \$8,935,000 in Senior Lien Limited Incremental Sales Tax Revenue Bonds to fund an economic incentive package to facilitate the construction of a membership warehouse club within the City. Seventy five percent of the sales tax collected from the warehouse club is pledged for debt service.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The City's composition is primarily residential with a smaller commercial and industrial component. The property tax revenue derived from the residential, commercial, and industrial properties has been historically stable. As noted earlier, property taxes increased by \$1.05 million, or 8.6% due to an increase in the City's Equalized Assessed Valuation. The City continues to invest its funds cautiously in order to maintain a stable return. Sales tax revenues decreased \$1.3 million, or 7.9% from the prior fiscal year due to current economic conditions. State shared income tax revenue decreased slightly from the prior year.

The unemployment rate for the City is currently 6.5%, which is a slight decrease from a rate of 7.3% at the end of the prior fiscal year.

The fiscal year 2010 budget includes an increase in property tax revenues, due to the expected increase in equalized assessed value (EAV), however, the City is not expecting to increase the property tax rate. Other revenues are anticipated to be at the same level or below what FY 08-09 actual results. Electric rates are set to increase 6% during the next fiscal year while water and sewer rates will increase by 3.0%.

On the expenditure side of the fiscal 2010 budget, all departments were required to reduce their budgets by 8% for fiscal year 2010 and an additional 2% for the fiscal 2011 budget. These reductions were achieved by an across the board wage freeze for all City employees, both union and non-union. In addition, certain vacant positions were left unfilled and a voluntary retirement incentive package was offered to eligible employees. Motor vehicle replacement funding was put on hold for one year and all planned vehicle purchases were postponed by one year. A majority of the capital projects budgeted for next year include the

completion of projects started in previous fiscal years, including the completion of Fire Station #1 and municipal riverwall improvements and the continuation of the First Street development.

### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

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

City of St. Charles, Illinois

Statement of Net Assets

April 30, 2009

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 53,724,485	\$ 19,291,681	\$ 73,016,166
Restricted Cash and Investments	-	1,030,993	1,030,993
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	14,130,065	22,412	14,152,477
Accounts Receivable	29,276	4,022,611	4,051,887
Accrued Interest on Investments	53,327	29,376	82,703
Miscellaneous	340,471	60,435	400,906
Prepaid Items	351,359	101,315	452,674
Internal Balances	(4,233,272)	4,233,272	-
Due from Other Governments	5,126,943	-	5,126,943
Inventory	3,049,612	54,613	3,104,225
Deferred Charges	1,220,916	131,336	1,352,252
Capital Assets Not Being Depreciated	73,176,617	1,881,061	75,057,678
Capital Assets (Net of Accumulated Depreciation)	89,343,343	111,968,207	201,311,550
Net Pension Asset	156,864	-	156,864
<b>Total Assets</b>	<b>236,470,006</b>	<b>142,827,312</b>	<b>379,297,318</b>
<b>LIABILITIES</b>			
Accounts Payable	2,773,207	3,259,372	6,032,579
Claims Payable	1,580,176	356,813	1,936,989
Contracts Payable	494,051	44,973	539,024
Accrued Salaries	637,392	150,210	787,602
Accrued Interest Payable	1,644,578	320,684	1,965,262
Escrows and Refundable Deposits	2,206,467	1,052,147	3,258,614
Unearned Revenue			
Property Taxes	14,130,066	22,412	14,152,478
Other Unearned Revenue	124,336	-	124,336
Long-Term Liabilities			
Due Within One Year	7,476,449	2,541,568	10,018,017
Due in More than One Year	89,515,905	23,457,876	112,973,781
<b>Total Liabilities</b>	<b>120,582,627</b>	<b>31,206,055</b>	<b>151,788,682</b>
<b>NET ASSETS</b>			
Invested in Capital Assets Net of Related Debt	99,628,444	89,806,332	189,434,776
Restricted For:			
Retirement Obligations	559,452	-	559,452
Ambulance Service	124,533	-	124,533
Mental Health	25,313	-	25,313
Special Service Areas	43,927	-	43,927
Community Development	7,724,249	-	7,724,249
Highways and Streets	2,067,877	-	2,067,877
Public Safety	130,092	-	130,092
Debt Service	2,520,861	-	2,520,861
Unrestricted	3,062,631	21,814,925	24,877,556
<b>Total Net Assets</b>	<b>\$115,887,379</b>	<b>\$111,621,257</b>	<b>\$227,508,636</b>

See accompanying notes to financial statements.

City of St. Charles, Illinois

Statement of Activities

For the Year Ended April 30, 2009

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants	Capital Grants
Primary Government				
Governmental Activities				
General Government	\$ 3,204,672	\$ 380,742	\$ -	\$ -
Public Health and Safety	21,200,071	2,202,465	219,896	43,008
Public Works	14,834,725	189,408	872,594	100,000
Community Development	9,204,338	580,337	-	-
Interest	3,455,958	-	-	-
Total Governmental Activities	51,899,764	3,352,952	1,092,490	143,008
Business-Type Activities				
Electric	43,795,302	39,670,266	-	-
Water	4,708,626	2,851,707	-	-
Sewer	6,764,238	5,555,699	-	-
Refuse	728,318	493,399	-	-
Total Business-Type Activities	55,996,484	48,571,071	-	-
Total Primary Government	\$ 107,896,248	\$ 51,924,023	\$ 1,092,490	\$ 143,008

See accompanying notes to financial statements.

City of St. Charles, Illinois

Statement of Activities

For the Year Ended April 30, 2009

	Net (Expense) Revenue and Change in Net Assets		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (2,823,930)	\$ -	\$ (2,823,930)
	(18,734,702)	-	(18,734,702)
	(13,672,723)	-	(13,672,723)
	(8,624,001)	-	(8,624,001)
	(3,455,958)	-	(3,455,958)
	<u>(47,311,314)</u>	<u>-</u>	<u>(47,311,314)</u>
	-	(4,125,036)	(4,125,036)
	-	(1,856,919)	(1,856,919)
	-	(1,208,539)	(1,208,539)
	-	(234,919)	(234,919)
	<u>-</u>	<u>(7,425,413)</u>	<u>(7,425,413)</u>
	<u>(47,311,314)</u>	<u>(7,425,413)</u>	<u>(54,736,727)</u>
General Revenues			
Taxes			
Property	13,131,263	-	13,131,263
Personal Property Replacement	100,102	-	100,102
Municipal Sales and Use	14,800,130	-	14,800,130
Electric Franchise Fee	1,882,001	-	1,882,001
Hotel Occupation	1,795,525	-	1,795,525
Telecommunications Fee	1,510,057	-	1,510,057
State Income	2,900,549	-	2,900,549
Other	49,626	-	49,626
Investment Income	750,645	374,971	1,125,616
Connection Charges	-	255,960	255,960
Miscellaneous	667,320	205,265	872,585
Contributions	1,205,121	280,286	1,485,407
Transfers In (Out)	251,524	(251,524)	-
Total	<u>39,043,863</u>	<u>864,958</u>	<u>39,908,821</u>
Change in Net Assets	<u>(8,267,451)</u>	<u>(6,560,455)</u>	<u>(14,827,906)</u>
Net Assets, May 1	124,188,234	120,640,684	244,828,918
Prior Period Adjustments	(33,404)	(2,458,972)	(2,492,376)
Net Assets, May 1, Restated	<u>124,154,830</u>	<u>118,181,712</u>	<u>242,336,542</u>
Net Assets, April 30	<u>\$ 115,887,379</u>	<u>\$ 111,621,257</u>	<u>\$ 227,508,636</u>

See accompanying notes to financial statements.

City of St. Charles, Illinois

Balance Sheet

Governmental Funds

April 30, 2009

	<u>General</u>	<u>Zylstra Project Capital Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and Investments	\$18,841,163	\$ 7,942	\$28,811,283	\$47,660,388
Receivables				
Property Taxes	12,561,419	-	1,568,646	14,130,065
Accounts Receivable	-	-	29,276	29,276
Accrued Interest on Investments	45,983	-	-	45,983
Miscellaneous, net	304,934	-	-	304,934
Prepaid Items	76,266	-	-	76,266
Due from Other Funds	20,003	-	358,497	378,500
Due from Other Governments	5,063,373	-	63,570	5,126,943
Advances to Other Funds	2,487,807	-	111,541	2,599,348
	<hr/>			
TOTAL ASSETS	\$39,400,948	\$ 7,942	\$30,942,813	\$70,351,703
	<hr/>			
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,184,408	\$ -	\$ 1,517,957	\$ 2,702,365
Contracts Payable	20,278	-	473,773	494,051
Accrued Salaries	598,016	-	3,509	601,525
Escrows and Refundable Deposits	2,206,467	-	-	2,206,467
Due to Other Funds	3,358,497	-	20,003	3,378,500
Advances From Other Funds	-	-	2,487,807	2,487,807
Deferred Revenue				
Property Taxes	12,561,419	-	1,568,647	14,130,066
Other Deferred Revenue	124,336	-	-	124,336
	<hr/>			
Total Liabilities	20,053,421	-	6,071,696	26,125,117
	<hr/>			
<b>FUND BALANCES</b>				
Reserved for Retirement Obligations	559,452	-	-	559,452
Reserved for Ambulance Service	124,533	-	-	124,533
Reserved for Mental Health	25,313	-	-	25,313
Reserved for Special Service Areas	43,927	-	-	43,927
Reserved for Prepaid Items	76,266	-	-	76,266
Reserved for Capital Outlay	1,172,810	-	-	1,172,810
Reserved for Advances to Other Funds	2,487,807	-	111,541	2,599,348
Reserved for Community Development	-	-	7,724,249	7,724,249
Reserved for Highways and Streets	-	-	2,067,877	2,067,877
Reserved for Public Safety	-	-	130,092	130,092
Reserved for Debt Service	-	-	2,409,320	2,409,320
Unreserved				
Undesignated - General Fund	14,857,419	-	-	14,857,419
Undesignated (Deficit) - Special Revenue Funds	-	-	(2,400,267)	(2,400,267)
Undesignated - Capital Project Funds	-	7,942	14,828,305	14,836,247
	<hr/>			
Total Fund Balances	19,347,527	7,942	24,871,117	44,226,586
	<hr/>			
TOTAL LIABILITIES AND FUND BALANCES	\$39,400,948	\$ 7,942	\$30,942,813	\$70,351,703
	<hr/>			

See accompanying notes to financial statements.

City of St. Charles, Illinois

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

April 30, 2009

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Fund Balances of Governmental Funds	\$ 44,226,586
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	157,774,057
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	(90,985,269)
Compensated Absences Payable	(3,234,118)
Interest Payable	(1,644,578)
Other Post Employment Benefits	(1,906,651)
Developer Agreement Payable	(716,125)
The net assets of the internal service fund are included in the governmental activities in the statement of net assets	10,995,697
Unamortized bond issuance costs are reported as an asset on the statement of net assets but are shown as an expenditure in the governmental funds	1,220,916
The net pension asset is not a current financial resource and is therefore not reported in the governmental funds	<u>156,864</u>
Net Assets of Governmental Activities	<u><u>\$ 115,887,379</u></u>

See accompanying notes to financial statements.

City of St. Charles, Illinois  
Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended April 30, 2009

	<u>General</u>	<u>Zylstra Project Capital Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Property Taxes	\$12,021,399	\$ -	\$ 1,109,864	\$13,131,263
Personal Property Replacement Taxes	100,102	-	-	100,102
Municipal Sales and Use Taxes	14,501,985	-	298,145	14,800,130
Electric Franchise Fee	1,882,001	-	-	1,882,001
Hotel Occupations Tax	1,737,237	-	58,288	1,795,525
Telecommunications Fee	1,510,057	-	-	1,510,057
Admissions Tax	49,626	-	-	49,626
Licenses and Permits	497,362	-	-	497,362
Fines and Court Fees	376,626	-	-	376,626
Grants	207,385	-	100,000	307,385
Illinois State Income Tax Allotments	2,900,549	-	-	2,900,549
Motor Fuel Tax Allotments	-	-	857,445	857,445
Charges to Other Governmental Units	-	-	41,355	41,355
Charges for Current Services	2,357,393	-	-	2,357,393
Regional Transportation Authority Reimbursements	-	-	80,215	80,215
Investment Income	246,494	3	504,148	750,645
Miscellaneous	665,771	-	69,719	735,490
Total Revenues	39,053,987	3	3,119,179	42,173,169
<b>Expenditures:</b>				
Current-				
General Government	3,102,405	-	332,749	3,435,154
Public Health and Safety	20,507,678	-	605,710	21,113,388
Public Works	9,005,568	-	1,939,701	10,945,269
Community Development	1,853,650	7,638,222	-	9,491,872
Debt Service-				
Principal	80,317	-	3,167,206	3,247,523
Interest and Fiscal Charges	12,142	-	3,028,666	3,040,808
Capital Outlay	-	-	8,112,311	8,112,311
Total Expenditures	34,561,760	7,638,222	17,186,343	59,386,325
Excess (Deficiency) of Revenues Over Expenditures	4,492,227	(7,638,219)	(14,067,164)	(17,213,156)
<b>Other Financing Sources (Uses):</b>				
Issuance of Bonds	1,183,694	7,698,498	11,052,808	19,935,000
Premium on Bonds	5,960	-	-	5,960
Discount on Bonds	-	(52,337)	(1,429)	(53,766)
Proceeds from the Sale of Capital Assets	2,500	-	-	2,500
Transfers In	-	-	5,985,919	5,985,919
Transfers Out	(4,786,826)	-	(1,232,439)	(6,019,265)
Total Other Financing Sources (Uses)	(3,594,672)	7,646,161	15,804,859	19,856,348
Net Change in Fund Balances	897,555	7,942	1,737,695	2,643,192
Fund Balance, May 1	18,449,972	-	23,133,422	41,583,394
Fund Balance, April 30	\$19,347,527	\$ 7,942	\$24,871,117	\$44,226,586

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, 2009

Net Change in Fund Balances -	
Total Governmental Funds	\$ 2,643,192
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	8,644,334
Contributions of capital assets are reported only in the statement of activities	1,205,121
Proceeds from the disposal of capital assets is reported in the governmental funds, but gain or loss on the disposal of capital assets is calculated and reported in the statement of activities	(1,576,877)
The issuance of long-term debt is reported as another financing source in governmental funds but as an increase of principal outstanding in the statement of activities	(19,935,000)
The repayment of the principal portion long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	3,247,524
The change in compensated absences is an increase of expenses on the statement of activities	(24,661)
The premium on bonds issued is an other financing source in governmental funds but is amortized on the statement of activities	47,808
The amortization of bond discount and premium is not reported as an expenditure in governmental funds	11,139
The bond issuance costs are an expenditure on the governmental funds but are amortized on the statement of activities	415,545
The amortization of bond issuance costs is not reported as an expenditure in governmental funds	(51,739)
The amortization of a loss on a refunding bond is not reported as an expenditure in governmental funds	(19,368)
The change in accrued interest payable is reported as interest expense on the statement of activities	(426,290)
The change in other post employment benefit payable is reported as an expense on the statement of activities	(991,883)
Some expenses in the statement of activities (e.g. depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(3,462,505)
The change in payable to developers is a decrease of expenses on the statement of activities	358,062
The addition (reduction) in net assets of certain activities of internal service funds is included in governmental funds	1,702,889
The change in net pension asset is not a current financial resource and therefore is not reported in the governmental funds	(54,742)
Change in Net Assets of Governmental Activities	\$ (8,267,451)

See accompanying notes to financial statements.

City of St. Charles, Illinois

Statement of Net Assets

Proprietary Funds

April 30, 2009

	Business-Type Activities					Governmental
	Electric Fund	Water Fund	Sewer Fund	Nonmajor	Total	Internal
				Enterprise Fund (Refuse)		Service Funds
<b>Current Assets</b>						
Cash and Investments	\$ 3,347,700	\$ 7,695,804	\$ 8,066,999	\$ 181,178	\$ 19,291,681	\$ 6,064,097
Restricted Cash and Investments	916,861	114,132	-	-	1,030,993	-
Receivables-						
Property Tax	22,412	-	-	-	22,412	-
Billed	693,222	98,669	239,992	24,984	1,056,867	-
Unbilled	2,397,669	178,327	393,665	35,841	3,005,502	-
Allowance for Doubtful Accounts	(33,758)	(2,000)	(3,000)	(1,000)	(39,758)	-
Accrued Interest on Investments	-	14,688	14,688	-	29,376	7,344
Miscellaneous, net	58,416	815	1,154	50	60,435	35,537
	3,137,961	290,499	646,499	59,875	4,134,834	42,881
Prepaid Items	47,578	20,480	33,257	-	101,315	275,093
Due From Other Funds	1,000,000	-	2,000,000	-	3,000,000	-
Advance To Other Funds	1,233,272	-	-	-	1,233,272	-
Deferred Charges	39,406	52,768	39,162	-	131,336	-
Inventory	54,613	-	-	-	54,613	3,049,612
<b>Total Current Assets</b>	<b>9,777,391</b>	<b>8,173,683</b>	<b>10,785,917</b>	<b>241,053</b>	<b>28,978,044</b>	<b>9,431,683</b>
<b>Capital Assets</b>						
Capital Assets Not Being Depreciated	991,180	572,224	317,657	-	1,881,061	-
Capital Assets Being Depreciated	90,125,383	31,922,873	70,819,474	163,687	193,031,417	8,796,592
Accumulated Depreciation	(34,192,358)	(14,979,916)	(31,779,270)	(111,666)	(81,063,210)	(4,050,689)
<b>Net Capital Assets</b>	<b>56,924,205</b>	<b>17,515,181</b>	<b>39,357,861</b>	<b>52,021</b>	<b>113,849,268</b>	<b>4,745,903</b>
<b>Total Assets</b>	<b>66,701,596</b>	<b>25,688,864</b>	<b>50,143,778</b>	<b>293,074</b>	<b>142,827,312</b>	<b>14,177,586</b>
<b>Current Liabilities</b>						
Accounts Payable	2,861,875	249,717	110,513	37,267	3,259,372	70,843
Claims Payable	121,144	55,714	179,955	-	356,813	1,580,176
Contracts Payable	-	-	44,973	-	44,973	-
Accrued Salaries	78,828	33,515	37,867	-	150,210	35,867
Accrued Interest Payable	118,569	30,985	171,130	-	320,684	-
Escrows and Customer Deposits	261,518	633,183	157,446	-	1,052,147	-
Advances from Other Funds	-	-	-	-	-	1,344,813
Accrued Compensated Absences	284,964	197,382	178,900	-	661,246	86,754
General Obligation Bonds Payable	598,218	60,000	75,000	-	733,218	-
IEPA Loan Payable	-	-	1,147,104	-	1,147,104	-
Unearned Revenue						
Property Tax	22,412	-	-	-	22,412	-
<b>Total Current Liabilities</b>	<b>4,347,528</b>	<b>1,260,496</b>	<b>2,102,888</b>	<b>37,267</b>	<b>7,748,179</b>	<b>3,118,453</b>
<b>Long-Term Liabilities</b>						
General Obligation Bonds Payable	6,315,590	1,705,000	1,785,000	-	9,805,590	-
Unamortized Discount/Premium on GO Bonds Payable	(9,430)	15,888	5,780	-	12,238	-
IEPA Loan Payable	-	-	13,375,779	-	13,375,779	-
Net OPEB Obligation	66,996	105,396	91,877	-	264,269	63,436
<b>Total Long-Term Liabilities</b>	<b>6,373,156</b>	<b>1,826,284</b>	<b>15,258,436</b>	<b>-</b>	<b>23,457,876</b>	<b>63,436</b>
<b>Total Liabilities</b>	<b>10,720,684</b>	<b>3,086,780</b>	<b>17,361,324</b>	<b>37,267</b>	<b>31,206,055</b>	<b>3,181,889</b>
<b>Net Assets</b>						
Invested in Capital Assets Net of Related Debt	50,936,688	15,848,425	22,969,198	52,021	89,806,332	4,745,903
Unrestricted	5,044,224	6,753,659	9,813,256	203,786	21,814,925	6,249,794
<b>Total Net Assets</b>	<b>\$55,980,912</b>	<b>\$22,602,084</b>	<b>\$32,782,454</b>	<b>\$ 255,807</b>	<b>\$111,621,257</b>	<b>\$10,995,697</b>

See accompanying notes to financial statements.

City of St. Charles, Illinois

Proprietary Funds

Statement of Revenues, Expenses and Changes in Net Assets

For the Year Ended April 30, 2009

	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	\$39,010,891	\$ 2,827,038	\$ 5,538,062	\$ 493,399	\$47,869,390	\$ 2,628,495
Insurance Premiums	-	-	-	-	-	5,401,071
Rental Income	-	-	-	-	-	934,451
Sale of Inventory	-	-	-	-	-	2,655,217
Miscellaneous Revenues	659,375	24,669	17,637	-	701,681	972,199
Total Operating Revenues	39,670,266	2,851,707	5,555,699	493,399	48,571,071	12,591,433
Operating Expenses:						
Administration	2,636,252	1,958,030	2,843,059	95,928	7,533,269	1,412,650
Operations	36,805,514	1,824,609	1,931,680	630,031	41,191,834	9,276,299
Provision for Depreciation	4,154,349	872,369	1,553,260	11,550	6,591,528	642,625
Total Operating Expenses	43,596,115	4,655,008	6,327,999	737,509	55,316,631	11,331,574
Operating Income (Loss)	(3,925,849)	(1,803,301)	(772,300)	(244,110)	(6,745,560)	1,259,859
Non-Operating Revenues (Expenses)						
Gain on Sale of Property	39,223	22,002	27,700	9,191	98,116	72,922
Pole Rental	25,177	-	-	-	25,177	-
Investment Income	80,588	133,644	156,789	3,950	374,971	85,238
Connection Charges	80,060	52,784	123,116	-	255,960	-
Rental Income	-	61,881	1,812	5,080	68,773	-
Interest Expense	(238,410)	(75,620)	(463,939)	-	(777,969)	-
Other Income	72,442	5,784	16,717	16,372	111,315	-
Non-Operating Revenues, net	59,080	200,475	(137,805)	34,593	156,343	158,160
Net Income (Loss) Before Transfers	(3,866,769)	(1,602,826)	(910,105)	(209,517)	(6,589,217)	1,418,019
Transfers In	209,064	-	-	261,000	470,064	291,761
Transfers Out	(363,990)	(123,418)	(234,180)	-	(721,588)	(6,891)
Net Income (Loss)	(4,021,695)	(1,726,244)	(1,144,285)	51,483	(6,840,741)	1,702,889
Developer Contributions	-	160,620	119,666	-	280,286	-
Change in Net Assets	(4,021,695)	(1,565,624)	(1,024,619)	51,483	(6,560,455)	1,702,889
Net Assets, May 1	61,979,573	24,527,212	33,929,575	204,324	120,640,684	9,296,606
Prior Period Adjustments	(1,976,966)	(359,504)	(122,502)	-	(2,458,972)	(3,798)
Net Assets, May 1, Restated	60,002,607	24,167,708	33,807,073	204,324	118,181,712	9,292,808
Net Assets, April 30	\$55,980,912	\$22,602,084	\$32,782,454	\$ 255,807	\$111,621,257	\$10,995,697

See accompanying notes to financial statements.

City of St. Charles, Illinois

Statement of Cash Flows

Proprietary Funds

For the Year Ended April 30, 2009

	Business-Type Activities				Total	Governmental
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Fund (Refuse)		Internal Service Funds
<b>Cash Flows from Operating Activities</b>						
Receipts from Customers and Users	\$ 39,656,916	\$ 2,934,492	\$ 5,796,970	\$ 493,127	\$ 48,881,505	\$ -
Receipts from Interfund Users	-	-	-	-	-	11,761,746
Receipts from Miscellaneous Revenues	77,115	67,665	18,529	21,452	184,761	972,198
Payments to Suppliers	(36,609,325)	(1,397,869)	(2,279,661)	(684,624)	(40,971,479)	(8,852,198)
Payments to Employees	(711,765)	(1,270,945)	(1,576,387)	(9,676)	(3,568,773)	(1,362,550)
Payments to Other Funds	(1,895,515)	(852,884)	(1,271,028)	(86,986)	(4,106,413)	-
<b>Net Cash from Operating Activities</b>	<b>517,426</b>	<b>(519,541)</b>	<b>688,423</b>	<b>(266,707)</b>	<b>419,601</b>	<b>2,519,196</b>
<b>Cash Flows from Noncapital Financing Activities</b>						
Connection Charges	80,060	52,784	123,117	-	255,961	-
Property Taxes	22,412	-	-	-	22,412	-
Transfers In	209,064	-	-	261,000	470,064	291,761
Transfers Out	(363,990)	(123,418)	(234,180)	-	(721,588)	(40,432)
<b>Net Cash from Noncapital Financing Activities</b>	<b>(52,454)</b>	<b>(70,634)</b>	<b>(111,063)</b>	<b>261,000</b>	<b>26,849</b>	<b>251,329</b>
<b>Cash Flows from Capital and Related Financing Activities</b>						
Capital Assets Purchased	(4,408,330)	(383,106)	(380,959)	-	(5,172,395)	(692,768)
Sale of Capital Assets	39,223	22,002	27,700	9,191	98,116	82,950
Proceeds on Long-Term Debt	2,400,594	-	-	-	2,400,594	-
Principal Payments on Long-Term Debt	(503,110)	(65,000)	(1,184,571)	-	(1,752,681)	-
Interest Payments on Long-Term Debt	(201,627)	(67,717)	(473,487)	-	(742,831)	-
<b>Net Cash from Capital and Related Financing Activities</b>	<b>(2,673,250)</b>	<b>(493,821)</b>	<b>(2,011,317)</b>	<b>9,191</b>	<b>(5,169,197)</b>	<b>(609,818)</b>
<b>Cash Flows from Investing Activities</b>						
Purchase of Investment Securities	(1,123,293)	(20,230)	(79,403)	-	(1,222,926)	-
Proceeds from Sale and Maturities of Investment Securities	3,645,964	551,954	1,109,953	-	5,307,871	(35,304)
Interest Received	80,588	163,324	156,789	3,950	404,651	100,078
<b>Net Cash from Investing Activities</b>	<b>2,603,259</b>	<b>695,048</b>	<b>1,187,339</b>	<b>3,950</b>	<b>4,489,596</b>	<b>64,774</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>394,981</b>	<b>(388,948)</b>	<b>(246,618)</b>	<b>7,434</b>	<b>(233,151)</b>	<b>2,225,481</b>
Cash and Cash Equivalents, May 1	159,354	585,684	2,686,704	173,744	3,605,486	2,851,605
<b>Cash and Cash Equivalents, April 30</b>	<b>\$ 554,335</b>	<b>\$ 196,736</b>	<b>\$ 2,440,086</b>	<b>\$ 181,178</b>	<b>\$ 3,372,335</b>	<b>\$ 5,077,086</b>

See accompanying notes to financial statements.

City of St. Charles, Illinois

Statement of Cash Flows

Proprietary Funds

For the Year Ended April 30, 2009

	Business-Type Activities				Total	Governmental
	Electric Fund	Water Fund	Sewer Fund	Nonmajor Enterprise Fund (Refuse)		Internal Service Funds
<b>Cash and Investments</b>						
Cash and Cash Equivalents	\$ 554,335	\$ 196,736	\$ 2,440,086	\$ 181,178	\$ 3,372,335	\$ 5,077,086
Investments	3,710,226	7,613,200	5,626,913	-	16,950,339	987,011
<b>Total Cash and Investments</b>	<b>\$ 4,264,561</b>	<b>\$ 7,809,936</b>	<b>\$ 8,066,999</b>	<b>\$ 181,178</b>	<b>\$ 20,322,674</b>	<b>\$ 6,064,097</b>
<b>Noncash Transactions</b>						
Contributions of Capital Assets from Developers	\$ -	\$ 461,829	\$ 956,778	\$ -	\$ 1,418,607	\$ -
Transfer of property, plant and equipment from Electric Fund to Communications Fund	(1,233,272)	-	-	-	(1,233,272)	1,233,272
<b>Total Noncash Transactions</b>	<b>\$ (1,233,272)</b>	<b>\$ 461,829</b>	<b>\$ 956,778</b>	<b>\$ -</b>	<b>\$ 185,335</b>	<b>\$ 1,233,272</b>
<b>Cash Flows from Operating Activities</b>						
Operating Income (Loss)	\$ (3,925,849)	\$ (1,803,301)	\$ (772,300)	\$ (244,110)	\$ (6,745,560)	\$ 1,259,859
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities						
Depreciation	4,154,349	872,369	1,553,260	11,550	6,591,528	642,625
Other Non-Operating Revenues	77,115	67,665	18,529	21,452	184,761	-
Changes in Assets and Liabilities						
Receivables	(37,633)	74,071	239,105	(272)	275,271	142,512
Inventory	(2,936)	-	-	-	(2,936)	60,697
Prepays	(3,444)	(2,802)	(5,836)	-	(12,082)	(17,726)
Accounts and Claims Payable	164,052	181,679	(414,701)	(54,592)	(123,562)	379,464
Accrued Salaries	25,642	14,060	14,974	(735)	53,941	13,778
Accrued Compensated Absences	6,975	13,138	5,451	-	25,564	4,974
Net OPEB Obligation	34,872	54,866	47,775	-	137,513	33,013
Customer Deposits	24,283	8,714	2,166	-	35,163	-
<b>Net Cash from Operating Activities</b>	<b>\$ 517,426</b>	<b>\$ (519,541)</b>	<b>\$ 688,423</b>	<b>\$ (266,707)</b>	<b>\$ 419,601</b>	<b>\$ 2,519,196</b>

See accompanying notes to financial statements.

City of St. Charles, Illinois  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
April 30, 2009

	Pension Trust Funds	Agency Funds
<b>Assets</b>		
Cash and Short-Term Investments	\$ 7,089,605	\$ 1,954,527
Investments, at Fair Value		
U.S. Treasury and Agency Securities	19,364,819	-
Mutual Funds	4,379,934	-
Equity Securities	7,776,832	-
Receivables		
Accounts Receivable	-	1,080,074
Accrued Interest on Investments	93,907	-
	38,705,097	\$ 3,034,601
<b>Total Assets</b>	38,705,097	\$ 3,034,601
<b>Liabilities</b>		
Accounts Payable	13,544	14,023
Due to Other Governments	-	2,627,596
Due to Bondholders	-	392,982
	13,544	392,982
<b>Total Liabilities</b>	13,544	\$ 3,034,601
<b>Net Assets Held In Trust</b>		
For Pension Benefits	\$38,691,553	

See accompanying notes to financial statements.

City of St. Charles, Illinois  
Statement of Changes in Fiduciary Net Assets  
Pension Trust Funds  
For the Year Ended April 30, 2009

Additions:	
Contributions -	
Employer	\$1,959,871
Employee	858,432
Total Contributions	<u>2,818,303</u>
Investment Income -	
Net Appreciation (Depreciation) in the	
Fair Value of Investments	(6,341,654)
Interest	1,370,036
Total Investment Income	<u>(4,971,618)</u>
Less Investment Expense	(204,094)
Net Investment Income	<u>(5,175,712)</u>
Total Additions	<u>(2,357,409)</u>
Deductions:	
Pension Benefits	1,996,869
Miscellaneous	51,320
Total Deductions	<u>2,048,189</u>
Net (Decrease)	(4,405,598)
Net Assets Held In Trust	
For Pension Benefits	
May 1	<u>43,097,152</u>
April 30	<u><u>\$38,691,554</u></u>

See accompanying notes to financial statements.

CITY OF ST. CHARLES, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS

April 30, 2009

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

The City operates under a Mayor-Council form of government consisting of 5 wards and 10 aldermen. The Mayor is elected at large to a four-year term and the Council is elected by ward to staggered four year terms. The day-to-day affairs of the City are conducted by full time staff and are administered by seven department heads and the City Administrator. Department heads and the City Administrator are appointed by the Mayor and confirmed by the City Council. Department heads report directly to the City Administrator, who reports directly to the Mayor and the City Council on a regular basis.

The City is the largest municipality in what is commonly referred to as the tri-city metropolitan area, others being the Cities of Batavia and Geneva. The 2002 Bureau of the Census data indicated the City to have a population of 31,824 (with a current estimated population of 32,826).

The City provides the following services as authorized by its charter: public safety (police and fire), highways and streets, health, social and cultural services, water and sanitation, public improvements, planning and zoning, general administrative services and police and fire pension. As required by generally accepted accounting principles, these financial statements present the City (the primary government). In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was based upon the significance of its operational or financial relationship with the primary government. There are no component units that are required to be included in the City's general purpose external financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting

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

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

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

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

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

C. Government-Wide and Fund Financial Statements

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The City reports the following major governmental funds:

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

The Zylstra Capital Projects Fund accounts for proceeds of the 2008 Series Revenue Bonds issued for commercial development on the City's west side.

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, sewer and refuse 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, worker's compensation and health insurance programs; materials and supplies inventory; and motor vehicles used by the City's Departments/Funds of the City on a cost reimbursement basis.

The City reports pension trust funds as fiduciary funds to account for the Police Pension Fund and Firefighter's Pension Fund. Furthermore, the City reports the following agency funds as fiduciary funds: the Tri City Ambulance Fund where the City serves as custodian, the Special Service Area No. 21 Bond Fund and the North Central Narcotics Task Force Fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

E. Cash and Investments

Cash and Cash Equivalents

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

Investments

Investments with a maturity of less than one year when purchased and nonnegotiable certificates of deposit are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is based on prices listed on national exchanges as of April 30, 2009 for debt and equity securities. Mutual funds, investment funds and insurance separate accounts are valued at contract value as of April 30, 2009.

F. Interfund Receivables/Payables

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

G. Inventories

Inventories are valued at cost, which approximates market, using the average cost method.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Prepaid Items

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

I. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, storm sewers and similar items), 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 \$20,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

J. Deferred Charges

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated Absences

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

L. Long-Term Obligations

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

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

M. Fund Balance/Net Assets

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Interfund Transactions

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

2. DEPOSITS AND INVESTMENTS

A. City Investments

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

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

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

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

2. DEPOSITS AND INVESTMENTS (Continued)

A. City Investments (Continued)

Deposits with Financial Institutions

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

Investments

The following table presents the investments and maturities of the City’s debt securities as of April 30, 2009:

Investment Type	Fair Value	Investment Maturities in Years			
		Less Than 1	1-5	6-10	Greater than 10
U.S. Agency Obligations	\$ 5,565,340	\$ -	\$ 5,565,340	\$ -	\$ -
Money Market Mutual Funds	32,664,560	32,664,560	-	-	-
Illinois Funds	6,007,534	6,007,534	-	-	-
<b>TOTAL</b>	<b>\$ 44,237,434</b>	<b>\$ 38,672,094</b>	<b>\$ 5,565,340</b>	<b>\$ -</b>	<b>\$ -</b>

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

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

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

2. DEPOSITS AND INVESTMENTS (Continued)

A. City Investments (Continued)

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

Concentration of credit risk is the risk that the City has a high percentage of their investments invested in one type of investment. At April 30, 2009, the City had less than the 30 percent of its over all portfolio invested in Illinois Funds. 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's investment policy authorizes the Police Pension Fund to invest in all investments allowed by the Illinois Pension Code contained in Chapter 40 of Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, equity security and indexed certificate of deposits.

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

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Police Pension Fund's deposits may not be returned to it. The Police Pension Fund's investment policy does not require pledging of collateral for its deposits in excess of federal depository insurance. However, all deposits at April 30, 2009 are covered by federal depository insurance.

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

2. DEPOSITS AND INVESTMENTS (Continued)

B. Police Pension Investments (Continued)

Investments

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of April 30, 2009:

Investment Type	Fair Value	Investment Maturities in Years			
		Less Than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 2,931,484	\$ 235,265	\$ 1,559,020	\$ 376,183	\$ 761,016
U.S. Agency Obligations	7,753,090	173,985	1,539,826	679,674	5,359,605
Money Market Mutual Funds	2,707,396	2,707,396	-	-	-
<b>TOTAL</b>	<b>\$ 13,391,970</b>	<b>\$ 3,116,646</b>	<b>\$ 3,098,846</b>	<b>\$ 1,055,857</b>	<b>\$ 6,120,621</b>

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

C. Firefighters' Pension Investments

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

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

2. DEPOSITS AND INVESTMENTS (Continued)

C. Firefighters' Pension Investments (Continued)

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

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Firefighters' Pension Fund's deposits may not be returned to it. The Firefighters' Pension Fund's investment policy does not require pledging of collateral for its deposits in excess of federal depository insurance. However, all deposits at April 30, 2009 are covered by federal depository insurance.

Investments

The following table presents the investments and maturities of the Firefighters' Pension Fund's debt securities as of April 30, 2009:

Investment Type	Fair Value	Investment Maturities in Years			
		Less Than 1	1-5	6-10	Greater than 10
U.S. Treasury Obligations	\$ 3,258,310	\$ -	\$ 1,166,061	\$ 2,092,249	\$ -
U.S. Agency Obligations	5,421,935	-	-	23,819	5,398,116
Money Market Mutual Funds	260,675	260,675	-	-	-
Illinois Funds	2,622	2,622	-	-	-
<b>TOTAL</b>	<b>\$ 8,943,542</b>	<b>\$ 263,297</b>	<b>\$ 1,166,061</b>	<b>\$ 2,116,068</b>	<b>\$ 5,398,116</b>

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

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

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

3. RECEIVABLES - PROPERTY TAXES

Property taxes for the 2008 levy year attach as an enforceable lien on January 1, 2008, 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, 2009 and August 1, 2009, and are payable in two installments, on or about June 1, 2009 and September 1, 2009. The County collects such taxes and remits them periodically.

The 2008 taxes are intended to finance the 2010 fiscal year and are not considered available or earned for current operations and are, therefore, shown as deferred/unearned revenue. The 2009 tax levy has not been recorded as a receivable at April 30, 2009, as the tax attached as a lien on property as of January 1, 2009, however, the tax will not be levied until December 2009 and, accordingly, is not measurable at April 30, 2009.

4. DUE FROM OTHER GOVERNMENTS

Due from other governments consisted of the following amounts at April 30, 2009.

GOVERNMENTAL ACTIVITIES

Sales Tax	\$ 2,015,755
Home Rule Sales Tax	1,131,590
Income Tax	407,330
Local Use Tax	97,191
Auto Rental	8,259
Motor Fuel Tax	63,570
Simplified Telecommunications Tax	367,993
Court Fines	19,515
Due from Grantor Agency (Dept of Transportation)	<u>1,015,740</u>

TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 5,126,943</u>
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5. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2009 is as follows:

	Restated Balances May 1	Increases	Decreases	Balances April 30
GOVERNMENTAL ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 11,429,798	\$ 7,998,590	\$ 1,576,877	\$ 17,851,511
Land Right of Ways	40,434,023	203,818	-	40,637,841
Construction in Progress	20,143,270	8,185,177	13,641,182	14,687,265
Total Capital Assets not Being Depreciated	<u>72,007,091</u>	<u>16,387,585</u>	<u>15,218,059</u>	<u>73,176,617</u>

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

5. CAPITAL ASSETS (Continued)

	Restated Balances May 1	Increases	Decreases	Balances April 30
<b>GOVERNMENTAL ACTIVITIES (Continued)</b>				
Capital Assets Being Depreciated				
Buildings	\$ 37,150,695	\$ 5,607,327	\$ -	\$ 42,758,022
Improvements Other Than Buildings	5,041,812	1,482,449	-	6,524,261
Equipment and Fixtures	12,275,705	726,513	481,500	12,520,718
Streets	61,351,738	161,440	-	61,513,178
Traffic Signals	-	211,500	-	211,500
Storm Sewers	34,222,976	839,863	-	35,062,839
Bridges	4,347,653	-	-	4,347,653
Culverts	1,599,906	-	-	1,599,906
Total Capital Assets Being Depreciated	155,990,485	9,029,092	481,500	164,538,077
Less Accumulated Depreciation for				
Buildings	6,976,561	1,221,213	-	8,197,774
Improvements Other Than Buildings	757,145	245,054	-	1,002,199
Equipment and Fixtures	4,817,847	779,480	471,472	5,125,855
Streets	37,113,228	1,094,461	-	38,207,689
Traffic Signals	-	1,898	-	1,898
Storm Sewers	19,024,388	666,120	-	19,690,508
Bridges	1,573,992	85,386	-	1,659,378
Culverts	1,297,915	11,518	-	1,309,433
Total Accumulated Depreciation	71,561,076	4,105,130	471,472	75,194,734
Total Capital Assets Being Depreciated, Net	84,429,409	4,923,962	10,028	89,343,343
<b>GOVERNMENTAL ACTIVITIES</b>				
CAPITAL ASSETS, NET	\$156,436,500	\$ 21,311,547	\$ 15,228,087	\$162,519,960
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital Assets not Being Depreciated				
Land	\$ 1,248,518	\$ -	\$ -	\$ 1,248,518
Construction in Progress	1,410,641	455,174	1,233,272	632,543
Total Capital Assets not Being Depreciated	2,659,159	455,174	1,233,272	1,881,061
Capital Assets Being Depreciated				
Refuse Equipment	163,687	-	-	163,687
Electric Property	87,105,969	3,088,168	68,754	90,125,383
Water and Sewer Plant and Equipment	102,308,931	589,177	155,761	102,742,347
Total Capital Assets Being Depreciated	189,578,587	3,677,345	224,515	193,031,417

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

5. CAPITAL ASSETS (Continued)

	Restated Balances May 1	Increases	Decreases	Balances April 30
<b>BUSINESS-TYPE ACTIVITIES (Continued)</b>				
Less Accumulated Depreciation for				
Refuse Equipment	\$ 100,115	\$ 11,550	\$ -	\$ 111,665
Electric Property	31,426,924	2,834,188	68,754	34,192,358
Water and Sewer Plant and Equipment	44,489,319	2,425,629	155,761	46,759,187
Total Accumulated Depreciation	<u>76,016,358</u>	<u>5,271,367</u>	<u>224,515</u>	<u>81,063,210</u>
 Total Capital Assets Being Depreciated, net	 <u>113,562,229</u>	 <u>(1,594,022)</u>	 <u>-</u>	 <u>111,968,207</u>
 <b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	 <u>\$116,221,388</u>	 <u>\$ (1,138,848)</u>	 <u>\$ 1,233,272</u>	 <u>\$113,849,268</u>

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

<b>GOVERNMENTAL ACTIVITIES</b>	
General Government	\$ 178,364
Public Health and Safety	565,542
Public Works, Including Depreciation of General Infrastructure Assets	3,354,862
Community Development	<u>6,362</u>
 <b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>	 <u>\$ 4,105,130</u>

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:

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	Balances April 30	Current Portion
\$5,000,000 General Obligation Corporate Purpose Bonds of 1997, annual installments of \$225,000 to \$430,000 through December 1, 2013, interest at 3.90% to 4.10% payable each June 1 and December 1.	Debt Service	\$ 1,860,000	\$ -	\$ 430,000	\$ 1,430,000	\$ 450,000
\$4,200,000 General Obligation Tax Increment Bonds of 1999, annual installments of \$175,000 to \$345,000 through January 1, 2018, interest at 3.75% to 4.85% payable each January 1 and July 1.	TIF #2	2,825,000	-	230,000	2,595,000	240,000
\$5,000,000 General Obligation Corporate Purpose Bonds of 1998, annual installments of \$255,000 to \$430,000 through December 1, 2013, interest at 3.90% to 4.10% payable each June 1 and December 1.	Debt Service	1,603,968	-	243,317	1,360,651	250,171
	Electric	736,032	-	111,683	624,349	114,829
\$4,300,000 General Obligation Bonds of 1999A, annual installments of \$200,000 to \$400,000 through December 1, 2014, interest at 4.85% to 5.00% payable each June 1 and December 1.	Debt Service	1,454,094	-	175,363	1,278,731	187,457
	Electric	950,906	-	114,637	836,269	122,543
\$10,000,000 General Obligation Bonds of 2000, annual installments of \$525,000 to \$950,000 through December 1, 2006, interest at 4.75% to 4.80% payable each June 1 and December 1.	Debt Service	6,475,000	-	675,000	5,800,000	725,000
\$2,860,000 General Obligation Bonds of 2002, annual installments of \$105,000 to \$220,000 through December 1, 2022, interest at 4.40% to 4.90% payable each June 1 and December 1.	TIF # 3	2,420,000	-	120,000	2,300,000	125,000

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	Balances April 30	Current Portion
\$4,890,000 General Obligation Bonds of 2002A, annual installments of \$265,000 to \$415,000, interest at 3.00% to 4.00% payable each June 1 and December 1.	Debt Service	\$ 220,336	\$ -	\$ 18,526	\$ 201,810	\$ 19,154
	Electric	3,289,664	-	276,474	3,013,190	285,846
\$4,435,000 General Obligation Bonds of 2003, annual installments of \$185,000 to \$335,000, interest at 3.00% to 3.50% payable each June 1 and December 1.	TIF #5	4,060,000	-	195,000	3,865,000	200,000
\$6,375,000 General Obligation Bonds of 2004, annual installments of \$245,000 to \$470,000, interest at 2.80% to 4.30% payable each June 1 and December 1.	Debt Service	5,880,000	-	255,000	5,625,000	260,000
\$16,500,000 General Obligation Bonds of 2005A, annual installments of \$625,000 to \$1,175,000, interest at 3.50% to 4.50% payable each June 1 and December 1.	Debt Service	15,875,000	-	650,000	15,225,000	675,000
\$2,615,000 Taxable General Obligation Refunding Bonds of 2005B, annual installments of \$25,000 to \$410,000, interest at 3.85% to 4.85% payable each June 1 and December 1.	TIF #1	2,540,000	-	175,000	2,365,000	200,000
\$10,000,000 General Obligation Bonds of 2006, annual installments of \$3,065,000 to \$3,605,000, interest at 3.95% each June 1 and December 1.	TIF #4	10,000,000	-	-	10,000,000	-
\$4,470,000 General Obligation Bonds of 2007A, annual installments of \$1,660,000 to \$2,810,000, interest at 3.90% to 3.95% payable each June 1 and December 1.	TIF #4	4,470,000	-	-	4,470,000	-

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

6. LONG-TERM DEBT (Continued)

A. General Obligation Bonds (Continued)

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
\$2,000,000 General Obligation Bonds of 2007B, annual installments of \$70,000 to \$405,000, interest at 3.70% payable each June 1 and December 1.	Sewer	\$ 1,930,000	\$ -	\$ 70,000	\$ 1,860,000	\$ 75,000
\$3,530,000 General Obligation Bonds of 2007C, annual installments of \$500,000 to \$2,245,000, interest at 4.00% payable each June 1 and December 1.	TIF #4	3,530,000	-	-	3,530,000	-
\$10,810,000 General Obligation Bonds of 2008A, annual installments of \$315,000 to \$1,790,000, interest at 3.75% to 4.00% payable each June 1 and December 1.	TIF #4	10,810,000	-	-	10,810,000	-
\$1,830,000 General Obligation Bonds of 2008B, annual installments of \$60,000 to \$135,000, interest at 4.125% to 4.500% payable each June 1 and December 1.	Water	1,830,000	-	65,000	1,765,000	60,000
\$13,440,000 General Obligation Bonds of 2008C, annual installments of \$465,000 to \$775,000, interest at 3.60% to 5.400% payable each June 1 and December 1.	Electric  Debt Service	-	2,440,000	-	2,440,000	75,000
		-	11,000,000	-	11,000,000	390,000
TOTAL GENERAL OBLIGATION BONDS		<u>\$ 82,760,000</u>	<u>\$ 13,440,000</u>	<u>\$ 3,805,000</u>	<u>\$ 92,395,000</u>	<u>\$ 4,455,000</u>

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

6. LONG-TERM DEBT (Continued)

B. Revenue Bonds

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

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

The revenue bonds and the interest thereon are limited obligations of the City payable solely from the pledged taxes. Pledged taxes are 75% of the increase, if any, in local sales taxes and 75% of the increase, if any, in home rule sales taxes derived from the specified project area over the amount of taxes collected in the base year. These pledges will remain until all bonds are retired or mature in 2025 as disclosed in note 6-G, Governmental Activities Revenue Bonds. During the current fiscal year, the pledge of sales taxes (local and home rule) was approximately 1.88% of total sales taxes (local and home rule).

C. IEPA Loans

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

	Fund Debt Retired by	Balances May 1	Additions	Retirements	Balances April 30	Current Portion
EPA Loan I	Sewer	\$ 1,145,377	\$ -	\$ 312,218	\$ 833,159	\$ 324,020
EPA Loan II	Sewer	186,331	-	38,874	147,457	40,279
EPA Loan III	Sewer	5,145,453	-	338,775	4,806,678	347,418
EPA Loan IV	Sewer	9,160,293	-	424,704	8,735,589	435,387
TOTAL		\$ 15,637,454	\$ -	\$ 1,114,571	\$ 14,522,883	\$ 1,147,104

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

6. LONG-TERM DEBT (Continued)

D. Installment Contracts

During the fiscal year ended April 30, 2003, the City purchased land via an installment purchase agreement. During the fiscal year ended April 30, 2004, the City purchased fire department equipment via an installment purchase agreement. During the fiscal year ended April 30, 2005, the City purchased emergency equipment via an installment purchase agreement.

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
\$1,050,000 Installment Contract dated November 18, 2002 with monthly installments of \$14,352 including interest at 4%.	General	\$ 330,369	\$ -	\$ 72,769	\$ 257,600	\$ 75,732
\$122,975 Installment Contract dated December 1, 2004 with annual installments of principal of \$38,116 to \$39,365 plus interest at 3.22%.	General	7,548	-	7,548	-	-
TOTAL		<u>\$ 337,917</u>	<u>\$ -</u>	<u>\$ 80,317</u>	<u>\$ 257,600</u>	<u>\$ 75,732</u>

E. Developer Agreements

The City entered into an agreement with the developers of property in the City to reimburse the developer for certain infrastructure improvements constructed by the developer. The agreement requires the City to reimburse the developer \$1,432,250 in four annual installments of \$358,063 payable on June 1. The first installment was due on June 1, 2007. As of April 30, 2009, \$716,126 has been paid related to this agreement.

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

6. LONG-TERM DEBT (Continued)

F. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year	Governmental Activities General Obligation Bonds		Governmental Activities Revenue Bonds	
	Principal	Interest	Principal	Interest
2010	\$ 3,721,781	\$ 3,484,673	\$ -	\$ 657,206
2011	3,896,763	3,313,351	-	620,982
2012	4,042,055	3,151,899	280,000	620,982
2013	4,068,485	2,982,790	320,000	601,523
2014	4,626,934	2,813,531	360,000	579,283
2015	4,734,906	2,621,496	405,000	554,263
2016	4,894,178	2,423,321	450,000	526,114
2017	4,200,120	2,213,701	505,000	494,841
2018	4,035,970	2,036,329	560,000	459,742
2019	3,900,000	1,866,594	620,000	420,823
2020	4,080,000	1,703,369	685,000	377,732
2021	4,355,000	1,531,719	750,000	330,126
2022	4,710,000	1,347,104	775,000	278,000
2023	5,025,000	1,146,542	840,000	224,138
2024	5,290,000	933,817	915,000	165,756
2025	5,310,000	710,672	1,470,000	102,165
2026	5,165,000	485,332	-	-
2027	4,300,000	264,623	-	-
2028	730,000	84,000	-	-
2029	770,000	43,120	-	-
TOTAL	<u>\$ 81,856,192</u>	<u>\$ 35,157,983</u>	<u>\$ 8,935,000</u>	<u>\$ 7,013,676</u>

Fiscal Year	Governmental Activities Installment Contracts	
	Principal	Interest
2010	\$ 75,732	\$ 8,926
2011	78,818	5,840
2012	82,029	2,629
2013	21,021	140
TOTAL	<u>\$ 257,600</u>	<u>\$ 17,535</u>

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

6. LONG-TERM DEBT (Continued)

F. Debt Service Requirements to Maturity (Continued)

Fiscal Year	Business-Type Activities IEPA Loans		Business-Type Activities General Obligation Bonds	
	Principal	Interest	Principal	Interest
2010	\$ 1,147,104	\$ 368,464	\$ 733,218	\$ 451,842
2011	1,180,622	334,948	768,239	419,900
2012	1,039,049	300,412	797,945	390,269
2013	865,972	274,781	836,515	357,449
2014	865,128	253,025	863,066	323,165
2015	887,027	231,126	765,093	287,185
2016	909,482	208,671	630,822	255,681
2017	932,505	185,648	654,880	230,618
2018	956,110	162,043	684,030	204,293
2019	980,313	137,840	305,000	176,578
2020	1,005,128	113,025	320,000	163,496
2021	1,030,571	87,582	335,000	149,497
2022	586,620	64,453	345,000	134,597
2023	601,376	49,697	360,000	119,087
2024	616,505	34,568	385,000	102,857
2025	632,017	19,056	400,000	85,285
2026	287,354	3,592	420,000	66,735
2027	-	-	440,000	47,035
2028	-	-	310,000	26,235
2029	-	-	185,000	10,360
TOTAL	\$ 14,522,883	\$ 2,828,931	\$ 10,538,808	\$ 4,002,164

G. Changes in Long-Term Liabilities

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

	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
General Obligation Bonds Payable	\$ 74,023,398	\$ 11,000,000	\$ 3,167,207	\$ 81,856,191	\$ 3,721,781
Revenue Bonds Payable	-	8,935,000	-	8,935,000	-
Unamortized (Discount) Premium on Bonds Payable	150,370	(47,808)	11,139	91,423	-
Unamortized Loss on Refunding	(174,313)	-	(19,368)	(154,945)	-
Installment Contracts Payable - Governmental Funds	337,917	-	80,317	257,600	75,732
Developer Agreements - Governmental Funds	1,074,187	-	358,062	716,125	358,063
Compensated Absences Payable - Governmental Funds (General Fund)	3,209,457	3,234,118	3,209,457	3,234,118	3,234,118
Compensated Absences Payable - Internal Service Funds	81,780	86,755	81,780	86,755	86,755
Net OPEB Obligation (General Fund)	914,768	991,883	-	1,906,651	-
Net OPEB Obligation - Internal Service Funds	30,423	33,013	-	63,436	-
TOTAL	\$ 79,647,987	\$ 24,232,961	\$ 6,888,594	\$ 96,992,354	\$ 7,476,449

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

6. LONG-TERM DEBT (Continued)

G. Changes in Long-Term Liabilities (Continued)

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

	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
General Obligation Bonds Payable	\$ 8,736,602	\$ 2,440,000	\$ 637,794	\$ 10,538,808	\$ 733,218
Unamortized (Discount) Premium on Bonds Payable	11,855	(318)	(701)	12,238	-
IEPA Loans Payable	15,637,454	-	1,114,571	14,522,883	1,147,104
Compensated Absences Payable	635,682	661,246	635,682	661,246	661,246
Net OPEB Obligation	126,756	137,513	-	264,269	-
<b>TOTAL</b>	<b>\$ 25,148,349</b>	<b>\$ 3,238,441</b>	<b>\$ 2,387,346</b>	<b>\$ 25,999,444</b>	<b>\$ 2,541,568</b>

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 \$3,130,000. These bonds are not an obligation of the City and are secured by the levy of special assessments and real estate taxes on certain property within the special assessment and special service areas. The City is in no way liable for repayment but is only acting as agent for the property owners in levying and collecting the assessments and forwarding the collections to bondholders.

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

6. LONG-TERM DEBT (Continued)

J. Conduit Debt

The City has issued Industrial Development Revenue Bonds (IDRBs) to provide financial assistance to private organizations for the construction and acquisition of industrial and commercial improvements deemed to be in the public interest. The bonds are secured solely by the property financed and are payable solely from the payments received on the underlying mortgage loans on the property. The City is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not reported as a liability in these financial statements. As of April 30, 2009, there were 5 series of IDRBs outstanding. The aggregate principal amount payable for the IDRBs outstanding could not be determined at April 30, 2009. The original principal balance is \$27,042,164.

7. RISK MANAGEMENT

The City is exposed to various risks including but not limited to losses from worker's 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 worker's 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 \$75,000 per individual per year.

Worker's Compensation Insurance - The City is self-insured with a specific stop loss of \$400,000 per occurrence.

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

7. RISK MANAGEMENT (Continued)

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, 2008 and 2009 is as follows:

	<u>2008</u>	<u>2009</u>
CLAIMS PAYABLE, MAY 1	\$ 1,411,497	\$ 1,621,161
Add Claims Incurred	3,537,151	3,781,775
Less Claims Paid	<u>3,327,487</u>	<u>3,465,947</u>
CLAIMS PAYABLE, APRIL 30	<u>\$ 1,621,161</u>	<u>\$ 1,936,989</u>

8. INDIVIDUAL FUND DISCLOSURES

As of April 30, 2009, individual fund interfund receivables and payables were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 378,500
Electric	General	1,000,000
Sewer	General	<u>2,000,000</u>
TOTAL DUE TO/FROM OTHER FUNDS		<u>\$ 3,378,500</u>

Major interfund receivables and payables resulted from the following:

These receivables are for capital expenses associated with the TIF #4 and the future Fire Station #1. The amounts are payable from future property tax revenue and bond issues.

As of April 30, 2009, major individual fund advances between funds were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 2,487,807
Nonmajor Governmental	Internal Service	111,541
Electric	Internal Service	<u>1,233,272</u>
TOTAL		<u>\$ 3,832,620</u>

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

8. INDIVIDUAL FUND DISCLOSURES (Continued)

During the fiscal year ended April 30, 2009, the General Fund advanced the TIF District #2, TIF District #3 and TIF District #5 special revenue funds of \$40,160, \$70,672, and \$76,126, respectively. In prior years, \$2,211,225 was advanced to cover debt service for TIF District #2, TIF District #3, and TIF District #5. The \$2,398,183 advanced as of April 30, 2009 will be repaid from tax increments in future years. The Electric Fund advanced the Communications Fund \$1,233,272 for the purchase of fiber optic cable.

Interfund transfers during the year ended April 30, 2009 were as follows:

	Transfers In	Transfers Out
General		
Electric	\$ -	\$ 209,064
Nonmajor Governmental	-	4,025,000
Nonmajor Enterprise	-	261,000
Internal Service	-	291,762
Total General	-	4,786,826
Nonmajor Governmental		
General	4,025,000	-
Electric	363,990	-
Water	123,418	-
Sewer	234,180	-
Nonmajor Governmental	1,232,439	1,232,439
Internal Service	6,891	-
Total Nonmajor Governmental	5,985,918	1,232,439
Electric		
General	209,064	-
Nonmajor Governmental	-	363,990
Total Electric	209,064	363,990
Water		
Nonmajor Governmental	-	123,418
Sewer		
Nonmajor Governmental	-	234,180

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

8. INDIVIDUAL FUND DISCLOSURES (Continued)

	Transfers In	Transfers Out
Nonmajor Enterprise General	\$ 261,000	\$ -
Internal Service		
General	291,762	-
Sewer	-	-
Nonmajor Governmental	-	6,891
Total Internal Service	<u>291,762</u>	<u>6,891</u>
 TOTAL	 <u>\$ 6,747,744</u>	 <u>\$ 6,747,744</u>

Major interfund transfers resulted from the following:

- \$4,025,000 transfer from the General Fund to Nonmajor Governmental Funds. This transaction relates to money transferred to debt service funds for payments of principal and interest on general obligation debt and for money transferred to the Redgate Bridge Capital Project Fund and the Subsidized Transportation Fund.
- \$1,232,439 transfers from Nonmajor Governmental Funds to Nonmajor Governmental Funds. This transaction relates to money transferred to debt service funds for payments of principal and interest on general obligation debt.
- \$721,588 transfers from the Enterprise Funds to Debt Service Fund. This transaction relates to money transferred to debt service funds for payments of principle and interest on general obligation debt (Public Works Garage).
- \$209,064 transfer to the Electric Fund from the General Fund for maintenance of streetlights and Christmas light decorations.
- \$261,000 transfer to the Refuse Fund from the General Fund to cover expenses not covered by user fees.
- \$291,761 transfers to Internal Service Funds from the General Fund. This transaction relates to money transferred to the Workers Compensation/Liability Insurance Fund to cover insurance premiums.

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

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8. INDIVIDUAL FUND DISCLOSURES (Continued)

The following funds reported deficit fund balances/net assets at April 30, 2009:

Fund	Deficit Balance
TIF District #2 Special Revenue Fund	\$ 1,237,293
TIF District #3 Special Revenue Fund	601,176
TIF District #5 Special Revenue Fund	522,926
Subsidized Transportation Special Revenue Fund	38,872

- Projects in TIF District #2 are still under construction without full occupancy and the TIF has not generated sufficient property tax revenue to cover the debt service.
- The deficit in TIF District #3 is from insufficient property tax revenue to support the debt service.
- The deficit in TIF District #5 is from insufficient property tax revenue to support the debt service.
- The deficit in Subsidized Transportation is from operating expenses exceeding revenues under the Ride in Kane program. This deficit will be addressed by future operating revenues or subsidies.

9. CONTINGENT LIABILITIES

A. Litigation

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

B. Grants

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

9. CONTINGENT LIABILITIES (Continued)

C. Economic Development Incentives

The City has entered into an agreement with a developer whereby the City will reimburse the developer for certain infrastructure improvements ranging from \$0 - \$480,000, if certain thresholds are met by the developer. A remaining liability of \$120,000 has been accrued in the General Fund as of April 30, 2009 as the thresholds were met by the developer.

The City has entered into an agreement with the owners of a local mall to provide an incentive for adding a department store to the mall. The incentive is the lesser amount of a base of \$525,000 in 2002 up to \$700,000 through 2016 or incremental sales taxes generated by the facility, capped at 100% in 2002 decreasing to 32% in 2016. The maximum incentives under this agreement are \$2,000,000. No liability has been accrued as of April 30, 2009 under this agreement as the thresholds have not been met. The total incentives incurred under this agreement through April 30, 2009 are \$283,521.

The City also entered into an agreement with the developer of another local mall to provide reimbursement of allowable costs and also an incentive for adding auto dealers to the mall. The incentive ranges from \$0 - \$2,500,000, through the year 2012, with a \$500,000 incentive per new auto dealer added to the mall. No liability for the incentives has been accrued as of April 30, 2009 under this agreement as the thresholds have not yet been met.

The City has entered into an agreement with a developer to reimburse the developer \$1,432,250 in equal payments over a four year period ending in 2010. The developer is required to comply with the agreement established with the City to receive the payments. As of April 30, 2009, \$770,124 has been paid related to this agreement.

The City has entered into an agreement with car dealer to provide economic incentives over a five-year period. The incentive ranges from \$0 - \$500,000, made in one annual payment, based on the sales tax produced by the dealership during the year. The City retains all sales up to a designated base amount, ranging from \$500,688 - \$554,826, and then remits amounts above this base, at 100% in years 1 through 4 and 65% in year 5, to the dealership up the maximum amount. As of April 30, 2009 no amounts have been paid related to this agreement.

10. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

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

B. Benefits Provided

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

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

C. Membership

At April 30, 2008, membership consisted of:

Retirees and beneficiaries currently receiving benefits	23
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>268</u>
 TOTAL	 <u>291</u>
 Participating employers	 <u>1</u>

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

D. Funding Policy

The City negotiates the contribution percentages between the City and employees through the union contracts and personnel policy. All retirees contribute 100% of the actuarially determined premium to the plan to cover the cost of providing the benefits to the current members via the insured plan (pay as you go) which results in an implicit subsidy to the City as defined by the GASB Statement No. 45. For the fiscal year ending April 30, 2009, retirees contributed \$176,036 and the City contributed \$380,000. The City is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

E. Annual OPEB costs and Net OPEB Obligation

The City first had an actuarial valuation performed for the plan as of April 30, 2008 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC). The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2008 2009 were as follows):

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2008	\$ 1,451,947	\$ 380,000	26.2%	\$ 1,071,947
April 30, 2009	1,509,409	380,000	24.6%	2,234,356

The net OPEB obligation (NOPEBO) as of April 30, 2009, was calculated as follows:

Annual required contribution	\$ 1,524,544
Interest on net OPEB obligation	53,597
Adjustment to annual required contribution	<u>(35,732)</u>
Annual OPEB cost	1,542,409
Contributions made	<u>380,000</u>
Increase in net OPEB obligation	1,162,409
Net OPEB obligation beginning of year	<u>1,071,947</u>
<b>NET OPEB OBLIGATION END OF YEAR</b>	<u><u>\$ 2,234,356</u></u>

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

Funded Status and Funding Progress. The funded status of the plan as of April 30, 2008 (most recent available), was as follows:

Actuarial accrued liability (AAL)	\$ -
Actuarial value of plan assets	15,492,884
Unfunded actuarial accrued liability (UAAL)	15,492,884
Funded ratio (actuarial value of plan assets/AAL)	0.0%
Covered payroll (active plan members)	\$ 25,524,911
UAAL as a percentage of covered payroll	60.7%

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 the financial statements, presents multiyear 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, 2008 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 5.00% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate starting at 8.00% declining .25% annually to 6.00% by 2016. Both rates include a 3.00% inflation assumption. The actuarial value of assets was not determined as the City has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at April 30, 2008, was thirty years.

11. DEFINED BENEFIT PENSION PLANS

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

A. Plan Descriptions

Illinois Municipal Retirement Fund

All employees (other than those covered by the Police or Firefighters' plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount generally equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years and 2.00% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.50% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution for the year ended December 31, 2008 was 9.74% of covered payroll.

Sheriff's Law Enforcement Personnel

Sheriff's Law Enforcement Personnel (SLEP), having accumulated at least 30 years of SLEP service and terminating IMRF participation on or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. SLEP members meeting these two qualifications are entitled to an annual retirement benefit, payable monthly for life, in an amount generally equal to 2.50% of their final rate of earnings, for each year of credited service up to 20 years, 2.00% of their final earnings rate for the next 10 years of credited service and 1.00% for each year thereafter.

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Sheriff's Law Enforcement Personnel (Continued)

For those SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies. SLEP also provides death and disability benefits. These benefit provisions and all other requirements are established by State statutes. SLEP members are required to contribute 6.50% of their annual salary to SLEP. The City is required to contribute the remaining amounts necessary to fund the SLEP as specified by statute. The employer contribution rates for the year ended December 31, 2008 was 12.60% of covered payroll.

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the Police Pension Plan as a pension trust fund. At April 30, 2009, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	37
Terminated Employees Entitled to Benefits but not yet Receiving Them	-
Current Employees	
Vested	36
Nonvested	19
	<hr/>
TOTAL	<u>92</u>

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75.00% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. Contributions are recognized in the period in which amounts are due pursuant to ILCS. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the Police Pension Plan, including the costs of administering the Police Pension Plan as actuarially determined by an enrolled actuary. Effective July 1, 1993, the City has until the year 2033 to fully fund the past service cost for the Police Pension Plan. For the year ended April 30, 2009, the City's contribution was 25.55% of covered payroll.

Firefighters' Pension Plan

Fire sworn personnel are covered by the Firefighters' Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The City accounts for the Firefighters' Pension Plan as a pension trust fund. At April 30, 2009, the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	10
Terminated Employees Entitled to Benefits but not yet Receiving Them	1
Current Employees	
Vested	27
Nonvested	22
	<hr/>
TOTAL	<u>60</u>

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by 1/12 of 2.50% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75.00% of such monthly salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension 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 paid upon reaching the age of at least 55 by 3.00% of the original pension and 3.00% compounded annually thereafter. Benefits and refunds are recognized when due and payable in accordance with the terms of the Firefighters' Pension Plan.

11. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. Contributions are recognized in the period in which amounts are due pursuant to ILCS. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to finance the Firefighters' Pension Plan, including the costs of administering the Firefighters' Pension Plan, as actuarially determined by an enrolled actuary. Effective July 1, 1993, the City has until the year 2033 to fully fund the past services costs for the Firefighters' Pension Plan. For the year ended April 30, 2009, the City's contribution was 19.86% of covered payroll.

B. Significant Investments

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

C. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Actuarial Valuation Date	December 31, 2006	December 31, 2006	April 30, 2008	April 30, 2008
Actuarial Cost Method	Entry-age Normal	Entry-age Normal	Entry-age Normal	Entry-age Normal
Asset Valuation Method	5 Year Smoothed Market	5 Year Smoothed Market	Market	Market
Amortization Method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll
Amortization Period	24 Years, Closed	27 Years, Closed	24 Years, Closed	24 Years, Closed

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

C. Annual Pension Costs (Continued)

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Significant Actuarial Assumptions				
a) Rate of Return on Present and Future Assets	7.50% Compounded Annually	7.50% Compounded Annually	7.00% Compounded Annually	7.00% Compounded Annually
b) Projected Salary Increases - Attributable to Inflation	4.00% Compounded Annually	4.00% Compounded Annually	5.00% Compounded Annually	5.00% Compounded Annually
c) Additional Projected Salary Increases - Seniority/Merit	.40 to 11.60%	.40 to 11.60%	Not Available	Not Available

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

	Fiscal Year	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Fiscal Year	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2007	\$ 1,249,748	\$ 30,581	2007	\$ 934,036	\$ 733,949
	2008	1,299,758	31,866	2008	1,005,139	839,571
	2009	1,262,228	32,327	2009	1,139,966	874,647
Actual Contribution	2007	\$ 1,249,748	\$ 30,581	2007	\$ 936,294	\$ 733,734
	2008	1,299,758	31,866	2008	1,006,125	842,855
	2009	1,262,228	32,327	2009	1,113,728	846,143
Percentage of APC Contributed	2007	100%	100%	2007	100.2%	100.0%
	2008	100%	100%	2008	100.1%	100.4%
	2009	100%	100%	2009	97.7%	96.7%
NPO (Asset)	2007	\$ -	\$ -	2007	\$ (162,824)	\$ (44,512)
	2008	-	-	2008	(163,810)	(47,796)
	2009	-	-	2009	(137,572)	(19,292)

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

C. Annual Pension Costs (Continued)

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

	Police Pension	Firefighters' Pension
Annual Required Contributions	\$ 1,143,136	\$ 875,572
Interest on Net Pension Obligation	(11,467)	(3,346)
Adjustment to Annual Required Contribution	8,297	2,421
Annual Pension Cost	1,139,966	874,647
Contributions Made	1,113,728	846,143
Increase in Net Pension Obligation (Asset)	26,238	28,504
Net Pension Obligation (Asset) Beginning of Year	(163,810)	(47,796)
<b>NET PENSION OBLIGATION (ASSET) END OF YEAR</b>	<b>\$ (137,572)</b>	<b>\$ (19,292)</b>

D. Funded Status

The funded status of the plans as of April 30, 2009, based on actuarial valuations performed as of the same date, is as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC of the plans as disclosed in Note 11-C:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel	Police Pension	Firefighters' Pension
Actuarial Accrued Liability (AAL)	\$ 33,371,937	\$ -	\$ 37,767,555	\$ 26,293,219
Actuarial Value of Plan Assets	25,122,053	(433,870)	20,229,933	18,461,621
Unfunded Actuarial Accrued Liability (UAAL)	8,249,884	430,870	17,537,622	7,831,598
Funded Ratio (Actuarial Value of Plan Assets/AAL)	75.28%	0.00%	53.6%	70.2%
Covered Payroll (Active Plan Members)	\$ 12,959,224	\$ -	\$ 4,359,694	\$ 4,260,854
UAAL as a Percentage of Covered Payroll	63.66%	0.00%	402.3%	183.8%

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

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

E. Summary Financial Information

Summary financial information at April 30, 2009 for the Police and Firefighters' Pension Plans is as follows:

Combining Statement of Fiduciary Net Assets

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
<b>ASSETS</b>			
Cash and Short-Term Investments	\$ 2,837,222	\$ 4,252,383	\$ 7,089,605
Investments, at Fair Value			
U.S. Treasury and Agency Securities	10,684,574	8,680,245	19,364,819
Mutual Funds	2,145,136	2,234,798	4,379,934
Equity Securities	4,501,843	3,274,989	7,776,832
Receivables			
Accrued Interest on Investments	69,718	24,189	93,907
Total Assets	<u>20,238,493</u>	<u>18,466,604</u>	<u>38,705,097</u>
<b>LIABILITIES</b>			
Accounts Payable	<u>8,560</u>	<u>4,983</u>	<u>13,543</u>
Total Liabilities	<u>8,560</u>	<u>4,983</u>	<u>13,543</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 20,229,933</u>	<u>\$ 18,461,621</u>	<u>\$ 38,691,554</u>

Combining Statement of Changes in Plan Net Assets

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 1,113,728	\$ 846,143	\$ 1,959,871
Employee	<u>428,176</u>	<u>430,256</u>	<u>858,432</u>
Total Contributions	<u>1,541,904</u>	<u>1,276,399</u>	<u>2,818,303</u>

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

E. Summary Financial Information (Continued)

Combining Statement of Changes in Plan Net Assets (Continued)

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ADDITIONS (Continued)			
Investment Income			
Net appreciation (depreciation) in Fair Value of Investments	\$ (3,699,234)	\$ (2,642,420)	\$ (6,341,654)
Interest	902,953	467,083	1,370,036
Total Investment Income	(2,796,281)	(2,175,337)	(4,971,618)
Less Investment Expenses	(156,524)	(47,570)	(204,094)
Net Investment Income	(2,952,805)	(2,222,907)	(5,175,712)
Total Additions	(1,410,901)	(946,508)	(2,357,409)
DEDUCTIONS			
Pension Benefits and Refunds	1,483,614	513,255	1,996,869
Administrative Expenses	36,768	14,552	51,320
Total Deductions	1,520,382	527,807	2,048,189
NET INCREASE (DECREASE)	(2,931,283)	(1,474,315)	(4,405,598)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
May 1	23,161,216	19,935,936	43,097,152
April 30	\$ 20,229,933	\$ 18,461,621	\$38,691,554

12. Prior Period Adjustments

Net assets of the governmental activities, business-type activities, enterprise funds and internal service funds have been restated as a result of a change in the capitalization threshold for capitalizing capital assets.

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

	Original Budget	Final Budget	Actual	Last Year Actual
<b>Revenues:</b>				
Property Taxes	\$12,056,120	\$12,056,120	\$12,021,399	\$11,136,243
Personal Property Replacement Taxes	97,800	97,800	100,102	109,332
Municipal Sales and Use Taxes	16,653,269	16,653,269	14,501,985	16,046,589
Electric Franchise Fee	1,986,872	1,986,872	1,882,001	1,867,683
Hotel Occupations Tax	2,200,000	2,200,000	1,737,237	2,047,977
Telecommunications Fee	1,200,000	1,200,000	1,510,057	1,491,882
Admissions Tax	86,000	86,000	49,626	55,253
Business Licenses and Permits	186,322	190,322	228,225	197,246
Non-business License and Permits	488,074	488,074	269,137	361,671
Fines and Court Fees	343,918	343,918	376,626	290,130
Grants	2,015,420	285,420	207,385	3,913,828
Illinois State Income Tax Allotments	2,864,160	2,864,160	2,900,549	2,931,062
Charges for Current Services	2,128,336	2,310,093	2,357,393	2,104,204
Investment Income	595,811	595,811	246,494	901,840
Miscellaneous	494,000	501,000	665,771	527,771
Total Revenues	<u>43,396,102</u>	<u>41,858,859</u>	<u>39,053,987</u>	<u>43,982,711</u>
<b>Expenditures:</b>				
General Government	3,992,053	4,123,174	3,102,405	3,238,517
Public Health and Safety	20,872,270	20,687,860	20,507,678	19,738,283
Public Works	12,254,724	11,378,936	9,005,568	9,132,210
Community Development	2,254,904	2,225,637	1,853,650	1,952,881
Debt Service				
Principal	110,884	110,884	80,317	129,763
Interest and Fiscal Charges	13,359	13,359	12,142	16,374
Total Expenditures	<u>39,498,194</u>	<u>38,539,850</u>	<u>34,561,760</u>	<u>34,208,028</u>
Excess of Revenues Over Expenditures	<u>3,897,908</u>	<u>3,319,009</u>	<u>4,492,227</u>	<u>9,774,683</u>
<b>Other Financing Sources (Uses):</b>				
Issuance of Bonds	492,000	492,000	1,183,694	-
Premium on Bonds	-	-	5,960	-
Proceeds from the Sale of Capital Assets	-	-	2,500	9,250
Transfers Out	(5,053,870)	(5,083,870)	(4,786,826)	(8,500,645)
Total Other Financing Sources (Uses)	<u>(4,561,870)</u>	<u>(4,591,870)</u>	<u>(3,594,672)</u>	<u>(8,491,395)</u>
Net Change in Fund Balance	<u>(\$ 663,962)</u>	<u>(\$ 1,272,861)</u>	897,555	1,283,288
Fund Balance, May 1			<u>18,449,972</u>	<u>17,166,684</u>
Fund Balance, April 30			<u>\$19,347,527</u>	<u>\$18,449,972</u>

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2009

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1. BUDGETS

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

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

2. EXPENDITURES IN EXCESS OF BUDGET

The Subsidized Transportation Fund expenditures exceeded its budget by \$11,997.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2009

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Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry - Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) As a Percentage of Covered Payroll (4) / (5)
2003	\$ 24,172,412	\$ 25,682,512	94.12%	\$ 1,510,100	\$ 10,493,648	14.39%
2004	26,008,122	28,953,419	89.83%	2,945,297	11,325,240	26.01%
2005	26,760,966	30,184,867	88.66%	3,423,901	11,992,643	28.55%
2006	29,388,419	32,348,730	90.85%	2,960,311	12,361,507	23.95%
2007	30,926,644	33,770,116	91.58%	2,843,472	12,894,420	22.05%
2008	25,122,053	33,371,937	75.28%	8,249,884	12,959,224	63.66%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

April 30, 2009

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Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry - Age	Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) As a Percentage of Covered Payroll (4) / (5)
2003	\$ (397,590)	\$ -	0.00%	\$ 397,590	\$ -	0.00%
2004	(406,731)	-	0.00%	406,731	-	0.00%
2005	(406,311)	-	0.00%	406,311	-	0.00%
2006	(393,822)	-	0.00%	393,822	-	0.00%
2007	(383,556)	-	0.00%	383,556	-	0.00%
2008	(433,870)	-	0.00%	433,870	-	0.00%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
POLICE PENSION FUND

April 30, 2009

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Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry - Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL As a Percentage of Covered Payroll (4) / (5)
2004	\$ 18,143,826	\$ 28,687,658	63.25%	\$ 10,543,832	\$ 3,537,104	298.09%
2005	19,444,068	29,678,938	65.51%	10,234,870	3,373,443	303.40%
2006	21,049,102	31,498,568	66.83%	10,449,466	3,740,985	279.32%
2007	23,064,224	34,460,854	66.93%	11,396,630	3,992,817	285.43%
2008	23,161,216	35,954,632	64.42%	12,793,416	4,196,313	304.87%
2009	20,229,933	37,767,555	53.56%	17,537,622	4,359,694	402.27%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
FIREFIGHTERS' PENSION FUND

April 30, 2009

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Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry - Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) As a Percentage of Covered Payroll (4) / (5)
2004	\$ 13,645,519	\$ 14,947,971	91.29%	\$ 1,302,452	\$ 2,749,062	47.38%
2005	14,875,368	16,639,816	89.40%	1,764,448	3,384,683	52.13%
2006	16,142,671	18,801,665	85.86%	2,658,994	3,704,516	71.78%
2007	18,513,335	21,119,695	87.66%	2,606,360	3,798,607	68.61%
2008	19,935,936	24,126,380	82.63%	4,190,444	4,325,654	96.87%
2009	18,461,621	26,293,219	70.21%	7,831,598	4,260,854	183.80%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS  
OTHER POST EMPLOYMENT BENEFIT PLAN

April 30, 2009

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

The City implemented GASB Statement No. 45 for the fiscal year ended April 30, 2008. Information for 2009 is not available, the City only has a bi-annual valuation.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2009

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<u>Calendar Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2003	\$ 703,074	\$ 703,074	100.00%
2004	993,223	993,223	100.00%
2005	1,129,707	1,129,707	100.00%
2006	1,249,748	1,249,748	100.00%
2007	1,299,758	1,299,758	100.00%
2008	1,262,228	1,262,228	100.00%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

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

April 30, 2009

---

<u>Calendar Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2003	\$ -	\$ -	0.00%
2004	25,957	25,957	100.00%
2005	28,744	28,744	100.00%
2006	30,581	30,581	100.00%
2007	31,866	31,866	100.00%
2008	32,327	32,327	100.00%

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND

April 30, 2009

---

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation (Asset)</u>
2004	\$ 794,691	\$ 796,096	99.82%	\$ (155,232)
2005	886,342	886,236	100.01%	(159,188)
2006	972,113	974,490	99.76%	(160,566)
2007	936,294	937,614	99.86%	(162,824)
2008	1,006,125	1,008,538	99.76%	(163,810)
2009	1,113,728	1,143,136	97.43%	(137,572)

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FIREFIGHTERS' PENSION FUND

April 30, 2009

---

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation (Asset)</u>
2004	\$ 401,628	\$ 401,664	99.99%	\$ (44,222)
2005	429,061	429,442	99.91%	(44,938)
2006	605,537	606,808	99.79%	(44,727)
2007	733,734	734,946	99.84%	(44,512)
2008	842,855	840,500	100.28%	(47,796)
2009	846,143	875,572	96.64%	(19,292)

See independent auditor's report.

CITY OF ST. CHARLES, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
OTHER POST EMPLOYMENT BENEFIT PLAN

April 30, 2009

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<u>Year Ended</u> <u>April 30,</u>	<u>Employer</u> <u>Contributions</u>	<u>Annual</u> <u>Required</u> <u>Contribution</u> <u>(ARC)</u>	<u>Percentage</u> <u>Contributed</u>
2008	\$ 380,000	\$ 1,451,947	26.17%
2009	380,000	1,524,544	24.93%

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

See independent auditor's report.

City of St. Charles, Illinois  
Combining Balance Sheet  
Nonmajor Governmental Funds  
April 30, 2009

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>				
Cash and Investments	\$ 3,753,027	\$ 2,140,447	\$22,917,809	\$28,811,283
Receivables				
Property Taxes	1,568,646	-	-	1,568,646
Accounts Receivable	14,588	-	14,688	29,276
Due from Other Governments	63,570	-	-	63,570
Due From Other Funds	-	358,497	-	358,497
Advances to Other Funds	-	111,541	-	111,541
	<hr/>			
TOTAL ASSETS	\$ 5,399,831	\$ 2,610,485	\$22,932,497	\$30,942,813
	<hr/>			
<b>LIABILITIES</b>				
Accounts Payable	\$ 252,179	\$ -	\$ 1,265,778	\$ 1,517,957
Contracts Payable	-	-	473,773	473,773
Accrued Salaries	3,509	-	-	3,509
Due to Other Funds	20,003	-	-	20,003
Advances From Other Funds	2,398,183	89,624	-	2,487,807
Deferred Property Tax Revenue	1,568,647	-	-	1,568,647
	<hr/>			
Total Liabilities	4,242,521	89,624	1,739,551	6,071,696
	<hr/>			
<b>FUND BALANCES</b>				
Reserved for Advances to Other Funds	-	111,541	-	111,541
Reserved for Community Development	1,359,608	-	6,364,641	7,724,249
Reserved for Highways and Streets	2,067,877	-	-	2,067,877
Reserved for Public Safety	130,092	-	-	130,092
Reserved for Debt Service	-	2,409,320	-	2,409,320
Unreserved				
Undesignated (Deficit) - Special Revenue Funds	(2,400,267)	-	-	(2,400,267)
Undesignated - Capital Projects Funds	-	-	14,828,305	14,828,305
	<hr/>			
Total Fund Balances	1,157,310	2,520,861	21,192,946	24,871,117
	<hr/>			
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,399,831	\$ 2,610,485	\$22,932,497	\$30,942,813
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See independent auditor's report.

City of St. Charles, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Nonmajor Governmental Funds

For the Year Ended April 30, 2009

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:				
Property Taxes	\$ 1,109,864	\$ -	\$ -	\$ 1,109,864
Municipal Sales and Use Taxes	29,272	268,873	-	298,145
Hotel Occupation Tax	58,288	-	-	58,288
Grants	-	-	100,000	100,000
Motor Fuel Tax Allotments	857,445	-	-	857,445
Charges to Other Governmental Units	41,355	-	-	41,355
Regional Transportation Authority Reimbursements	80,215	-	-	80,215
Investment Income	50,705	20,770	432,673	504,148
Miscellaneous	69,719	-	-	69,719
Total Revenues	<u>2,296,863</u>	<u>289,643</u>	<u>532,673</u>	<u>3,119,179</u>
Expenditures:				
Current Operating-				
General Government	332,749	-	-	332,749
Public Health and Safety	22,851	-	582,859	605,710
Public Works	758,462	-	1,181,239	1,939,701
Debt Service-				
Principal	-	3,167,206	-	3,167,206
Interest and Fiscal Charges	-	3,028,666	-	3,028,666
Capital Outlay	-	-	8,112,311	8,112,311
Total Expenditures	<u>1,114,062</u>	<u>6,195,872</u>	<u>9,876,409</u>	<u>17,186,343</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,182,801</u>	<u>(5,906,229)</u>	<u>(9,343,736)</u>	<u>(14,067,164)</u>
Other Financing Sources (Uses):				
Issuance of Bonds	-	1,236,501	9,816,307	11,052,808
Discount on Bonds	-	-	(1,429)	(1,429)
Transfers In	128,807	5,066,497	790,615	5,985,919
Transfers Out	(1,232,439)	-	-	(1,232,439)
Total Other Financing Sources (Uses)	<u>(1,103,632)</u>	<u>6,302,998</u>	<u>10,605,493</u>	<u>15,804,859</u>
Net Change in Fund Balances	79,169	396,769	1,261,757	1,737,695
Fund Balance, May 1	1,078,141	2,124,092	19,931,189	23,133,422
Fund Balance, April 30	<u>\$ 1,157,310</u>	<u>\$ 2,520,861</u>	<u>\$21,192,946</u>	<u>\$24,871,117</u>

See independent auditor's report.

## Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

City of St. Charles, Illinois

Combining Balance Sheet

Nonmajor Special Revenue Funds

April 30, 2009

	TIF District #1 Fund	TIF District #2 Fund	TIF District #3 Fund	TIF District #4 Fund	TIF District #5 Fund	Motor Fuel Tax Fund	Subsidized Transport Fund	Foreign Fire Insurance	Total
<u>Assets</u>									
Cash and Investments	\$ 359,061	\$ 172	\$ 426	\$ 997,609	\$ 36,190	\$ 2,229,477	\$ -	\$ 130,092	\$ 3,753,027
Receivables									
Property Taxes, net	158,069	373,347	166,455	684,671	186,104	-	-	-	1,568,646
Accounts Receivable	2,939	-	-	-	-	-	11,649	-	14,588
Due From Other Governments	-	-	-	-	-	63,570	-	-	63,570
Total Assets	\$ 520,069	\$ 373,519	\$ 166,881	\$ 1,682,280	\$ 222,294	\$ 2,293,047	\$ 11,649	\$ 130,092	\$ 5,399,831
<u>Liabilities and Fund Balance</u>									
Liabilities									
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 225,170	\$ 27,009	\$ -	\$ 252,179
Accrued Salaries	-	-	-	-	-	-	3,509	-	3,509
Due To Other Funds	-	-	-	-	-	-	20,003	-	20,003
Advance from Other Funds	-	1,237,465	601,602	-	559,116	-	-	-	2,398,183
Deferred Property Tax Revenue	158,070	373,347	166,455	684,671	186,104	-	-	-	1,568,647
Total Liabilities	158,070	1,610,812	768,057	684,671	745,220	225,170	50,521	-	4,242,521
Fund Balance (Deficit)	361,999	-	-	997,609	-	-	-	-	1,359,608
Reserved for Community Development	-	-	-	-	-	-	-	-	2,067,877
Reserved for Highways and Streets	-	-	-	-	-	2,067,877	-	-	130,092
Reserved for Public Safety	-	-	-	-	-	-	-	130,092	(2,400,267)
Unreserved (Deficit)	-	(1,237,293)	(601,176)	997,609	(522,926)	2,067,877	(38,872)	-	1,157,310
Total Fund Balance (Deficit)	361,999	(1,237,293)	(601,176)	997,609	(522,926)	2,067,877	(38,872)	130,092	1,157,310
Total Liabilities and Fund Balance	\$ 520,069	\$ 373,519	\$ 166,881	\$ 1,682,280	\$ 222,294	\$ 2,293,047	\$ 11,649	\$ 130,092	\$ 5,399,831

See independent auditor's report.

City of St. Charles, Illinois

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance

Nonmajor Special Revenue Funds

For the Year Ended April 30, 2009

	TIF District #1 Fund	TIF District #2 Fund	TIF District #3 Fund	TIF District #4 Fund	TIF District #5 Fund	Motor Fuel Tax Fund	Subsidized Transport Fund	Foreign Fire Insurance	Total
Revenues:									
Property Taxes	\$ 147,994	\$ 315,068	\$ 161,475	\$ 341,983	\$ 143,344	\$ -	\$ -	\$ -	\$ 1,109,864
Sales and Use Tax	29,272	-	-	-	-	-	-	-	29,272
Hotel Occupation Tax	58,288	-	-	-	-	-	-	-	58,288
Motor Fuel Tax Allotments	-	-	-	-	-	857,445	-	-	857,445
Charges to Other Government Units	-	-	-	-	-	-	41,355	-	41,355
Regional Trans. Authority Reimbursements	-	-	-	-	-	-	80,215	-	80,215
Investment Income	5,728	1,754	977	11,541	2,668	27,508	495	34	50,705
Miscellaneous Revenues	-	-	-	-	-	-	14,199	55,520	69,719
Total Revenues	<u>241,282</u>	<u>316,822</u>	<u>162,452</u>	<u>353,524</u>	<u>146,012</u>	<u>884,953</u>	<u>136,264</u>	<u>55,554</u>	<u>2,296,863</u>
Expenditures:									
General Government	-	-	-	-	-	-	332,749	-	332,749
Public Health and Safety	-	-	-	-	-	-	-	22,851	22,851
Public Works	-	-	-	-	-	758,462	-	-	758,462
Total Expenditures	-	-	-	-	-	<u>758,462</u>	<u>332,749</u>	<u>22,851</u>	<u>1,114,062</u>
Excess (Deficiency) of Revenues over Expenditures	<u>241,282</u>	<u>316,822</u>	<u>162,452</u>	<u>353,524</u>	<u>146,012</u>	<u>126,491</u>	<u>(196,485)</u>	<u>32,703</u>	<u>1,182,801</u>
Other Financing Sources (Uses):									
Transfers In	-	-	-	-	-	-	128,807	-	128,807
Transfers Out	(292,705)	(358,578)	(233,906)	-	(347,250)	-	-	-	(1,232,439)
Total Other Financing Sources (Uses)	<u>(292,705)</u>	<u>(358,578)</u>	<u>(233,906)</u>	<u>-</u>	<u>(347,250)</u>	<u>-</u>	<u>128,807</u>	<u>-</u>	<u>(1,103,632)</u>
Net Change in Fund Balances	(51,423)	(41,756)	(71,454)	353,524	(201,238)	126,491	(67,678)	32,703	79,169
Fund Balance (Deficit), May 1	413,422	(1,195,537)	(529,722)	644,085	(321,688)	1,941,386	28,806	97,389	1,078,141
Fund Balance (Deficit), April 30	<u>\$ 361,999</u>	<u>(\$1,237,293)</u>	<u>(\$ 601,176)</u>	<u>\$ 997,609</u>	<u>(\$ 522,926)</u>	<u>\$2,067,877</u>	<u>(\$ 38,872)</u>	<u>\$ 130,092</u>	<u>\$1,157,310</u>

See independent auditor's report.

City of St. Charles, Illinois

TIF District #1 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2009

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
<b>Revenues:</b>				
Property Taxes	\$ 154,176	\$ 154,176	\$ 147,994	\$ 133,566
Sales and Use Tax	42,752	42,752	29,272	31,180
Hotel Occupation Tax	74,231	74,231	58,288	75,565
Investment Income	17,797	17,797	5,728	19,407
Total Revenues	288,956	288,956	241,282	259,718
<b>Expenditures:</b>				
Community Development:				
None	-	-	-	-
Excess of Revenues Over Expenditures	288,956	288,956	241,282	259,718
<b>Other Financing Uses:</b>				
Transfers Out	( 292,706)	( 292,706)	( 292,705)	( 288,009)
Net Change in Fund Balance	<u>( \$ 3,750)</u>	<u>( \$ 3,750)</u>	( 51,423)	( 28,291)
Fund Balance, May 1			413,422	441,713
Fund Balance, April 30			<u>\$ 361,999</u>	<u>\$ 413,422</u>

See independent auditor's report.

City of St. Charles, Illinois

TIF District #2 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2009

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Property Taxes	\$ 333,736	\$ 333,736	\$ 315,068	\$ 269,877
Investment Income	2,776	2,776	1,754	3,693
Total Revenues	<u>336,512</u>	<u>336,512</u>	<u>316,822</u>	<u>273,570</u>
Expenditures:				
Community Development:				
None	-	-	-	-
Excess of Revenues Over Expenditures	<u>336,512</u>	<u>336,512</u>	<u>316,822</u>	<u>273,570</u>
Other Financing Uses:				
Transfers Out	<u>( 333,736)</u>	<u>( 333,736)</u>	<u>( 358,578)</u>	<u>( 357,505)</u>
Net Change in Fund Balance	<u>\$ 2,776</u>	<u>\$ 2,776</u>	<u>( 41,756)</u>	<u>( 83,935)</u>
Fund Balance (Deficit), May 1			<u>(1,195,537)</u>	<u>(1,111,602)</u>
Fund Balance (Deficit), April 30			<u>(S1,237,293)</u>	<u>(S1,195,537)</u>

See independent auditor's report.

City of St. Charles, Illinois

TIF District #3 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2009

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Property Taxes	\$ 170,733	\$ 170,733	\$ 161,475	\$ 116,334
Investment Income	1,837	1,837	977	2,061
	<hr/>			
Total Revenues	172,570	172,570	162,452	118,395
	<hr/>			
Expenditures:				
Community Development:				
None	-	-	-	-
	<hr/>			
Excess of Revenues Over Expenditures	172,570	172,570	162,452	118,395
	<hr/>			
Other Financing Uses:				
Transfers Out	( 170,733)	( 170,733)	( 233,906)	( 233,513)
	<hr/>			
Net Change in Fund Balance	<u>\$ 1,837</u>	<u>\$ 1,837</u>	( 71,454)	( 115,118)
Fund Balance (Deficit), May 1			<u>( 529,722)</u>	<u>( 414,604)</u>
Fund Balance (Deficit), April 30			<u>( \$ 601,176)</u>	<u>( \$ 529,722)</u>

See independent auditor's report.

City of St. Charles, Illinois

TIF District #4 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2009

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Property Taxes	\$ 320,000	\$ 320,000	\$ 341,983	\$ 305,620
Investment Income	23,038	23,038	11,541	24,162
	<hr/>			
Total Revenues	343,038	343,038	353,524	329,782
	<hr/>			
Expenditures:				
Community Development:				
None	-	-	-	-
	<hr/>			
Net Change in Fund Balance	<u>\$ 343,038</u>	<u>\$ 343,038</u>	353,524	329,782
	<hr/>			
Fund Balance, May 1			<u>644,085</u>	<u>314,303</u>
	<hr/>			
Fund Balance, April 30			<u>\$ 997,609</u>	<u>\$ 644,085</u>

See independent auditor's report.

City of St. Charles, Illinois

TIF District #5 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2009

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
<b>Revenues:</b>				
Property Taxes	\$155,009	\$155,009	\$143,344	\$114,425
Investment Income	2,333	2,333	2,668	2,159
Total Revenues	157,342	157,342	146,012	116,584
<b>Expenditures:</b>				
Community Development:				
None	-	-	-	-
Excess of Revenues Over Expenditures	157,342	157,342	146,012	116,584
<b>Other Financing Uses:</b>				
Transfers In	-	-	-	155,293
Transfers Out	( 155,009)	( 155,009)	( 347,250)	( 347,950)
Total Other Financing Sources	( 155,009)	( 155,009)	( 347,250)	( 192,657)
Net Change in Fund Balance	\$ 2,333	\$ 2,333	( 201,238)	( 76,073)
Fund Balance (Deficit), May 1			( 321,688)	( 245,615)
Fund Balance (Deficit), April 30			(\$ 522,926)	(\$ 321,688)

See independent auditor's report.

City of St. Charles, Illinois

Motor Fuel Tax Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2009

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Motor Fuel Tax Allotments	\$ 913,349	\$ 913,349	\$ 857,445	\$ 915,942
Investment Income	68,085	68,085	27,508	72,505
Total Revenues	<u>981,434</u>	<u>981,434</u>	<u>884,953</u>	<u>988,447</u>
Expenditures:				
Public Works:				
Contractual	<u>750,000</u>	<u>760,000</u>	<u>758,462</u>	<u>749,156</u>
Net Change in Fund Balance	<u>\$ 231,434</u>	<u>\$ 221,434</u>	126,491	239,291
Fund Balance, May 1			<u>1,941,386</u>	<u>1,702,095</u>
Fund Balance, April 30			<u>\$2,067,877</u>	<u>\$1,941,386</u>

See independent auditor's report.

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

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Last Year</u> <u>Actual</u>
Revenues:				
Charges to Other Government Units	\$ 82,414	\$ 47,000	\$ 41,355	\$ 76,330
Charges for Current Services	29,424	-	-	13,071
Regional Transportation				
Authority Reimbursements	20,000	129,100	80,215	14,510
Investment Income	-	-	495	237
Miscellaneous Revenues	-	15,830	14,199	32,682
	<hr/>			
Total Revenues	131,838	191,930	136,264	136,830
	<hr/>			
Expenditures:				
General Government:				
Personal Services	166,256	166,256	159,924	155,540
Contractual Services	25,107	115,199	136,798	38,731
Materials and Supplies	14,209	14,209	11,096	12,589
Miscellaneous	25,088	25,088	24,931	23,783
	<hr/>			
Total Expenditures	230,660	320,752	332,749	230,643
	<hr/>			
Excess (Deficiency) of Revenues Over Expenditures	( 98,822)	( 128,822)	( 196,485)	( 93,813)
	<hr/>			
Other Financing Uses:				
Transfers In	98,807	128,807	128,807	121,880
	<hr/>			
Net Change in Fund Balance	<u>( \$ 15)</u>	<u>( \$ 15)</u>	(67,678)	28,067
	<hr/>			
Fund Balance, May 1			28,806	739
	<hr/>			
Fund Balance (Deficit), April 30			<u>( \$ 38,872)</u>	<u>\$ 28,806</u>

See independent auditor's report.

## Nonmajor Debt Service Funds

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

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

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

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

**TIF District 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. 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, 2009

	<u>TIF</u> <u>District #1</u>	<u>TIF</u> <u>District #2</u>	<u>TIF</u> <u>District #3</u>	<u>TIF</u> <u>District #4</u>	<u>TIF</u> <u>District #5</u>	<u>1997</u> <u>G.O.</u> <u>Bond</u> <u>Issue</u>	<u>1998</u> <u>G.O.</u> <u>Bond</u> <u>Issue</u>
<u>Assets</u>							
Cash and Investments	\$ -	\$ -	\$ -	\$ 903,486	\$ -	\$ -	\$ -
Due From Other Funds	-	-	-	-	-	-	-
Advances To Other Funds	-	-	-	-	-	111,541	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 903,486</b>	<b>\$ -</b>	<b>\$ 111,541</b>	<b>\$ -</b>
<u>Liabilities and Fund Balance</u>							
<u>Liabilities</u>							
Advance from Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<u>Fund Balance</u>							
Reserved For Advances to Other Funds	-	-	-	-	-	111,541	-
Reserved For Debt Service	-	-	-	903,486	-	-	-
<b>Total Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>903,486</b>	<b>-</b>	<b>111,541</b>	<b>-</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 903,486</b>	<b>\$ -</b>	<b>\$ 111,541</b>	<b>\$ -</b>

See independent auditor's report.

City of St. Charles, Illinois

Combining Balance Sheet

Nonmajor Debt Service Funds

April 30, 2009

	1999	2000	2002A	2004	2005A	2008C	2008	Total
	G.O.	G.O.	G.O.	G.O.	G.O.	G.O.	Revenue	
	Bond							
	Issue	Total						
Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,236,961	\$2,140,447
Due From Other Funds	-	-	-	-	-	-	358,497	358,497
Advances to Other Funds	-	-	-	-	-	-	-	111,541
Total Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,595,458	\$2,610,485
<u>Liabilities and Fund Balance</u>								
Liabilities								
Advance from Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,624	\$ 89,624
Total Liabilities	-	-	-	-	-	-	89,624	89,624
Fund Balance								
Reserved For Advances to Other Funds	-	-	-	-	-	-	-	111,541
Reserved For Debt Service	-	-	-	-	-	-	1,505,834	2,409,320
Total Fund Balance	-	-	-	-	-	-	1,505,834	2,520,861
Total Liabilities and Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,595,458	\$2,610,485

See independent auditor's report.

City of St. Charles, Illinois

Combining Statement of Revenues, Expenditures

and Changes in Fund Balance

Nonmajor Debt Service Funds

For the Year Ended April 30, 2009

	TIF District #1	TIF District #2	TIF District #3	TIF District #4	TIF District #5	1997 GO Bonds	1998 GO Bonds
Revenues:							
Sales and Use Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	-	-	-	20,295	-	-	15
Total Revenues	-	-	-	20,295	-	-	15
Expenditures:							
Principal Retirement	175,000	230,000	120,000	-	195,000	430,000	243,317
Interest and Fiscal Charges	117,705	128,595	113,910	1,093,926	152,250	88,350	65,002
Total Expenditures	292,705	358,595	233,910	1,093,926	347,250	518,350	308,319
Excess (Deficiency) of Revenues Over Expenditures	(292,705)	(358,595)	(233,910)	(1,073,631)	(347,250)	(518,350)	(308,304)
Other Financing Sources:							
Issuance of Bonds	-	-	-	-	-	-	-
Transfers In	292,705	358,578	233,907	-	347,250	484,810	306,439
Total Other Financing Sources	292,705	358,578	233,907	-	347,250	484,810	306,439
Net Change In Fund Balances	-	(17)	(3)	(1,073,631)	-	(33,540)	(1,865)
Fund Balance, May 1	-	17	3	1,977,117	-	145,081	1,865
Fund Balance, April 30	\$ -	\$ -	\$ -	\$ 903,486	\$ -	\$ 111,541	\$ -

See independent auditor's report.

City of St. Charles, Illinois

Combining Statement of Revenues, Expenditures

and Changes in Fund Balance

Nonmajor Debt Service Funds

For the Year Ended April 30, 2009

	1999	2000	2002A	2004	2005A	2008C	2008	Total
	GO Bonds	GO Bonds	GO Bonds	GO Bonds	GO Bonds	GO Bonds	Revenue Bonds	
Revenues:								
Sales and Use Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 268,873	\$ 268,873
Investment Income	-	-	-	-	-	-	460	20,770
Total Revenues	-	-	-	-	-	-	269,333	289,643
Expenditures:								
Principal Retirement	175,363	675,000	18,526	255,000	650,000	-	-	3,167,206
Interest and Fiscal Charges	71,943	310,800	8,360	223,200	654,625	-	-	3,028,666
Total Expenditures	247,306	985,800	26,886	478,200	1,304,625	-	-	6,195,872
Excess (Deficiency) of Revenues Over Expenditures	(247,306)	(985,800)	(26,886)	(478,200)	(1,304,625)	-	269,333	(5,906,229)
Other Financing Sources (Uses):								
Issuance of Bonds	-	-	-	-	-	-	1,236,501	1,236,501
Transfers In	247,306	985,799	26,886	478,192	1,304,625	-	-	5,066,497
Total Other Financing Sources (Uses)	247,306	985,799	26,886	478,192	1,304,625	-	1,236,501	6,302,998
Net Change In Fund Balances	-	(1)	-	(8)	-	-	1,505,834	396,769
Fund Balance, May 1	-	1	-	8	-	-	-	2,124,092
Fund Balance, April 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,505,834	\$ 2,520,861

See independent auditor's report.

City of St. Charles, Illinois

TIF District #1 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2009

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures:				
Principal Retirement	175,000	175,000	175,000	160,000
Interest and Fiscal Charges	117,706	117,706	117,705	128,015
Total Expenditures	292,706	292,706	292,705	288,015
Excess (Deficiency) of Revenues Over Expenditures	( 292,706)	( 292,706)	( 292,705)	( 288,015)
Other Financing Sources:				
Transfers In	292,706	292,706	292,705	288,009
Total Other Financing Sources	292,706	292,706	292,705	288,009
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	( 6)
Fund Balance, May 1			-	6
Fund Balance, April 30			<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

City of St. Charles, Illinois

TIF District #2 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2009

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures:				
Principal Retirement	230,000	230,000	230,000	220,000
Interest and Fiscal Charges	128,596	128,596	128,595	137,505
Total Expenditures	358,596	358,596	358,595	357,505
Excess (Deficiency) of Revenues Over Expenditures	( 358,596)	( 358,596)	( 358,595)	( 357,505)
Other Financing Sources:				
Transfers In	358,596	358,596	358,578	357,505
Total Other Financing Sources	358,596	358,596	358,578	357,505
Net Change In Fund Balance	\$ -	\$ -	( 17)	-
Fund Balance, May 1			17	17
Fund Balance, April 30			\$ -	\$ 17

See independent auditor's report.

City of St. Charles, Illinois

TIF District #3 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2009

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Investment Income	\$ -	\$ -	\$ -	\$ 15
Total Revenues	-	-	-	15
Expenditures:				
Principal Retirement	120,000	120,000	120,000	115,000
Interest and Fiscal Charges	113,910	113,910	113,910	119,028
Total Expenditures	233,910	233,910	233,910	234,028
Excess (Deficiency) of Revenues Over Expenditures	( 233,910)	( 233,910)	( 233,910)	( 234,013)
Other Financing Sources:				
Transfers In	233,910	233,910	233,907	233,515
Total Other Financing Sources	233,910	233,910	233,907	233,515
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	( 3)	( 498)
Fund Balance, May 1			<u>3</u>	<u>501</u>
Fund Balance, April 30			<u>\$ -</u>	<u>\$ 3</u>

See independent auditor's report.

City of St. Charles, Illinois

TIF District #4 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2009

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Investment Income	\$ 50,000	\$ 50,000	\$ 20,295	\$ 49,874
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>20,295</u>	<u>49,874</u>
Expenditures:				
Interest and Fiscal Charges	1,093,927	1,093,927	1,093,926	530,728
Total Expenditures	<u>1,093,927</u>	<u>1,093,927</u>	<u>1,093,926</u>	<u>530,728</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,043,927)</u>	<u>(1,043,927)</u>	<u>(1,073,631)</u>	<u>( 480,854)</u>
Other Financing Sources:				
Issuance of Bonds	-	-	-	1,376,146
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,376,146</u>
Net Change In Fund Balance	<u>(S1,043,927)</u>	<u>(S1,043,927)</u>	(1,073,631)	895,292
Fund Balance, May 1			<u>1,977,117</u>	<u>1,081,825</u>
Fund Balance, April 30			<u>S 903,486</u>	<u>S1,977,117</u>

See independent auditor's report.

City of St. Charles, Illinois

TIF District #5 Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2009

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures:				
Principal Retirement	195,000	195,000	195,000	190,000
Interest and Fiscal Charges	152,250	152,250	152,250	157,950
Total Expenditures	347,250	347,250	347,250	347,950
Excess (Deficiency) of Revenues Over Expenditures	( 347,250)	( 347,250)	( 347,250)	( 347,950)
Other Financing Sources:				
Transfers In	347,250	347,250	347,250	347,950
Total Other Financing Sources	347,250	347,250	347,250	347,950
Net Change In Fund Balance	\$ -	\$ -	-	-
Fund Balance, May 1			-	-
Fund Balance, April 30			\$ -	\$ -

See independent auditor's report.

City of St. Charles, Illinois  
1997 General Obligation Bond Fund  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2009  
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures:				
Principal Retirement	430,000	430,000	430,000	405,000
Interest and Fiscal Charges	88,350	88,350	88,350	107,587
Total Expenditures	518,350	518,350	518,350	512,587
Excess (Deficiency) of Revenues Over Expenditures	( 518,350)	( 518,350)	( 518,350)	( 512,587)
Other Financing Sources:				
Transfers In	518,350	518,350	484,810	480,988
Total Other Financing Sources	518,350	518,350	484,810	480,988
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	( 33,540)	( 31,599)
Fund Balance, May 1			<u>145,081</u>	<u>176,680</u>
Fund Balance, April 30			<u>\$ 111,541</u>	<u>\$ 145,081</u>

See independent auditor's report.

City of St. Charles, Illinois  
1998 General Obligation Bond Fund  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2009  
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Investment Income	\$ -	\$ -	\$ 15	\$ 82
Total Revenues	<u>-</u>	<u>-</u>	<u>15</u>	<u>82</u>
Expenditures:				
Principal Retirement	243,317	243,317	243,317	233,036
Interest and Fiscal Charges	65,004	65,004	65,002	74,324
Total Expenditures	<u>308,321</u>	<u>308,321</u>	<u>308,319</u>	<u>307,360</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>( 308,321)</u>	<u>( 308,321)</u>	<u>( 308,304)</u>	<u>( 307,278)</u>
Other Financing Sources:				
Transfers In	<u>308,321</u>	<u>308,321</u>	<u>306,439</u>	<u>307,361</u>
Total Other Financing Sources	<u>308,321</u>	<u>308,321</u>	<u>306,439</u>	<u>307,361</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>( 1,865)</u>	<u>83</u>
Fund Balance, May 1			<u>1,865</u>	<u>1,782</u>
Fund Balance, April 30			<u>\$ -</u>	<u>\$ 1,865</u>

See independent auditor's report.

City of St. Charles, Illinois  
1999 General Obligation Bond Fund  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2009  
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Investment Income	\$ -	\$ -	\$ -	\$ 1
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Expenditures:				
Principal Retirement	175,363	175,363	175,363	169,316
Interest and Fiscal Charges	71,944	71,944	71,943	80,240
Total Expenditures	<u>247,307</u>	<u>247,307</u>	<u>247,306</u>	<u>249,556</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>( 247,307)</u>	<u>( 247,307)</u>	<u>( 247,306)</u>	<u>( 249,555)</u>
Other Financing Sources:				
Transfers In	<u>247,307</u>	<u>247,307</u>	<u>247,306</u>	<u>249,516</u>
Total Other Financing Sources	<u>247,307</u>	<u>247,307</u>	<u>247,306</u>	<u>249,516</u>
Net Change In Fund Balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>-</u>	<u>( 39)</u>
Fund Balance, May 1			<u>-</u>	<u>39</u>
Fund Balance, April 30			<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See independent auditor's report.

City of St. Charles, Illinois  
2000 General Obligation Bond Fund  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2009  
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Investment Income	\$ -	\$ -	\$ -	\$ 6
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>6</u>
Expenditures:				
Principal Retirement	675,000	675,000	675,000	650,000
Interest and Fiscal Charges	310,800	310,800	310,800	341,675
Total Expenditures	<u>985,800</u>	<u>985,800</u>	<u>985,800</u>	<u>991,675</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>( 985,800)</u>	<u>( 985,800)</u>	<u>( 985,800)</u>	<u>( 991,669)</u>
Other Financing Sources:				
Transfers In	<u>985,800</u>	<u>985,800</u>	<u>985,799</u>	<u>991,490</u>
Total Other Financing Sources	<u>985,800</u>	<u>985,800</u>	<u>985,799</u>	<u>991,490</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	( 1)	( 179)
Fund Balance, May 1			<u>1</u>	<u>180</u>
Fund Balance, April 30			<u>\$ -</u>	<u>\$ 1</u>

See independent auditor's report.

City of St. Charles, Illinois  
2002A General Obligation Bond Fund  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2009  
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Principal Retirement	18,526	18,526	18,526	18,212
Interest and Fiscal Charges	8,360	8,360	8,360	8,906
Total Expenditures	<u>26,886</u>	<u>26,886</u>	<u>26,886</u>	<u>27,118</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>( 26,886)</u>	<u>( 26,886)</u>	<u>( 26,886)</u>	<u>( 27,118)</u>
Other Financing Sources:				
Transfers In	<u>26,886</u>	<u>26,886</u>	<u>26,886</u>	<u>27,118</u>
Total Other Financing Sources	<u>26,886</u>	<u>26,886</u>	<u>26,886</u>	<u>27,118</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  
2004 General Obligation Bond Fund  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2009  
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Investment Income	\$ -	\$ -	\$ -	\$ 1
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Expenditures:				
Principal Retirement	255,000	255,000	255,000	250,000
Interest and Fiscal Charges	223,200	223,200	223,200	230,450
Total Expenditures	<u>478,200</u>	<u>478,200</u>	<u>478,200</u>	<u>480,450</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>( 478,200)</u>	<u>( 478,200)</u>	<u>( 478,200)</u>	<u>( 480,449)</u>
Other Financing Sources:				
Transfers In	<u>478,200</u>	<u>478,200</u>	<u>478,192</u>	<u>480,450</u>
Total Other Financing Sources	<u>478,200</u>	<u>478,200</u>	<u>478,192</u>	<u>480,450</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	( 8)	1
Fund Balance, May 1			<u>8</u>	<u>7</u>
Fund Balance, April 30			<u>\$ -</u>	<u>\$ 8</u>

See independent auditor's report.

City of St. Charles, Illinois  
2005A General Obligation Bond Fund  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2009  
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Principal Retirement	650,000	650,000	650,000	625,000
Interest and Fiscal Charges	654,626	654,626	654,625	676,500
Total Expenditures	<u>1,304,626</u>	<u>1,304,626</u>	<u>1,304,625</u>	<u>1,301,500</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,304,626)</u>	<u>(1,304,626)</u>	<u>(1,304,625)</u>	<u>(1,301,500)</u>
Other Financing Sources:				
Transfers In	<u>1,304,626</u>	<u>1,304,626</u>	<u>1,304,625</u>	<u>1,301,500</u>
Total Other Financing Sources	<u>1,304,626</u>	<u>1,304,626</u>	<u>1,304,625</u>	<u>1,301,500</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	-
Fund Balance, May 1			<u>-</u>	<u>-</u>
Fund Balance, April 30			<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

City of St. Charles, Illinois

2008 Revenue Bond Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2009

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Sales and Use Tax	\$ -	\$ -	\$ 268,873	\$ -
Investment Income	-	-	460	-
Total Revenues	-	-	269,333	-
Expenditures:				
None	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	269,333	-
Other Financing Sources:				
Issuance of Bonds	-	1,236,501	1,236,501	-
Total Other Financing Sources	-	1,236,501	1,236,501	-
Net Change In Fund Balance	<u>\$ -</u>	<u>\$1,236,501</u>	1,505,834	-
Fund Balance, May 1			-	-
Fund Balance, April 30			<u>\$1,505,834</u>	<u>\$ -</u>

See independent auditor's report.

## Nonmajor Capital Projects Funds

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

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

**Fire Station** - to account for the resources used for the construction of a new city fire station project.

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

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

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

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

City of St. Charles, Illinois

Combining Balance Sheet

Nonmajor Capital Projects Funds

April 30, 2009

<u>Assets</u>	<u>Redgate Bridge</u>	<u>Fire Station</u>	<u>Public Works Garage</u>	<u>Riverwall Project</u>	<u>TIF District #4 Project</u>	<u>Special Service Area 21</u>	<u>Total</u>
Cash and Investments	\$ 5,594,695	\$ 2,632,647	\$ 1,073,139	\$ 3,739,871	\$ 9,001,974	\$ 875,483	\$22,917,809
Receivables	14,688	-	-	-	-	-	14,688
Accounts Receivable	\$ 5,609,383	\$ 2,632,647	\$ 1,073,139	\$ 3,739,871	\$ 9,001,974	\$ 875,483	\$22,932,497
<b>Total Assets</b>							
<b>Liabilities and Fund Balance</b>							
<b>Liabilities</b>							
Accounts Payable	\$ 120,225	\$ 445,876	\$ 11,500	\$ 19,722	\$ 668,455	\$ -	\$ 1,265,778
Contracts Payable	-	314,418	-	-	159,355	-	473,773
<b>Total Liabilities</b>	120,225	760,294	11,500	19,722	827,810	-	1,739,551
<b>Fund Balance</b>							
Reserved for Community Development Unreserved	5,489,158	-	-	-	-	875,483	6,364,641
<b>Total Fund Balance</b>	5,489,158	1,872,353	1,061,639	3,720,149	8,174,164	-	14,828,305
<b>Total Liabilities and Fund Balance</b>	\$ 5,609,383	\$ 2,632,647	\$ 1,073,139	\$ 3,739,871	\$ 9,001,974	\$ 875,483	\$22,932,497

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, 2009

	<u>Redgate Bridge</u>	<u>Fire Station</u>	<u>Public Works Garage</u>	<u>Riverwall Project</u>	<u>TIF District 4 Project</u>	<u>Special Service Area 21</u>	<u>Total</u>
Revenues:							
Grants	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ 100,000
Investment Income	84,921	6,933	24,671	8,557	300,200	7,391	432,673
Total Revenues	84,921	6,933	24,671	8,557	400,200	7,391	532,673
Expenditures:							
Public Health and Safety:							
Contractual	-	582,859	-	-	-	-	582,859
Public Works:							
Contractual	359,818	-	9,903	65,327	746,191	-	1,181,239
Capital Outlay	-	3,029,715	386,454	267,466	4,428,676	-	8,112,311
Total Expenditures	359,818	3,612,574	396,357	332,793	5,174,867	-	9,876,409
Excess (Deficiency) of Revenues Over Expenditures	(274,897)	(3,605,641)	(371,686)	(324,236)	(4,774,667)	7,391	(9,343,736)
Other Financing Sources (Uses):							
Issuance of Bonds	-	5,771,307	-	4,045,000	-	-	9,816,307
Discount on Bonds	-	(814)	-	(615)	-	-	(1,429)
Transfers In	790,615	-	-	-	-	-	790,615
Total Other Financing Sources (Uses)	790,615	5,770,493	-	4,044,385	-	-	10,605,493
Net Change In Fund Balances	515,718	2,164,852	(371,686)	3,720,149	(4,774,667)	7,391	1,261,757
Fund Balance (Deficit), May 1	4,973,440	(292,499)	1,433,325	-	12,948,831	868,092	19,931,189
Fund Balance, April 30	\$5,489,158	\$1,872,353	\$1,061,639	\$3,720,149	\$8,174,164	\$ 875,483	\$21,192,946

See independent auditor's report.

City of St. Charles, Illinois

Redgate Bridge Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2009

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Grants	\$ -	\$ -	\$ -	\$ 100,100
Investment Income	100,843	100,843	84,921	230,206
Contributions	360,000	360,000	-	362,000
Total Revenues	<u>460,843</u>	<u>460,843</u>	<u>84,921</u>	<u>692,306</u>
Expenditures:				
Public Works:				
Contractual	<u>750,000</u>	<u>750,000</u>	<u>359,818</u>	<u>132,269</u>
Total Expenditures	<u>750,000</u>	<u>750,000</u>	<u>359,818</u>	<u>132,269</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>( 289,157)</u>	<u>( 289,157)</u>	<u>( 274,897)</u>	<u>560,037</u>
Other Financing Sources:				
Transfers In	<u>789,154</u>	<u>789,154</u>	<u>790,615</u>	<u>747,142</u>
Total Other Financing Sources	<u>789,154</u>	<u>789,154</u>	<u>790,615</u>	<u>747,142</u>
Net Change In Fund Balance	<u>\$ 499,997</u>	<u>\$ 499,997</u>	<u>515,718</u>	<u>1,307,179</u>
Fund Balance, May 1			<u>4,973,440</u>	<u>3,666,261</u>
Fund Balance, April 30			<u>\$5,489,158</u>	<u>\$4,973,440</u>

See independent auditor's report.

City of St. Charles, Illinois

Fire Station Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2009

(with comparative actual)

	Original Budget	Final Budget	Actual	Last Year Actual
Revenues:				
Investment Income	\$ 1,400	\$ 1,400	\$ 6,933	(\$ 83)
Total Revenues	1,400	1,400	6,933	( 83)
Expenditures:				
Public Health and Safety:				
Contractual	865,000	707,263	582,859	187,307
Capital Outlay	4,068,145	4,681,184	3,029,715	-
Total Expenditures	4,933,145	5,388,447	3,612,574	187,307
Excess (Deficiency) of Revenues Over Expenditures	\$4,931,745	(5,387,047)	(3,605,641)	( 187,390)
Other Financing Sources:				
Issuance of Bonds	5,667,145	5,667,145	5,771,307	-
Discount on Bonds	-	-	( 814)	-
Total Other Financing Sources	5,667,145	5,667,145	5,770,493	-
Net Change In Fund Balance	<u>\$ 735,400</u>	<u>\$ 280,098</u>	2,164,852	( 187,390)
Fund Balance (Deficit), May 1			<u>( 292,499)</u>	<u>( 105,109)</u>
Fund Balance (Deficit), April 30			<u>\$1,872,353</u>	<u>(\$ 292,499)</u>

See independent auditor's report.

City of St. Charles, Illinois  
Public Works Garage Fund  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2009  
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Investment Income	\$ -	\$ -	\$ 24,671	\$ 121,518
Total Revenues	<u>-</u>	<u>-</u>	<u>24,671</u>	<u>121,518</u>
Expenditures:				
Public Works:				
Contractual	-	-	9,903	6,592
Capital Outlay	-	558,596	386,454	1,425,786
Total Expenditures	<u>-</u>	<u>558,596</u>	<u>396,357</u>	<u>1,432,378</u>
Net Change In Fund Balance	<u>\$ -</u>	<u>(\$ 558,596)</u>	<u>( 371,686)</u>	<u>(1,310,860)</u>
Fund Balance, May 1			<u>1,433,325</u>	<u>2,744,185</u>
Fund Balance, April 30			<u>\$1,061,639</u>	<u>\$1,433,325</u>

See independent auditor's report.

City of St. Charles, Illinois

Riverwall Project Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2009

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Investment Income	\$ -	\$ 3,519	\$ 8,557	\$ -
Total Revenues	-	3,519	8,557	-
Expenditures:				
Public Works:				
Contractual	-	65,328	65,327	-
Capital Outlay	-	271,000	267,466	-
Total Expenditures	-	336,328	332,793	-
Excess (Deficiency) of Revenues Over Expenditures	-	( 332,809)	( 324,236)	-
Other Financing Sources:				
Issuance of Bonds	-	4,045,000	4,045,000	-
Discount on Bonds	-	( 615)	( 615)	-
Total Other Financing Uses	-	4,044,385	4,044,385	-
Net Change In Fund Balance	<u>\$ -</u>	<u>\$3,711,576</u>	<u>3,720,149</u>	<u>-</u>
Fund Balance, May 1			<u>-</u>	<u>-</u>
Fund Balance, April 30			<u>\$3,720,149</u>	<u>\$ -</u>

See independent auditor's report.

City of St. Charles, Illinois

TIF District 4 Capital Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2009

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Grants	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Investment Income	-	-	300,200	196,909
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>400,200</u>	<u>296,909</u>
Expenditures:				
Public Works:				
Contractual	638,569	1,157,242	746,191	613,971
Capital Outlay	5,395,825	9,851,271	4,428,676	7,567,419
Total Expenditures	<u>6,034,394</u>	<u>11,008,513</u>	<u>5,174,867</u>	<u>8,181,390</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(5,934,394)</u>	<u>(10,908,513)</u>	<u>(4,774,667)</u>	<u>(7,884,481)</u>
Other Financing Sources:				
Issuance of Bonds	-	-	-	12,963,854
Premium on Bonds	-	-	-	157,970
Proceeds from the Sale of Capital Assets	400,000	400,000	-	-
Transfers In	-	-	-	3,762,000
Total Other Financing Sources	<u>400,000</u>	<u>400,000</u>	<u>-</u>	<u>16,883,824</u>
Net Change In Fund Balance	<u>(\$5,534,394)</u>	<u>(\$10,508,513)</u>	<u>(4,774,667)</u>	<u>8,999,343</u>
Fund Balance, May 1			<u>12,948,831</u>	<u>3,949,488</u>
Fund Balance, April 30			<u>\$8,174,164</u>	<u>\$12,948,831</u>

See independent auditor's report.

City of St. Charles, Illinois  
Special Service Area 21 Fund  
Schedule of Revenues, Expenditures  
and Changes in Fund Balance - Budget and Actual  
For the Year Ended April 30, 2009  
(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Investment Income	\$ 32,584	\$ 32,584	\$ 7,391	\$ 32,401
Total Revenues	<u>32,584</u>	<u>32,584</u>	<u>7,391</u>	<u>32,401</u>
Expenditures:				
None	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	<u>\$ 32,584</u>	<u>\$ 32,584</u>	7,391	32,401
Fund Balance, May 1			<u>868,092</u>	<u>835,691</u>
Fund Balance, April 30			<u>\$ 875,483</u>	<u>\$ 868,092</u>

See independent auditor's report.

## Internal Service Funds

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

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

**Worker's Compensation Liability Insurance** - used to account for the self-insurance related to worker's compensation, property, casualty and crime.

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

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

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

City of St. Charles, Illinois

Internal Service Funds

Combining Statement of Net Assets

April 30, 2009

	Health Insurance <u>Fund</u>	W/C Liability Insurance <u>Fund</u>	Inventory <u>Fund</u>	Motor Vehicle Replacement <u>Fund</u>	Communications <u>Fund</u>	<u>Total</u>
<b>Assets</b>						
Cash and Investments	\$1,791,838	\$ 967,600	\$ 72,604	\$2,645,213	\$ 586,842	\$6,064,097
Accrued Interest on Investments	-	-	-	7,344	-	7,344
Miscellaneous Receivables	35,537	-	-	-	-	35,537
Inventory (net of allowance for excess and obsolete inventory of \$90,000)	-	-	3,049,612	-	-	3,049,612
Prepaid Items	35,703	239,390	-	-	-	275,093
Capital Assets Being Depreciated	-	-	73,023	7,442,646	1,280,923	8,796,592
Accumulated Depreciation	-	-	(33,198)	(4,017,491)	-	(4,050,689)
<b>Total Assets</b>	<b>1,863,078</b>	<b>1,206,990</b>	<b>3,162,041</b>	<b>6,077,712</b>	<b>1,867,765</b>	<b>14,177,586</b>
<b>Liabilities</b>						
Accounts Payable	18,886	3,907	15,730	22,017	10,303	70,843
Claims Payable	378,112	1,202,064	-	-	-	1,580,176
Accrued Salaries	-	-	14,187	19,384	2,296	35,867
Advances from Other Funds	-	-	-	111,541	1,233,272	1,344,813
Accrued Compensated Absences	-	-	50,341	33,032	3,381	86,754
Net OPEB Obligation	-	-	8,517	46,011	8,908	63,436
<b>Total Liabilities</b>	<b>396,998</b>	<b>1,205,971</b>	<b>88,775</b>	<b>231,985</b>	<b>1,258,160</b>	<b>3,181,889</b>
<b>Net Assets</b>						
Invested in Capital Assets	-	-	39,825	3,425,155	1,280,923	4,745,903
Unrestricted (Deficit)	1,466,080	1,019	3,033,441	2,420,572	(671,318)	6,249,794
<b>Total Net Assets</b>	<b>\$1,466,080</b>	<b>\$ 1,019</b>	<b>\$3,073,266</b>	<b>\$5,845,727</b>	<b>\$ 609,605</b>	<b>\$10,995,697</b>

See independent auditor's report.

City of St. Charles, Illinois

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Assets

For the Year Ended April 30, 2009

	Health Insurance Fund	W/C Liability Insurance Fund	Inventory Fund	Motor Vehicle Replacement Fund	Communications Fund	Total
Operating Revenues:						
Charges for Services	\$ -	\$ -	\$ -	\$2,289,111	\$ 339,384	\$2,628,495
Insurance Premiums	4,187,872	1,213,199	-	-	-	5,401,071
Rental Income	-	-	-	934,451	-	934,451
Sale of Inventory	-	-	2,655,217	-	-	2,655,217
Miscellaneous	4,375	15,142	952,682	-	-	972,199
<b>Total Operating Revenues</b>	<b>4,192,247</b>	<b>1,228,341</b>	<b>3,607,899</b>	<b>3,223,562</b>	<b>339,384</b>	<b>12,591,433</b>
Operating Expenses:						
Personal Services	26,529	-	452,642	792,357	141,122	1,412,650
Fleet Maintenance	-	-	-	1,057,386	-	1,057,386
Insurance Claims	2,721,352	1,131,750	-	-	-	3,853,102
Insurance Premiums	276,335	362,103	-	-	-	638,438
Cost of Inventory	-	-	2,655,218	-	-	2,655,218
Provision for Depreciation	-	-	5,780	636,845	-	642,625
Miscellaneous	410,583	102,474	479,227	-	79,871	1,072,155
<b>Total Operating Expenses</b>	<b>3,434,799</b>	<b>1,596,327</b>	<b>3,592,867</b>	<b>2,486,588</b>	<b>220,993</b>	<b>11,331,574</b>
<b>Operating Income (Loss)</b>	<b>757,448</b>	<b>(367,986)</b>	<b>15,032</b>	<b>736,974</b>	<b>118,391</b>	<b>1,259,859</b>
Nonoperating Revenues:						
Gain on Sale of Property	-	-	-	72,922	-	72,922
Investment Income	15,098	19,453	(1,847)	43,819	8,715	85,238
<b>Total Nonoperating Revenues</b>	<b>15,098</b>	<b>19,453</b>	<b>(1,847)</b>	<b>116,741</b>	<b>8,715</b>	<b>158,160</b>
<b>Change in Net Assets</b>	<b>772,546</b>	<b>(348,533)</b>	<b>13,185</b>	<b>853,715</b>	<b>127,106</b>	<b>1,418,019</b>
Transfers:						
Transfers In	-	291,761	-	-	-	291,761
Transfers Out	-	-	-	(6,891)	-	(6,891)
<b>Total Transfers</b>	<b>-</b>	<b>291,761</b>	<b>-</b>	<b>(6,891)</b>	<b>-</b>	<b>284,870</b>
<b>Net Income (Loss)</b>	<b>772,546</b>	<b>(56,772)</b>	<b>13,185</b>	<b>846,824</b>	<b>127,106</b>	<b>1,702,889</b>
Net Assets, May 1	693,534	57,791	3,060,081	5,002,701	482,499	9,296,606
Prior Period Adjustment	-	-	-	(3,798)	-	(3,798)
Net Assets, May 1, restated	693,534	57,791	3,060,081	4,998,903	482,499	9,292,808
<b>Net Assets, April 30</b>	<b>\$1,466,080</b>	<b>\$ 1,019</b>	<b>\$3,073,266</b>	<b>\$5,845,727</b>	<b>\$ 609,605</b>	<b>\$10,995,697</b>

See independent auditor's report.

City of St. Charles, Illinois

Internal Service Funds

Combining Statement of Cash Flows

For the Year Ended April 30, 2009

	Health Insurance Fund	W/C Liability Insurance Fund	Inventory Fund	Motor Vehicle Replacement Fund	Communications Fund	Total
<b>Cash Flows from Operating Activities</b>						
Receipts from Interfund Services	\$ 4,325,490	\$ 1,218,093	\$ 2,655,217	\$ 3,223,562	\$ 339,384	\$ 11,761,746
Receipts from Miscellaneous Revenue	4,375	15,141	952,682	-	-	972,198
Payments to Suppliers	(3,247,993)	(1,358,454)	(3,122,879)	(1,051,245)	(71,627)	(8,852,198)
Payments to Employees	(26,529)	-	(446,906)	(753,103)	(136,012)	(1,362,550)
<b>Net Cash from Operating Activities</b>	<b>1,055,343</b>	<b>(125,220)</b>	<b>38,114</b>	<b>1,419,214</b>	<b>131,745</b>	<b>2,519,196</b>
<b>Cash Flows from Noncapital Financing Activities</b>						
Transfers In	-	291,761	-	-	-	291,761
Transfers Out	-	-	-	(40,432)	-	(40,432)
<b>Net Cash from Noncapital Financing Activities</b>	<b>-</b>	<b>291,761</b>	<b>-</b>	<b>(40,432)</b>	<b>-</b>	<b>251,329</b>
<b>Cash Flows from Capital and Related Financing Activities</b>						
Capital Assets Purchased	-	-	-	(678,862)	(13,906)	(692,768)
Sale of Capital Assets	-	-	-	82,950	-	82,950
<b>Net Cash from Capital and Related Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(595,912)</b>	<b>(13,906)</b>	<b>(609,818)</b>
<b>Cash Flows from Investing Activities</b>						
Proceed from Sale and Maturities of Investment Securities	-	-	-	(35,304)	-	(35,304)
Interest Received (Deducted)	15,098	19,453	(1,847)	58,659	8,715	100,078
<b>Net Cash from Investing Activities</b>	<b>15,098</b>	<b>19,453</b>	<b>(1,847)</b>	<b>23,355</b>	<b>8,715</b>	<b>64,774</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>1,070,441</b>	<b>185,994</b>	<b>36,267</b>	<b>806,225</b>	<b>126,554</b>	<b>2,225,481</b>
Cash and Cash Equivalents, May 1	721,397	781,606	36,337	851,977	460,288	2,851,605
<b>Cash and Cash Equivalents, April 30</b>	<b>\$ 1,791,838</b>	<b>\$ 967,600</b>	<b>\$ 72,604</b>	<b>\$ 1,658,202</b>	<b>\$ 586,842</b>	<b>\$ 5,077,086</b>
<b>Cash and Investments</b>						
Cash and Cash Equivalents	\$ 1,791,838	\$ 967,600	\$ 72,604	\$ 1,658,202	\$ 586,842	\$ 5,077,086
Investments	-	-	-	987,011	-	987,011
<b>Total Cash and Investments</b>	<b>\$ 1,791,838</b>	<b>\$ 967,600</b>	<b>\$ 72,604</b>	<b>\$ 2,645,213</b>	<b>\$ 586,842</b>	<b>\$ 6,064,097</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Operating Income (Loss)	\$ 757,448	\$ (367,986)	\$ 15,032	\$ 736,974	\$ 118,391	\$ 1,259,859
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities						
Depreciation	-	-	5,780	636,845	-	642,625
Changes in Assets and Liabilities						
Receivables	137,618	4,894	-	-	-	142,512
Inventory	-	-	60,697	-	-	60,697
Prepays	-	(17,836)	110	-	-	(17,726)
Accounts and Claims Payable	160,277	255,708	(50,273)	5,508	8,244	379,464
Accrued Salaries	-	-	5,363	8,579	(164)	13,778
Compensated Absences Payable	-	-	(3,012)	7,362	624	4,974
Net OPEB Obligation	-	-	4,417	23,946	4,650	33,013
<b>Net Cash from Operating Activities</b>	<b>\$ 1,055,343</b>	<b>\$ (125,220)</b>	<b>\$ 38,114</b>	<b>\$ 1,419,214</b>	<b>\$ 131,745</b>	<b>\$ 2,519,196</b>

See independent auditor's report.

## Fiduciary Funds

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

### **Pension Trust Funds**

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

### **Agency Funds**

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

**SSA 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 Fiduciary Net Assets

Fiduciary Funds

April 30, 2009

	<u>Pension Trust Funds</u>			<u>Agency Funds</u>
	<u>Police Pension Fund</u>	<u>Fire Pension Fund</u>	<u>Total</u>	
<b>Assets</b>				
Cash and Short-Term Investments	\$ 2,837,222	\$ 4,252,383	\$ 7,089,605	\$ 1,954,527
Investments, at Fair Value				
U.S. Treasury and Agency Securities	10,684,574	8,680,245	19,364,819	-
Mutual Funds	2,145,136	2,234,798	4,379,934	-
Equity Securities	4,501,843	3,274,989	7,776,832	-
Receivables				
Accounts Receivable	-	-	-	1,080,074
Accrued Interest on Investments	69,718	24,189	93,907	-
Total Assets	<u>20,238,493</u>	<u>18,466,604</u>	<u>38,705,097</u>	<u>\$ 3,034,601</u>
<b>Liabilities</b>				
Accounts Payable	8,560	4,983	13,543	14,023
Due to Other Governments	-	-	-	2,627,596
Due to Bondholders	-	-	-	392,982
Total Liabilities	<u>8,560</u>	<u>4,983</u>	<u>13,543</u>	<u>\$ 3,034,601</u>
Net Assets Held In Trust For Pension Benefits	<u>\$20,229,933</u>	<u>\$18,461,621</u>	<u>\$38,691,554</u>	

See independent auditor's report.

City of St. Charles, Illinois

Pension Trust Funds

Combining Statement of Changes in Plan Net Assets

For the Year Ended April 30, 2009

	<u>Police</u> <u>Pension Fund</u>	<u>Fire</u> <u>Pension Fund</u>	<u>Total</u>
Additions:			
Contributions -			
Employer	\$ 1,113,728	\$ 846,143	\$ 1,959,871
Employee	428,176	430,256	858,432
Total Contributions	<u>1,541,904</u>	<u>1,276,399</u>	<u>2,818,303</u>
Investment Income -			
Net Appreciation (Depreciation) in the Fair Value of Investments	(3,699,234)	(2,642,420)	(6,341,654)
Interest	902,953	467,083	1,370,036
Total Investment Income	<u>(2,796,281)</u>	<u>(2,175,337)</u>	<u>(4,971,618)</u>
Less Investment Expense	<u>(156,524)</u>	<u>(47,570)</u>	<u>(204,094)</u>
Net Investment Income	<u>(2,952,805)</u>	<u>(2,222,907)</u>	<u>(5,175,712)</u>
Total Additions	<u>(1,410,901)</u>	<u>(946,508)</u>	<u>(2,357,409)</u>
Deductions:			
Pension Benefits and Refunds	1,483,614	513,255	1,996,869
Administrative Expenses	36,768	14,552	51,320
Total Deductions	<u>1,520,382</u>	<u>527,807</u>	<u>2,048,189</u>
Net (Decrease)	(2,931,283)	(1,474,315)	(4,405,598)
Net Assets Held In Trust For Pension Benefits			
May 1	<u>23,161,216</u>	<u>19,935,936</u>	<u>43,097,152</u>
April 30	<u>\$20,229,933</u>	<u>\$18,461,621</u>	<u>\$38,691,554</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, 2009

	Balance May 1	Additions	Deductions	Balance April 30
Tri-City Ambulance Fund:				
Assets -				
Cash and Investments	\$ 1,431,141	\$ 2,266,993	\$ 2,791,233	\$ 906,901
Accounts Receivable, net	893,760	3,351,439	3,165,125	1,080,074
	<u>\$ 2,324,901</u>	<u>\$ 5,618,432</u>	<u>\$ 5,956,358</u>	<u>\$ 1,986,975</u>
Liabilities -				
Accounts Payable	\$ 22,623	\$ 2,753,869	\$ 2,762,469	\$ 14,023
Due to Other Governments	2,302,278	3,629,754	3,959,080	1,972,952
	<u>\$ 2,324,901</u>	<u>\$ 6,383,623</u>	<u>\$ 6,721,549</u>	<u>\$ 1,986,975</u>
Special Service Area 21:				
Assets -				
Cash and Investments	\$ 388,254	\$ 300,390	\$ 295,662	\$ 392,982
	<u>\$ 388,254</u>	<u>\$ 300,390</u>	<u>\$ 295,662</u>	<u>\$ 392,982</u>
Liabilities -				
Due to Bondholders	\$ 388,254	\$ 300,390	\$ 295,662	\$ 392,982
	<u>\$ 388,254</u>	<u>\$ 300,390</u>	<u>\$ 295,662</u>	<u>\$ 392,982</u>
North Central Narcotics Task Force:				
Assets -				
Cash and Investments	\$ 848,343	\$ 473,372	\$ 667,071	\$ 654,644
	<u>\$ 848,343</u>	<u>\$ 473,372</u>	<u>\$ 667,071</u>	<u>\$ 654,644</u>
Liabilities -				
Due to Other Governments	\$ 848,343	\$ 359,661	\$ 553,360	\$ 654,644
	<u>\$ 848,343</u>	<u>\$ 359,661</u>	<u>\$ 553,360</u>	<u>\$ 654,644</u>
Total:				
Assets -				
Cash and Investments	\$ 2,667,738	\$ 3,040,755	\$ 3,753,966	\$ 1,954,527
Accounts Receivable	893,760	3,351,439	3,165,125	1,080,074
	<u>\$ 3,561,498</u>	<u>\$ 6,392,194</u>	<u>\$ 6,919,091</u>	<u>\$ 3,034,601</u>
Liabilities -				
Accounts Payable	\$ 22,623	\$ 2,753,869	\$ 2,762,469	\$ 14,023
Due to Other Governments	3,150,621	3,989,415	4,512,440	2,627,596
Due to Bondholders	388,254	300,390	295,662	392,982
	<u>\$ 3,561,498</u>	<u>\$ 7,043,674</u>	<u>\$ 7,570,571</u>	<u>\$ 3,034,601</u>

See independent auditor's report.

## Capital Assets Used in the Operation of Governmental Funds

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

City of St. Charles, Illinois

Governmental Funds - Capital Assets

Schedule by Source

April 30, 2009

Capital Assets

Land	\$58,489,352
Buildings	42,614,023
Improvements Other Than Buildings	108,170,064
Equipment	4,957,399
Construction in Progress	14,687,265
Accumulated Depreciation	<u>(71,144,045)</u>
Total Capital Assets	<u>\$157,774,058</u>

Investment in Capital Assets

Adjusted Balance, May 1	\$152,963,984
Current Year Additions	8,272,579
Current Year Depreciation	<u>(3,462,505)</u>
Balance, April 30	<u>\$157,774,058</u>

See independent auditor's report.

City of St. Charles, Illinois

Governmental Funds - Capital Assets

Schedule by Function and Activity

April 30, 2009

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements other than Buildings</u>	<u>Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
General Government:						
General Administration	\$ 2,937,775	\$ 7,216,944	\$ -	\$ 45,113	\$ -	\$10,199,832
Central Support Services	-	-	-	310,645	-	310,645
Total General Government	<u>2,937,775</u>	<u>7,216,944</u>	<u>-</u>	<u>355,758</u>	<u>-</u>	<u>10,510,477</u>
Public Health and Safety:						
Police Department	-	772,213	-	93,746	-	865,959
Fire Department	-	6,333,044	366,965	105,619	-	6,805,628
Total Public Health and Safety	<u>-</u>	<u>7,105,257</u>	<u>366,965</u>	<u>199,365</u>	<u>-</u>	<u>7,671,587</u>
Public Works:	<u>55,551,577</u>	<u>28,291,822</u>	<u>107,803,100</u>	<u>4,402,276</u>	<u>-</u>	<u>196,048,775</u>
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,687,265</u>	<u>14,687,265</u>
Accumulated Depreciation	<u>-</u>	<u>(8,197,774)</u>	<u>(61,871,106)</u>	<u>(1,075,165)</u>	<u>-</u>	<u>(71,144,045)</u>
Total Capital Assets	<u>\$58,489,352</u>	<u>\$34,416,249</u>	<u>\$46,298,959</u>	<u>\$ 3,882,234</u>	<u>\$14,687,265</u>	<u>\$157,774,059</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, 2009

<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	\$10,199,832	\$ -	\$ -	(\$ 3,429,446)	\$ 6,770,386
Central Support Services	310,645	-	-	(310,645)	-
Total General Government	<u>10,510,477</u>	<u>-</u>	<u>-</u>	<u>(3,740,091)</u>	<u>6,770,386</u>
Public Health and Safety:					
Police Department	865,959	-	-	(153,475)	712,484
Fire Department	6,697,954	107,674	-	(1,178,643)	5,626,985
Total Public Health and Safety	<u>7,563,913</u>	<u>107,674</u>	<u>-</u>	<u>(1,332,118)</u>	<u>6,339,469</u>
Public Works:	<u>182,461,610</u>	<u>13,587,166</u>	<u>-</u>	<u>(66,071,836)</u>	<u>129,976,940</u>
Construction in Progress:	<u>20,109,525</u>	<u>8,171,270</u>	<u>(13,593,532)</u>	<u>-</u>	<u>14,687,264</u>
Total Capital Assets	<u><u>\$220,645,524</u></u>	<u><u>\$21,866,110</u></u>	<u><u>(\$13,593,532)</u></u>	<u><u>(\$71,144,045)</u></u>	<u><u>\$157,774,058</u></u>

See independent auditor's report.

## Long-Term Debt Payable by Governmental Funds

Long-Term Debt Payable by Governmental Funds accounts for long-term debt legally payable from general revenues and backed by the full faith and credit of the City.

City of St. Charles, Illinois

Long-Term Debt Payable by Governmental Funds

Schedule of General Long-Term Debt

April 30, 2009

	<u>Debit Balance</u>	<u>Credit Balance</u>
Amount Available in Debt Service Funds for Repayment of Principal	\$ 2,409,320	\$ -
Amounts to be Provided From Future Tax Levies and Other Sources for Payment of -		
Accrued Compensated Absences	3,234,118	-
General Obligation Bond Principal	80,952,706	-
Revenue Bond Principal	7,429,166	-
Installment Purchase Contracts	257,600	-
Other Postemployment Benefits	1,906,651	-
Developer Agreement Payable	716,125	-
Payable From Future Tax Levies and Other Sources-		
Accrued Compensated Absences	-	3,234,118
General Obligation Bond Principal	-	81,856,192
Revenue Bond Principal	-	8,935,000
Installment Purchase Contracts	-	257,600
Other Post Employment Benefits	-	1,906,651
Developer Agreement Payable	-	716,125
	<u>\$96,905,686</u>	<u>\$96,905,686</u>

See independent auditor's report.

City of St. Charles, Illinois

General Corporate Fund

Balance Sheet

April 30, 2009

Assets

Cash and Investments		\$18,841,163
Receivables		
Property Taxes, net	12,561,419	
Accrued Interest on Investments	45,983	
Miscellaneous, net	<u>304,934</u>	12,912,336
Prepaid Items		76,266
Due From Other Funds		20,003
Due From Other Governments		5,063,373
Advance to Other Funds		<u>2,487,807</u>
Total Assets		<u><u>\$39,400,948</u></u>

Liabilities and Fund Balance

Liabilities		
Accounts Payable		\$ 1,184,408
Contracts Payable		20,278
Accrued Salaries		598,016
Escrows and Refundable Deposits		2,206,467
Due to Other Funds		3,358,497
Deferred Revenue		
Property Taxes	12,561,419	
Other Deferred Revenue	<u>124,336</u>	12,685,755
Total Liabilities		<u>20,053,421</u>
Fund Balance		
Reserved for Retirement Obligations		559,452
Reserved for Ambulance Service		124,533
Reserved for Mental Health		25,313
Reserved for Special Service Areas		43,927
Reserved for Prepaid Items		76,266
Reserved for Capital Outlay		1,172,810
Reserved for Advances to Other Funds		2,487,807
Unreserved		<u>14,857,419</u>
Total Fund Balance		<u>19,347,527</u>
Total Liabilities and Fund Balance		<u><u>\$39,400,948</u></u>

See independent auditor's report.

City of St. Charles, Illinois  
General Corporate Fund  
Schedule of Detailed Expenditures - Budget and Actual  
For the Year Ended April 30, 2009  
(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	\$ 34,617	\$ 34,617	\$ 49,977	\$ 52,097
Contractual Services	24,474	25,974	20,302	22,311
Materials and Supplies	17,001	19,001	11,381	14,489
Allocations To Other Funds	(56,438)	(56,438)	(54,573)	(60,203)
	<u>19,654</u>	<u>23,154</u>	<u>27,087</u>	<u>28,694</u>
City Council-				
Personal Services	93,575	93,575	79,405	91,834
Contractual Services	76,801	432,660	413,896	414,799
Materials and Supplies	101,499	101,499	3	136
Allocations To Other Funds	(116,841)	(116,841)	(238,394)	(118,397)
	<u>155,034</u>	<u>510,893</u>	<u>254,910</u>	<u>388,372</u>
City Administrator-				
Personal Services	402,380	402,380	368,504	455,076
Contractual Services	874,551	851,109	820,955	804,942
Materials and Supplies	40,120	38,820	25,075	22,850
Allocations To Other Funds	(289,074)	(289,074)	(263,375)	(278,968)
	<u>1,027,977</u>	<u>1,003,235</u>	<u>951,159</u>	<u>1,003,900</u>
Community & Public Affairs-				
Personal Services	103,682	105,824	104,578	-
Contractual Services	32,401	46,333	15,762	-
Materials and Supplies	1,400	1,400	49	-
	<u>137,483</u>	<u>153,557</u>	<u>120,389</u>	<u>-</u>
City Clerk-				
Personal Services	4,845	4,845	5,082	4,657
Contractual Services	3,800	3,800	2,170	2,807
	<u>8,645</u>	<u>8,645</u>	<u>7,252</u>	<u>7,464</u>
City Treasurer-				
Personal Services	1,939	1,939	2,032	1,863
Contractual Services	1,900	2,280	2,280	1,856
Allocations To Other Funds	(1,373)	(1,373)	(1,600)	(1,444)
	<u>2,466</u>	<u>2,846</u>	<u>2,712</u>	<u>2,275</u>
Board of Police and Fire-				
Contractual Services	81,154	72,954	39,003	2,101
Materials and Supplies	515	515	164	391
	<u>81,669</u>	<u>73,469</u>	<u>39,167</u>	<u>2,492</u>
Total General Administrative	<u>1,432,928</u>	<u>1,775,799</u>	<u>1,402,676</u>	<u>1,433,197</u>

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
General Government (continued):				
Central Support Services-				
Purchasing-				
Personal Services	\$ 204,734	\$ 204,734	\$ 210,984	\$ 203,831
Contractual Services	84,120	69,120	48,384	73,015
Materials and Supplies	20,348	20,348	15,085	18,376
Capital Outlay	-	19,499	-	-
Miscellaneous	132	132	258	224
Allocations To Other Funds	<u>(270,934)</u>	<u>(270,934)</u>	<u>(274,711)</u>	<u>(278,047)</u>
	<u>38,400</u>	<u>42,899</u>	<u>-</u>	<u>17,399</u>
Human Resources-				
Personal Services	686,141	676,141	645,145	639,764
Contractual Services	155,558	112,712	77,324	147,537
Materials and Supplies	122,386	106,075	90,571	98,854
Capital Outlay	1,270	1,270	-	-
Miscellaneous	38	38	404	47
Allocations To Other Funds	<u>(375,754)</u>	<u>(375,754)</u>	<u>(359,420)</u>	<u>(315,234)</u>
	<u>589,639</u>	<u>520,482</u>	<u>454,024</u>	<u>570,968</u>
Information Systems-				
Personal Services	1,333,437	1,328,065	1,314,075	1,234,072
Contractual Services	323,830	256,035	196,262	229,674
Materials and Supplies	187,636	141,376	115,586	108,749
Capital Outlay	114,790	111,505	93,196	105,172
Miscellaneous	1,753	1,753	2,074	2,111
Allocations To Other Funds	<u>(666,663)</u>	<u>(666,663)</u>	<u>(698,923)</u>	<u>(665,072)</u>
	<u>1,294,783</u>	<u>1,172,071</u>	<u>1,022,270</u>	<u>1,014,706</u>
Finance Administration-				
Personal Services	1,098,490	1,090,622	1,065,757	1,118,071
Contractual Services	273,745	282,365	251,737	167,114
Materials and Supplies	356,460	332,778	45,174	39,724
Capital Outlay	1,450	-	-	-
Miscellaneous	1,116	1,116	600	1,265
Allocations To Other Funds	<u>(1,094,958)</u>	<u>(1,094,958)</u>	<u>(1,139,833)</u>	<u>(1,123,927)</u>
	<u>636,303</u>	<u>611,923</u>	<u>223,435</u>	<u>202,247</u>
Total Central Support Services	<u>2,559,125</u>	<u>2,347,375</u>	<u>1,699,729</u>	<u>1,805,320</u>
Total General Government	<u>3,992,053</u>	<u>4,123,174</u>	<u>3,102,405</u>	<u>3,238,517</u>
Public Health and Safety:				
Police Department-				
Administration-				
Personal Services	3,083,664	3,073,422	2,991,958	2,730,440
Contractual Services	887,786	949,424	909,859	862,168
Materials and Supplies	138,214	138,214	54,905	77,261
Capital Outlay	49,500	49,500	20,134	192,771
Miscellaneous	2,018	2,018	3,515	3,072
	<u>4,161,182</u>	<u>4,212,578</u>	<u>3,980,371</u>	<u>3,865,712</u>

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Public Health and Safety (Continued):				
Police Department (Continued)-				
Police Operations-				
Personal Services	\$ 5,633,244	\$ 5,491,244	\$ 5,602,682	\$ 5,476,738
Contractual Services	530,752	520,752	581,158	382,952
Materials and Supplies	195,247	175,548	137,649	154,272
Capital Outlay	166,820	188,596	142,622	115,923
Miscellaneous	26,306	26,306	49,000	40,174
	<u>6,552,369</u>	<u>6,402,446</u>	<u>6,513,111</u>	<u>6,170,059</u>
Total Police Department	<u>10,713,551</u>	<u>10,615,024</u>	<u>10,493,482</u>	<u>10,035,771</u>
Fire Department-				
Administration-				
Personal Services	1,614,282	1,591,782	1,565,277	1,685,305
Contractual Services	223,913	193,889	181,831	193,514
Materials and Supplies	22,937	18,484	14,045	17,143
Miscellaneous	189	189	468	324
	<u>1,861,321</u>	<u>1,804,344</u>	<u>1,761,621</u>	<u>1,896,286</u>
Fire Suppression-				
Personal Services	799,192	799,192	781,954	628,697
Contractual Services	87,550	87,550	86,507	80,921
Materials and Supplies	12,866	9,541	8,984	7,242
Miscellaneous	67	67	183	49
	<u>899,675</u>	<u>896,350</u>	<u>877,628</u>	<u>716,909</u>
Fire Station Activities-				
Personal Services	3,400,494	3,375,494	3,791,670	3,604,360
Contractual Services	828,815	893,577	815,008	606,040
Materials and Supplies	138,109	125,799	99,710	122,282
Capital Outlay	105,950	93,598	63,398	58,251
Miscellaneous	15,473	15,473	26,334	23,575
	<u>4,488,841</u>	<u>4,503,941</u>	<u>4,796,120</u>	<u>4,414,508</u>
Fire Training-				
Personal Services	727,095	700,095	692,713	656,621
Materials and Supplies	12,900	12,600	10,172	12,379
Capital Outlay	5,000	-	-	-
	<u>744,995</u>	<u>712,695</u>	<u>702,885</u>	<u>669,000</u>
Fire Prevention-				
Personal Services	589,591	589,591	451,808	416,631
Contractual Services	34,803	34,803	8,309	19,628
Materials and Supplies	7,606	7,606	4,541	4,865
Capital Outlay	10,000	10,000	8,090	-
Miscellaneous	26	26	-	26
	<u>642,026</u>	<u>642,026</u>	<u>472,748</u>	<u>441,150</u>
Emergency Medical Services-				
Personal Services	575,892	575,892	387,830	360,212
Contractual Services	138,925	138,925	219,091	392,102
Materials and Supplies	6,972	6,972	6,818	4,821
Capital Outlay	1,000	1,030	255	19,969
	<u>722,789</u>	<u>722,819</u>	<u>613,994</u>	<u>777,104</u>

	<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 Service and Disaster-				
Personal Services	\$ 78,308	\$ 77,008	\$ 53,550	\$ 55,492
Contractual Services	30,987	31,101	41,202	35,772
Materials and Supplies	4,977	5,252	2,123	4,655
Capital Outlay	1,950	1,950	1,325	36,036
	<u>116,222</u>	<u>115,311</u>	<u>98,200</u>	<u>131,955</u>
 Total Fire Department	 <u>9,475,869</u>	 <u>9,397,486</u>	 <u>9,323,196</u>	 <u>9,046,912</u>
 Public Health Planning				
Contractual Services	682,850	675,350	691,000	655,600
	<u>682,850</u>	<u>675,350</u>	<u>691,000</u>	<u>655,600</u>
 Total Public Health and Safety	 <u>20,872,270</u>	 <u>20,687,860</u>	 <u>20,507,678</u>	 <u>19,738,283</u>
 Public Works:				
Administration-				
Personal Services	565,311	572,031	584,502	512,747
Contractual Services	94,503	69,254	62,304	231,274
Materials and Supplies	9,776	9,909	6,772	6,938
Capital Outlay	9,698	9,698	7,500	3,092
Miscellaneous	423	423	498	454
Allocations To Other Funds	(146,071)	(146,071)	(137,193)	(163,026)
	<u>533,640</u>	<u>515,244</u>	<u>524,383</u>	<u>591,479</u>
 Engineering-				
Personal Services	603,268	542,418	527,788	754,655
Contractual Services	578,401	382,885	293,486	238,219
Materials and Supplies	20,831	20,831	14,314	14,536
Capital Outlay	39,500	31,500	18,000	-
Miscellaneous	1,109	1,109	2,256	1,610
Allocations To Other Funds	(199,155)	(199,155)	(160,923)	(244,833)
	<u>1,043,954</u>	<u>779,588</u>	<u>694,921</u>	<u>764,187</u>
 Street and Bridge Maintenance-				
Personal Services	1,582,192	1,581,828	1,516,884	1,712,318
Contractual Services	2,490,180	2,276,572	2,349,889	2,158,682
Materials and Supplies	449,761	449,729	394,332	657,217
Capital Outlay	50,856	36,201	8,535	-
Miscellaneous	31,001	31,001	60,727	57,528
Allocations To Other Funds	(661,492)	(661,492)	(679,179)	(849,692)
	<u>3,942,498</u>	<u>3,713,839</u>	<u>3,651,188</u>	<u>3,736,053</u>
 Storm Sewer Maintenance-				
Personal Services	373,758	373,758	350,211	289,490
Contractual Services	96,582	21,023	19,405	38,618
Materials and Supplies	115,782	114,982	98,841	110,412
Capital Outlay	272,500	87,176	30,115	84,290
Miscellaneous	31,277	31,277	30,949	33,094
	<u>889,899</u>	<u>628,216</u>	<u>529,521</u>	<u>555,904</u>

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Last Year <u>Actual</u>
<b>Public Works (Continued):</b>				
Street and Bridge Engineering-				
Contractual Services	\$ 761,402	\$ 744,262	\$ 397,657	\$ 240,007
Capital Outlay	2,394,930	2,282,751	543,896	607,173
Miscellaneous	448	448	-	-
	<u>3,156,780</u>	<u>3,027,461</u>	<u>941,553</u>	<u>847,180</u>
Snow and Ice Removal-				
Personal Services	241,482	241,482	382,180	414,707
Contractual Services	65,895	150,895	147,388	167,556
Materials and Supplies	326,261	387,231	394,955	350,413
Capital Outlay	7,725	7,725	7,725	16,187
Miscellaneous	1,190	1,190	1,410	2,052
	<u>642,553</u>	<u>788,523</u>	<u>933,658</u>	<u>950,915</u>
Street Cleaning-				
Personal Services	123,815	123,815	109,531	114,721
Contractual Services	41,948	41,948	41,948	41,948
Materials and Supplies	17,599	17,099	15,940	14,802
Miscellaneous	3,630	3,630	6,497	4,761
	<u>186,992</u>	<u>186,492</u>	<u>173,916</u>	<u>176,232</u>
Buildings and Grounds-				
Personal Services	491,333	491,697	491,797	514,842
Contractual Services	1,330,248	1,227,232	1,156,537	936,202
Materials and Supplies	130,125	111,484	100,584	114,008
Capital Outlay	19,254	54,274	36,935	65,570
Miscellaneous	11,590	11,590	21,345	18,802
Allocations To Other Funds	(701,824)	(701,824)	(738,653)	(662,554)
	<u>1,280,726</u>	<u>1,194,453</u>	<u>1,068,545</u>	<u>986,870</u>
Curbs and Sidewalks-				
Personal Services	347,029	347,029	305,241	292,730
Contractual Services	112,013	92,013	86,129	113,840
Materials and Supplies	117,863	105,301	95,444	115,280
Miscellaneous	777	777	1,069	1,540
	<u>577,682</u>	<u>545,120</u>	<u>487,883</u>	<u>523,390</u>
<b>Total Public Works</b>	<u>12,254,724</u>	<u>11,378,936</u>	<u>9,005,568</u>	<u>9,132,210</u>
<b>Community Development:</b>				
Planning Services-				
Personal Services	603,222	552,589	458,276	591,715
Contractual Services	580,221	611,701	476,057	495,114
Materials and Supplies	4,560	4,960	3,435	4,473
Capital Outlay	-	972	971	79,888
Allocations To Other Funds	(92,389)	(92,389)	(88,354)	(95,796)
	<u>1,095,614</u>	<u>1,077,833</u>	<u>850,385</u>	<u>1,075,394</u>

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Community Development (Continued):				
Planning Commission-				
Personal Services	\$ 515	\$ 515	\$ -	\$ -
Contractual Services	<u>15,835</u>	<u>15,835</u>	<u>11,373</u>	<u>12,385</u>
	<u>16,350</u>	<u>16,350</u>	<u>11,373</u>	<u>12,385</u>
Building and Zoning Inspections-				
Personal Services	759,239	752,389	738,354	677,377
Contractual Services	115,265	114,037	81,414	109,971
Materials and Supplies	61,903	51,303	26,096	28,925
Miscellaneous	1,696	1,696	2,280	2,368
Allocations To Other Funds	<u>(73,793)</u>	<u>(73,793)</u>	<u>(72,096)</u>	<u>(77,172)</u>
	<u>864,310</u>	<u>845,632</u>	<u>776,048</u>	<u>741,469</u>
Zoning Board of Appeals-				
Personal Services	927	927	149	447
Contractual Services	<u>3,740</u>	<u>3,740</u>	<u>369</u>	<u>2,027</u>
	<u>4,667</u>	<u>4,667</u>	<u>518</u>	<u>2,474</u>
Economic Development-				
Personal Services	248,291	244,697	259,883	148,049
Contractual Services	83,826	93,112	29,604	30,664
Materials and Supplies	13,600	13,600	3,783	9,327
Capital Outlay	-	1,500	1,011	-
Allocations To Other Funds	<u>(71,754)</u>	<u>(71,754)</u>	<u>(78,955)</u>	<u>(66,881)</u>
	<u>273,963</u>	<u>281,155</u>	<u>215,326</u>	<u>121,159</u>
Total Community Development	<u>2,254,904</u>	<u>2,225,637</u>	<u>1,853,650</u>	<u>1,952,881</u>
Debt Service:				
Principal	110,884	110,884	80,317	129,763
Interest and Fiscal Charges	<u>13,359</u>	<u>13,359</u>	<u>12,142</u>	<u>16,374</u>
	<u>124,243</u>	<u>124,243</u>	<u>92,459</u>	<u>146,137</u>
Total Expenditures	<u>\$39,498,194</u>	<u>\$38,539,850</u>	<u>\$34,561,760</u>	<u>\$34,208,028</u>

See independent auditor's report.

City of St. Charles, Illinois

Zylstra Project Fund

Schedule of Revenues, Expenditures

and Changes in Fund Balance - Budget and Actual

For the Year Ended April 30, 2009

(with comparative actual)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Last Year Actual</u>
Revenues:				
Investment Income	\$ -	\$ -	\$ 3	\$ -
Total Revenues	-	-	3	-
Expenditures:				
Community Development:				
Contractual	-	7,646,161	7,638,222	-
Total Expenditures	-	7,646,161	7,638,222	-
Excess (Deficiency) of Revenues Over Expenditures	-	(7,646,161)	(7,638,219)	-
Other Financing Sources:				
Issuance of Bonds	-	7,646,141	7,698,498	-
Discount on Bonds	-	-	( 52,337)	-
Total Other Financing Uses	-	7,646,141	7,646,161	-
Net Change In Fund Balance	<u>\$ -</u>	<u>(\$ 20)</u>	7,942	-
Fund Balance, May 1			-	-
Fund Balance, April 30			<u>\$ 7,942</u>	<u>\$ -</u>

See independent auditor's report.



998 Corporate Boulevard • Aurora, IL 60502

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information which collectively comprise the basic financial statements of the City of St. Charles, Illinois as of and for the year ended April 30, 2009, and have issued our report thereon dated August 31, 2009. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on the eligibility for costs incurred incidental to the implementation of the redevelopment plan and redevelopment projects associated with the Downtown Redevelopment TIF District, the Hotel Baker TIF District, the St. Charles Mall TIF District, the St. Charles Kitchen TIF District and the Moline TIF District pursuant to Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act.

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

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

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

Aurora, Illinois  
August 31, 2009

A handwritten signature in black ink, appearing to read 'A. D. D. P.', located at the bottom right of the page.

## 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.	137-141
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	142-146
Debt Capacity The schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	147-151
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.	152-153
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.	154-156

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement No. 34 in 2005; schedules presenting government-wide information include information beginning in that year.

## CITY OF ST. CHARLES, ILLINOIS

## NET ASSETS BY COMPONENT

Last Six Years

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
<b>Governmental Activities</b>						
Invested in Capital Assets Net of Related Debt	\$ 24,370,894	\$ 90,799,534	\$ 102,371,583	\$ 99,460,021	\$ 99,140,750	\$ 99,628,444
Restricted	4,561,791	6,563,203	7,585,288	8,583,125	11,617,447	13,196,304
Unrestricted	(3,446,244)	(1,439,033)	4,591,049	9,956,490	13,430,037	3,062,631
<b>Total Governmental Activities</b>	<b>\$ 25,486,441</b>	<b>\$ 95,923,704</b>	<b>\$ 114,547,920</b>	<b>\$ 117,999,636</b>	<b>\$ 124,188,234</b>	<b>\$ 115,887,379</b>
<b>Business-type Activities</b>						
Invested in Capital Assets Net of Related Debt	\$ 72,599,863	\$ 75,257,744	\$ 87,666,921	\$ 91,359,113	\$ 94,294,449	\$ 89,806,332
Restricted	-	-	-	-	-	-
Unrestricted	35,849,445	35,097,563	32,642,266	32,322,467	26,346,235	21,814,925
<b>Total Business-type Activities</b>	<b>\$ 108,449,308</b>	<b>\$ 110,355,307</b>	<b>\$ 120,309,187</b>	<b>\$ 123,681,580</b>	<b>\$ 120,640,684</b>	<b>\$ 111,621,257</b>
<b>Primary Government</b>						
Invested in Capital Assets Net of Related Debt	\$ 96,970,757	\$ 166,057,278	\$ 190,038,504	\$ 190,819,134	\$ 193,435,199	\$ 189,434,776
Restricted	4,561,791	6,563,203	7,585,288	8,583,125	11,617,447	13,196,304
Unrestricted	32,403,201	33,658,530	37,233,315	42,278,957	39,776,272	24,877,556
<b>Total Primary Government</b>	<b>\$ 133,935,749</b>	<b>\$ 206,279,011</b>	<b>\$ 234,857,107</b>	<b>\$ 241,681,216</b>	<b>\$ 244,828,918</b>	<b>\$ 227,508,636</b>

Data Source

Audited Financial Statements

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

CITY OF ST. CHARLES, ILLINOIS

CHANGE IN NET ASSETS

Last Six Years

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
<b>Expenses</b>						
<b>Governmental Activities</b>						
General Government	\$ 2,645,240	\$ 2,956,654	\$ 3,228,166	\$ 3,252,423	\$ 4,635,671	\$ 3,204,672
Public Health and Safety	15,244,895	16,838,854	18,061,021	19,405,061	20,569,266	21,200,071
* Public Works	9,968,410	12,678,531	12,359,124	12,906,010	12,137,618	14,834,725
Community Development	1,585,173	1,544,190	1,829,862	1,735,687	1,852,758	9,204,338
Interest	1,444,074	1,538,765	2,139,487	2,339,115	2,787,860	3,455,958
<b>Total Governmental Activities Expenses</b>	<b>30,887,792</b>	<b>35,556,994</b>	<b>37,617,660</b>	<b>39,638,296</b>	<b>41,983,173</b>	<b>51,899,764</b>
<b>Business-type Activities</b>						
Electric	32,992,279	33,562,224	35,649,910	36,695,935	42,530,760	43,795,302
Water	3,416,200	3,754,829	3,986,311	4,165,139	4,389,280	4,708,626
Sewer	5,843,212	5,889,733	6,360,374	6,277,893	7,427,906	6,764,238
Refuse	612,022	663,533	644,067	582,798	802,619	728,318
<b>Total Business-type Activities Expenses</b>	<b>42,863,713</b>	<b>43,870,319</b>	<b>46,640,662</b>	<b>47,721,765</b>	<b>55,150,565</b>	<b>55,996,484</b>
<b>Total Primary Government Expenses</b>	<b>\$ 73,751,505</b>	<b>\$ 79,427,313</b>	<b>\$ 84,258,322</b>	<b>\$ 87,360,061</b>	<b>\$ 97,133,738</b>	<b>\$ 107,896,248</b>
<b>Program Revenues</b>						
<b>Governmental Activities</b>						
<b>Charges for Services</b>						
General Government	\$ 460,999	\$ 408,211	\$ 334,307	\$ 351,432	\$ 330,721	\$ 380,742
Public Health and Safety	1,390,678	1,590,371	1,671,728	1,893,485	1,836,614	2,202,465
* Public Works	110,873	136,893	92,665	170,412	253,635	189,408
Community Development	904,712	785,864	916,423	682,379	636,193	580,337
Operating Grants and Contributions	906,906	1,099,495	1,177,318	1,271,476	1,151,030	1,092,490
Capital Grants and Contributions	185,335	359,406	2,424,847	444,673	4,322,602	143,008
<b>Total Governmental Activities Program Revenues</b>	<b>3,959,503</b>	<b>4,380,240</b>	<b>6,617,288</b>	<b>4,813,857</b>	<b>8,530,795</b>	<b>4,588,450</b>
<b>Business-type Activities</b>						
<b>Charges for Services</b>						
Electric	33,697,494	34,604,347	37,268,760	37,450,772	39,657,173	39,670,266
Water	3,051,019	2,946,010	3,195,610	2,962,401	2,970,946	2,851,707
Sewer	5,267,320	5,397,512	5,533,228	5,392,115	5,570,674	5,555,699
Refuse	446,940	474,387	474,374	475,550	486,012	493,399
Operating Grants and Contributions	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	-
<b>Total Business-type Activities Program Revenues</b>	<b>42,462,773</b>	<b>43,422,256</b>	<b>46,471,972</b>	<b>46,280,838</b>	<b>48,684,805</b>	<b>48,571,071</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 46,422,276</b>	<b>\$ 47,802,496</b>	<b>\$ 53,089,260</b>	<b>\$ 51,094,695</b>	<b>\$ 57,215,600</b>	<b>\$ 53,159,521</b>

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
<b>Net (Expense) Revenue</b>						
Governmental Activities	\$ (26,928,289)	\$ (31,176,754)	\$ (31,000,372)	\$ (34,824,439)	\$ (33,452,378)	\$ (47,311,314)
Business-type Activities	(400,940)	(448,063)	(168,690)	(1,440,927)	(6,465,760)	(7,425,413)
<b>Total Primary Government Net (Expense) Revenue</b>	<b>\$ (27,329,229)</b>	<b>\$ (31,624,817)</b>	<b>\$ (31,169,062)</b>	<b>\$ (36,265,366)</b>	<b>\$ (39,918,138)</b>	<b>\$ (54,736,727)</b>
<b>General Revenues and Other Changes in Net Assets</b>						
<b>Governmental Activities</b>						
Taxes						
Property	\$ 8,806,833	\$ 9,711,044	\$ 10,299,727	\$ 11,472,282	\$ 12,076,065	\$ 13,131,263
Personal Property Replacement	59,983	68,379	88,202	95,854	109,332	100,102
Municipal Sales and Use	12,541,228	15,248,168	16,216,501	16,356,138	16,077,769	14,800,130
Electric Franchise Fee	1,581,833	1,614,553	1,754,659	1,747,190	1,867,683	1,882,001
Food and Beverage	1,066,042	692,047	588,720	101,016	-	-
Hotel Occupation	1,382,851	1,684,926	1,970,172	2,020,640	2,123,542	1,795,525
Telecommunications Fee	1,932,387	1,619,756	1,388,891	1,255,382	1,491,882	1,510,057
State Income	1,769,025	2,155,151	2,432,504	2,683,079	2,931,062	2,900,549
Other	127,898	123,493	66,773	63,224	55,253	49,626
Investment Income	111,732	220,649	1,007,520	1,514,343	1,665,889	750,645
Miscellaneous	409,648	419,899	469,322	535,968	534,877	667,320
Contributions	4,543,807	291,037	125,748	495,437	389,677	1,205,121
Transfers	(388,292)	(457,401)	(374,556)	121,876	317,945	251,524
<b>Total Governmental Activities</b>	<b>33,944,975</b>	<b>33,391,701</b>	<b>36,034,183</b>	<b>38,462,429</b>	<b>39,640,976</b>	<b>39,043,863</b>
<b>Business-type Activities</b>						
Investment Income	411,391	516,990	1,178,272	1,718,477	1,443,180	374,971
Connection Charges	899,884	567,281	653,933	566,479	645,504	255,960
Miscellaneous	597,884	325,269	222,169	128,966	235,518	205,265
Gain on Sale of Capital Assets	153,229	107,855	164,951	-	-	-
Contributions	294,931	429,650	1,087,321	2,521,274	1,418,607	280,286
Transfers	388,292	457,401	374,556	(121,876)	(317,945)	(251,524)
<b>Total Business-type Activities</b>	<b>2,745,611</b>	<b>2,404,446</b>	<b>3,681,202</b>	<b>4,813,320</b>	<b>3,424,864</b>	<b>864,958</b>
<b>Total Primary Government</b>	<b>\$ 36,690,586</b>	<b>\$ 35,796,147</b>	<b>\$ 39,715,385</b>	<b>\$ 43,275,749</b>	<b>\$ 43,065,840</b>	<b>\$ 39,908,821</b>
<b>Change in Net Assets</b>						
Governmental Activities	\$ 7,016,686	\$ 2,214,947	\$ 5,033,811	\$ 3,637,990	\$ 6,188,598	\$ (8,267,451)
Business-type Activities	2,344,671	1,956,383	3,512,512	3,372,393	(3,040,896)	(6,560,455)
<b>Total Primary Government Change in Net Assets</b>	<b>\$ 9,361,357</b>	<b>\$ 4,171,330</b>	<b>\$ 8,546,323</b>	<b>\$ 7,010,383</b>	<b>\$ 3,147,702</b>	<b>\$ (14,827,906)</b>

Data Source

Audited Financial Statements

Note: GASB S-34 was implemented in FY 2004

\* The large number of increase in expenses between 2004-2005 is due to retroactive reporting of infrastructure and full year of depreciation expense being charged.

CITY OF ST. CHARLES, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund	\$ -	\$ -	\$ 1,389,012	\$ 1,304,739	\$ 910,957	\$ 1,620,598	\$ 1,837,441	\$ 2,216,128	\$ 2,868,908	\$ 4,490,108
Reserved	6,416,075	8,392,840	6,139,573	7,933,233	10,550,829	14,086,350	16,142,675	14,950,556	15,581,064	14,857,419
Unreserved	\$ 6,416,075	\$ 8,392,840	\$ 7,528,585	\$ 9,237,972	\$ 11,461,786	\$ 15,706,948	\$ 17,980,116	\$ 17,166,684	\$ 18,449,972	\$ 19,347,527
Total General Fund	\$ 6,416,075	\$ 8,392,840	\$ 7,528,585	\$ 9,237,972	\$ 11,461,786	\$ 15,706,948	\$ 17,980,116	\$ 17,166,684	\$ 18,449,972	\$ 19,347,527
All Other Governmental Funds										
Reserved	\$ 997,842	\$ 832,953	\$ 1,124,843	\$ 1,202,790	\$ 7,687,901	\$ 6,201,601	\$ 7,337,916	\$ 8,192,033	\$ 11,061,906	\$ 12,443,079
Unreserved, reported in										
Special Revenue Funds	1,760,816	2,256,003	2,398,788	2,236,210	(730,523)	(884,548)	(1,262,637)	(1,525,467)	(2,018,141)	(2,400,267)
Debt Service Funds	-	-	(253,793)	(575,199)	-	-	-	-	-	-
Capital Project Funds	3,578,794	7,257,371	4,968,761	1,837,664	(4,036,175)	(2,765,572)	1,067,982	6,588,564	14,089,657	14,836,247
Total All Other Governmental Funds	\$ 6,337,452	\$ 10,346,327	\$ 8,238,599	\$ 4,701,465	\$ 2,921,203	\$ 2,551,481	\$ 7,143,261	\$ 13,255,130	\$ 23,133,422	\$ 24,879,059

Data Source

Audited Financial Statements

CITY OF ST. CHARLES, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Revenues</b>										
Taxes	\$ 17,667,546	\$ 19,298,543	\$ 20,570,134	\$ 24,259,646	\$ 27,441,388	\$ 30,705,355	\$ 32,373,645	\$ 33,111,726	\$ 33,801,526	\$ 33,268,704
Licenses and Permits	713,646	798,396	749,020	804,284	749,547	773,173	643,110	572,974	588,917	497,362
Intergovernmental	5,812,206	6,335,594	6,231,132	6,334,096	2,925,337	3,678,720	5,013,059	4,441,018	8,037,262	4,106,734
Fines and Forfeitures	312,051	251,065	227,311	190,732	204,199	256,476	303,022	339,740	290,130	376,626
Charges for Services	1,898,092	1,931,274	1,633,819	1,566,332	1,756,396	1,787,463	2,005,440	2,076,491	2,117,275	2,357,393
Investment Income	653,057	818,973	502,341	294,162	111,727	220,649	1,007,520	1,514,343	1,665,889	750,645
Miscellaneous	717,852	885,810	599,713	747,093	658,921	516,468	1,553,284	602,679	986,042	815,705
<b>Total Revenues</b>	<b>27,774,450</b>	<b>30,319,655</b>	<b>30,513,470</b>	<b>34,196,345</b>	<b>33,847,515</b>	<b>37,938,304</b>	<b>42,899,080</b>	<b>42,658,971</b>	<b>47,457,041</b>	<b>42,173,169</b>
<b>Expenditures</b>										
General Government	3,313,608	4,319,583	4,334,129	4,557,010	2,629,794	2,731,972	3,301,517	3,067,426	3,469,160	3,435,154
Public Health and Safety	10,407,218	11,185,290	12,449,340	13,563,220	15,623,341	16,870,083	18,630,320	19,474,760	19,947,430	20,643,649
Public Works	11,276,506	11,444,776	14,497,563	12,063,803	9,949,117	11,656,979	11,684,822	16,354,003	10,634,198	10,882,985
Community Development	2,140,282	1,689,303	1,747,015	2,070,972	1,611,077	1,542,692	1,816,208	1,975,058	1,952,881	9,491,872
Debt Service										
Principal	449,803	587,571	825,472	1,393,373	1,622,782	1,846,493	2,007,291	2,530,582	3,165,327	3,247,523
Interest	735,795	862,253	1,299,150	1,376,317	1,404,128	1,493,863	1,600,410	2,470,500	2,609,282	3,040,808
Capital Outlay	5,264,042	3,672,345	2,681,482	1,836,888	4,473,526	3,917,320	12,661,134	5,557,550	8,993,205	8,644,334
<b>Total Expenditures</b>	<b>33,587,254</b>	<b>33,761,121</b>	<b>37,834,151</b>	<b>36,861,583</b>	<b>37,313,765</b>	<b>40,059,402</b>	<b>51,701,702</b>	<b>51,429,879</b>	<b>50,771,483</b>	<b>59,386,325</b>
Excess of Revenues over (under) Expenditures	(5,812,804)	(3,441,466)	(7,320,681)	(2,665,238)	(3,466,250)	(2,121,098)	(8,802,622)	(8,770,908)	(3,314,442)	(17,213,156)
<b>Other financing Sources (Uses)</b>										
Transfers In	1,598,176	2,000,137	2,655,364	2,176,949	3,264,662	3,138,348	4,863,371	8,698,763	9,851,717	5,985,919
Transfers Out	(2,068,078)	(2,480,264)	(3,066,166)	(2,619,183)	(1,407,790)	(3,583,327)	(5,507,721)	(8,902,149)	(9,882,915)	(6,019,265)
Bonds Issued	2,574,023	9,900,000	2,831,406	1,357,000	4,435,000	6,375,000	19,115,000	14,470,000	14,340,000	19,935,000
Premium (Discount) on Bonds Issued	-	-	-	-	(30,538)	(56,457)	83,687	(10,995)	157,970	(47,806)
Issuance of Installment Contracts	-	-	-	-	112,500	122,975	-	-	-	-
Payment to Escrow Agent	-	-	-	-	-	-	(2,738,049)	-	-	-
Sale of Capital Assets	550,952	7,233	10,493	9,102	-	-	1,200	-	9,250	2,500
<b>Total Other Financing Sources (Uses)</b>	<b>2,655,073</b>	<b>9,427,106</b>	<b>2,431,097</b>	<b>923,868</b>	<b>6,373,834</b>	<b>5,996,539</b>	<b>15,817,488</b>	<b>14,255,619</b>	<b>14,476,022</b>	<b>19,856,348</b>
<b>Net Change in Fund Balances</b>	<b>\$ (3,157,731)</b>	<b>\$ 5,985,640</b>	<b>\$ (4,889,584)</b>	<b>\$ (1,741,370)</b>	<b>\$ 2,907,584</b>	<b>\$ 3,875,441</b>	<b>\$ 7,014,866</b>	<b>\$ 5,484,711</b>	<b>\$ 11,161,580</b>	<b>\$ 2,643,192</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	4.19%	4.82%	6.04%	7.91%	9.22%	9.24%	9.24%	10.90%	13.82%	12.39%

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
1999	\$533,345,454	\$174,563,894	\$90,684,368	\$798,593,716	0.5500	\$2,395,781,148	33.3333%
2000	582,888,161	204,057,380	96,208,458	883,153,999	0.5426	2,649,461,997	33.3333%
2001	654,428,390	221,015,883	99,328,931	974,773,204	0.7260	2,924,319,612	33.3333%
2002	737,062,340	229,901,820	106,413,084	1,073,377,244	0.7489	3,220,131,732	33.3333%
2003	824,930,416	250,380,336	107,284,531	1,182,595,283	0.7506	3,547,785,849	33.3333%
2004	876,989,053	260,848,331	109,413,588	1,247,250,972	0.7490	3,741,752,916	33.3333%
2005	944,422,898	281,505,774	126,398,861	1,352,327,533	0.7537	4,056,982,599	33.3333%
2006	1,007,971,270	317,706,581	135,486,864	1,461,164,715	0.7314	4,383,494,145	33.3333%
2007	1,093,511,982	340,689,027	146,061,935	1,580,262,944	0.7300	4,740,788,832	33.3333%
2008	1,130,538,083	363,806,483	154,181,792	1,648,526,358	0.7300	4,945,579,074	33.3333%

Data Source

Office of the County Clerk

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

CITY OF ST. CHARLES, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Calendar Years

Tax Calendar Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Kane County</b>										
City of St. Charles	0.5500	0.5426	0.7260	0.7489	0.7506	0.7490	0.7537	0.7314	0.7300	0.7300
County	0.4772	0.4877	0.4529	0.4292	0.3578	0.3467	0.3417	0.3456	0.3322	0.3336
St. Charles Forest Preserve	0.1985	0.1634	0.1520	0.1395	0.1270	0.1432	0.1929	0.1770	0.1974	0.1932
St. Charles Township	0.1481	0.0574	0.0559	0.1294	0.0509	0.0501	0.0506	0.0464	0.0329	0.0327
St. Charles Township Road	-	-	-	-	0.0726	0.0715	0.0738	0.0788	0.0643	0.0647
St. Charles Cemetery	0.0009	0.0008	0.0187	0.0007	0.0159	0.0005	0.0005	0.0132	0.0002	0.0002
St. Charles Park District	0.3856	0.3957	0.4318	0.4201	0.4457	0.4572	0.4453	0.4390	0.3958	0.4211
St. Charles Library District	0.2982	0.3013	0.2924	0.2787	0.2661	0.2613	0.3107	0.3277	0.2356	0.2372
School District # 303	4.2155	4.1770	4.0110	4.1156	4.1659	4.2668	4.3107	4.2071	4.0516	4.0916
Elgin Community College	0.3920	0.3822	0.3721	0.3636	0.3854	0.4154	0.4418	0.3804	0.3406	0.3275
Waubonsec Community College	0.4358	0.4295	0.4131	0.4043	0.4134	0.4099	0.4066	0.4272	0.3950	0.3995
<b>Total Representative Tax *</b>	<b>7.1018</b>	<b>6.9376</b>	<b>6.9259</b>	<b>7.0300</b>	<b>7.0513</b>	<b>7.1716</b>	<b>7.3283</b>	<b>7.1738</b>	<b>6.7756</b>	<b>6.8313</b>
<b>DuPage County</b>										
City of St. Charles	0.5400	0.5311	0.7168	0.7508	0.8131	0.7111	0.8018	0.4290	0.6353	0.6249
County	0.2683	0.2536	0.2353	0.2154	0.1999	0.1850	0.1797	0.1713	0.1651	0.1557
Forest Preserve	0.1797	0.1742	0.1654	0.1534	0.1419	0.1358	0.1271	0.1303	0.1187	0.1206
Wayne Township	0.0847	0.0829	0.0812	0.0763	0.0727	0.0696	0.0680	0.0666	0.0647	0.0649
St. Charles Park District	0.3945	0.3980	0.4311	0.4195	0.4697	0.4383	0.4156	0.4161	0.3971	0.4207
St. Charles Library District	0.2494	0.2928	0.2909	0.2794	0.2849	0.2509	0.2474	0.2458	0.2385	0.2348
West Chicago Mosquito District	0.0070	0.0069	0.0068	0.0065	0.0063	0.0109	0.0105	0.0101	0.0099	0.0099
Dupage Airport Authority	-	-	-	0.0248	-	-	-	-	-	-
Unit School District # 303	4.2151	4.1979	4.0055	4.1067	4.4122	3.9271	4.2550	4.2494	4.0836	4.0604
Elgin Community College	0.3655	0.3638	0.3690	0.3488	0.3602	0.4150	0.4140	0.3396	0.3294	0.3298
<b>Total Representative Tax</b>	<b>6.304</b>	<b>6.301</b>	<b>6.302</b>	<b>6.382</b>	<b>6.761</b>	<b>6.144</b>	<b>6.519</b>	<b>6.058</b>	<b>6.042</b>	<b>6.022</b>

Data Source  
Office of the County Clerk

\*Note : School Districts 46 and 304 not included.

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

Taxpayer	2008			1999		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation
Arthur Anderson/Q-Centre	S 17,766,504	1	1.08%	S 18,208,289	1	2.28%
Pheasant Run Resort	13,647,390	2	0.83%	8,431,242	3	1.06%
AMLI	11,080,225	3	0.67%			0.00%
Main Street Commons	8,817,810	4	0.53%			
Towne Center Equities LLC	7,677,014	5	0.47%			
Charlestowne 1998 MS XL1 LLC	7,262,778	6	0.44%			
Meijer Stores Limited Partnership	6,154,385	7	0.37%			
St. Charles Country Club	6,048,265	8	0.37%	2,309,070	14	0.29%
Delnor Community Residential Living	5,845,820	9	0.35%			
Covington Court	5,570,862	10	0.34%			0.00%
Pier One				5,222,988	5	0.65%
Charlestown Mall				14,445,425	2	1.81%
Wallace				4,724,207	6	0.59%
General Mills				3,112,845	7	0.39%
OTR				7,023,950	4	0.88%
Armour Swift-Eckrich, Inc				3,026,442	8	0.38%
Omron Tateisi Electronics				2,986,797	9	0.37%
	<u>S 89,871,053</u>		<u>5.45%</u>	<u>S 69,491,255</u>		<u>8.70%</u>

Data Source  
 Office of the County Clerk

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

Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1999	\$4,394,383	\$4,474,389	101.82%	-	\$4,474,389	101.82%
2000	4,777,880	4,771,112	99.86%	-	4,771,112	99.86%
2001	7,048,600	7,109,387	100.86%	-	7,109,387	100.86%
2002	8,041,507	8,029,341	99.85%	-	8,029,341	99.85%
2003	8,896,719	8,849,951	99.47%	-	8,849,951	99.47%
2004	9,331,159	9,315,535	99.83%	-	9,315,535	99.83%
2005	10,212,017	10,193,370	99.82%	-	10,193,370	99.82%
2006	10,693,667	10,669,842	99.78%	-	10,669,842	99.78%
2007	11,543,740	11,521,398	99.81%	-	11,521,398	99.81%
2008	12,035,959	11,729,375	97.45%	-	11,729,375	97.45%

Data Source  
Office of the County Clerk

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

CITY OF ST. CHARLES, ILLINOIS  
SALES TAXES BY CATEGORY

Last Ten Calendar Years

Calendar Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Merchandise	\$ 589,805	\$ 453,353	\$ 586,762	\$ 811,461	\$ 1,177,035	\$ 1,118,409	\$ 1,096,360	\$ 1,166,890	\$ 1,474,740	\$ 1,067,984
Food	1,024,960	1,187,206	1,557,238	1,623,567	1,656,916	1,029,308	1,050,954	1,032,045	1,037,969	984,556
Drinking and Eating Places	566,275	864,675	554,100	608,241	667,141	845,416	913,083	884,657	909,340	827,006
Apparel	219,380	205,880	176,591	189,244	186,227	164,267	169,600	160,463	142,906	96,254
Furniture & H.H. & Radio	144,306	146,128	106,935	91,764	98,584	152,414	154,594	160,472	135,181	95,733
Lumber, Building Hardware	500,308	517,444	314,087	305,123	489,745	671,452	636,863	588,022	545,574	479,867
Automobile and Filling Stations	2,033,295	2,217,302	2,327,655	2,190,301	2,059,797	2,817,453	3,155,752	3,200,551	3,303,143	3,139,016
Drugs and Miscellaneous Retail	701,438	762,702	915,227	962,834	981,715	1,005,046	986,917	1,060,430	1,259,425	1,049,913
Agriculture and All Others	690,982	707,326	735,644	785,575	702,070	833,583	838,978	983,411	1,055,833	920,281
Manufacturers	168,597	239,014	(53,712)	86,422	92,396	118,294	121,240	78,754	(2,473)	70,158
<b>TOTAL</b>	<b>\$ 6,639,346</b>	<b>\$ 7,301,030</b>	<b>\$ 7,220,527</b>	<b>\$ 7,654,532</b>	<b>\$ 8,111,626</b>	<b>\$ 8,755,642</b>	<b>\$ 9,124,341</b>	<b>\$ 9,315,695</b>	<b>\$ 9,861,638</b>	<b>\$ 8,730,768</b>
City direct sales tax rate	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	2.00%	2.00%	2.00%	2.00%

Data Source  
Illinois Department of Revenue

CITY OF ST. CHARLES, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Fiscal Years

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Fiscal Year	City Direct Rate	County Rate	RTA Rate	State Rate
1999	1.50%	0.25%	0.25%	5.00%
2000	1.50%	0.25%	0.25%	5.00%
2001	1.50%	0.25%	0.25%	5.00%
2002	1.50%	0.25%	0.25%	5.00%
2003	1.50%	0.25%	0.25%	5.00%
2004	1.50%	0.25%	0.25%	5.00%
2005	2.00%	0.25%	0.25%	5.00%
2006	2.00%	0.25%	0.25%	5.00%
2007	2.00%	0.25%	0.25%	5.00%
2008	2.00%	0.25%	0.75%	5.00%

Data Source

City and County Records  
Includes Home Rule

CITY OF ST. CHARLES, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year Ended	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Installment Notes Payable	Revenue Bonds	General Obligation Bonds	Installment Notes Payable	Revenue Bonds			
2000	\$ 17,732,355	\$ -	\$ -	\$ 3,192,645	\$ 5,878,035	\$ 1,090,000	\$ 27,893,035	2.49%	\$ 1,007.88
2001	27,144,784	-	-	3,030,216	10,205,436	995,000	41,375,436	3.69%	1,483.20
2002	29,179,312	-	-	2,860,688	10,142,415	895,000	43,077,415	4.39%	1,532.89
2003	28,092,939	995,376	-	7,267,061	9,622,276	-	45,977,652	4.37%	1,483.15
2004	31,040,023	973,010	-	6,834,977	10,671,803	-	49,519,813	4.58%	1,555.56
2005	35,743,892	920,623	-	6,391,108	16,600,164	-	59,655,787	5.35%	1,817.33
2006	50,549,546	697,678	-	5,935,454	17,794,104	-	74,976,782	6.72%	2,284.07
2007	62,718,962	467,680	-	7,466,038	16,720,449	-	87,373,129	7.84%	2,661.71
2008	74,023,398	337,917	-	8,736,602	15,637,454	-	98,735,371	7.27%	3,007.84
2009	81,856,192	257,600	8,935,000	10,538,808	14,522,883	-	116,110,483	9.41%	3,597.42

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

\* See the Schedule of Demographic and Economic Information on page 152 for personal income and population data.

CITY OF ST. CHARLES, ILLINOIS

RATIOS OF GENERAL OBLIGATION BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
2000	\$ 20,925,000	\$ 997,842	\$ 19,927,158	2.49%	\$ 720.04
2001	30,175,000	832,953	29,342,047	3.32%	1,051.84
2002	32,040,000	1,124,046	30,915,954	3.17%	1,100.13
2003	35,360,000	1,202,790	34,157,210	3.18%	1,101.85
2004	37,875,000	1,204,198	36,670,802	3.10%	1,151.94
2005	42,135,000	490,610	41,644,390	3.34%	1,268.64
2006	56,485,000	13,478	56,471,522	4.18%	1,720.33
2007	70,185,000	1,084,365	69,100,635	4.73%	2,105.06
2008	82,760,000	1,979,011	80,780,989	5.11%	2,460.88
2009	92,395,000	903,486	91,491,514	5.55%	2,834.66

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

\* See the Schedule of Assessed Value and Actual Value of Taxable Property on page 142 for property value data.

CITY OF ST. CHARLES, ILLINOIS

PLEGGED REVENUE COVERAGE  
LAST TEN FISCAL YEARS

BUSINESS-TYPE ACTIVITIES  
Revenue Bonds/IEPA Loans

Fiscal Year	Debt Service		Coverage	
	Operating Revenue	Principal		Interest
2000	\$ 7,987,029	\$ 341,827	\$ 220,590	14.20
2001	8,109,891	356,299	205,988	14.42
2002	8,151,115	504,588	254,831	10.73
2003	8,276,676	1,423,362	293,753	4.82
2004	5,267,320	590,589	273,907	6.09
2005	5,397,512	609,188	255,307	6.24
2006	5,533,228	628,395	236,101	6.40
2007	5,392,115	1,073,654	441,915	3.56
2008	5,570,674	1,082,995	432,574	3.68
2009	5,555,699	1,114,571	400,998	3.67

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

CITY OF ST CHARLES, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

April 30, 2009

Governmental Unit	Gross Debt	Percentage Debt Applicable to the City of St. Charles (1)	City of St. Charles Share of Debt
City of St Charles	\$ 82,860,000	100.00%	\$ 82,860,000
Kane County	9,180,000	10.317%	947,101
Kane County Forest Preserve District	260,115,866	10.317%	26,836,154
Dupage County	51,625,000	0.098%	50,593
Dupage County Forest Preserve	241,288,403	0.098%	236,463
St. Charles Park District Schools	15,037,840	63.369%	9,529,329
Community Unit SD #303	155,855,000	47.821%	74,531,420
Community Unit SD #304	166,899,235	0.174%	290,405
Community College #509	54,903,488	11.752%	6,452,258
Community College #516	74,225,796	0.025%	18,556
Subtotal:	<u>1,029,130,628</u>		<u>118,892,279</u>
Total:	<u>\$ 1,111,990,628</u>		<u>\$ 201,752,279</u>

(1) Determined by ratio of assessed valuation of property subject to taxation in the City of St. Charles to valuation of property subject to taxation in overlapping unit.

Data Source

Municipal Research Services

CITY OF ST. CHARLES, ILLINOIS  
 DEMOGRAPHIC AND ECONOMIC INFORMATION  
 LAST TEN FISCAL YEARS

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Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2000	27,675	\$1,112,950,125	\$40,215	3.4%
2001	27,896	1,121,837,640	40,215	7.0%
2002	28,102	981,743,370	34,935	6.4%
2003	31,000	1,053,039,000	33,969	6.8%
2004	31,834	1,081,369,146	33,969	6.1%
2005	32,826	1,115,066,394	33,969	5.8%
2006	32,826	1,115,066,394	33,969	5.2%
2007	32,826	1,115,066,394	33,969	4.5%
2008	32,826	1,357,256,622	41,347	7.3%
2009	32,276	1,234,298,792	38,242	6.5%

Data Source:  
 Various City Departments  
 Illinois Department Employee Security

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

		2009				1999			
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	1,700	7.47%	5.18%	Andersen Worldwide	1	1,155	5.83%	4.17%
System Sensor	2	550	2.42%	1.68%	St. Charles Community School District	2	1,050	5.30%	3.79%
Omnron Automotive	3	500	2.20%	1.52%	System Sensor	3	1,000	5.04%	3.61%
Pheasant Run Resort	4	450	1.98%	1.37%	Dukane Corporation	4	617	3.11%	2.23%
City of St. Charles	5	375	1.65%	1.14%	Consolidated Business Systems	5	500	2.52%	1.81%
St. Charles Park District	6	350	1.54%	1.07%	Wallace, Inc.	6	500	2.52%	1.81%
Illinois Youth Center	7	275	1.21%	0.84%	Pheasant Run Resort	7	450	2.27%	1.63%
Meijer Retail Store	8	255	1.12%	0.78%	Teltrend	8	380	1.92%	1.37%
Target Retail Store	9	255	1.12%	0.78%	Armour Swift-Eckrich St. Charles	9	350	1.77%	1.26%
Power Packaging	10	240	1.06%	0.73%	City of St. Charles	10	324	1.63%	1.17%
Dukane Corporation	11	230	1.01%	0.70%	Colonial Ice Cream	11	267	1.35%	0.96%
				15.79%	Visible Computer Supply	12	250	1.26%	0.90%
					Coca-Cola Bottling Co.	13	250	1.26%	0.90%
					Jewel Company	14	243	1.23%	0.88%
									26.49%

Data Source

Municipal Research Services

Note: Information only available up to ten years ago.

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

Last Ten Fiscal Years

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Administration	36.80	35.60	39.30	38.80	41.90	44.50	46.20	44.80	46.60	43.00
Public Health & Safety	126.30	139.70	132.30	131.00	142.40	150.80	157.60	157.40	148.80	147.10
M & C of Public Right-of-Ways	59.60	58.50	61.60	62.70	64.00	61.70	62.20	62.40	61.90	52.20
M & C of Public Utilities	66.70	65.10	68.90	68.70	71.20	68.70	67.10	65.80	65.50	61.70
Community and Economic Development	14.60	15.80	17.00	16.00	16.80	16.90	15.90	17.00	16.50	17.90
Total:	304.00	314.70	319.10	317.20	336.30	342.60	349.00	347.40	339.30	321.90

Data Source  
City budget office

Note: M&C= maintenance and construction

CITY OF ST. CHARLES, ILLINOIS

OPERATING INDICATORS

Last Ten Calendar Years

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Safety										
Police										
Physical arrests	1,672	1,522	1,606	1,616	1,772	1,779	1,910	1,581	1,796	1,613
Parking violations	-	-	-	-	-	1656	1547	1,792	1,733	1,500
Traffic violations	11,353	8,821	8,530	9,580	8,838	8,408	9,947	7,066	6,573	6,316
Fire										
Emergency responses	3,642	3,924	4,100	4,183	4,879	5,068	5,126	5,212	5,113	5,044
Fires Extinguished	33	17	29	19	60	68	85	161	158	134
Public Works										
Streeting (miles)	155.38	158.09	162.69	162.69	162.69	162.69	171.3	568	180.5	183.2
Electric										
Number of Customers	11,200	11,161	11,161	14,161	13,690	14,700	14,675	15,082	15,196	15,233
Water										
Maximum Day Consumption	7,340,000	7,519,000	7,519,000	7,230,000	7,230,000	7,230,000	7,412,000	9,741,000	9,741,000	9,741,000
# of water mains (miles)	174.5	184	188.6	190.6	191.9	192.8	196.6	196.5	197.5	202
Wastewater										
Average daily storage (flow)	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	5,289,000	5,289,000	6,562,758

Data Source

Various City departments

Note: parking violations were not tracked prior to 2004.

CITY OF ST. CHARLES, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Calendar Years

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area Beats	5	5	5	5	5	5	5	4	4	4
Patrol units	-	-	-	-	-	-	44	18	31	31
Fire										
Fire stations	3	3	3	3	3	3	3	3	3	3
Fire engines	-	-	-	-	-	-	11	6	6	6
Public Works										
Arterial streets (miles)	46	46	46	46	46	46	49	50	49	49
Residential streets (miles)	112	117	117	117	117	117	123	123	134	134.2
Streetlights	2,796	2,915	3,092	3,129	3,172	3,190	3,203	3,200	3,234	3,271
Traffic signals	6	6	6	7	5	5	5	6	6	6
Water										
Water mains (miles)	175	184	189	191	192	193	197	197	197.5	202
Fire hydrants	-	-	-	2,416	-	2,462	2,516	2,706	2,742	2,742
Storage capacity (gallons)	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	2,425,000	2,425,000	2,425,000
Wastewater										
Sanitary sewers (miles)	-	-	-	-	-	-	-	171	171.3	174.5
Storm sewers (miles)	-	-	-	-	-	-	-	157	159.9	159.9
Treatment capacity (gallons)	-	-	-	-	-	-	-	9,700,000	9,700,000	9,700,000

Data Source

Various City departments

Note: Wastewater information is unavailable for previous years.