

CITY OF WARRENVILLE,
ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL
REPORT



Warrenville-
For a Visit, Or A Lifetime

FOR THE FISCAL YEAR ENDED
APRIL 30, 2016

CITY OF WARRENVILLE, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
APRIL 30, 2016**

Prepared by: Department of Finance

Kevin Dahlstrand
Director of Finance

CITY OF WARRENVILLE, ILLINOIS

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INTRODUCTORY SECTION

This section includes miscellaneous data regarding the City of Warrenville including: List of Principal Officials, Organizational Chart, Transmittal Letter and Certificate of Achievement for Excellence in Financial Reporting.

CITY OF WARRENVILLE, ILLINOIS

**List of Principal Officials
April 30, 2016**

LEGISLATIVE

City Council

David Brummel, Mayor
Emily Larson, City Clerk
Robert E. Johnson, Treasurer

Stuart Aschauer Ward 1
Fred Bevier Ward 1
Bill Weidner Ward 2
Robert Wilson Ward 2

Michael Hoffmann Ward 3
Kathryn Davolos Ward 3
Leah Goodman Ward 4
Clare Barry Ward 4

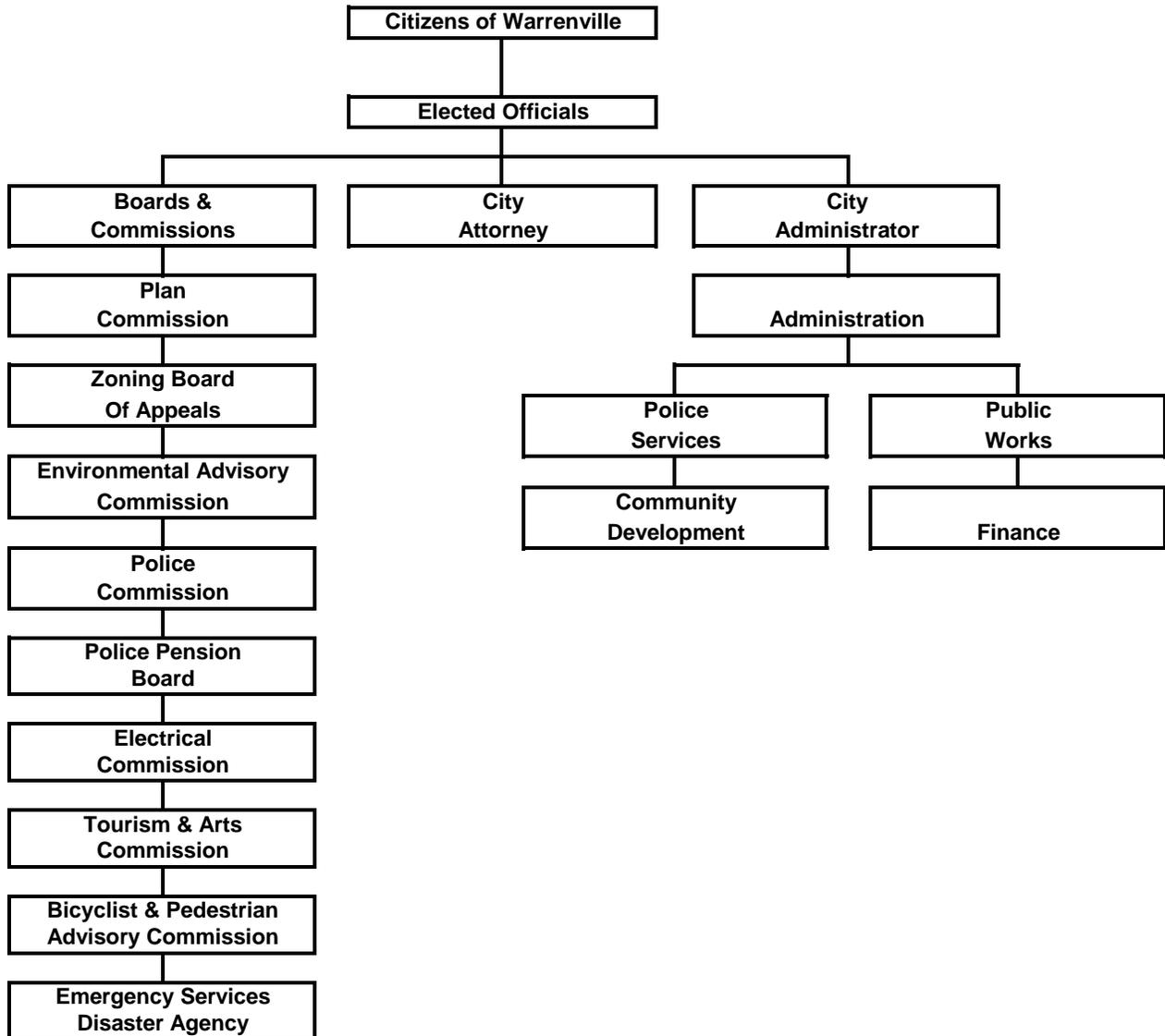
EXECUTIVE

John M. Coakley, City Administrator

Finance Department

Kevin Dahlstrand, Director of Finance
Leonardo Beltran, Senior Accountant
Tina Gasparas, Accounting Clerk II
Kathy Weiersheuser, Accounting Clerk II
Diana Herrera, Accounting Clerk I

CITY OF WARRENVILLE Organizational Chart





3S258 Manning Avenue • Warrenville, IL 60555
630/393-9427 • FAX 630/393-1531

August 15, 2016

The Honorable Mayor Brummel
Members of the City Council
Citizens of the City of Warrenville

The Comprehensive Annual Financial Report (CAFR) of the City of Warrenville (City), for the year ended April 30, 2016, is hereby submitted in accordance with both local ordinances and state statutes. These ordinances and statutes require that the City annually issue a report on its financial position and activity presented in conformance with generally accepted accounting principles (GAAP) in the United States of America, and audited in accordance with generally accepted auditing standards (GAAS) by an independent firm of certified public accountants.

This report consists of management's representations concerning the finances of the City of Warrenville. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these assertions, management has established an extensive internal control framework that is designed both to protect the City assets from loss, theft or misuse, and to compile sufficient reliable information for the preparation of the City of Warrenville's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh the benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. Beginning with Fiscal Year 2004, the City implemented GASB Statement No. 34, (*Basic Financial Statements - and Management Discussion and Analysis - for State and Local Governments*), including infrastructure reporting. Management hereby asserts that, to the best of its knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by the licensed certified public accountants of Lauterbach & Amen LLP. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Warrenville for the Fiscal Year ended April 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended April 30, 2016, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires 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 as a complement to the 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.

Profile of the City of Warrenville

The City of Warrenville is a home rule community by referendum in 2004, as defined by the Illinois Constitution. The City incorporated in 1967 and is located in DuPage County, approximately 28 miles west of the City of Chicago. The City currently has a land area of 5.5 square miles and a population of 13,140 (2010 census). The City also has the power, by state statute, to extend its corporate limits by annexation, as deemed appropriate by the City Council. The City levies a property tax annually, which primarily goes to pay General corporate expenses such as social security, pensions, and police protection. Portions of the annual property tax collection also go toward road and bridge maintenance.

The City operates under a Mayor/Council form of government with an appointed City Administrator. Policymaking and legislative authority are vested in the Mayor and City Council. The Mayor is elected at-large to a four-year term. The City Council is comprised of eight Aldermen, two elected from each of the City's four wards, to four-year staggered terms, with four Council members, one from each ward, elected every two years. The City Clerk and City Treasurer are elected officers of the City, but are not policy makers, nor part of the City Council. The Mayor and Aldermen are responsible, for passing ordinances and resolutions, annual budget adoption, and appointing City board and commission members, Administrator, Police Chief, and City Attorney.

The City Administrator is responsible, by City Ordinance, for proper administration of all affairs of the City, carrying out the policies and ordinances of the City Council, and overseeing the day-to-day operations of the City. Except as otherwise provided by law, the City Administrator is responsible for the direction and coordination of the activities of all departments, offices, and agencies of the City, employment, discipline and termination of any and all City employees, providing for the enforcement of all laws and ordinances within the City; and to ensure that all franchisees granted by, and all contracts, with the City are faithfully kept and performed.

The City provides a full range of services, including police protection, the construction and maintenance of streets and other infrastructure, the operation and administration of water and wastewater facilities, building inspection services, and zoning and planning services.

The City operates under the State Budget Officer Act (65 ILCS 5/10), with the City Administrator appointed as the City Budget Officer. The annual budget serves as the foundation for the City's financial planning and control. By administrative policy, all departments of the City are required to annually submit their budget requests to the City Administrator on or before December 31 of each year. The City Administrator and Finance Director use these requests as the starting point for developing a proposed budget for the coming fiscal year. The City Administrator, in his role as the designated Budget Officer, then presents the proposed budget to the City Council by early March of each year. By State Statute, the City Council is required to hold a public hearing on the proposed budget and adopt a final budget no later than April 30 of each year; the close of the City's previous fiscal year. The adopted budget is prepared and

presented by fund and at the department (e.g. administration and finance) level. The Budget Officer may authorize transfers of budgeted amounts within a fund. Budget amendments to increase, or decrease, a fund's total budgeted allocation require a formal City Council approved amendment to the approved budget.

Budget-to-actual comparisons are provided for each individual governmental fund, for which an annual budget has been adopted. For the General Fund, this comparison is presented beginning on page 61, as required supplementary information. For governmental funds, other than the General Fund (pages 61 and 63-68) and Motor Fuel Tax Fund (page 62), this comparison is presented in the non-major governmental fund subsection of this report, which starts on page 69.

Major Initiatives and Developments

Following City Council adopted directives, the City staff accomplished a number of major initiatives during FY 2016. Many of these initiatives span multiple years of planning, negotiations, and allocation of financial resources. These initiatives are part of the City's ongoing efforts to protect the health, safety, and welfare of the community and to enhance and improve the quality of life for its residents. Some of the more significant projects and developments are listed below:

The following is a listing of departmental initiatives and accomplishments undertaken during FY 2016:

Public Safety:

- National Night-Out-Against Crime had a record attendance of 1,400 participants for second year.
- Police Department began use of the City's Facebook page to interact with the community and provide information and crime alerts
- NARCAN opioid antidote reversal spray was used to save two lives in 2016
- Police Department central dispatch, DuComm, has adopted Smart 9-1-1, and is offering the service free of charge to all residents. Smart 9-1-1 allows citizens to participate by providing information on their residence that can be relayed to emergency responders in the event of a police, fire, or medical emergency

Public Works

- Completed the final year of a 15-year road maintenance and reconstruction program.
 - Aurora Way, Landon Road and Townline Road
 - Curtis Avenue, Rogers Avenue, Burk Avenue, Townline Road, Forestview Drive South, and Warren Avenue
 - Patterman Road and Prairie Avenue
 - Riverview Drive
 - Seraph Holmes Court and Westbury Court
 - Sipla Drive and Police Department parking lot
 - Summerlakes roads south of Continental Drive, and east of the Industrial Park.
- Completed reconstruction of the Williams Road Bridge, and pavement between Batavia Road and Morris Court, and resurfacing from Morris Court to north City limits.
- Extended Sanitary Sewer and Water Main on:
 - Curtis Avenue between Ferry Road and Woodland Road
 - Patterman Road between Butterfield Road and Prairie Avenue
 - Williams Road between Batavia Road to Iroquois Court North

Administration Department

Staffing and Services

- Completed the 2015 Public Works Staffing and Services Study
- Created the Deputy Public Works Director position to replace the retiring Public Works Superintendent
- Hired a consultant to assist Public Works with the administration and development of long-term recommendations based on the study.

Human Resource, Collective Bargaining, and Employee Benefits

- Joined the Intergovernmental Personnel Benefit Cooperative (IPBC) Insurance Pool: to enhance the insurance benefit buying power with the goal of smaller annual increases and a more direct impact on finances via dividends with low claims.
- Personnel Recruitments: Five new Police Recruits, two Public Works employees, and one Chief Code Official were hired, and recruitment began for the positions of Senior Civil Engineer, Building Inspector/Code Enforcement Officer and Assistant City Administrator
- Collective bargaining agreements were negotiated with the Patrol Officers (Metropolitan Alliance of Police (MAP 213), Police Sergeants (MAP 214), and Public Works Employees (IBEW Local 701)
- Initiated the Employee Compensation Study Phase II: Point Factor Analysis during the second half of FY 2016

Transparency and Public Communications

- *Just the Facts* section added to City website to clarify rumors in the community
- Staff activated the “Notify Me” feature of the website so residents can get email and text alerts when a new item has been added to certain areas of the website
- Interactive slide show created, featuring upcoming City events
- Translation button installed at bottom of homepage enabling the City’s website to be translated into a variety of languages, including Spanish
- *City Facebook* page launched in late 2015, allowing subscribers to get timely information and to interact directly with the City
- Began streaming City Council and Committee of the Whole meeting videos on the City *YouTube* channel saving the City about \$3000 per year

Legislative and Fiscal Issues

- Monitored State finances on the impact on shared state revenues and effect on the City’s budget
- Worked with state legislators and Governor’s office, via DuPage Mayors and Managers Conference and Illinois Municipal League, to prevent significant City revenue cuts

Interdepartmental and City Commission Support

- City staff supported the completion of the Climate Action Plan that was developed by the Environmental Advisory Commission
- Administered ten hotel/motel tax grants awarded by the city Council through the Tourism and Arts Commission supporting community events to promote tourism in Warrenville
- City was awarded the bronze-level Bicycle Friendly Community (BFC) designation with through the efforts of the Bicycle and Pedestrian Advisory Commission

- The City and the Bicycle and Pedestrian Advisory Commission received the Initiative Award from the League of Illinois for efforts obtaining the BFC designation

Finance Department:

- Coordinated and oversaw a Government Finance Officers Association (GFOA) contracted phase I of an Enterprise Resource Planning (ERP) assessment project, which will lead to the issuance of an RFP to replace the City's current financial software package, with an integrated software solution across all departments
- Assisted the City Administrator in assessing the potential impacts on the City budget of the ongoing State budgetary issues, and the possibility of large scale revenue impacts as a result of State actions
- Initiated the transition of the City's investment portfolio to a new service provider, at a reduced cost with improved efficiencies and performance
- Initiated and planned for the outsourcing of the Warrenville Police Pension Fund accounting function at the beginning of the new fiscal year, which will lead to improved efficiencies in reporting and month-to-month accounting, while freeing up of City staff time for other financial management operations
- Assisted in analysis of, and conversion, to the Intergovernmental Personal Benefits Cooperative (IPBC) for employee health insurance to reduce premiums costs over the long term for both City employees and the City
- Provided extensive contract costing analysis in support of the collective bargaining process headed by the Assistant City Administrator

Community Development:

- Obtained a Comprehensive No Further Remediation Letter for residential use on Civic Center Redevelopment Site #1 (CCRS #1)
- Coordinated the final Planned Unit Development review and approval process for David Weekley Homes proposed residential redevelopment project on Civic Center Redevelopment Site #1 (CCRS #1)
- Coordinated the preparation and adoption of the Southwest District subarea land use plan
- Coordinated the eligibility analysis for the proposed 300 acre Southwest/Route 59 Corridor/TIF #4
- Hosted four Warrenville Hospitality Group meetings with local hotels and businesses
- Issued permits for 24 new homes in the Herrick Woods residential project
- Issued 619 building permits valued at \$21.4 million dollars for private building and construction activity
- Recruited and staffed the new Chief Code Official position and filled the vacant Senior Civil Engineer position
- Coordinated with DuPage County on the replacement of the Warrenville Road Bridge and West Branch of the DuPage River re-meandering projects
- Led final negotiations and City approval of intergovernmental agreements with the Forest Preserve District of DuPage County for extensive Forest Preserve District funded watermain improvements in the Williams Road/Mack Road corridors and three separate City requested trail improvement projects on Forest Preserve District properties
- Secured Surface Transportation Program grant funding commitments in the amounts of a \$563,648 for a new Mack Road multi-use trail and \$208,368 for the resurfacing of Batavia Road, west of Route 59

- Obtained \$20,000 Canadian National Railroad grant for landscape enhancements in Leone Schmidt Heritage Park

Factors Affecting Financial Condition

The information presented in the financial statements is best understood when considered from the broader perspective of the specific environment within which the City operates.

Local economy

The City continues to maintain a diversified revenue stream, meaning that no one revenue source, either in decline or on the rise, exacts a dramatic budgetary impact or causes the need for significant budgetary or operational modifications. Local sales tax revenue continues to play an important role in support of the General Fund and is significant portion of the aforementioned diversified and generally stable city tax base. Sales tax revenue is generated by a number of restaurants, a large chain retailer, a movie theater, as well as smaller local merchants and retailers.

FY 2016 concluded with Warrenville remaining in a strong financial position, and again adding to General Fund reserves, partially as a result of realized revenue exceeding budgeted revenue particularly in the area of State shared income taxes. The majority of the City's major tax revenue sources; sales tax, use tax, income tax, food and beverage tax, cable franchise fees, hotel motel tax, motor fuel tax and for the first time in a number of years, local amusement tax; all showed positive revenue improvement over FY 2015.

Long-term planning and re-development

During FY 2015, the City designated a "preferred developer", David Weekley Homes, as the potential developer of the former Musselman Lumber site, referred to locally as Civic Center Redevelopment Site #1 (CCRS #1), located in the Civic Center/Old Town TIF District (TIF #3). The proposed development would have seen the addition of up to 36 residential detached single family homes, on the 4.3 acre site, located direct adjacent to the Warrenville Public Library and City Hall, in the civic center area of the community. The development was projected with a potential market value of almost \$12,000,000, while yielding approximately \$8,000,000 in incremental property tax revenue over the next twenty plus years. However, in late FY 2016, the developer pulled out of the project, as a result of a corporate decision, thereby leaving the City without a designated developer or specific redevelopment plan. In keeping with City Council directives, the City will continue to seek residential redevelopment opportunities for CCRS #1, to add to the City wide property tax base.

During FY 2017 the City will continue the process of establishing a fourth tax incremental financing (TIF) district, referred to as the Southwest/Route 59 Corridor TIF, focused largely on redevelopment of the area around the intersection of Illinois Routes 56 and 59, long identified as an area of potential economic development opportunities at the intersection of these two major State routes.

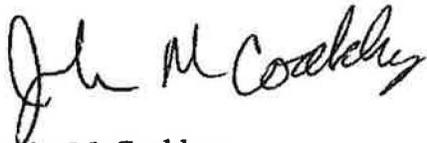
Development plans are underway by the owners in Cantera subarea G. They include development to the area, including the addition of a new chain sit-down restaurant in the underutilized parking areas adjacent to the existing theater and family entertainment center located in this subarea. Plans also include, other potential restaurant offerings on additional out lots, and the possibility of adding additional hotel services within this same subarea.

Awards and acknowledgments

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 (CAFR) for the fiscal year ended April 30, 2015, the 23rd consecutive year the City received this award for financial reporting excellence. In order to be awarded a Certificate of Achievement, the City publishes an easily readable and efficiently organized CAFR, which satisfies both GAAP and applicable legal requirements. A Certificate of Achievement is only valid for a period of one year. City staff anticipates the 2016 CAFR will meet the Certificate of Achievement Program's requirements and as such, it will be submitted to the GFOA to determine its eligibility for the award under the GFOA certificate program.

Credit and appreciation are extended to the Mayor and City Council for their support and dedication to maintaining, supporting, and expecting the highest degree of professionalism in the financial management of the City of Warrentville. Appreciation is extended to all members of the City staff and particularly members of the Finance Department staff who assisted with and contributed to the preparation of this report. Finally, the City would like to thank the audit firm of Lauterbach and Amen for their detail oriented approach and willingness to work with Finance Department staff to resolve often complex accounting issues when necessary.

Respectfully submitted,



John M. Coakley
City Administrator



Kevin Dahlstrand
Finance Director



Government Finance Officers Association

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

Presented to

**City of Warrenville
Illinois**

**For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended**

April 30, 2015

Executive Director/CEO

FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Individual Fund Statements and Schedules

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the City's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

August 15, 2016

The Honorable City Mayor
Members of the City Council
City of Warrenville, 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 Warrenville, Illinois, as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Warrenville, Illinois, as of April 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Warrenville, Illinois', basic financial statements. The introductory section, combining and individual fund financial statements and budgetary comparison schedules, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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


LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the City of Warrenville, Illinois, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended April 30, 2016. Readers are encouraged to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can also be found in this report.

Financial Highlights

- The City decreased beginning net position by \$7,908,639 due to the implementation of GASB Statement No. 68, which requires governments to record the net pension liability and related items on the financial statements for the IMRF and Police Pension retirement plans.
- The City's total assets across all funds were \$113,705,704 on April 30, 2016
- The assets of the City of Warrenville exceeded its liabilities at the end of the fiscal year by \$98,089,023 (*net position*). Of this amount, \$12,683,629 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors
- \$84,749,546 of the net position is invested in capital assets
- As of the end of FY 2016, the City of Warrenville's governmental funds reported combined ending fund balances of \$15,018,325. 37.2% of this total amount, or \$5,593,493 is *available for spending* at the City's discretion (*unassigned fund balance*). This represents a negligible change in fund balances from the previous fiscal year.
- Another 15.4%, or \$2,319,323 is in the form of "non-spendable" fund balances, consisting of pre-paid items and \$2,200,000 in land held for resale by the General Fund.
- Additionally, 4.4% or \$655,848 is *restricted* for specific purposes including: public safety and maintenance of roadways.
- Another \$680,480, or 4.5%, is "*committed*" to funding tourism related activities.
- Finally, a total of \$5,769,181, or 38.4% is fund balance designated as "*assigned*" for special projects, which are larger one-time capital expenditures or one-time non-budgeted expenditures for outside professional services for larger projects, and the maintenance and replacement of City capital assets including infrastructure.
- The City of Warrenville's long-term obligations total \$13,567,765, which shows an increase of approximately \$3,126,000 or approximately 31% over the previous fiscal year, as restated. However, this percentage increase, is largely attributable to the implementation of GASB 68, which added \$12,581,640, for IMRF and Police Pension long-term obligations. Other long-term obligations, in the form of compensated absences, decreased by almost 6% largely due to the departure of some long-serving employees. Other post-employment obligations (OPEB) added another \$35,398 to the long-term liabilities.
- The City has no general obligation debt.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Warrenville's basic financial statements. The City of Warrenville's basic financial statements consist of three components:

- 1) government-wide financial statements
- 2) fund financial statements
- 3) notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Warrenville's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, liabilities, and deferred inflows of resources with the difference between the three, reported as *net position*. Increases or decreases in net position may serve as a useful longer-term indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but utilized vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Warrenville that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Warrenville include general government, public safety, and public works. The business-type activities of the City of Warrenville include Water and Sewer operations.

The government-wide financial statements include only the City of Warrenville itself (known as the *primary government*). The City of Warrenville is not financially accountable for any other local government operations. The Water and Sewer operations, although legally separate, functions for all practical purposes as a department of the City of Warrenville, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 3-6 of this report.

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 of Warrenville, like other state and local governments, utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Warrenville can be divided into three major categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Warrenton maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Motor Fuel Tax Fund, Special Projects Fund, Capital Maintenance and Replacement Fund, and TIF District # 3 Fund, all five of which are considered to be major funds. Data from the other non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Warrenton adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund on page 62 to demonstrate compliance with this budget.

The basic financial statements for the governmental funds can be found on pages 7-12 of this report.

Proprietary funds. The City of Warrenton maintains one proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Warrenton uses an enterprise fund to account for its Water and Sewer operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 13-16 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City's lone fiduciary fund is the Police Pension Fund.

The basic fiduciary fund financial statements can be found on pages 17-18 of this report.

Infrastructure Assets. Historically, a government's largest group of assets (infrastructure assets - i.e. roads, bridges, storm sewers, etc.) has not been reported nor depreciated in general governmental financial statements, whereas they were in business-type activities. This statement requires that these assets be valued and reported within the Governmental column of the Government-wide Statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful life or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach), which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The City has chosen to depreciate assets over their useful life. If a road project is considered maintenance – a recurring cost that does not extend the road's original useful life or expand its capacity – the cost of the project will be expensed. An “overlay” of a road will be considered maintenance whereas a “rebuild” of a road will be capitalized.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19-55 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Warrenville's progress in funding its obligation to provide pension benefits to its employees along with budgetary comparison schedules for the General Fund and major special revenue funds. Required supplementary information can be found on pages 56-63 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 64-81 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Warrenville, assets exceeded liabilities by \$98,089,023 at April 30, 2016.

The largest portion, approximately 86.4%, of the City of Warrenville's net position, is invested in capital assets (e.g., land, buildings, machinery, and equipment). The City of Warrenville uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Warrenville's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**CITY OF WARRENVILLE
NET POSITION**

	Governmental		Business-type		Total		Percentage Change 2016-2015
	Activities		Activities				
	2016	2015	2016	2015	2016	2015	
Current and Other Assets	19,999,243	20,732,555	1,272,067	9,479,329	21,271,310	30,211,884	-29.59%
Capital Assets	69,762,205	68,626,021	22,672,189	13,455,467	92,434,394	82,081,488	12.61%
Total Assets	<u>89,761,448</u>	<u>89,358,576</u>	<u>23,944,256</u>	<u>22,934,796</u>	<u>113,705,704</u>	<u>112,293,372</u>	1.26%
Deferred Outflows of Resources	<u>3,527,274</u>	<u>-</u>	<u>174,634</u>	<u>-</u>	<u>3,701,908</u>	<u>-</u>	0.00%
Total Assets and Deferred Outflows	<u>93,288,722</u>	<u>89,358,576</u>	<u>24,118,890</u>	<u>22,934,796</u>	<u>117,407,612</u>	<u>112,293,372</u>	4.55%
Long-Term Liabilities Outstanding	13,006,615	732,404	386,315	85,215	13,392,930	817,619	1538.04%
Other Liabilities	1,731,038	1,833,992	253,225	331,656	1,984,263	2,165,648	-8.38%
Total liabilities	<u>14,737,653</u>	<u>2,566,396</u>	<u>639,540</u>	<u>416,871</u>	<u>15,377,193</u>	<u>2,983,267</u>	415.45%
Deferred Inflows of Resources	<u>3,941,396</u>	<u>3,326,609</u>	<u>-</u>	<u>-</u>	<u>3,941,396</u>	<u>3,326,609</u>	18.48%
Total Liabilities and Deferred Inflows	<u>18,679,049</u>	<u>5,893,005</u>	<u>639,540</u>	<u>416,871</u>	<u>19,318,589</u>	<u>6,309,876</u>	206.16%
Net Position:							
Net investment in capital assets	69,762,205	68,626,021	14,987,341	13,455,467	84,749,546	82,081,488	3.25%
Restricted	655,848	908,091	-	-	655,848	908,091	-27.78%
Unrestricted	<u>4,191,620</u>	<u>13,931,459</u>	<u>8,492,009</u>	<u>9,062,458</u>	<u>12,683,629</u>	<u>22,993,917</u>	-44.84%
Total Net Position	<u><u>74,609,673</u></u>	<u><u>83,465,571</u></u>	<u><u>23,479,350</u></u>	<u><u>22,517,925</u></u>	<u><u>98,089,023</u></u>	<u><u>105,983,496</u></u>	-7.45%

The *unrestricted net position* as of April 30, 2016, totaling \$12,683,629 may be used to meet the government's ongoing obligations to citizens and creditors. This represents a 44.8% decrease in unrestricted net position from FY 2015. This decrease, as previously indicated, is due to the implementation of GASB 68, with the statement recognition of IMRF and Police Pension long-term liabilities and related deferred items.

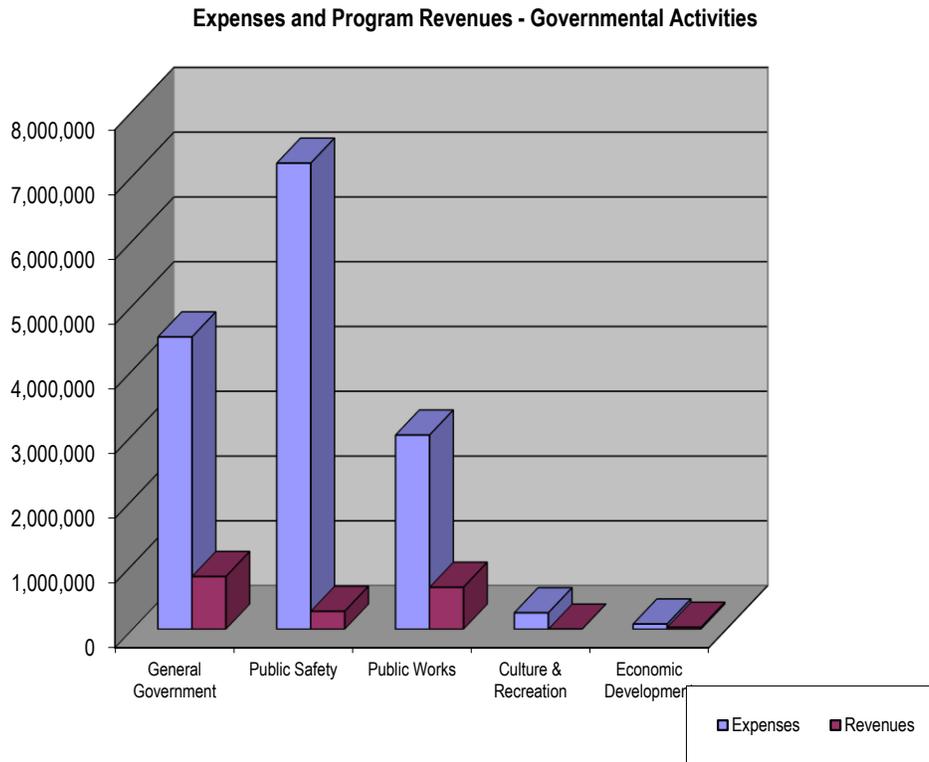
At the end of the current fiscal year, the City of Warrenville is able to report positive balances in all three categories of net position, for the government as a whole.

**CITY OF WARRENVILLE
CHANGES IN NET POSITION**

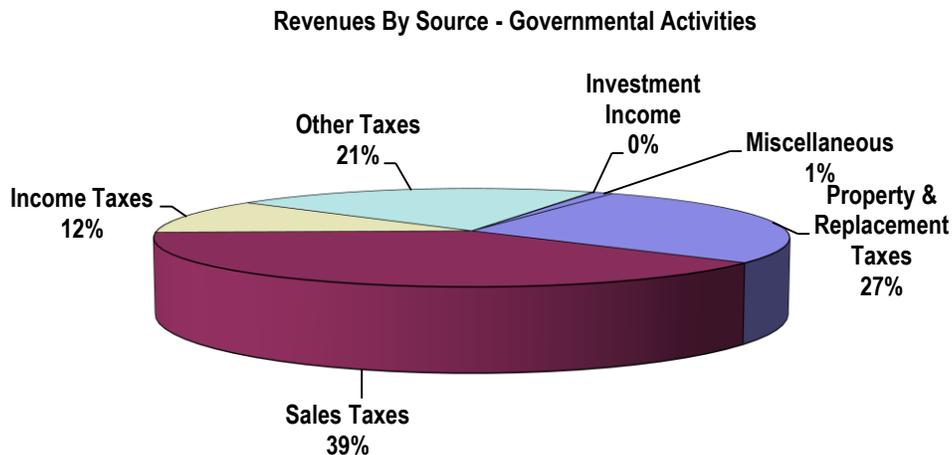
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for Services	\$ 1,076,670	\$ 1,162,755	\$ 3,527,198	\$ 3,310,794	\$ 4,603,868	\$ 4,473,549
Operating Grants and Contributions	376,306	41,920	14,390	15,681	390,696	57,601
Capital Grants and Contributions	310,452	500,271	821,374	-	1,131,826	500,271
General revenues:						
Property and Replacement Taxes	3,325,755	3,363,880	-	-	3,325,755	3,363,880
Other Taxes	8,806,381	8,525,859	-	-	8,806,381	8,525,859
Miscellaneous	156,385	207,364	19,683	57,907	176,068	265,271
Total Revenue	<u>14,051,949</u>	<u>13,802,049</u>	<u>4,382,645</u>	<u>3,384,382</u>	<u>18,434,594</u>	<u>17,186,431</u>
Expenses:						
General Government	4,510,434	4,195,592	-	-	4,510,434	4,195,592
Public Safety	7,194,137	5,622,223	-	-	7,194,137	5,622,223
Public Works	2,996,511	4,414,931	-	-	2,996,511	4,414,931
Culture & Recreation	252,325	247,069	-	-	252,325	247,069
Economic Development	78,592	92,794	-	-	78,592	92,794
Water	-	-	1,412,043	1,311,976	1,412,043	1,311,976
Sewer	-	-	1,976,386	1,953,327	1,976,386	1,953,327
Total Expenses	<u>15,031,999</u>	<u>14,572,609</u>	<u>3,388,429</u>	<u>3,265,302</u>	<u>18,420,428</u>	<u>17,837,911</u>
Change in Net Position	(980,050)	(770,560)	994,216	119,080	14,166	(651,480)
Net Position - May 1 (restated)	<u>75,589,723</u>	<u>84,236,131</u>	<u>22,485,134</u>	<u>22,398,845</u>	<u>98,074,857</u>	<u>106,634,976</u>
Net Position - April 30	<u>74,609,673</u>	<u>83,465,571</u>	<u>23,479,350</u>	<u>22,517,925</u>	<u>98,089,023</u>	<u>105,983,496</u>

Governmental activities – The net position of the governmental activities decreased from a restated \$75,589,723 for FY 2015 to \$74,609,673 for FY 2016, a change of \$980,050, or approximately 1.3% percent. Business-type activities experienced an increase in net position of \$994,216, or about 4.4%. The City’s net position remained virtually unchanged, with a very slight overall increase of \$14,166.

Expenses and Program Revenues



Governmental Activities require tax subsidization. There are neither sufficient sources, nor the ability, to price these activities in such a manner as to recoup the cost of the services on a program fee basis. The above chart graphically displays the relationship between expenses and revenues.



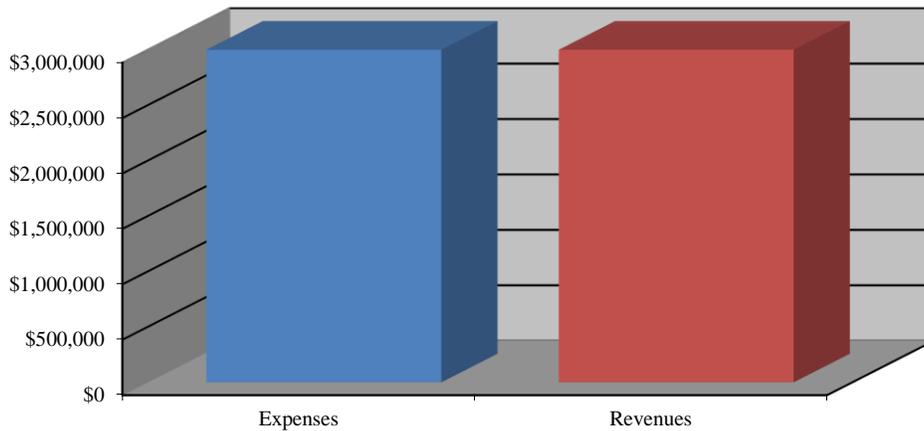
Other Governmental Activities Highlights:

- For FY 2016 governmental activities expenses totaled \$15,031,999, representing an increase of just 3.1% over FY 2015, where expenses totaled \$14,572,609.
- Operational revenues for FY 2016 increased by 1.8% with total revenue of \$14,051,949, compared with FY 2015 where total revenue was \$13,802,049.

Business-type activities - Business-type activities increased the City's net position by \$994,216. Key elements of this change from FY 2015 to FY 2016 are as follows.

- Charges for services for business-type activities showed an increase of \$216,404, or approximately 6.5%. Neither sewer rates nor water rates were increased for FY 2016, and were also not changed for FY 2017.
- Regular non-operating revenue increased by just over 18%, due to scheduled increases in cell tower rental income and the addition of new leases. Additionally, non-operating revenues saw an increase of 92% in tap-on connection fees as water and sewer service continues to be extended into previously unserved areas, and the still under construction Herrick Woods subdivision.
- Water and Sewer operating expenses for FY 2016, not including depreciation expenses, totaled \$3,053,899, and increased by just short of 3% from FY 2015 where expenditures totaled \$2,967,937.

Expenses and Program Revenues for Waterworks and Sewerage



Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City of Warrentville's *governmental funds* reporting is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Warrentville's financing requirements. In particular, *unrestricted fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year, the combined balance sheets for the City of Warrenville's governmental funds show ending fund balances of \$15,018,325 a decrease of just \$126,082 from the FY 2015 total of \$15,144,407. Approximately 37% of fund balance or \$5,593,493 is classified as *unassigned* fund balance, which is available for spending at the City's discretion, and represents virtually no change in unassigned fund balance from FY 2015. A total of \$655,848 of fund balance is *restricted*, meaning that those balances are not available for new spending, but are to be spent as follows: 1) maintenance of roadways with state shared motor fuel taxes (\$521,982), and 2) public safety (\$133,866). An additional \$680,480 of total fund balance is *committed* to tourism related activities, while \$5,769,181 is *assigned* for special projects, and will be discussed later in this document. Finally, a total of \$2,319,323 is categorized as *non-spendable*, meaning that portion of fund balance is in a form that cannot be spent. \$2,200,000 of this total remains in the form of land held for re-sale, while an additional \$119,323 is in the form of prepaid items.

General Fund Highlights

The General Fund is the general day-to-day operating fund of the City of Warrenville. As of the end of FY 2016, the *unassigned* fund balance of the General Fund rose from \$6,746,084 to \$6,947,628, representing an increase of \$201,544 or approximately 3%. Overall, the total General Fund balances total \$9,266,951, increasing by \$284,769 or 3.2% over FY 2015. A measure of the liquidity of the General Fund's liquidity can be found by comparing *unassigned fund balance* to total General Fund expenditures. The FY 2016 ending *unassigned* fund balance equals approximately 64% of total General Fund expenditures incurred during FY 2016, up from approximately 63% at the end of FY 2015.

Contributing factors for this change included the following:

- Total General Fund revenue showed a positive budgetary variance of \$609,254, on realized revenue of \$10,918,519, compared with fiscal budgeted revenue of \$10,309,265. Specific factors included:
 - Property Tax revenue collections fell \$56,990 or 1.7% short of budget
 - State Shared Sales tax revenue exceeded budget by \$142,812, while Home Rule Sales tax revenue fell short of budget by \$130,508 for a combined positive variance to budget of just \$12,304
 - State Shared Income Tax exceeded budget by \$749,932 with total revenue received of \$1,400,362 against budgeted revenue of \$650,430. However, it is important to note that the budget figure was established at a time when it looked like the State of Illinois was going to cut in half, the local government distributive fund remittances to municipalities, the source of income tax revenue remitted to municipalities. That cut back did not occur, and as such the income tax revenue for the City fiscal year exceeded budget by 115.3%. Had the City not budgeted for the 50% reduction, the budget figure would have been \$1,300,860, and the actual revenue received would have still exceeded the full budget figure but by almost \$100,000 or about 7.7%
 - State shared use tax, distributed by the State of Illinois on a per-capita basis, exceeded budget by almost \$50,000, or 19.6%, with total revenue received of \$304,894, representing a 12.5% increase over FY 2015, and a per capita figure of \$23.20 compared to the per capita budgeted figure of \$19.40
 - Food and Beverage Tax revenue exceeded budget by \$10,921, with total revenue received of \$671,228, and is an increase in remittances of \$29,713 or 4.6%, over FY 2015
 - Building, electrical and plumbing permit revenue along with building plan review fees and engineering review and inspection fees fell short of budget by a combine \$75,879

- Fines and Forfeit revenue sources finished the fiscal year \$189,694 under budget, with almost all of that shortfall attributable to Circuit Court fine revenue falling well short of budget with revenue of \$188,991, compared to the budget figure of \$350,000
- License and Permit revenue sources also fell short of budget, with a budgetary figure of \$621,299, compared to actual realized revenue of \$544,347
- Amusement Tax revenue continues to be an area of long-term concern, and had been falling since the end of FY 2010. However this revenue stream saw an increase of approximately 13%, for FY 2016, on total revenue of \$289,922, an increase from the FY 2015 figure of \$255,901. This revenue is allocated 40% to the General and 60% to the Capital Maintenance and Replacement Fund
- Telecommunications Tax dollars received for FY 2016 decreased by almost 64,000, or 9.4%, with receipts totaling \$618,240 down from \$682,418 in FY 2015, which is a continuation of the downward trend of this revenue source. However, this revenue source finished the fiscal year almost exactly on budget with a variance of about \$200. It is anticipated that this revenue source will continue to decline over time as the services taxed for this service are replaced with other means of communications.
- Finally, transfers in from other funds contributed a total of \$220,638 to the overall increase in fund balance
- Total General Fund operating expenditures showed a positive budget variance of \$817,750, with total expenditures of \$10,817,388, compared with an amended budget anticipated total of \$11,635,138.
 - Positive budget variances, where actual expenditures fell short of budget, occurred in eleven of fifteen departments or cost centers, with that positive budget variance totaling \$896,302. Some of the budgetary savings are explained by the following:
 - Legal expenditures for the fiscal year were about \$11,000 under budget with total expenditures of just under \$155,000, compared to a budget figure of \$166,000
 - Administration Department expenditures were short of budget by \$76,096, with the majority of the savings occurring in the area of professional service which did not occur the extend planned
 - The Central Services cost center was short of budget by \$228,868, with savings coming in the areas of employee insurance where anticipated insurance premium increases did not occur following a switch to the Intergovernmental Personal Benefits Cooperative (IPBC) at January 1, 2016. Additional savings occurred in the area of equipment maintenance with purchases that did not occur, as well as software maintenance costs, and liability insurance premiums
 - Police Department personnel related expenditures had a positive variance of about \$118,000, while the gas and oil expenses due to the significantly lower gasoline prices experienced during the year, as well as some savings in regular personnel costs due to vacancies. The total departmental variance was almost \$229,000
 - Public Works expenditures saw budgetary savings in the area of decreased personnel over-time costs, tree maintenance costs, street light maintenance, gas and oil expenses again due to the low gasoline prices, and for an equipment purchase which did not occur
 - The four departments or cost centers with negative budget variances, exceeded budget by a combine total of \$71,333, with 99% of that variance in a single department

Other Areas of Note

The Tax Increment Financing District #3 Fund, and which began FY 2016 with a negative fund balance of \$1,206,432, finished the fiscal year with expenditures exceeding revenue by \$147,703, and a year-end negative fund balance total \$1,354,135. Expenses continue to be incurred preparing Civic Center Redevelopment Site #1 (CCRS #1), which is a City owned vacant land located at 28W715 Mount Street, for redevelopment. It was previously anticipated that as FY 2016 drew to a close, development would be underway on the site, but late in the fiscal year the preferred developer pulled out of the project, without ever having broken ground. Given that there has been no development within this TIF District, the incremental property tax revenue currently being received in this fund has so far been minimal.

The Special Projects Fund, a capital projects fund, has a total fund balance of \$3,997,086 designated as “*assigned*” for special projects. This represents a decrease in fund balance for this fund of \$362,345 or 8.3%. This fund is limited in practice to special projects that are outside of day-to-day operations, of a more “capital expenditure” or “one-time” nature. Revenue within this fund is limited to one-time sources of revenue, such as: sales of City held land including rights-of-way and the sale of traffic impact fee credits.

Proprietary fund. The City of Warrenville’s proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water and Sewer Fund at the end of FY 2016 totaled \$8,492,009 compared to \$9,062,458 at the end of FY 2015. The total unrestricted net position decreased by \$570,449 from FY 2015. This decrease in net position is a continued result of the on-going extension of water and sewer utilities into previously unserved areas of the community.

Capital Asset and Debt Administration

Capital assets. The City of Warrenville’s investment in capital assets for its governmental and business type activities as of April 30, 2016, totals \$84,749,546 (net of accumulated depreciation). This investment in capital assets includes buildings and system improvements, vehicles, machinery and equipment, water and sewerage infrastructure, and holdings (including Rights-of-Way), roads, highways, and bridges. The City’s total net investment in capital assets increased by 3.25% or \$2,668,058, from FY 2015 to FY 2016. During the fiscal year, the City transferred two previously City owned parks to the Warrenville Park District, while also purchasing additional properties just north of the Route 56 and Route 59 intersection, in anticipation of future economic redevelopment of the area, but with no specific plans currently in place. Also during the year, the Williams Road Bridge was reconstructed accounting for the increase in the Streets/Bridges/Sidewalks category under Governmental Activities, and additional sewer and water mains were extended in the Williams Road bridge area, as well as on Patterman Road and Curtis Avenue accounting for the increase in the Waterworks and Sewerage System category in the following Capital Assets table.

City's Capital Assets

	Governmental		Business-type		Total		Total Percentage Change 2016-2015
	Activities		Activities		Total		
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
Land	\$ 43,389,025	\$ 43,467,229			\$ 43,389,025	\$ 43,467,229	-0.18%
Buildings and improvements	11,284,914	11,284,914			11,284,914	11,284,914	0.00%
Streets/Bridges/ Sidewalks	23,470,767	21,489,521			23,470,767	21,489,521	9.22%
Vehicles & Equipment	3,217,615	3,195,725	1,250,678	1,269,376	4,468,293	4,465,101	0.07%
Stormsewers	5,372,072	5,372,072			5,372,072	5,372,072	0.00%
Waterworks & Sewerage System			21,421,511	19,555,107	21,421,511	19,555,107	9.54%
Totals at historical cost	<u>86,734,393</u>	<u>84,809,461</u>	<u>22,672,189</u>	<u>20,824,483</u>	<u>109,406,582</u>	<u>105,633,944</u>	3.57%
Total accumulated depreciation	<u>16,972,188</u>	<u>15,362,169</u>	<u>7,684,848</u>	<u>7,071,651</u>	<u>24,657,036</u>	<u>22,433,820</u>	9.91%
Net capital assets	<u><u>69,762,205</u></u>	<u><u>69,447,292</u></u>	<u><u>14,987,341</u></u>	<u><u>13,752,832</u></u>	<u><u>84,749,546</u></u>	<u><u>83,200,124</u></u>	1.86%

Additional information on the City of Warrenville's capital assets can be found in Note 3 on pages 34-35 of this report.

Capital Improvement Planning

In late 2011, the City Council and staff completed and established the City's first multi-year, long-range comprehensive capital improvement plan, the Capital Maintenance and Replacement Plan (CMRP), to fund the long-term maintenance of existing City capital assets, including: roadways, curbs, gutters and sidewalks, as well as storm sewers, and vehicles, which had been a long-term financial concern for the City Council and City staff. The plan addressed a significant structural deficit in the funding of costs needed for maintenance of *existing* City assets. The CMRP requires an annual review, and updating if necessary, to make sure the expenditures and revenues associated with the plan are up-to-date as possible.

The 2011 initial analysis of the funding sources for the CMRP, indicated a structural deficit of approximately \$1,000,000 annually. As a result, various steps were undertaken to address that deficit. Among the revised funding sources for the for the CMRP, was an increase in the Simplified Telecommunications Tax rate from 4% to 6%, which went into effect as of July 1, 2012, with the full increase going entirely to fund the CMRP. Additional new taxes were also implemented as of May 1, 2013, which were a local motor fuel tax, natural gas utility and use taxes, and an electric utility tax. The revenue from each of these sources goes solely to fund the CMRP.

The local motor fuel tax continues to outperform the original CMRP expectation of \$409,116 in annual revenue, but did fall just slightly short of the FY 2016 budget figure of \$543,316, with actual revenue of \$538,175. The actual revenue received represents a decrease from FY 2015 of about \$18,000 or 3.2%. However, that figure still represents a 31.5% or \$129,000 increase over the aforementioned original CMRP expectations. The revenue from this source for FY 2016 was effected by the DuPage County Warrenville Road Bridge reconstruction project, which cutoff the main regular access routes to two of the City's six gas stations, thereby negatively effecting their gasoline sales and related local motor fuel tax collections.

The natural gas utility and use taxes for FY 2016 significantly underperformed the budgetary expectation of \$226,999, with actual revenue of \$121,656. The FY 2016 actual revenue is a decrease of approximately \$17,000 from the FY 2015 figure of \$138,675.

Electric Utility Revenue fell \$5,949, or 5.8% short of the budgeted expectation of \$102,157, with actual revenue of \$96,208.

Lastly, the two long-term funding sources for the CMRP, the Amusement and Telecommunications taxes, outperformed budgetary expectations by a combine total of \$47,109. Both revenue streams were discussed previously in the General Fund highlights section of this analysis.

Long-term debt.

City's Long Term Debt (In millions of dollars)							
	Governmental Activities		Business-type Activities		Total 2016	Total 2015	Total Percentage Change 2016-2015
	2016	2015	2016	2015			
Compensated Absences	782,607	827,818	91,570	98,519	874,177	926,337	-5.63%
Net Pension Liability							
IMRF	1,969,245	1,062,611	305,024	164,564	2,274,269	1,227,175	85.33%
Police Pension	10,307,371	8,075,936	-	-	10,307,371	8,075,936	27.63%
Net Other Post-Employment Benefit Obligation	103,913	70,150	8,035	6,400	111,948	76,550	46.24%
Total Long Term Debt	13,163,136	10,036,515	404,629	269,483	13,567,765	10,305,998	31.65%

In keeping with long-standing City Council policy, the City of Warrenville had no outstanding bonded or general obligation debt. The City's long-term debt has increased by a little over 31.6%. This increase is largely due to the aforementioned implementation of GASB 68, and the statement recognition of City long-term pension liabilities for IMRF and the Police Pension Fund. In both the Governmental and Business-type activities the long-term liability for compensated absences decreased following the retirement or departure of key long-term employees, and the cashing out of their accrual benefit time.

State Statutes limit the amount of general obligation debt a non-home rule governmental entity may issue to 8.625 percent of its total assessed valuation. Given that the City became home-rule in Fiscal Year 2004, this statute no longer applies. As previously indicated, the City has no outstanding general obligation debt as has been the case for more than ten years.

Additional information on the City of Warrenville's long-term debt can be found in Note 3 on page 38.

Economic Factors and Next Year's Budget

As mentioned in previous City financial reports, the City's diversified revenue stream remains stable and strong. The on-going State of Illinois budget impasses and fiscal challenges remain the most significant threat to the City's strong financial operation.

When FY 2015 ended the City was working with a City designated "Preferred Developer" to establish a residential development on the former Musselman Lumber site, known locally as Civic Center Redevelopment Site #1(CCRS #1) located within the TIF #3 boundaries. The site is located within the downtown area of the City, close to City Hall and the Warrenville Public Library building. However, during late FY 2016 that developer backed out of the project, for reasons of their own, and as of the end of FY 2016 the site remains undeveloped. The City continues to look for a developer to redevelop the site into a quality residential development, to enhance the City's civic center area and bring additional EAV to the community property tax base.

During FY 2017, the City will continue working on the establishment of a fourth tax increment financing (TIF) district that would encompass the area of Routes 56 and 59, an area long determined to be a desirable location for economic development opportunities. The City will continue work toward the commercial redevelopment of the Route 56 and Route 59 corridor, and more specifically on the properties the City purchased during FY 2016, located just north of the Route 56 and Route 59 intersection.

Requests for Information

This financial report is designed to provide a general overview of the City of Warrenville's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this comprehensive annual financial report or requests for additional financial information should be addressed to the City of Warrenville, Finance Director, 3S258 Manning Avenue, IL, 60555.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Proprietary Fund

Fiduciary Fund

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CITY OF WARRENVILLE, ILLINOIS

Statement of Net Position

April 30, 2016

See Following Page

CITY OF WARRENVILLE, ILLINOIS

**Statement of Net Position
April 30, 2016**

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
ASSETS			
Current Assets			
Cash and Investments	\$ 14,723,106	6,103,157	20,826,263
Receivables - Net of Allowances	5,137,850	641,462	5,779,312
Advances to/from Other Funds	(2,200,000)	2,200,000	-
Due from Other Governments	18,964	-	18,964
Prepays	119,323	12,296	131,619
Land Held for Resale	2,200,000	-	2,200,000
Total Current Assets	19,999,243	8,956,915	28,956,158
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	43,389,025	-	43,389,025
Depreciable Capital Assets	43,345,368	22,672,189	66,017,557
Accumulated Depreciation	(16,972,188)	(7,684,848)	(24,657,036)
Total Noncurrent Assets	69,762,205	14,987,341	84,749,546
Total Assets	89,761,448	23,944,256	113,705,704
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	1,127,443	174,634	1,302,077
Deferred Items - Police Pension	2,399,831	-	2,399,831
Total Deferred Outflows of Resources	3,527,274	174,634	3,701,908
Total Assets and Deferred Outflows of Resources	93,288,722	24,118,890	117,407,612

The notes to the financial statements are an integral part of this statement.

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 491,054	171,513	662,567
Retainage Payable	7,922	1,866	9,788
Accrued Payroll	231,273	31,659	262,932
Deposits Payable	801,892	26,600	828,492
Other Payables	42,376	3,273	45,649
Current Portion of Long-Term Debt	156,521	18,314	174,835
Total Current Liabilities	<u>1,731,038</u>	<u>253,225</u>	<u>1,984,263</u>
Noncurrent Liabilities			
Compensated Absences Payable	626,086	73,256	699,342
Net Pension Liability - IMRF	1,969,245	305,024	2,274,269
Net Pension Liability - Police Pension	10,307,371	-	10,307,371
Net Other Post-Employment Benefit Obligation Payable	103,913	8,035	111,948
Total Noncurrent Liabilities	<u>13,006,615</u>	<u>386,315</u>	<u>13,392,930</u>
Total Liabilities	<u>14,737,653</u>	<u>639,540</u>	<u>15,377,193</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	3,406,401	-	3,406,401
Deferred Items - Police Pension	534,995	-	534,995
Total Deferred Inflows of Resources	<u>3,941,396</u>	<u>-</u>	<u>3,941,396</u>
Total Liabilities and Deferred Inflows of Resources	<u>18,679,049</u>	<u>639,540</u>	<u>19,318,589</u>
NET POSITION			
Investment in Capital Assets	69,762,205	14,987,341	84,749,546
Restricted - Maintenance of Roadways	521,982	-	521,982
Restricted - Seized Assets	133,866	-	133,866
Unrestricted	4,191,620	8,492,009	12,683,629
Total Net Position	<u>74,609,673</u>	<u>23,479,350</u>	<u>98,089,023</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WARRENVILLE, ILLINOIS

Statement of Activities

For the Fiscal Year Ended April 30, 2016

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 4,510,434	772,344	40,199	-
Public Safety	7,194,137	275,859	-	-
Public Works	2,996,511	-	336,107	310,452
Culture and Recreation	252,325	-	-	-
Economic Development	78,592	28,467	-	-
Total Governmental Activities	15,031,999	1,076,670	376,306	310,452
Business-Type Activities				
Water and Sewer	3,388,429	3,527,198	14,390	821,374
Total Primary Government	18,420,428	4,603,868	390,696	1,131,826

General Revenues

Taxes

Property and Replacement

Home Rule Sales

Telecommunications

Hotel/Motel

Amusement

Food and Beverage

Natural Gas

Electric Utility

Local Motor Fuel Tax

Other

Intergovernmental - Unrestricted

State Income Taxes

Sales

Use

Investment Income

Miscellaneous

Change in Net Position

Net Position - Beginning as Restated

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expenses)/Revenues		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
(3,697,891)	-	(3,697,891)
(6,918,278)	-	(6,918,278)
(2,349,952)	-	(2,349,952)
(252,325)	-	(252,325)
(50,125)	-	(50,125)
(13,268,571)	-	(13,268,571)
-	974,533	974,533
(13,268,571)	974,533	(12,294,038)
3,325,755	-	3,325,755
1,649,534	-	1,649,534
618,440	-	618,440
926,657	-	926,657
289,922	-	289,922
671,288	-	671,288
121,656	-	121,656
96,208	-	96,208
538,175	-	538,175
6,743	-	6,743
1,400,362	-	1,400,362
2,182,502	-	2,182,502
304,894	-	304,894
14,578	19,683	34,261
141,807	-	141,807
12,288,521	19,683	12,308,204
(980,050)	994,216	14,166
75,589,723	22,485,134	98,074,857
74,609,673	23,479,350	98,089,023

The notes to the financial statements are an integral part of this statement.

CITY OF WARRENVILLE, ILLINOIS

**Balance Sheet - Governmental Funds
April 30, 2016**

	General	Special Revenue Motor Fuel Tax
ASSETS		
Cash and Investments	\$ 8,116,066	520,408
Receivables - Net of Allowances		
Property Taxes	3,401,912	-
Other Taxes	1,275,897	29,904
Interest	58,356	-
Other Accounts	-	-
Due from Other Governments	-	-
Due from Other Funds	940,757	-
Prepays	119,323	-
Inventory - Land Held for Resale	2,200,000	-
	<u>16,112,311</u>	<u>550,312</u>
LIABILITIES		
Accounts Payable	210,283	16,260
Retainage Payable	-	-
Accrued Payroll	231,273	-
Deposits Payable	801,892	-
Other Payables	-	-
Due to Other Funds	-	12,070
Advances from Other Funds	2,200,000	-
Total Liabilities	<u>3,443,448</u>	<u>28,330</u>
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	3,401,912	-
Total Liabilities and Deferred Inflows of Resources	<u>6,845,360</u>	<u>28,330</u>
FUND BALANCES		
Nonspendable	2,319,323	-
Restricted	-	521,982
Committed	-	-
Assigned	-	-
Unassigned	6,947,628	-
Total Fund Balances	<u>9,266,951</u>	<u>521,982</u>
	<u>16,112,311</u>	<u>550,312</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>16,112,311</u>	<u>550,312</u>

The notes to the financial statements are an integral part of this statement.

Capital Projects				
Special Projects	Capital Maintenance and Replacement	TIF District #3	Nonmajor	Totals
3,753,210	1,596,692	-	736,730	14,723,106
-	-	4,489	-	3,406,401
42,376	190,679	-	76,548	1,615,404
30,852	7,229	1,196	3,429	101,062
14,983	-	-	-	14,983
18,964	-	-	-	18,964
368,967	-	-	-	1,309,724
-	-	-	-	119,323
-	-	-	-	2,200,000
4,229,352	1,794,600	5,685	816,707	23,508,967
189,890	14,583	58,342	1,696	491,054
-	7,922	-	-	7,922
-	-	-	-	231,273
-	-	-	-	801,892
42,376	-	-	-	42,376
-	-	1,296,989	665	1,309,724
-	-	-	-	2,200,000
232,266	22,505	1,355,331	2,361	5,084,241
-	-	4,489	-	3,406,401
232,266	22,505	1,359,820	2,361	8,490,642
-	-	-	-	2,319,323
-	-	-	133,866	655,848
-	-	-	680,480	680,480
3,997,086	1,772,095	-	-	5,769,181
-	-	(1,354,135)	-	5,593,493
3,997,086	1,772,095	(1,354,135)	814,346	15,018,325
4,229,352	1,794,600	5,685	816,707	23,508,967

The notes to the financial statements are an integral part of this statement.

CITY OF WARRENVILLE, ILLINOIS

**Reconciliation of Total Governmental Fund Balance to the
Statement of Net Position - Governmental Activities**

April 30, 2016

Total Governmental Fund Balances	\$ 15,018,325
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Amounts reported for governmental activities in the Statement of Net Position
are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	69,762,205
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Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	1,127,443
Deferred Items - Police Pension	1,864,836

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(782,607)
Net Pension Liability - IMRF	(1,969,245)
Net Pension Liability - Police Pension	(10,307,371)
Net Other Post-Employment Benefit Obligation Payable	<u>(103,913)</u>

Net Position of Governmental Activities	<u><u>74,609,673</u></u>
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CITY OF WARRENVILLE, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2016**

See Following Page

CITY OF WARRENVILLE, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2016**

	General	Special Revenue Motor Fuel Tax
Revenues		
Taxes	\$ 6,336,439	-
Intergovernmental	3,623,063	336,107
Licenses and Permits	544,347	-
Fines and Forfeits	265,899	-
Investment Income	1,454	945
Miscellaneous	147,317	-
Total Revenues	<u>10,918,519</u>	<u>337,052</u>
Expenditures		
Current		
General Government	3,804,284	-
Public Safety	5,643,197	-
Public Works	1,308,362	186,748
Culture and Recreation	61,545	-
Economic Development	-	-
Capital Outlay	-	422,378
Total Expenditures	<u>10,817,388</u>	<u>609,126</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>101,131</u>	<u>(272,074)</u>
Other Financing Sources (Uses)		
Sale of Capital Assets	-	-
Transfers In	220,638	-
Transfers Out	(37,000)	-
	<u>183,638</u>	<u>-</u>
Net Change in Fund Balances	284,769	(272,074)
Fund Balances - Beginning	<u>8,982,182</u>	<u>794,056</u>
Fund Balances - Ending	<u><u>9,266,951</u></u>	<u><u>521,982</u></u>

The notes to the financial statements are an integral part of this statement.

Capital Projects				
Special Projects	Capital Maintenance and Replacement	TIF District #3	Nonmajor	Totals
-	1,486,638	3,633	926,657	8,753,367
310,452	-	-	-	4,269,622
-	-	-	-	544,347
28,467	-	-	-	294,366
8,335	2,271	346	1,227	14,578
-	-	-	28,352	175,669
347,254	1,488,909	3,979	956,236	14,051,949
-	-	-	-	3,804,284
-	-	-	401	5,643,598
-	-	-	-	1,495,110
-	-	-	190,780	252,325
-	-	78,592	-	78,592
765,999	1,664,142	73,090	-	2,925,609
765,999	1,664,142	151,682	191,181	14,199,518
(418,745)	(175,233)	(147,703)	765,055	(147,569)
6,400	15,087	-	-	21,487
50,000	337,000	-	-	607,638
-	-	-	(570,638)	(607,638)
56,400	352,087	-	(570,638)	21,487
(362,345)	176,854	(147,703)	194,417	(126,082)
4,359,431	1,595,241	(1,206,432)	619,929	15,144,407
3,997,086	1,772,095	(1,354,135)	814,346	15,018,325

The notes to the financial statements are an integral part of this statement.

CITY OF WARRENVILLE, ILLINOIS

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities - Governmental Activities**

For the Fiscal Year Ended April 30, 2016

Net Change in Fund Balances - Total Governmental Funds \$ (126,082)

Amounts reported for governmental activities in the Statement of Activities
are different because:

Governmental funds report capital outlays as expenditures. However, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital Outlays	2,609,680
Depreciation Expense	(937,192)
Disposals - Cost	(684,748)
Disposals - Accumulated Depreciation	148,444

The net effect of deferred outflows (inflows) of resources related to the pensions
not reported in the funds.

Change in Deferred Items - IMRF	276,532
Change in Deferred Items - Police Pension	859,937

The change in certain liabilities are reported as expenses on the
Statement of Activities.

Deduction to Compensated Absences Payable	45,211
Additions to Net Pension Liability - IMRF	(906,634)
Additions to Net Pension Liability - Police	(2,231,435)
Addition in Net Other Post-Employment Benefit Obligation Payable	<u>(33,763)</u>

Changes in Net Position of Governmental Activities (980,050)

The notes to the financial statements are an integral part of this statement.

CITY OF WARRENVILLE, ILLINOIS

**Statement of Net Position - Proprietary Funds
April 30, 2016**

See Following Page

CITY OF WARRENVILLE, ILLINOIS

**Statement of Net Position - Proprietary Funds
April 30, 2016**

	<u>Business-Type Activities</u> <u>Water and Sewer</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 6,103,157
Receivables - Net of Allowances	
Accounts	588,054
Accrued Interest	53,408
Prepays	12,296
Total Current Assets	<u>6,756,915</u>
Noncurrent Assets	
Capital Assets	
Depreciable Capital Assets	22,672,189
Accumulated Depreciation	<u>(7,684,848)</u>
	14,987,341
Other Assets	
Advances to Other Funds	<u>2,200,000</u>
Total Noncurrent Assets	<u>17,187,341</u>
Total Assets	<u>23,944,256</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	<u>174,634</u>
Total Assets and Deferred Outflows of Resources	<u>24,118,890</u>

The notes to the financial statements are an integral part of this statement.

	Business-Type Activities
	<u>Water and Sewer</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 171,513
Retainage Payable	1,866
Accrued Payroll	31,659
Deposits Payable	26,600
Other Payables	3,273
Compensated Absences Payable	18,314
Total Current Liabilities	<u>253,225</u>
Noncurrent Liabilities	
Compensated Absences Payable	73,256
Net Pension Liability - IMRF	305,024
Net Other Post-Employment Benefit Obligation Payable	8,035
Total Noncurrent Liabilities	<u>386,315</u>
Total Liabilities	<u>639,540</u>
NET POSITION	
Investment in Capital Assets	14,987,341
Unrestricted	<u>8,492,009</u>
Total Net Position	<u><u>23,479,350</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF WARRENVILLE, ILLINOIS

**Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund
For the Fiscal Year Ended April 30, 2016**

	<u>Business-Type Activities</u> <u>Water and Sewer</u>
Operating Revenues	
Charges for Services	\$ 2,985,830
Miscellaneous	34,227
Total Operating Revenues	<u>3,020,057</u>
Operating Expenses Excluding Depreciation Operations	<u>3,053,899</u>
Operating Income (Loss) Before Depreciation	(33,842)
Depreciation	<u>334,530</u>
Operating Income (Loss)	<u>(368,372)</u>
Nonoperating Revenues	
Tap-On Connection Fees	158,166
Investment Income	19,683
Grants	14,390
Rental Income	348,975
	<u>541,214</u>
Income Before Contributions	172,842
Capital Contributions	<u>821,374</u>
Change in Net Position	994,216
Net Position - Beginning as Restated	<u>22,485,134</u>
Net Position - Ending	<u><u>23,479,350</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF WARRENVILLE, ILLINOIS

**Statement of Cash Flows - Proprietary Fund
For the Fiscal Year Ended April 30, 2016**

	<u>Business-Type Activities</u> <u>Water and Sewer</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 3,241,321
Payments to Employees	(866,013)
Payments to Suppliers	<u>(1,965,217)</u>
	<u>410,091</u>
Cash Flows from Noncapital Financing Activities	
Grants Received	<u>14,390</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	<u>(1,045,030)</u>
Cash Flows from Investing Activities	
Interest Received	<u>19,683</u>
Net Change in Cash and Cash Equivalents	(600,866)
Cash and Cash Equivalents - Beginning	<u>6,704,023</u>
Cash and Cash Equivalents - Ending	<u><u>6,103,157</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(368,372)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	334,530
Other Income	507,141
(Increase) Decrease in Current Assets	(285,877)
Increase (Decrease) in Current Liabilities	<u>222,669</u>
Net Cash Provided by Operating Activities	<u><u>410,091</u></u>
Noncash Capital and Related Financing Activities	
Capital Contributions	<u><u>821,374</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF WARRENVILLE, ILLINOIS

Statement of Fiduciary Net Position

April 30, 2016

	<u>Pension Trust Police Pension</u>
ASSETS	
Cash and Cash Equivalents	\$ 814,449
Investments, at Fair Value	
U.S. Government Obligations	52,772
U.S. Agency Obligations	2,979,303
Corporate Bonds	3,318,157
State and Local Obligations	891,738
Common Stock	1,950,983
Mutual Funds	6,863,180
Receivables	
Accrued Interest	<u>101,204</u>
NET POSITION	
Net Position Restricted for Pensions	<u><u>16,971,786</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF WARRENVILLE, ILLINOIS

**Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended April 30, 2016**

	<u>Pension Trust Police Pension</u>
Additions	
Contributions - Employer	\$ 1,004,900
Contributions - Plan Members	264,105
Total Contributions	<u>1,269,005</u>
Investment Income	
Interest Income	540,355
Net Change in Fair Value	<u>(589,406)</u>
	(49,051)
Less Investment Expenses	<u>(28,621)</u>
Net Investment Income	<u>(77,672)</u>
Total Additions	<u>1,191,333</u>
Deductions	
Administration	22,585
Benefits	<u>837,061</u>
Total Deductions	<u>859,646</u>
Change in Fiduciary Net Position	331,687
Net Position Restricted for Pensions	
Beginning	<u>16,640,099</u>
Ending	<u><u>16,971,786</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Warrenville (City), Illinois, was incorporated in 1967. The City is a home rule municipality under the 1970 Illinois Constitution. The City Council is comprised of the Mayor and eight Aldermen. An appointed City Administrator acts as the administrative head. The City provides services which include police protection, street maintenance and construction, building and zoning enforcement, water pumping, storage and distribution, sanitary sewer service and general administrative services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the City's accounting policies established in GAAP and used by the City are described below.

REPORTING ENTITY

The City's financial reporting entity comprises the following:

Primary Government:	City of Warrenville
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In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the City. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

Police Pension Employees Retirement System

The City's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one elected pension beneficiary and two elected police employees constitute the Pension Board. The participants are required to contribute a percentage of salary as established by state statute and the City is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the City, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the City's police employees. The PPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS.

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION

Government-Wide Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's police protection, street maintenance and construction, building and zoning enforcement, and general administrative services are classified as governmental activities. The City's water and sanitary sewer services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations. The City's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (general government, public safety, public works, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which 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 contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, sales taxes, income taxes, interest income, etc.).

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the City:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

General fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City maintains one major special revenue fund, the Motor Fuel Tax Fund, which is used to account for the restricted revenue received from the State of Illinois for the local share of motor fuel tax collection. The City also maintains two nonmajor special revenue funds, the Seized Assets Fund and the Hotel/Motel Tax Fund.

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds) and the purchase of equipment. The City maintains three major capital projects funds, the Special Projects Fund, the Capital Maintenance and Replacement Fund, and the TIF District #3 Fund. The Special Projects Fund is used to account for the proceeds of significant one-time revenues to be used for future major capital improvements and other projects. The Capital Maintenance and Replacement Fund is used to account for the accumulated funds assigned for the maintenance and replacement of major capital assets. The TIF District #3 Fund is used to account for the incremental property tax revenues received from the City's designated Old Town Civic Center TIF District that are restricted to be used for the development of the designated site.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the City:

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Proprietary Funds – Continued

Enterprise funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The City maintains one major enterprise fund, the Water and Sewer Fund, which is used to account for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collections.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

Pension trust funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund is used to account for the accumulation of resources to be used for disability and retirement annuity payments to sworn police department personnel in the future. Resources are contributed by employees at fixed rates by law and by the City at amounts determined by an independent actuary from a specific property tax levy.

The City's pension trust fund is presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the City, this fund is not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary and pension trust funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The City recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, income taxes, licenses, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary and pension trust funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services.

The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows," cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Prepays/Inventories – Land Held for Resale

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Prepays/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids/inventories are recorded as expenditures when consumed rather than when purchased.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, income taxes, and grants. Business-type activities report utility charges as their major receivables.

Capital Assets

Capital assets purchased or acquired with an original cost of \$20,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Capital Assets – Continued

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by the governmental activities) the government chose to include all such items regardless of their acquisition date. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary fund are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings	40 Years
Streets, Bridges and Sidewalks	3 – 60 Years
Storm Sewers	75 Years
Water and Sewer Infrastructure	75 Years
Vehicles and Equipment	5 - 10 Years

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Compensated Absences

Vested or accumulated sick leave and compensatory time off that is owed to retirees or terminated employees is reported as an expenditure and a fund liability of the fund that will pay it in the fund financial statements.

Vested or accumulated sick leave and compensatory time off of proprietary funds at both the fund level and government-wide level and governmental activities at the government-wide level is recorded as an expense and liability as the benefits accrue to employees.

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.

Net Position

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted – All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The City’s budgetary operations are governed by the Budget Ordinance and are administered by the Budget Officer. All departments of the City submit requests for proposed expenditures to the Budget Officer so that a budget may be prepared. The budget is prepared by fund and object and includes information on the past two years and current year estimates of revenues and expenditures for the next fiscal year. The City adopted annual budgets for all governmental funds, proprietary and fiduciary funds.

The proposed budget is presented to the City Council for review. The City Council holds public meetings and may modify the estimates if necessary. All budgeted appropriations lapse at year end.

Budgeted revenue and expenditures for fiscal year 2016 were determined on a basis consistent with accounting principles generally accepted in the United States of America. Budgeted revenue is based upon amounts expected to be received during the fiscal year. Budgeted expenditures are based upon anticipated cash needs for specifically identified projects. Such amounts are substantially the same as modified accrual basis revenues and expenditures. The legal level of budgetary control is at the fund level. Management may reallocate noncapital expenditure amounts within a fund’s budget from one-line item to another if a special need arises, without City Council approval. Any request for additional capital expenditures or changes that will increase the fund’s total budget must be approved by the City Council. During fiscal year 2016, there were several supplemental budget amendments that are reflected in the financial statements.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following fund had an excess of actual expenditures over budget as of the date of this report:

Fund	Excess
Police Pension	\$ 172,150

DEFICIT FUND BALANCE

The following fund had a deficit fund balance as of the date of this report:

Fund	Deficit
TIF District #3	\$ 1,354,135

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds, except the pension trust funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments." If a fund overdraws its equity in the pool, an interfund payable is recorded with a corresponding interfund receivable reported in a fund designated by the City.

Permitted Deposits and Investments – Statutes authorize the City to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds.

The deposits and investments of the Pension Fund are held separately from those of other City funds. Statutes authorize the Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund, or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, pension funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

City Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the City's deposits for governmental and business-type activities totaled \$3,788,325 and the bank balances totaled \$3,952,605.

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

City Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Investments. The City has the following investment fair values and maturities:

Investment Instrument	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Agencies	\$ 11,216,818	-	11,216,818	-	-
State and Local Obligations	2,725,162	-	2,229,322	495,840	-
Corporate Bonds	1,330,576	1,330,576	-	-	-
Illinois Funds	1,273,296	1,273,296	-	-	-
Illinois Metropolitan Investment Fund	492,086	492,086	-	-	-
	<u>17,037,938</u>	<u>3,095,958</u>	<u>13,446,140</u>	<u>495,840</u>	<u>-</u>

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. 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 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 yield. In accordance with its investment policy, the City 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. Any investment with a maturity of greater than five years requires prior approval and a specific purpose for investment.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City limits its exposure to credit risk by limiting its investments to those allowed within the policy, pre-qualifying all brokers and dealers and primarily investing in external investment pools and investments either explicitly or implicitly guaranteed by the full faith and credit of the United States Government. At year-end, the City’s investments in the Illinois Funds was rated AAAM by Standard & Poor’s. The Illinois Metropolitan Investment Trust Convenience Fund is not rated. All other investment ratings were not available.

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

City Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Custodial Credit Risk. In the case of deposits, this 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, at 110% of the deposits secured, for all bank balances in excess of federal depository insurance, with the collateral held by an independent third party. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance. Custodial credit risk for investment 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. The City’s investment policy does not address this risk. To limit its exposure, the City 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 an independent third-party custodian and evidenced by safekeeping receipts and a written custodial agreement.

Concentration Risk. This is the risk of loss attributed to the magnitude of the City’s investment in a single issuer. The City’s investment policy requires diversification of investments to minimize potential losses. The City’s investment policy requires that no financial institution shall hold more than 20% of the City’s investment portfolio, exclusive of U.S. Treasury securities and collateralized investments held in safekeeping. Additionally, investments in corporate paper shall not exceed 10% and Illinois Funds shall not exceed 25% of the total portfolio. At year-end, the City’s investment in the U.S. Treasury Notes (\$4,900,006) and Corporate Bonds (\$1,330,576) represent more than 5 percent of the total cash and investment portfolio.

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund’s deposits totaled \$814,449 and the bank balances totaled \$814,449.

Investments. The Fund has the following investment fair values and maturities:

Investment Instrument	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasuries	\$ 52,772	25,044	27,728	-	-
U.S. Agencies	2,979,303	718,900	1,050,839	1,209,564	-
State and Local Obligations	891,738	203,402	636,599	51,737	-
Corporate Bonds	3,318,157	255,256	1,532,206	1,530,695	-
	<u>7,241,970</u>	<u>1,202,602</u>	<u>3,247,372</u>	<u>2,791,996</u>	<u>-</u>

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Interest Rate Risk. It is the policy of the Fund to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the cash flow demands of the Fund, assuring that funds are available to meet future liabilities 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, legality, safety of principal, liquidity and rate of return. In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for anticipated operating requirements while providing a long-term rate of return based on the current market.

Credit Risk. The Fund limits its exposure to credit risk by limiting its investments to those allowed within the policy and primarily investing in external investment pools and investments either explicitly or implicitly guaranteed by the full faith and credit of the United States Government. At year end, the Pension’s investment ratings were not available.

Custodial Credit Risk. The Fund’s investment policy requires pledging of collateral, at 110% of the deposits secured, for all bank balances in excess of federal depository insurance, with the collateral held by an independent third party. The Fund’s investment policy also 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 an independent third party custodian and evidenced by safekeeping receipts and a written custodial agreement. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance.

Concentration Risk. The Fund’s investment policy requires diversification of investments to minimize risk. This is in compliance with the Fund’s investment policy. In addition to the securities and fair values listed above, the Fund also has \$1,950,983 invested in common stock and \$6,863,180 invested in mutual funds. At year-end, the Funds investments in the following is over 5 percent of net plan position available for retirement benefits (other than U.S. Government guaranteed obligations).

Investment	Amount
American Beacon Large Cap	\$ 1,565,675

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	10.00% - 35.00%	4.30% - 7.10%
Domestic Equities	10.00% - 55.00%	6.50% - 12.30%
International Equities	15.00%	6.60% - 8.60%
Real Estate	5.00%	6.80% - 11.90%
Cash and Cash Equivalents	0.00%	0.00%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 55%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in May 2016 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2016 are listed in the table above.

Rate of Return

For the year ended April 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (0.46%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 9,956,064	458,100	536,304	9,877,860
Land - Right of Way	33,511,165	-	-	33,511,165
	<u>43,467,229</u>	<u>458,100</u>	<u>536,304</u>	<u>43,389,025</u>
Depreciable Capital Assets				
Buildings	11,284,914	-	-	11,284,914
Streets, Bridges and Sidewalks	21,489,521	2,002,246	21,000	23,470,767
Storm Sewers	5,372,072	-	-	5,372,072
Vehicles and Equipment	3,195,725	149,334	127,444	3,217,615
	<u>41,342,232</u>	<u>2,151,580</u>	<u>148,444</u>	<u>43,345,368</u>
Less Accumulated Depreciation				
Buildings	4,142,833	272,123	-	4,414,956
Streets, Bridges and Sidewalks	8,204,164	398,904	21,000	8,582,068
Storm Sewers	1,578,342	68,809	-	1,647,151
Vehicles and Equipment	2,258,101	197,356	127,444	2,328,013
	<u>16,183,440</u>	<u>937,192</u>	<u>148,444</u>	<u>16,972,188</u>
 Total Depreciable Capital Assets	 <u>25,158,792</u>	 <u>1,214,388</u>	 <u>-</u>	 <u>26,373,180</u>
 Total Capital Assets	 <u>68,626,021</u>	 <u>1,672,488</u>	 <u>536,304</u>	 <u>69,762,205</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 117,598
Public Safety	152,210
Public Works	<u>667,384</u>
	<u>937,192</u>

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Depreciable Capital Assets				
Vehicles and Equipment	\$ 1,269,376	-	18,698	1,250,678
Water and Sewer Infrastructure	19,555,107	1,866,404	-	21,421,511
	<u>20,824,483</u>	<u>1,866,404</u>	<u>18,698</u>	<u>22,672,189</u>
Less Accumulated Depreciation				
Vehicles and Equipment	949,053	230,112	18,698	1,160,467
Water and Sewer Infrastructure	6,419,963	104,418	-	6,524,381
	<u>7,369,016</u>	<u>334,530</u>	<u>18,698</u>	<u>7,684,848</u>
 Total Capital Assets	 <u>13,455,467</u>	 <u>1,531,874</u>	 <u>-</u>	 <u>14,987,341</u>

Depreciation expense of \$334,530 was charged to the Water and Sewer Fund.

PROPERTY TAXES

Property taxes for 2015 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about May 1, 2015. The County collects such taxes and remits them periodically. Those 2015 taxes are intended to finance the 2017 fiscal year and are not considered available for current operations and are, therefore, shown as a deferred inflow at year-end. The 2016 tax levy has not been recorded as a receivable at April 30, 2016. The tax is attached as a lien on property as of January 1, 2016; however, the tax will not be levied until December 2016 and, accordingly, is not measurable at April 30, 2016.

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Advances

Interfund advances as of the date of this report are as follows:

Advance from	Advance to	Amount
Water and Sewer	General	<u>\$ 2,200,000</u>

Interfund advances represent payments to purchase a parcel of land on behalf of these funds. This amount will be paid when the land is sold.

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS – Continued

Interfund Balances

Interfund balances are advances in anticipation of receipts to cover temporary cash shortages. The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
General	Motor Fuel Tax	\$ 12,070
General	TIF District #3	928,022
General	Nonmajor Governmental	665
Special Projects	TIF District #3	<u>368,967</u>
		<u><u>1,309,724</u></u>

Interfund Transfers

Transfer In	Transfer Out	Amount
General	Nonmajor Governmental	\$ 220,638
Special Projects	Nonmajor Governmental	50,000
Capital Maintenance and Replacement	General	37,000
Capital Maintenance and Replacement	Nonmajor Governmental	<u>300,000</u>
		<u><u>607,638</u></u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances as Restated	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 827,818	45,211	90,422	782,607	156,521
Net Pension Liability					
IMRF	1,062,611	906,634	-	1,969,245	-
Police Pension	8,075,936	2,231,435	-	10,307,371	-
Net Other Post-Employment Benefit Obligation	70,150	33,763	-	103,913	-
	<u>10,036,515</u>	<u>3,217,043</u>	<u>90,422</u>	<u>13,163,136</u>	<u>156,521</u>
Business-Type Activities					
Compensated Absences	98,519	6,949	13,898	91,570	18,314
Net Pension Liability					
IMRF	164,564	140,460	-	305,024	-
Net Other Post-Employment Benefit Obligation	6,400	1,635	-	8,035	-
	<u>269,483</u>	<u>149,044</u>	<u>13,898</u>	<u>404,629</u>	<u>18,314</u>

For the governmental activities, the General Fund makes payments on the compensated absences, the net pension liability, and the net other post-employment benefit obligation. For the business-type activities, the Water and Sewer Fund makes payments on the compensated absences, the net pension liability, and the net other post-employment benefit obligation.

NET POSITION RESTATEMENTS

Net position was restated due to the implementation of GASB Statement No. 68. The following is a summary of the net position as originally reported and as restated:

Net Position	As Reported	As Restated	(Decrease)
Governmental Activities	\$ 83,465,571	75,589,723	(7,875,848)
Water and Sewer - Business-Type Activities	22,517,925	22,485,134	(32,791)

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	Special Revenue		Capital Projects			Nonmajor	Totals
	General	Motor Fuel Tax	Special Projects	Capital Maintenance and Replacement	TIF District #3		
Fund Balances							
Nonspendable							
Prepays	\$ 119,323	-	-	-	-	-	119,323
Land Held for Resale	2,200,000	-	-	-	-	-	2,200,000
	<u>2,319,323</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,319,323</u>
Restricted							
Maintenance of Roadways	-	521,982	-	-	-	-	521,982
Seized Assets	-	-	-	-	-	133,866	133,866
	<u>-</u>	<u>521,982</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>133,866</u>	<u>655,848</u>
Committed							
Tourism	-	-	-	-	-	680,480	680,480
Assigned							
Capital Projects	-	-	3,997,086	1,772,095	-	-	5,769,181
Unassigned	<u>6,947,628</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,354,135)</u>	<u>-</u>	<u>5,593,493</u>
Total Fund Balances	<u>9,266,951</u>	<u>521,982</u>	<u>3,997,086</u>	<u>1,772,095</u>	<u>(1,354,135)</u>	<u>814,346</u>	<u>15,018,325</u>

In the governmental funds financial statements, the City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The City first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Minimum Fund Balance Policy. The City has established fund balance reserve policies for the General Fund. The General Fund targets 25% of the current fiscal year’s operating expenditures budget.

Committed Fund Balance. The City reports committed fund balance in the Hotel/Motel Tax Fund, a nonmajor fund. City Council ordinance is required to establish, modify or rescind a fund balance commitment.

Assigned Fund Balance. The City reports assigned fund balance in the Special Projects and Capital Maintenance and Replacement Fund, both major funds. The City Council, through the City’s adopted fund balance policy, has given authority to the Finance Director to assign funds.

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets, errors and omissions; natural disasters; and injuries to the City's employees. The City reports its risk management activities in the General Fund. The City purchases third party indemnity medical and dental insurance from a private insurance company. Premiums have been displayed as expenditures/expenses in appropriate funds. There has been no significant reduction in coverage in any program from coverage in the prior year. For all programs, settlement amounts have not exceeded insurance coverage for the current or three prior years.

The City participates in a risk management pool, the Illinois Public Risk Fund (IPRF), for workers' compensation insurance. IPRF is a self-insured pool for workers' compensation coverage. IPRF currently serves public entities and government agencies throughout Illinois. These participating public entities have pooled for workers' compensation. A Board of Trustees is elected by IPRF participants oversees the operation of the IPRF and governs it in accordance with State of Illinois rules and guidelines.

CONTINGENT LIABILITIES

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 attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

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.

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The City contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan. Separate reports are not issued for the Police Pension Plan. IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

Plan Administration. All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided. IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

IMRF provides two tiers of pension benefits. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Plan Membership. As of December 31, 2015, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	35
Inactive Plan Members Entitled to but not yet Receiving Benefits	18
Active Plan Members	<u>38</u>
Total	<u><u>91</u></u>

Contributions. As set by statute, the City's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual contribution rate for calendar year 2015 was 11.21% of covered payroll.

Net Pension Liability. The City's net pension liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2015, using the following actuarial methods and assumptions:

Actuarial Valuation Date	12/31/2015
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	4.40% to 16.00%
Cost of Living Adjustments	3.00%
Inflation	3.00%

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

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate

A Single Discount Rate of 7.49% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.57%, and the resulting single discount rate is 7.47%.

Discount Rate Sensitivity

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.47%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.47%)	Current Discount Rate (7.47%)	1% Increase (8.47%)
Net Pension Liability	\$ 4,231,563	2,274,269	668,025

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2014	\$ 12,284,864	11,057,689	1,227,175
Changes for the Year:			
Service Cost	343,172	-	343,172
Interest on the Total Pension Liability	917,273	-	917,273
Difference Between Expected and Actual Experience of the Total Pension Liability	112,522	-	112,522
Changes of Assumptions	35,968	-	35,968
Contributions - Employer	-	356,679	(356,679)
Contributions - Employees	-	164,720	(164,720)
Net Investment Income	-	55,543	(55,543)
Benefit Payments, including Refunds of Employee Contributions	(419,635)	(419,635)	-
Other (Net Transfer)	-	(215,101)	215,101
Net Changes	989,300	(57,794)	1,047,094
Balances at December 31, 2015	13,274,164	10,999,895	2,274,269

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2016, the City recognized pension expense of \$727,701. At April 30, 2016, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 206,300	-	206,300
Change in Assumptions	281,379	-	281,379
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	703,316	-	703,316
Pension Contributions Made Subsequent to the Measurement Date	111,082	-	111,082
Total Deferred Amounts Related to IMRF	<u>1,302,077</u>	-	<u>1,302,077</u>

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

Fiscal Year	Net Deferred Outflows of Resources
2017	\$ 464,116
2018	353,034
2019	310,743
2020	174,184
2021	-
Thereafter	-
Total	<u>1,302,077</u>

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan

Plan Descriptions

Plan Administration. The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the City Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership. At April 30, 2016, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	11
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	<u>31</u>
Total	<u><u>44</u></u>

Benefits Provided. The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent 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 percent of the original pension and 3 percent compounded annually thereafter.

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police office retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of ½ of the change in the Consumer Price Index for the preceding calendar year.

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2016, the City’s contribution was 36.35% of covered payroll.

Concentrations. At year end, the Pension Plan has investments (other than U.S. Government and U.S. Government-guaranteed obligations) in any one organization that represent 5 percent or more of net position available for benefits as follows:

Investment	Amount
American Beacon Large Cap	\$ 1,565,675

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Actuarial Assumptions

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

Actuarial Valuation Date	4/30/16
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.00%
Salary Increases	5.00%
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates were based on the RP- 2014 Mortality Table (BCHA) projected to 2016 using improvement scale MP-2015. The other non-economic actuarial assumptions used in the April 30, 2016 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

Discount Rate

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

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements

April 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Discount Rate Sensitivity

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability	\$ 14,728,581	10,307,371	6,732,557

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2015	\$ 24,716,035	16,640,099	8,075,936
Changes for the Year:			
Service Cost	724,682	-	724,682
Interest on the Total Pension Liability	1,700,825	-	1,700,825
Difference Between Expected and Actual Experience of the Total Pension Liability	(606,763)	-	(606,763)
Changes of Assumptions	1,581,439	-	1,581,439
Contributions - Employer	-	1,004,900	(1,004,900)
Contributions - Employees	-	264,105	(264,105)
Net Investment Income	-	(49,051)	49,051
Benefit Payments, including Refunds of Employee Contributions	(837,061)	(837,061)	-
Other (Net Transfer)	-	(51,206)	51,206
Net Changes	2,563,122	331,687	2,231,435
Balances at April 30, 2016	27,279,157	16,971,786	10,307,371

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2016, the City recognized pension expense of \$1,371,498. At April 30, 2016, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ -	(534,995)	(534,995)
Change in Assumptions	1,394,387	-	1,394,387
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,005,444	-	1,005,444
Total Deferred Amounts Related to Police Pension	<u>2,399,831</u>	<u>(534,995)</u>	<u>1,864,836</u>

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

Fiscal Year	Net Deferred Outflows of Resources
2017	\$ 366,646
2018	366,646
2019	366,646
2020	366,642
2021	115,284
Thereafter	<u>282,972</u>
Total	<u>1,864,836</u>

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions, Provisions, and Funding Policies

In addition to providing the pension benefits described, the City provides post-employment health care insurance benefits (OPEB) for its eligible retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the City’s governmental and business-type activities.

The City provides pre and post-Medicare postretirement health insurance to retirees, their spouses and dependents (enrolled at the time of the employee’s retirement). To be eligible for benefits, the employee must qualify for retirement under one of the City’s two retirement plans. The retirees pay the blended premium. Upon a retiree becoming eligible for Medicare, the amount payable under the City’s health plan will be reduced by the amount payable under Medicare for those expenses that are covered under both plans.

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending April 30, 2016, retirees contributed \$85,353. Active employees do not contribute to the plan until retirement.

At April 30, 2016 membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.	6
Active Employees	<u>65</u>
Total	<u><u>71</u></u>
Participating Employers	1

The City does not currently have a funding policy.

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2016**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation

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

Annual Required Contribution	\$ 102,274
Interest on the NOPEBO	3,062
Adjustment to the ARC	<u>(4,428)</u>
Annual OPEB Cost	100,908
Actual Contribution	<u>65,510</u>
Change in the NOPEBO	35,398
NOPEBO - Beginning	<u>76,550</u>
NOPEBO - Ending	<u><u>111,948</u></u>

Trend Information

The District's annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 29,470	\$ 21,587	73.25%	\$ 39,487
2015	97,636	60,573	62.04%	76,550
2016	100,909	65,510	64.92%	111,948

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2016

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Funded Status and Funding Progress

The funded status of the plan as of April 30, 2015, the date of the most recent actuarial valuation, was as follows:

Actuarial Accrued Liability (AAL)	\$	1,062,828
Actuarial Value of Plan Assets	\$	-
Unfunded Actuarial Accrued Liability (UAAL)	\$	1,062,828
Funded Ratio (Actuarial Value of Plan Assets/AAL)		0.00%
Covered Payroll (Active Plan Members)	\$	5,809,406
UAAL as a Percentage of Covered Payroll		18.29%

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 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, 2015 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return, including a 3.00% inflation assumption and an initial annual healthcare cost trend rate of 7.90%, with an ultimate rate of 5.00%. The actuarial value of assets was not determined as the City has not advanced funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2016, was 30 years.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Funding Progress and Employer Contributions
Other Post-Employment Benefit Plan

- Schedule of Employer Contributions
Illinois Municipal Retirement Fund
Police Pension Fund

- Schedule of Changes in the Employer's Net Pension Liability
Illinois Municipal Retirement Fund
Police Pension Fund

- Schedule of Investment Returns
Police Pension Fund

- Budgetary Comparison Schedule
General Fund
Motor Fuel Tax – Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

CITY OF WARRENVILLE, ILLINOIS

Other Post-Employment Benefit Plan

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
April 30, 2016**

Funding Progress

Actuarial Valuation Date Apr. 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2011	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2012	-	473,459	-	473,459	5,607,940	8.44%
2013	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015	-	1,062,828	-	1,062,828	5,809,406	18.29%
2016	N/A	N/A	N/A	N/A	N/A	N/A

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions	Percent Contributed
2011	\$ 16,977	\$ 22,682	74.85%
2012	16,977	22,682	74.85%
2013	21,587	28,943	74.58%
2014	21,587	28,943	74.58%
2015	60,573	98,340	61.60%
2015	65,510	102,274	64.05%

The City is required to have the actuarial valuation performed triennially.

CITY OF WARRENVILLE, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Employer Contributions
April 30, 2016**

Calendar Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	\$ 356,679	\$ 356,679	\$ -	\$ 3,181,800	11.21%

Notes to the Required Supplementary Information:

Actuarial Valuation Date	December 31, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	28 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	3.00%
Salary Increases	4.40% - 16.00%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP-2000 combined Healthy Mortality Table

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

CITY OF WARRENVILLE, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
April 30, 2016**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	\$ 754,200	\$ 966,691	\$ 212,491	\$ 2,815,384	34.34%
2016	849,213	1,004,900	155,687	2,764,771	36.35%

Notes to the Required Supplementary Information:

Actuarial Valuation Date	April 30, 2016
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	25 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Salary Increases	5.0%
Investment Rate of Return	7.0%
Retirement Age	50-70
Mortality	RP 2014 projected to 2016

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

CITY OF WARRENVILLE, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2016**

	<u>12/31/15</u>
Total Pension Liability	
Service Cost	\$ 343,172
Interest	917,273
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	112,522
Change of Assumptions	35,968
Benefit Payments, Including Refunds of Member Contributions	<u>(419,635)</u>
 Net Change in Total Pension Liability	 989,300
Total Pension Liability - Beginning	<u>12,284,864</u>
 Total Pension Liability - Ending	 <u><u>13,274,164</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 356,679
Contributions - Members	164,720
Net Investment Income	55,543
Benefit Payments, Including Refunds of Member Contributions	(419,635)
Administrative Expense	<u>(215,101)</u>
 Net Change in Plan Fiduciary Net Position	 (57,794)
Plan Net Position - Beginning	<u>11,057,689</u>
 Plan Net Position - Ending	 <u><u>10,999,895</u></u>
 Employer's Net Pension Liability	 <u><u>\$ 2,274,269</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 82.87%
 Covered-Employee Payroll	 \$ 3,181,800
 Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	 71.48%

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

CITY OF WARRENVILLE, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2016**

	2015	2016
Total Pension Liability		
Service Cost	\$ 715,618	724,682
Interest	1,592,450	1,700,825
Differences Between Expected and Actual Experience	(9,602)	(606,763)
Changes of Assumptions	-	1,581,439
Benefit Payments, Including Refunds of Member Contributions	(663,425)	(837,061)
Net Change in Total Pension Liability	1,635,041	2,563,122
Total Pension Liability - Beginning	23,080,994	24,716,035
Total Pension Liability - Ending	24,716,035	27,279,157
Plan Fiduciary Net Position		
Contributions - Employer	\$ 966,691	1,004,900
Contributions - Members	273,038	264,105
Net Investment Income	1,134,686	(49,051)
Benefit Payments, Including Refunds of Member Contributions	(663,425)	(837,061)
Administrative Expense	(5,797)	(51,206)
Net Change in Plan Fiduciary Net Position	1,705,193	331,687
Plan Net Position - Beginning	14,934,906	16,640,099
Plan Net Position - Ending	16,640,099	16,971,786
Employer's Net Pension Liability	\$ 8,075,936	10,307,371
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.33%	62.22%
Covered-Employee Payroll	\$ 2,815,384	2,764,771
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	286.85%	372.81%

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

CITY OF WARRENVILLE, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Investment Returns

April 30, 2016

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	7.41%
2016	(0.46%)

Note:

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

CITY OF WARRENVILLE, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual	Variance Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 6,430,254	6,430,254	6,336,439	(93,815)
Intergovernmental	2,695,490	2,695,490	3,623,063	927,573
Licenses and Permits	621,299	621,299	544,347	(76,952)
Fines and Forfeits	455,593	455,593	265,899	(189,694)
Investment Income	34,633	34,633	1,454	(33,179)
Miscellaneous	71,996	71,996	147,317	75,321
Total Revenues	<u>10,309,265</u>	<u>10,309,265</u>	<u>10,918,519</u>	<u>609,254</u>
Expenditures				
Current				
General Government	3,824,731	4,094,691	3,804,284	(290,407)
Public Safety	5,911,423	5,911,423	5,643,197	(268,226)
Public Works	1,555,817	1,555,817	1,308,362	(247,455)
Culture and Recreation	73,207	73,207	61,545	(11,662)
Total Expenditures	<u>11,365,178</u>	<u>11,635,138</u>	<u>10,817,388</u>	<u>(817,750)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,055,913)</u>	<u>(1,325,873)</u>	<u>101,131</u>	<u>1,427,004</u>
Other Financing Sources (Uses)				
Disposal of Capital Assets	15,000	15,000	-	(15,000)
Transfers In	235,839	235,839	220,638	(15,201)
Transfers Out	(37,000)	(37,000)	(37,000)	-
	<u>213,839</u>	<u>213,839</u>	<u>183,638</u>	<u>(30,201)</u>
Net Change in Fund Balance	<u>(842,074)</u>	<u>(1,112,034)</u>	<u>284,769</u>	<u>1,396,803</u>
Fund Balance - Beginning			<u>8,982,182</u>	
Fund Balance - Ending			<u><u>9,266,951</u></u>	

CITY OF WARRENVILLE, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax	\$ 312,732	312,732	336,107
Investment Income	100	100	945
Total Revenues	<u>312,832</u>	<u>312,832</u>	<u>337,052</u>
Expenditures			
Public Works			
Supplies and Services	87,440	87,440	63,381
Maintenance	95,999	215,043	123,367
Capital Outlay	548,775	548,775	422,378
Total Expenditures	<u>732,214</u>	<u>851,258</u>	<u>609,126</u>
Net Change in Fund Balance	<u>(419,382)</u>	<u>(538,426)</u>	(272,074)
Fund Balance - Beginning			<u>794,056</u>
Fund Balance - Ending			<u>521,982</u>

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedule – Enterprise Fund
- Budgetary Comparison Schedule – Pension Trust Fund

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

The General Fund, is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

Motor Fuel Tax Fund

The Motor Fuel Tax Funds is used to account for the maintenance and construction of streets and roads as approved by the Illinois Department of Transportation.

Seized Assets Fund

The Seized Assets Fund is used to account for money and physical assets seized during drug-related arrests restricted for public safety expenditures.

Hotel/Motel Tax Fund

The Hotel/Motel Tax Fund is used to account for the accumulation of resources from payment of hotel/motel taxes. The City has established a 5% hotel tax pursuant to state law. Funds are committed to promoting tourism and conventions within the municipality.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are created to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by Proprietary Funds.

Special Projects Fund

The Special Projects Fund is used to account for the proceeds of specific one-time revenues to be used for future major capital improvements and other projects.

Capital Maintenance and Replacement Fund

The Capital Maintenance and Replacement Fund is used to account for the accumulated funds assigned for the maintenance and replacement of major capital assets.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

CAPITAL PROJECTS FUNDS – Continued

TIF District #3 Fund

The TIF District #3 Fund, is used to account for the incremental property tax revenues received from the City's designated Old Town Civic Center TIF District that are restricted to be used for the development of the designated site.

ENTERPRISE FUND

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Water and Sewer Fund

The Water and Sewer Fund is used to account for the provision of water and sewer services to residents of the City. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

FIDUCIARY FUND

PENSION TRUST FUND

Police Pension Fund

The Police Pension Fund is used to account for the accumulation of resources to be used for disability or retirement annuity payments to sworn police department personnel in the future. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an independent actuary from a specific property tax levy.

CITY OF WARRENVILLE, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance Over (Under)
	Original	Final		
Taxes				
Property Tax				
General Corporate	\$ 1,331,824	1,331,824	1,321,388	(10,436)
Police Protection	359,593	359,593	355,914	(3,679)
FICA	276,549	276,549	273,857	(2,692)
Police Pension	761,882	761,882	738,249	(23,633)
IMRF	183,322	183,322	181,574	(1,748)
Audit	15,669	15,669	15,464	(205)
Tort and Liability	95,186	95,186	94,279	(907)
Workers' Compensation	61,107	61,107	60,608	(499)
Crossing Guards	38,388	38,388	37,911	(477)
Road and Bridge	157,860	157,860	156,450	(1,410)
Township Road and Bridge	52,786	52,786	41,482	(11,304)
Personal Property Replacement Tax	47,386	47,386	44,946	(2,440)
Home Rule Sales Tax	1,780,042	1,780,042	1,649,534	(130,508)
Local Use Tax	254,916	254,916	304,894	49,978
Amusement Tax	85,096	85,096	115,924	30,828
Telecommunications Tax	61,823	61,823	61,839	16
Food and Beverage Tax	660,367	660,367	671,288	10,921
Auto Rental Tax	8,920	8,920	6,743	(2,177)
Franchise Fees	197,538	197,538	204,095	6,557
Total Taxes	6,430,254	6,430,254	6,336,439	(93,815)
Intergovernmental				
Income Tax	650,430	650,430	1,400,362	749,932
State Sales Tax	2,039,690	2,039,690	2,182,502	142,812
Grants	5,370	5,370	40,199	34,829
Total Intergovernmental	2,695,490	2,695,490	3,623,063	927,573

CITY OF WARRENVILLE, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance Over (Under)
	Original	Final		
Licenses and Permits				
Liquor Licenses	\$ 49,800	49,800	51,800	2,000
Business Licenses	5,625	5,625	3,282	(2,343)
Refuse Collection Licenses	3,750	3,750	4,500	750
Dog Licenses	1,264	1,264	1,126	(138)
Other Business Licenses	15,594	15,594	26,177	10,583
Building Permits	161,524	161,524	145,467	(16,057)
Electric Permits	36,207	36,207	45,734	9,527
Plumbing Permits	20,662	20,662	16,159	(4,503)
Building Plan Review Fees	98,519	98,519	60,323	(38,196)
Other Permits	5,419	5,419	9,295	3,876
Printing Charges	1,500	1,500	2,199	699
Re-Inspection Fees	250	250	-	(250)
Annexation Fees	1,000	1,000	500	(500)
Senior Taxi Coupons	325	325	8	(317)
Site Plan Review Fees	4,400	4,400	6,600	2,200
Engineer Review and Inspection Fees	28,500	28,500	1,850	(26,650)
Public Hearing Fees	8,160	8,160	7,615	(545)
Recording Fees	-	-	2,472	2,472
Stormwater Management Fees	41,500	41,500	36,544	(4,956)
Preliminary Consultative Fees	3,500	3,500	2,500	(1,000)
New Elevator and Inspection Fees	14,000	14,000	18,389	4,389
Elevator Re-Inspection	-	-	1,869	1,869
Vacant Building Registration	6,660	6,660	4,925	(1,735)
Code Enforcement Adjudication	16,670	16,670	9,081	(7,589)
Rental Registration and Inspection Fees	12,500	12,500	-	(12,500)
False Alarm Calls	2,500	2,500	4,100	1,600
Fingerprinting	4,300	4,300	5,860	1,560
Refuse Stickers	77,170	77,170	75,972	(1,198)
Total Licenses and Permits	621,299	621,299	544,347	(76,952)
Fines and Forfeits				
Circuit Court Fines	350,000	350,000	188,991	(161,009)
Parking Fines	17,386	17,386	17,623	237
Other Fines and Forfeitures	430	430	525	95
Administrative Towing Fee	76,948	76,948	51,000	(25,948)

CITY OF WARRENVILLE, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance Over (Under)
	Original	Final		
Fines and Forfeitures - Continued				
Booking Fees	\$ 10,329	10,329	6,710	(3,619)
Penalties	500	500	1,050	550
Total Fines and Forfeitures	455,593	455,593	265,899	(189,694)
Investment Income	34,633	34,633	1,454	(33,179)
Miscellaneous				
Rental Income	32,996	32,996	33,862	866
Other	39,000	39,000	113,455	74,455
Total Miscellaneous	71,996	71,996	147,317	75,321
Total Revenues	10,309,265	10,309,265	10,918,519	609,254

CITY OF WARRENVILLE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance Over (Under)
	Original	Final		
General Government				
Mayor and Council				
Personnel	\$ 69,716	69,716	70,149	433
Supplies and Services	7,381	7,381	9,145	1,764
Miscellaneous	12,600	12,600	10,905	(1,695)
Total Mayor and Council	89,697	89,697	90,199	502
City Clerk				
Personnel	10,765	10,765	10,765	-
Supplies and Services	34,478	34,478	34,451	(27)
Capital	24,000	24,000	-	(24,000)
Total City Clerk	69,243	69,243	45,216	(24,027)
Legal				
Supplies and Services	166,000	166,000	154,997	(11,003)
Finance and Information Services				
Personnel	272,786	272,786	270,763	(2,023)
Supplies and Services	44,694	59,154	57,985	(1,169)
Miscellaneous	80,795	80,795	67,482	(13,313)
Capital	18,500	18,500	14,745	(3,755)
Total Finance and Information Services	416,775	431,235	410,975	(20,260)
Administration				
Personnel	422,282	422,282	413,951	(8,331)
Supplies and Services	135,874	135,874	69,742	(66,132)
Miscellaneous	6,986	6,986	7,353	367
Capital	7,100	7,100	5,100	(2,000)
Total Administration	572,242	572,242	496,146	(76,096)
Central Services				
Personnel	924,377	924,377	838,970	(85,407)
Supplies and Services	375,303	375,303	351,724	(23,579)
Maintenance	264,485	264,485	144,603	(119,882)
Total Central Services	1,564,165	1,564,165	1,335,297	(228,868)

CITY OF WARRENVILLE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance Over (Under)
	Original	Final		
General Government - Continued				
Community Development				
Personnel	\$ 754,198	754,198	664,033	(90,165)
Supplies and Services	177,975	183,475	130,274	(53,201)
Maintenance	2,600	2,600	2,214	(386)
Miscellaneous	4,150	4,150	143	(4,007)
Capital	5,000	255,000	473,141	218,141
Total Community Development	943,923	1,199,423	1,269,805	70,382
Municipal Van				
Personnel	31,296	31,296	31,203	(93)
Supplies and Services	11,120	11,120	9,905	(1,215)
Maintenance	310	310	2,167	1,857
Miscellaneous	100	100	-	(100)
Total Municipal Van	42,826	42,826	43,275	449
Less: Administrative Costs Charged to Other Departments and Funds				
	(40,140)	(40,140)	(41,626)	(1,486)
Total General Government	3,824,731	4,094,691	3,804,284	(290,407)
Public Safety				
Police Protection				
Personnel	5,074,292	5,074,292	4,955,754	(118,538)
Supplies and Services	643,068	643,068	563,913	(79,155)
Maintenance	89,863	89,863	54,580	(35,283)
Miscellaneous	11,875	11,875	9,001	(2,874)
Capital	10,825	10,825	6,048	(4,777)
Total Police Protection	5,829,923	5,829,923	5,589,296	(240,627)
EMA				
Personnel	6,459	6,459	6,244	(215)
Supplies and Services	15,850	15,850	10,364	(5,486)
Maintenance	8,250	8,250	3,405	(4,845)
Miscellaneous	5,500	5,500	1,202	(4,298)
Capital	31,000	31,000	11,026	(19,974)
Total EMA	67,059	67,059	32,241	(34,818)

CITY OF WARRENVILLE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance Over (Under)
	Original	Final		
Public Safety - Continued				
Police Commission				
Supplies and Services	\$ 14,441	14,441	21,660	7,219
Total Public Safety	5,911,423	5,911,423	5,643,197	(268,226)
Public Works				
Streets				
Personnel	695,771	695,771	722,983	27,212
Supplies and Services	173,870	173,870	165,276	(8,594)
Maintenance	335,744	335,744	132,048	(203,696)
Miscellaneous	-	-	7,754	7,754
Capital	28,000	28,000	7,719	(20,281)
Total Streets	1,233,385	1,233,385	1,035,780	(197,605)
Road and Bridge				
Personnel	77,494	77,494	74,953	(2,541)
Buildings and Grounds				
Personnel	96,128	96,128	93,866	(2,262)
Supplies and Services	8,335	8,335	5,689	(2,646)
Maintenance	140,475	140,475	98,074	(42,401)
Total Buildings and Grounds	244,938	244,938	197,629	(47,309)
Total Public Works	1,555,817	1,555,817	1,308,362	(247,455)
Culture and Recreation				
Parks and Recreation				
Supplies and Services	10,500	10,500	6,644	(3,856)
Maintenance	27,090	27,090	20,893	(6,197)
Miscellaneous	7,117	7,117	10,304	3,187
Capital	28,500	28,500	23,704	(4,796)
Total Culture and Recreation	73,207	73,207	61,545	(11,662)
Total Expenditures	11,365,178	11,635,138	10,817,388	(817,750)

CITY OF WARRENVILLE, ILLINOIS

Special Projects - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Grants	\$ -	-	310,452
Fines and Forfeits			
Traffic Impact Fees	-	-	28,467
Investment Income	10,000	10,000	8,335
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>347,254</u>
Expenditures			
Capital Outlay			
Supplies and Services	130,000	130,000	105,049
Capital	942,974	942,974	660,950
Total Expenditures	<u>1,072,974</u>	<u>1,072,974</u>	<u>765,999</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(1,062,974)</u>	<u>(1,062,974)</u>	<u>(418,745)</u>
Other Financing Sources			
Disposal of Capital Assets	-	-	6,400
Transfers In	50,000	50,000	50,000
	<u>50,000</u>	<u>50,000</u>	<u>56,400</u>
Net Change in Fund Balance	<u>(1,012,974)</u>	<u>(1,012,974)</u>	(362,345)
Fund Balance - Beginning			<u>4,359,431</u>
Fund Balance - Ending			<u><u>3,997,086</u></u>

CITY OF WARRENVILLE, ILLINOIS

Capital Maintenance and Replacement - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Telecommunications	\$ 556,405	556,405	556,601
Amusement	127,085	127,085	173,998
Natural Gas	226,999	226,999	121,656
Electric Utility	102,157	102,157	96,208
Local Motor Fuel	543,316	543,316	538,175
Investment Income	4,725	4,725	2,271
Total Revenues	<u>1,560,687</u>	<u>1,560,687</u>	<u>1,488,909</u>
Expenditures			
Capital Outlay			
Supplies and Services	104,500	104,500	114,127
Maintenance	210,000	210,000	8,743
Capital	2,200,651	2,200,651	1,541,272
Total Expenditures	<u>2,515,151</u>	<u>2,515,151</u>	<u>1,664,142</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(954,464)</u>	<u>(954,464)</u>	<u>(175,233)</u>
Other Financing Sources			
Disposal of Capital Assets	4,237	4,237	15,087
Transfers In	337,000	337,000	337,000
	<u>341,237</u>	<u>341,237</u>	<u>352,087</u>
Net Change in Fund Balance	<u>(613,227)</u>	<u>(613,227)</u>	176,854
Fund Balance - Beginning			<u>1,595,241</u>
Fund Balance - Ending			<u>1,772,095</u>

CITY OF WARRENVILLE, ILLINOIS

TIF District #3 - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property	\$ 3,851	3,851	3,633
Investment Income	500	500	346
Total Revenues	<u>4,351</u>	<u>4,351</u>	<u>3,979</u>
Expenditures			
Economic Development			
Supplies and Services	163,950	163,950	78,592
Capital Outlay			
City Projects	218,500	218,500	72,343
Land Purchases	50,000	50,000	747
Total Expenditures	<u>432,450</u>	<u>432,450</u>	<u>151,682</u>
Net Change in Fund Balance	<u>(428,099)</u>	<u>(428,099)</u>	(147,703)
Fund Balance - Beginning			<u>(1,206,432)</u>
Fund Balance - Ending			<u><u>(1,354,135)</u></u>

CITY OF WARRENVILLE, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet

April 30, 2016

	Seized Assets	Hotel/ Motel Tax	Totals
ASSETS			
Cash and Investments	\$ 134,020	602,710	736,730
Receivables - Net of Allowances			
Other Taxes	511	76,037	76,548
Interest	-	3,429	3,429
Total Assets	134,531	682,176	816,707
LIABILITIES			
Accounts Payable	-	1,696	1,696
Due to Other Funds	665	-	665
Total Liabilities	665	1,696	2,361
FUND BALANCES			
Restricted	133,866	-	133,866
Committed	-	680,480	680,480
Total Fund Balances	133,866	680,480	814,346
Total Liabilities and Fund Balances	134,531	682,176	816,707

CITY OF WARRENVILLE, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2016**

	Seized Assets	Hotel/ Motel Tax	Totals
Revenues			
Taxes	\$ -	926,657	926,657
Investment Income	40	1,187	1,227
Miscellaneous	28,352	-	28,352
Total Revenues	28,392	927,844	956,236
Expenditures			
Current			
Public Safety	401	-	401
Culture and Recreation	-	190,780	190,780
Total Expenditures	401	190,780	191,181
Excess (Deficiency) of Revenues Over (Under) Expenditures	27,991	737,064	765,055
Other Financing (Uses)			
Transfers Out	(8,160)	(562,478)	(570,638)
Net Change in Fund Balances	19,831	174,586	194,417
Fund Balances - Beginning	114,035	505,894	619,929
Fund Balances -Ending	133,866	680,480	814,346

CITY OF WARRENVILLE, ILLINOIS

Seized Assets - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Revenues			
Investment Income	\$ 40	40	40
Miscellaneous	31,100	31,100	28,352
Total Revenues	31,140	31,140	28,392
Expenditures			
Public Safety			
Supplies and Services	6,200	6,200	401
Excess (Deficiency) of Revenues Over (Under) Expenditures	24,940	24,940	27,991
Other Financing (Uses)			
Transfers Out	(8,160)	(8,160)	(8,160)
Net Change in Fund Balance	16,780	16,780	19,831
Fund Balance - Beginning			114,035
Fund Balance - Ending			133,866

CITY OF WARRENVILLE, ILLINOIS

Hotel/Motel - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Hotel/Motel Taxes	\$ 891,256	891,256	926,657
Investment Income	2,200	2,200	1,187
Total Revenues	893,456	893,456	927,844
Expenditures			
Culture and Recreation			
Supplies and Services	349,189	349,189	190,780
Excess (Deficiency) of Revenues Over (Under) Expenditures	544,267	544,267	737,064
Other Financing Sources (Uses)			
Transfers Out	(550,000)	(550,000)	(562,478)
Net Change in Fund Balance	<u>(5,733)</u>	<u>(5,733)</u>	174,586
Fund Balance - Beginning			<u>505,894</u>
Fund Balance - Ending			<u><u>680,480</u></u>

CITY OF WARRENVILLE, ILLINOIS

Water and Sewer - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Water Sales	\$ 972,362	972,362	972,908
Sewer Sales	1,916,327	1,916,327	1,965,519
Meter Sales	8,977	8,977	14,270
Penalties	36,986	36,986	33,133
Miscellaneous	40,959	40,959	34,227
Total Operating Revenues	<u>2,975,611</u>	<u>2,975,611</u>	<u>3,020,057</u>
Operating Expenses			
Operations			
Waterworks	2,292,928	2,292,928	1,244,778
Sewerage	2,749,860	2,749,860	1,809,121
Total Operating Expenses	<u>5,042,788</u>	<u>5,042,788</u>	<u>3,053,899</u>
Operating Income (Loss) Before Depreciation	(2,067,177)	(2,067,177)	(33,842)
Depreciation	<u>343,564</u>	<u>343,564</u>	<u>334,530</u>
Operating Income (Loss)	<u>(2,410,741)</u>	<u>(2,410,741)</u>	<u>(368,372)</u>
Nonoperating Revenues			
Tap-On Connection Fees	60,889	60,889	158,166
Investment Income	44,480	44,480	19,683
Grants	-	-	14,390
Rental Income	322,055	322,055	348,975
	<u>427,424</u>	<u>427,424</u>	<u>541,214</u>
Income (Loss) Before Contributions	(1,983,317)	(1,983,317)	172,842
Capital Contributions	<u>-</u>	<u>-</u>	<u>821,374</u>
Change in Net Position	<u>(1,983,317)</u>	<u>(1,983,317)</u>	994,216
Net Position - Beginning as Restated			<u>22,485,134</u>
Net Position - Ending			<u>23,479,350</u>

CITY OF WARRENVILLE, ILLINOIS

Water and Sewer - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Operating Expenses			
Waterworks			
Personnel			
Salaries	\$ 501,577	501,577	496,665
FICA/Medicare/IMRF	95,718	95,718	221,966
Accrued Sick/Com Time/OPEB	3,195	3,195	(5,314)
Employee Insurance	92,648	92,648	90,956
Total Personnel	693,138	693,138	804,273
Maintenance			
Building	5,500	5,500	4,563
Water Tower	7,000	7,000	-
Equipment	7,800	7,800	11,712
Software	5,157	5,157	5,182
Utility System	58,000	58,000	62,682
Communications	4,100	4,100	3,239
Total Maintenance	87,557	87,557	87,378
Supplies and Services			
General Insurance	28,070	28,070	27,848
Telephone	14,000	14,000	13,057
Utilities	64,900	64,900	72,346
Rental	6,298	6,298	6,228
Travel	500	500	364
Postage	7,670	7,670	7,505
Printing/Publishing	7,200	7,200	8,804
Liens	100	100	169
Legal and Accounting	1,000	1,000	-
Annual Audit	2,000	2,000	2,000
Engineering	183,000	183,000	87,610
Other Professional Services	34,100	34,100	15,641
J.U.L.I.E.	1,300	1,300	1,246
Education Reimbursement	500	500	104
Dues and Subscriptions	400	400	232
Supplies	2,100	2,100	932
Small Tools	1,200	1,200	109
Uniforms	4,000	4,000	3,248
Gas/Oil	16,000	16,000	7,609

CITY OF WARRENVILLE, ILLINOIS

Water and Sewer - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Operating Expenses - Continued			
Waterworks - Continued			
Supplies and Services - Continued			
Chlorination	\$ 41,900	41,900	26,922
Administrative	20,070	20,070	20,070
Meters	55,000	55,000	39,324
Miscellaneous	1,000	1,000	748
Total Supplies and Services	492,308	492,308	342,116
Capital			
Computer Software	1,000	1,000	-
Water Main Improvements	923,950	923,950	4,801
Building Improvements	1,000	1,000	-
Capital Operating Costs	40,000	40,000	3,200
Equipment Purchase	53,975	53,975	3,010
Total Capital	1,019,925	1,019,925	11,011
Total Waterworks	2,292,928	2,292,928	1,244,778
Sewerage			
Personnel			
Salaries	373,122	373,122	369,348
FICA/Medicare/IMRF	71,205	71,205	100,623
Employee Insurance	67,541	67,541	65,366
Total Personnel	511,868	511,868	535,337
Maintenance			
Building	4,200	4,200	3,060
Equipment	6,000	6,000	7,903
Software	3,437	3,437	3,454
Grounds	300	300	-
Utility System	10,000	10,000	9,635
Communications	900	900	498
Total Maintenance	24,837	24,837	24,550
Supplies and Services			
General Insurance	24,045	24,045	23,823
Telephone	8,260	8,260	8,705

CITY OF WARRENVILLE, ILLINOIS

Water and Sewer - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Operating Expenses - Continued			
Sewerage - Continued			
Supplies and Services - Continued			
Utilities	\$ 18,950	18,950	18,657
Rental	6,030	6,030	5,986
Travel	300	300	242
Postage	7,700	7,700	7,505
Printing/Publishing	6,700	6,700	6,878
Liens	200	200	169
Legal	1,000	1,000	-
Annual Audit	2,000	2,000	2,000
Engineering	84,440	84,440	44,206
Other Professional Services	1,300	1,300	2,940
J.U.L.I.E.	1,300	1,300	675
Naperville Sewage Treatment	1,198,500	1,198,500	996,376
Dues and Subscriptions	300	300	230
Office Supplies	1,400	1,400	622
Small Tools	720	720	146
Uniforms	-	-	2,145
Gas/Oil	11,000	11,000	5,073
Administrative	20,070	20,070	20,070
Meters	55,000	55,000	39,324
Overhead Sewer Grant	2,000	2,000	-
Infiltration Analysis	4,900	4,900	384
Miscellaneous	300	300	649
Total Supplies and Services	1,456,415	1,456,415	1,186,805
Capital			
Computer Software	500	500	-
Sewer Main Improvements	692,240	692,240	49,394
Capital Operating Costs	14,000	14,000	-
Equipment Purchase	50,000	50,000	13,035
Total Capital	756,740	756,740	62,429
Total Sewerage	2,749,860	2,749,860	1,809,121
Depreciation	343,564	343,564	334,530
Total Operating Expenses	5,386,352	5,386,352	3,388,429

CITY OF WARRENVILLE, ILLINOIS

Police Pension - Pension Trust Fund

**Schedule of Changes in Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended April 30, 2016**

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 1,004,200	1,004,200	1,004,900
Contributions - Plan Members	285,460	285,460	264,105
Total Contributions	1,289,660	1,289,660	1,269,005
Investment Income			
Interest Income	1,284,487	1,284,487	540,355
Net Change in Fair Value	-	-	(589,406)
	1,284,487	1,284,487	(49,051)
Less Investment Expenses	-	-	(28,621)
Net Investment Income	1,284,487	1,284,487	(77,672)
Total Additions	2,574,147	2,574,147	1,191,333
Deductions			
Administration	43,010	43,010	22,585
Benefits and Refunds	644,486	644,486	837,061
Total Deductions	687,496	687,496	859,646
Change in Fiduciary Net Position	1,886,651	1,886,651	331,687
Net Position Restricted for Pensions			
Beginning			16,640,099
Ending			16,971,786

STATISTICAL SECTION

(Unaudited)

This part of the 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 says about the City's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

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.

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.

CITY OF WARRENVILLE, ILLINOIS

**Net Position by Component - Last Ten Fiscal Years
April 30, 2016 (Unaudited)**

See Following Page

CITY OF WARRENVILLE, ILLINOIS

**Net Position by Component - Last Ten Fiscal Years
April 30, 2016 (Unaudited)**

	2007	2008	2009	2010
Governmental Activities				
Net Investment in Capital Assets	\$ 62,431,353	64,760,369	68,817,707	71,267,517
Restricted	11,159,947	11,805,957	8,700,509	7,286,830
Unrestricted	2,893,035	5,993,439	8,433,433	5,274,837
Total Governmental Activities Net Position	<u>76,484,335</u>	<u>82,559,765</u>	<u>85,951,649</u>	<u>83,829,184</u>
Business-Type Activities				
Net Investment in Capital Assets	10,553,454	11,041,507	11,975,287	13,845,927
Restricted	-	-	-	-
Unrestricted	11,893,286	12,210,442	11,655,158	9,817,965
Total Business-Type Activities Net Position	<u>22,446,740</u>	<u>23,251,949</u>	<u>23,630,445</u>	<u>23,663,892</u>
Total Net Position				
Net Investment in Capital Assets	72,984,807	75,801,876	80,792,994	85,113,444
Restricted	11,159,947	11,805,957	8,700,509	7,286,830
Unrestricted	14,786,321	18,203,881	20,088,591	15,092,802
Total Primary Government Net Position	<u>98,931,075</u>	<u>105,811,714</u>	<u>109,582,094</u>	<u>107,493,076</u>

Data Source: Audited Financial Statements

2011	2012	2013	2014	2015	2016
70,610,196	70,035,401	69,200,158	68,918,115	68,626,021	69,762,205
1,476,156	812,193	705,834	749,557	908,091	655,848
12,224,134	13,894,169	14,471,337	15,005,512	13,931,459	4,191,620
84,310,486	84,741,763	84,377,329	84,673,184	83,465,571	74,609,673
13,649,811	13,608,173	13,264,609	12,960,880	13,455,467	14,987,341
9,590,271	-	-	9,511,461	-	-
-	9,308,978	9,433,113	-	9,062,458	8,492,009
23,240,082	22,917,151	22,697,722	22,472,341	22,517,925	23,479,350
84,260,007	83,643,574	82,464,767	81,878,995	82,081,488	84,749,546
11,066,427	812,193	705,834	10,261,018	908,091	655,848
12,224,134	23,203,147	23,904,450	15,005,512	22,993,917	12,683,629
107,550,568	107,658,914	107,075,051	107,145,525	105,983,496	98,089,023

CITY OF WARRENVILLE, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years
April 30, 2016 (Unaudited)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities										
General Government	\$ 1,837,542	1,998,199	2,295,589	1,929,578	2,399,491	2,368,352	2,378,435	2,548,129	4,195,592	4,510,434
Public Safety	4,328,404	4,859,157	5,494,858	5,521,381	5,555,442	6,398,592	5,676,132	6,022,559	5,622,223	7,194,137
Public Works	2,896,189	2,422,501	1,096,938	3,204,759	2,628,782	2,544,966	4,136,952	3,798,534	4,414,931	2,996,511
Culture and Recreation	176,346	238,320	305,409	264,480	297,975	257,500	273,552	257,149	247,069	252,325
Economic Development	6,490,980	6,874,700	11,306,234	13,426,691	10,031,742	737,277	1,150,690	308,925	92,794	78,592
Interest	478,614	334,821	169,740	3,230	-	-	-	-	-	-
Total Governmental Activities Expenses	16,208,075	16,727,698	20,668,768	24,350,119	20,913,432	12,306,687	13,615,761	12,935,296	14,572,609	15,031,999
Business-Type Activities										
Water and Sewerage	2,359,740	2,370,839	2,523,413	2,987,371	2,939,494	3,056,153	3,277,727	3,305,405	3,265,302	3,388,429
Total Primary Government Expenses	18,567,815	19,098,537	23,192,181	27,337,490	23,852,926	15,362,840	16,893,488	16,240,701	17,837,911	18,420,428
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	625,800	675,593	595,145	721,489	484,478	489,298	703,633	589,012	797,333	772,344
Public Safety	271,354	304,632	653,468	799,615	626,234	480,071	402,864	411,377	355,654	275,859
Public Works	206,471	173,553	204,757	208,939	162,151	238,082	194,890	199,865	-	-
Economic Development	158,372	34,975	-	-	-	9,851	191,333	4,365	9,768	28,467
Operating Grants/Contributions	397,276	421,182	455,057	401,498	444,151	384,594	374,459	405,250	480,006	376,306
Capital Grants/Contributions	-	-	-	142,498	78,031	129,147	375,090	310,962	62,185	310,452
Total Governmental Activities Program Revenue	1,659,273	1,609,935	1,908,427	2,274,039	1,795,045	1,731,043	2,242,269	1,920,831	1,704,946	1,763,428
Business-Type Activities										
Charges for Services										
Water and Sewerage	2,540,251	2,515,129	2,428,057	2,472,371	2,354,203	2,612,325	2,979,040	3,049,195	3,310,794	3,527,198
Operating Grants/Contributions	-	-	-	-	-	3,600	7,500	10,875	15,681	14,390
Capital Grants/Contributions	-	-	-	317,619	-	-	-	-	-	821,374
Total Business-Type Activities Program Revenue	2,540,251	2,515,129	2,428,057	2,789,990	2,354,203	2,615,925	2,986,540	3,060,070	3,326,475	4,362,962
Total Primary Government Program Revenue	4,199,524	4,125,064	4,336,484	5,064,029	4,149,248	4,346,968	5,228,809	4,980,901	5,031,421	6,126,390

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (Expense) Revenue										
Governmental Activities	\$ (15,117,763)	(18,760,341)	(22,076,080)	(19,118,387)	(10,575,644)	(11,373,492)	(11,014,465)	(12,867,663)	(12,867,663)	(13,268,571)
Business-Type Activities	144,290	(95,356)	(197,381)	(585,291)	(440,228)	(291,187)	(245,335)	61,173	61,173	974,533
Total Net Revenue (Expense)	(14,973,473)	(18,855,697)	(22,273,461)	(19,703,678)	(11,015,872)	(11,664,679)	(11,259,800)	(12,806,490)	(12,806,490)	(12,294,038)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property and Replacement	10,727,100	11,731,097	12,153,448	12,562,359	12,556,309	4,032,040	3,875,670	3,286,186	3,363,880	3,325,755
Sales, Local Use	3,745,533	4,732,144	4,442,702	3,973,712	3,634,782	3,346,470	3,488,543	3,542,985	3,929,001	4,136,930
Utility	564,871	583,625	579,961	597,460	580,875	697,612	775,737	707,047	269,030	217,864
Income	1,126,280	1,230,376	1,217,567	1,061,272	1,041,899	1,072,510	1,184,222	1,280,442	1,286,861	1,400,362
Other	1,439,735	1,470,378	1,535,971	1,516,642	1,538,809	1,623,602	1,624,970	2,449,677	3,040,967	3,051,225
Investment Earnings	1,064,359	1,297,753	786,135	193,355	197,502	89,790	18,806	22,275	57,257	14,578
Developer Donations	4,000,000	-	-	-	-	-	-	-	-	-
Miscellaneous	124,689	147,820	45,698	48,815	49,513	144,897	41,110	21,708	150,107	141,807
Total Governmental Activities	22,792,567	21,193,193	20,761,482	19,953,615	19,599,689	11,006,921	11,009,058	11,310,320	12,097,103	12,288,521
Business-Type Activities										
Investment Earnings	445,151	660,919	473,852	230,828	161,481	117,297	71,758	19,954	57,907	19,683
Miscellaneous	2,440,000	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	2,885,151	660,919	473,852	230,828	161,481	117,297	71,758	19,954	57,907	19,683
Total Primary Government	25,677,718	21,854,112	21,235,334	20,184,443	19,761,170	11,124,218	11,080,816	11,330,274	12,155,010	12,308,204
Changes in Net Position										
Governmental Activities	7,674,804	2,432,852	(1,314,598)	835,228	9,024,045	(366,571)	(5,407)	(1,557,343)	(770,560)	(980,050)
Business-Type Activities	3,029,441	565,563	276,471	(354,463)	(278,747)	(173,890)	(173,577)	81,127	119,080	994,216
Total Primary Government	10,704,245	2,998,415	(1,038,127)	480,765	8,745,298	(540,461)	(178,984)	(1,476,216)	(651,480)	14,166

Data Source: Audited Financial Statements

Note: The closure of TIF #1 Cantera Development in 2011 is the primary cause for the reduction of governmental activity expenses and revenues.

CITY OF WARRENVILLE, ILLINOIS

**Fund Balances of Governmental Funds - Last Ten Fiscal Years
April 30, 2016 (Unaudited)**

	2007	2008	2009	2010
General Fund				
Reserved	\$ 116,027	71,592	138,037	62,769
Unreserved	6,338,743	7,568,274	7,532,538	7,558,056
Nonspendable	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u>6,454,770</u>	<u>7,639,866</u>	<u>7,670,575</u>	<u>7,620,825</u>
All Other Governmental Funds				
Unreserved/Unassigned:				
Special Revenues Funds	-	-	-	-
Capital Projects Funds	-	-	-	-
Reserved/Restricted, Reported in				
Special Revenue Funds	976,923	1,267,597	939,956	939,956
Debt Service Funds	118,395	114,970	-	-
Capital Projects Funds	9,598,538	9,957,299	7,709,070	7,709,070
Permanent Funds	411,407	411,407	411,407	411,407
Committed	-	-	-	-
Assigned	-	-	-	-
Nonspendable	-	-	-	-
Total All Other Governmental Funds	<u>11,105,263</u>	<u>11,751,273</u>	<u>9,060,433</u>	<u>9,060,433</u>
Total Governmental Funds	<u><u>17,560,033</u></u>	<u><u>19,391,139</u></u>	<u><u>16,731,008</u></u>	<u><u>16,681,258</u></u>

Data Source: Audited Financial Statements

Note: The City implemented GASB Statement No. 54 for the year ended April 30, 2011.

2011	2012	2013	2014	2015	2016
-	-	-	-	-	-
-	-	-	-	-	-
2,279,945	2,209,995	2,208,938	2,231,448	2,236,098	2,319,323
4,412,572	5,168,013	5,873,707	6,401,476	6,746,084	6,947,628
6,692,517	7,378,008	8,082,645	8,632,924	8,982,182	9,266,951
(662,451)	(639,558)	(639,558)	(639,558)	-	-
-	-	(92,625)	(400,237)	-	-
356,720	508,867	705,834	749,557	908,091	655,848
-	-	-	-	-	-
246,449	303,326	-	-	-	-
411,407	-	-	-	-	-
461,580	593,760	223,545	322,603	505,894	680,480
6,123,086	6,493,380	6,505,423	6,235,623	5,954,672	5,769,181
662,451	639,558	732,183	1,049,088	(1,206,432)	(1,354,135)
7,599,242	7,899,333	7,434,802	7,317,076	6,162,225	5,751,374
14,291,759	15,277,341	15,517,447	15,950,000	15,144,407	15,018,325

CITY OF WARRENVILLE, ILLINOIS

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
April 30, 2016 (Unaudited)**

	2007	2008	2009	2010
Revenues				
Property Taxes	\$ 10,685,132	11,679,789	12,096,083	12,372,224
Other Taxes	6,918,391	8,067,831	7,837,759	7,339,223
Intergovernmental	397,276	421,182	455,056	439,496
Licenses, Permits, Fees	714,886	746,759	690,142	800,832
Fines and Forfeits	392,364	260,832	598,056	750,831
Investment Income	1,064,359	1,297,753	786,135	193,355
Miscellaneous	4,279,432	294,007	206,678	331,693
Total Revenues	24,451,840	22,768,153	22,669,909	22,227,654
Expenditures				
General Government	1,718,228	1,856,094	2,070,469	1,969,043
Public Safety	4,228,037	4,741,482	5,368,060	5,419,963
Public Works	1,350,697	1,352,330	1,543,883	1,819,645
Culture and Recreation	176,346	238,320	305,409	264,480
Economic Development	6,490,980	8,088,574	11,306,234	13,551,291
Capital Outlay	1,211,733	831,786	1,073,197	1,934,028
Debt Service				
Principal	4,283,756	3,530,500	3,775,000	760,000
Interest and Fiscal Charges	495,497	353,851	192,426	12,920
Total Expenditures	19,955,274	20,992,937	25,634,678	25,731,370
Excess of Revenues Over (Under) Expenditures	4,496,566	1,775,216	(2,964,769)	(3,503,716)
Other Financing Sources (Uses)				
Transfers In	473,851	100,000	535,532	310,271
Transfers Out	(473,851)	(100,000)	(535,532)	(310,271)
Sale of Capital Assets	31,841	20,915	304,638	58,042
	31,841	20,915	304,638	58,042
Net Change in Fund Balances	4,528,407	1,796,131	(2,660,131)	(3,445,674)
Debt Service as a Percentage of Noncapital Expenditures	23.95%	18.50%	15.48%	3.00%

Data Source: Audited Financial Statements

Note: The closure of TIF #1 Cantera Development in 2011 is the primary cause for the reduction of governmental fund expenses and revenues.

2011	2012	2013	2014	2015	2016
12,556,309	4,032,040	3,875,670	3,286,186	3,319,256	3,280,809
6,796,365	5,669,526	5,904,972	6,725,745	5,492,705	5,472,558
502,182	1,566,251	1,913,771	1,976,654	3,812,885	4,269,622
506,793	562,692	701,021	586,161	583,533	544,347
588,523	452,982	549,597	371,920	355,887	294,366
197,502	89,790	18,806	22,275	57,257	14,579
247,060	364,683	287,490	262,210	180,526	175,668
21,394,734	12,737,964	13,251,327	13,231,151	13,802,049	14,051,949
2,256,200	2,249,067	2,376,899	2,324,352	3,596,990	3,804,284
5,585,213	5,772,515	5,775,860	6,000,541	5,680,486	5,643,598
1,635,169	1,616,731	1,537,076	1,800,634	1,592,078	1,495,110
297,975	257,500	273,552	257,149	247,069	252,325
10,031,742	737,277	1,150,690	308,925	92,794	78,592
705,922	1,141,344	1,923,672	2,132,236	3,419,222	2,925,609
-	-	-	-	-	-
-	-	-	-	-	-
20,512,221	11,774,434	13,037,749	12,823,837	14,628,639	14,199,518
882,513	963,530	213,578	407,314	(826,590)	(147,569)
451,880	815,493	921,688	538,433	1,250,274	607,638
(451,880)	(815,493)	(921,688)	(538,433)	(1,250,274)	(607,638)
123,912	22,052	26,528	25,239	20,997	21,487
123,912	22,052	26,528	25,239	20,997	21,487
1,006,425	985,582	240,106	432,553	(805,593)	(126,082)
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

CITY OF WARRENVILLE, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years
April 30, 2016 (Unaudited)**

Tax Levy Year	District	Residential Property	Farm Property	Commercial Property	Industrial Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
2006	General	\$ 289,300,561	\$ 49,137	\$ 42,982,771	\$ 7,674,825	\$ 340,007,294	0.5804	\$ 1,020,021,882	33.33%
	TIF #1	611,296	-	4,877,131	162,825	5,651,252		16,953,756	33.33%
	TIF #2	7,869,554	-	1,482,410	811,680	10,163,644		30,490,932	33.33%
2007	General	307,714,004	45,353	45,491,996	7,430,985	360,682,338	0.5685	1,082,047,014	33.33%
	TIF #1	334,461	-	5,180,916	162,825	5,678,202		17,034,606	33.33%
	TIF #2	7,865,870	-	1,479,080	502,960	9,847,910		29,543,730	33.33%
2008	General	327,084,027	46,550	46,875,924	7,870,925	381,877,426	0.5627	1,145,632,278	33.33%
	TIF #1	235,383	-	5,238,194	162,825	5,636,402		16,909,206	33.33%
	TIF #2	7,829,160	-	1,478,880	484,820	9,792,860		29,378,580	33.33%
2009	General	325,801,565	47,416	43,994,598	7,973,915	377,817,494	0.5711	1,133,452,482	33.33%
	TIF #1	235,383	-	5,290,398	162,825	5,688,606		17,065,818	33.33%
	TIF #2	7,831,160	-	1,478,880	484,820	9,794,860		29,384,580	33.33%
2010	General	324,664,129	17,154	166,268,173	14,112,640	505,062,096	0.6170	1,515,186,288	33.33%
	TIF #2	7,829,420	-	1,478,880	484,820	9,793,120		29,379,360	33.33%
2011	General	300,370,647	19,381	156,319,940	13,325,490	470,035,458	0.6515	1,410,106,374	33.33%
	TIF #2	7,831,180	-	1,578,910	484,820	9,894,910		29,684,730	33.33%
2012	General	276,576,265	21,477	144,737,529	12,726,100	434,061,371	0.7356	1,302,184,113	33.33%
2013	General	249,584,910	26,145	139,314,296	12,051,260	400,976,611	0.8131	1,202,929,833	33.33%
	TIF #3	2,881,150	-	4,468,587	884,070	8,233,807		24,701,421	33.33%
2014	General	240,786,744	28,761	138,887,324	12,010,200	391,713,029	0.8227	1,175,139,087	33.33%
	TIF #3	2,764,890	-	4,276,727	852,850	7,894,467		23,683,401	33.33%
2015	General	247,203,723	21,639	145,236,122	12,828,513	405,289,997	0.8107	1,215,869,991	33.33%
	TIF #3	2,634,440	-	4,226,467	895,510	7,756,417		23,269,251	33.33%

Data Source: Office of the County Clerk and based upon property being located in Winfield Township.

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

CITY OF WARRENVILLE, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
April 30, 2016 (Unaudited)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
City Direct Rates										
Corporate	\$ 0.2377	0.2262	0.2306	0.2205	0.2372	0.2575	0.2959	0.3288	0.3400	0.3261
Bond and Interest	-	-	-	-	-	-	-	-	-	-
IMRF	0.0342	0.0329	0.0308	0.0295	0.0318	0.0346	0.0396	0.0452	0.0468	0.0449
Police Protection	0.0671	0.0638	0.0670	0.0642	0.0647	0.0703	0.0803	0.0887	0.0918	0.0881
Police Pension	0.1165	0.1240	0.1243	0.1511	0.1739	0.1746	0.1890	0.2061	0.1945	0.2105
Audit	0.0050	0.0047	0.0031	0.0030	0.0031	0.0030	0.0034	0.0038	0.0040	0.0039
Tort Judgments/Liability	0.0229	0.0218	0.0203	0.0194	0.0215	0.0185	0.0212	0.0235	0.0243	0.0234
Social Security	0.0539	0.0520	0.0473	0.0453	0.0488	0.0530	0.0606	0.0682	0.0706	0.0678
School Crossing Guards	0.0117	0.0113	0.0101	0.0097	0.0085	0.0093	0.0103	0.0094	0.0098	0.0091
Workers' Compensation	0.0127	0.0123	0.0114	0.0110	0.0105	0.0118	0.0135	0.0150	0.0156	0.0150
Road and Bridge	0.0187	0.0195	0.0178	0.0174	0.0170	0.0189	0.0218	0.0244	0.0253	0.0219
Total Direct Tax Rate	0.5804	0.5685	0.5627	0.5711	0.6170	0.6515	0.7356	0.8131	0.8227	0.8107
Overlapping Rates										
College of DuPage (#502)	0.1929	0.1888	0.1858	0.2127	0.2349	0.2495	0.2681	0.2956	0.2975	0.2786
DuPage Airport Authority	0.0183	0.0170	0.0160	0.0148	0.0158	0.0169	0.0168	0.0178	0.0196	0.0188
DuPage County	0.1713	0.1651	0.1157	0.1554	0.1659	0.1773	0.1929	0.2040	0.2057	0.1971
DuPage County Forest										
Preserve District	0.1303	0.1187	0.1206	0.1217	0.1321	0.1414	0.1533	0.1657	0.1691	0.1622
Unit School District #200	3.8783	3.7274	3.7218	3.7697	4.0437	4.3812	4.8474	5.2036	5.3915	5.3108
Warrenville Fire										
Protection District	0.3937	0.3863	0.3834	0.3892	0.4199	0.4621	0.5237	0.5745	0.5973	0.5840
Warrenville Library	0.2750	0.2691	0.2659	0.2701	0.2922	0.3224	0.3675	0.4070	0.4247	0.4153
Warrenville Park District	0.3312	0.3489	0.3425	0.3460	0.3984	0.4341	0.4902	0.5393	0.5604	0.5461
Winfield Township	0.0869	0.0855	0.0845	0.0854	0.0924	0.1021	0.1174	0.1318	0.1396	0.1370
Winfield Township R&B	0.1143	0.1125	0.1112	0.1123	0.1215	0.1342	0.1543	0.1730	0.1835	0.1801
Total Overlapping Rates	5.5922	5.4193	5.3474	5.4773	5.9168	6.4212	7.1316	7.7123	7.9889	7.8300
Total Tax Rates	6.1726	5.9878	5.9101	6.0484	6.5338	7.0727	7.8672	8.5254	8.8116	8.6407

Data Source: Based upon property being located in Winfield Township and Office of the County Clerk.

CITY OF WARRENVILLE, ILLINOIS

**Principal Property Tax Payers - Current Tax Levy Year and Nine Tax Levy Years Ago
April 30, 2016 (Unaudited)**

Taxpayer	Tax Levy Year 2015			Tax Levy Year 2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Cadence Health/ CDH Delnor Health	\$ 8,549,620	1	2.11%			
BIT Investment Seventy Four	7,219,190	2	1.78%			
MJH Warrenville, LLC	6,804,700	3	1.68%	\$ 10,748,930	3	1.98%
Adventus US Realty #5 LP	5,440,830	4	1.34%			
CII Landlord IL LLC	5,089,900	5	1.26%			
R.R. Donnelley & Sons	4,844,040	6	1.20%			
Globe Corporation	4,793,913	7	1.18%			
CPX Warrenville OPAG LLC	4,775,680	8	1.18%			
Liberty/Warrenville LLC	4,748,890	9	1.17%			
Northwestern Mutual Life	4,533,276	10	1.12%	14,921,790	2	2.74%
Amoco Properties, Inc.				28,034,410	1	5.15%
Village Green at Cantera				9,432,060	4	1.73%
Cantera 30 Theatre LP				6,739,650	5	1.24%
LFT USA Real Estate LLC				6,087,700	6	1.12%
Burnham Cantera LLC				5,830,930	7	1.07%
Target Corp				4,451,440	8	0.82%
GK II Diehl Rd LLC				3,957,870	9	0.73%
Arnold & Kadjan				3,841,130	10	0.71%
	<u>56,800,039</u>		<u>14.01%</u>	<u>94,045,910</u>		<u>17.29%</u>

Data Source: Office of the County Clerk

Note: Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked.

CITY OF WARRENVILLE, ILLINOIS

**Property Tax Levies and Collections - Last Ten Tax Levy Years
April 30, 2016 (Unaudited)**

Levy Year	Levy	Taxes Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2006	General	\$ 2,015,563	\$ 1,966,067	97.54%	\$ -	\$ 1,966,067	97.54%
	TIF #1	9,011,355	9,004,458	99.92%	-	9,004,458	99.92%
	TIF #2	648,978	644,413	99.30%	-	644,413	99.30%
2007	General	2,088,711	2,087,693	99.95%	-	2,087,693	99.95%
	TIF #1	9,329,518	9,318,098	99.88%	-	9,318,098	99.88%
	TIF #2	691,896	690,292	99.77%	-	690,292	99.77%
2008	General	2,183,575	2,179,483	99.81%	-	2,179,483	99.81%
	TIF #1	9,574,426	9,551,628	99.76%	-	9,551,628	99.76%
	TIF #2	791,632	791,131	99.94%	-	791,131	99.94%
2009	General	2,197,764	2,185,282	99.43%	-	2,185,282	99.43%
	TIF #1	9,523,555	9,522,480	99.99%	-	9,522,480	99.99%
	TIF #2	803,505	803,140	99.95%	-	803,140	99.95%
2010	General	3,173,306	3,170,140	99.90%	-	3,170,140	99.90%
	TIF #2	795,780	794,122	99.79%	-	794,122	99.79%
2011	General	3,118,215	3,080,966	98.81%	-	3,080,966	98.81%
	TIF #2	754,935	754,739	99.97%	-	754,739	99.97%
2012	General	3,251,120	3,240,450	99.67%	-	3,240,450	99.67%
2013	General	3,318,834	3,269,775	98.52%	-	3,269,775	98.52%
	TIF #3	3,794	3,794	100.00%	-	3,794	100.00%
2014	General	3,281,728	3,232,584	98.50%	-	3,232,584	98.50%
	TIF #3	3,632	3,632	100.00%	-	3,632	100.00%
2015	General *	3,357,021	-	0.00%	-	-	0.00%
	TIF #3 *	4,489	-	0.00%	-	-	0.00%

Data Source: Office of the County Clerk

*The 2015 levy amounts will be collectible during City Fiscal Year 2017, as such none of this levy is collected during fiscal year 2016.

CITY OF WARRENVILLE, ILLINOIS

**Sales Tax Revenue by Category - Last Ten Calendar Years
April 30, 2016 (Unaudited)**

	2006	2007	2008	2009
General Merchandise	\$ 2,644,172	2,950,986	3,034,049	3,110,309
Food	490,343	502,493	508,509	212,310
Drinking and Eating Places	2,730,753	2,804,804	2,831,363	2,758,943
Apparel	62,581	62,336	72,507	72,601
Furniture and H.H. and Radio	39,180	33,380	50,893	-
Lumber, Building Hardware	597,492	439,378	304,491	151,857
Automobile and Filling Stations	1,313,023	1,344,656	1,428,105	1,913,456
Drugs and Miscellaneous Retail	625,925	737,292	853,477	679,659
Agriculture and All Others	2,166,542	1,942,559	1,728,744	1,496,259
Manufacturers	648,898	718,354	742,446	548,669
Totals	11,318,909	11,536,238	11,554,584	10,944,063
City Direct Sales Tax Rate	2.25%	2.25%	2.25%	2.25%

Data Source: City Records, Illinois Department of Revenue

The City enacted a Home Rule Sales Tax of .75% in CY 2004 and increased that tax to 1.25% in July 2006.

2010	2011	2012	2013	2014	2015
3,211,974	3,219,110	3,331,080	3,399,980	3,402,088	3,530,429
480,153	433,767	423,111	417,704	425,396	908,969
2,781,235	2,759,916	2,815,753	2,853,404	2,895,031	3,295,386
81,438	-	-	99,495	90,200	102,250
-	33,211	33,141	-	-	-
141,291	135,209	132,506	167,632	234,540	261,611
2,113,858	2,450,161	2,489,266	2,963,861	3,232,307	2,931,586
1,205,797	1,378,819	1,600,895	1,534,410	1,730,646	472,360
642,785	735,339	937,574	507,432	984,820	2,163,503
601,490	235,659	26,013	298,802	354,254	349,866
11,260,021	11,381,191	11,789,339	12,242,720	13,349,282	14,015,962
2.25%	2.25%	2.25%	2.25%	2.25%	2.25%

CITY OF WARRENVILLE, ILLINOIS

**Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years
April 30, 2016 (Unaudited)**

Fiscal Year	City Direct Rate	State Rate	DuPage County Rate	RTA Rate	County Water Commission Rate
2007	2.25%	5.00%	0.25%	0.25%	0.25%
2008	2.25%	5.00%	0.25%	0.75%	0.25%
2009	2.25%	5.00%	0.25%	0.75%	0.25%
2010	2.25%	5.00%	0.25%	0.75%	0.25%
2011	2.25%	5.00%	0.25%	0.75%	0.25%
2012	2.25%	5.00%	0.25%	0.75%	0.25%
2013	2.25%	5.00%	0.25%	0.75%	0.25%
2014	2.25%	5.00%	0.25%	0.75%	0.25%
2015	2.25%	5.00%	0.25%	0.75%	0.25%
2016	2.25%	5.00%	0.25%	0.75%	0.25%

Data Source: City and County Records

CITY OF WARRENVILLE, ILLINOIS

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years
April 30, 2016 (Unaudited)**

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income *	Per Capita *
	Installment Contracts Payable	Tax Increment Revenue Bonds			
2007	\$ 4,485,500	\$ 5,150,000	\$ 9,635,500	2.49%	\$ 721
2008	2,670,000	3,580,000	6,250,000	1.62%	468
2009	760,000	1,765,000	2,525,000	0.65%	189
2010	-	-	-	0.00%	-
2011	-	-	-	0.00%	-
2012	-	-	-	0.00%	-
2013	-	-	-	0.00%	-
2014	-	-	-	0.00%	-
2015	-	-	-	0.00%	-
2016	-	-	-	0.00%	-

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

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

Personal income is the largest sole source income type, usually either property or sales tax. In the case of special districts, it may be fees.

CITY OF WARRENVILLE, ILLINOIS

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
April 30, 2016 (Unaudited)**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Actual Taxable Value of Property*	Per Capita
2007	\$ -	\$ -	\$ -	0.00%	\$ -
2008	-	-	-	0.00%	-
2009	-	-	-	0.00%	-
2010	-	-	-	0.00%	-
2011	-	-	-	0.00%	-
2012	-	-	-	0.00%	-
2013	-	-	-	0.00%	-
2014	-	-	-	0.00%	-
2015	-	-	-	0.00%	-
2016	-	-	-	0.00%	-

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

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

CITY OF WARRENVILLE, ILLINOIS

**Schedule of Direct and Overlapping Bonded Debt
April 30, 2016 (Unaudited)**

Governmental Unit	Gross Debt	Percentage Debt Applicable to City (1)	City's Share of Debt
City of Warrenville	\$ -	100.000 %	\$ -
DuPage County	223,138,337	1.190 %	2,655,346
DuPage County Forest Preserve District	167,768,323	1.200 %	2,013,220
Warrenville Park District	600,260	100.000 %	600,260
Warrenville Library District	-	100.000 %	-
Schools			
Elementary District No. 33	34,465,000	63.880 %	22,016,242
High School District No. 94	5,225,000	41.890 %	2,188,753
Community Unit School District No. 200	163,135,000	14.750 %	24,062,413
Community Unit School District No. 203	33,500,000	1.240 %	415,400
College of DuPage No. 502	278,385,000	10.300 %	28,673,655
Total Overlapping Debt	<u>906,216,920</u>		<u>82,625,288</u>
 Total Direct and Overlapping Debt	 <u>906,216,920</u>		 <u>82,625,288</u>

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

CITY OF WARRENVILLE, ILLINOIS

Legal Debt Margin

April 30, 2016 (Unaudited)

Article VII, Section 6(k) of the Illinois Constitution governs computation of the legal debt margin.

"The General Assembly may limit by law the amount and may 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 per cent: ... 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."

CITY OF WARRENVILLE, ILLINOIS

**Pledged-Revenue Coverage - Last Ten Fiscal Years
April 30, 2016 (Unaudited)**

Fiscal Year	Tax Increment Revenue Bonds				Coverage
	Tax Increment Revenue	Debt Service			
		Principal	Interest		
2007	\$ 9,666,771	\$ 5,150,000	\$ 407,925	\$ 1.74	
2008	11,901,885	3,530,500	346,421	3.07	
2009	12,150,207	3,675,000	186,440	3.15	
2010	12,012,403	760,000	12,920	15.54	
2011	10,784,361	-	-	-	
2012	-	-	-	-	
2013	-	-	-	-	
2014	-	-	-	-	
2015	-	-	-	-	
2016	-	-	-	-	

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

CITY OF WARRENVILLE, ILLINOIS

**Demographic and Economic Statistics - Last Ten Fiscal Years
April 30, 2016 (Unaudited)**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2007	13,363	\$ 386,484,686	\$ 28,922	2.00%
2008	13,363	386,484,686	28,922	3.60%
2009	13,363	386,484,686	28,992	7.40%
2010	13,363	414,854,335	31,045	8.70%
2011	13,140	425,670,300	32,395	6.90%
2012	13,140	409,416,120	31,158	6.90%
2013	13,140	409,968,000	31,200	7.70%
2014	13,140	414,345,414	31,533	6.30%
2015	13,140	416,498,580	31,697	6.30%
2016	13,140	444,302,820	33,813	5.90%

Data Source: U.S. Census Data

CITY OF WARRENVILLE, ILLINOIS

**Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago
April 30, 2016 (Unaudited)**

Employer	2016			2007		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
EN Engineering LLC	413	1	3.14%			
Edward Hospital	400	2	3.04%			
RR Donnelley	350	3	2.66%			
Target	242	4	1.84%	256	6	2.18%
Lifetime Fitness	240	5	1.83%			
Phonak	220	6	1.67%	500	3	4.29%
National Express Corp	180	7	1.37%			
Patterson Medical Supply	170	8	1.29%			
First American Title Insurance	150	9	1.14%			
Emerson Network Power	100	10	0.76%			
Navistar				1,450	1	12.44%
BP/Amoco (1)				1,270	2	10.89%
Exelon (1)				375	4	3.22%
AT&T Data Center				280	5	2.40%
Family Foods				71	7	0.61%
Paragon Global				60	8	0.51%
Ed Hoy's International				50	9	0.43%
Plymouth Tube Inc.				37	10	0.32%
	<u>2,465</u>		<u>18.76%</u>	<u>4,349</u>		<u>37.29%</u>

Data Source: City Records

CITY OF WARRENVILLE, ILLINOIS

**Full-Time Equivalent City Government Employees by Function/Program - Last Ten Fiscal Years
April 30, 2016 (Unaudited)**

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Administration	3.5	4.5	4.5	4.5	4.5	4.0	4.0	4.0	4.0	4.0
Finance	7.0	6.0	6.0	6.0	6.0	5.0	5.0	5.0	5.0	5.0
Community Development	8.0	8.0	9.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Public Safety										
Police										
Officers	31.0	35.0	32.0	32.0	34.0	34.0	34.0	35.5	34.5	34.0
Civilians	17.5	17.5	13.5	15.0	16.0	16.0	16.0	16.0	14.0	14.0
Public Works										
Administration	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Street Maintenance	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Utility Maintenance	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0

Data Source: City Finance Department, Budget Documents and Authorized Strength Ordinance

CITY OF WARRENVILLE, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
April 30, 2016 (Unaudited)**

See Following Page

CITY OF WARRENVILLE, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
April 30, 2016 (Unaudited)**

Function/Program	2007	2008	2009
Public Safety			
Police			
Physical Arrests	1,711	1,288	1,879
Parking Violations	998	1,461	1,132
Traffic Violations	1,562	5,818	8,102
Public Works			
Street Resurfacing (Miles)	3.01	1.45	1.30
Potholes Repairs	58	25	48
Water			
New Connections	4	24	28
Water Main Breaks	15	16	14
Number of Meters in Operation	4,414	4,414	4,414
Number of Properties Connected to Sewer System	4,399	4,614	4,614
Average Daily Pumpage (MGD)	1.46	1.53	1.41
Maximum Daily Pumpage (MGD)	1.95	2.10	1.95
Number of Gallons Pumped (000)	532,900	563,962	514,285

Data Source: Various City Departments

2010	2011	2012	2013	2014	2015	2016
2,312	1,755	1,144	2,262	739	713	554
871	750	723	352	997	688	540
9,314	5,532	5,260	2,688	5,889	4,038	2,838
3.05	1.20	5.10	3.90	3.87	3.87	5.36
52	60	48	52	35	35	15
18	12	9	15	22	38	20
22	17	22	28	27	41	15
4,498	4,484	4,493	4,508	4,492	4,530	4,550
4,662	4,642	4,642	4,657	4,674	4,712	4,732
1.39	1.32	1.26	1.33	1.32	1.34	1.20
1.37	2.06	1.97	2.10	1.98	1.89	2.60
499,220	481,890	461,000	486,276	476,525	438,546	453,967

CITY OF WARRENVILLE, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
April 30, 2016 (Unaudited)**

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety										
Police										
Stations	7	1	1	1	1	1	1	1	1	1
Patrol Units	17	17	17	17	17	17	17	17	17	17
Public Works										
Streets (Miles)	51	51	51	54	54	54	54	54	54	54
Streetlights	706	726	735	741	741	741	741	741	741	741
Traffic Signals:	4	4	4	4	4	4	4	4	4	4
Water										
Water Mains (Miles)	64	64	64	64	64	64	64	64	64	64.4
Fire Hydrants	702	702	702	702	702	702	702	702	702	714
System Capacity (Millions of Gallons)	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Wastewater										
Sanitary Sewers (Miles)	58	58	59	59	59	59	59	59	59	59.2
Storm Sewers (Miles)	29.7	30.0	30.2	30.4	30.4	30.4	30.4	30.4	30.4	30.7

Data Source: Various City Departments