

CITY OF WARRENVILLE,  
ILLINOIS

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COMPREHENSIVE ANNUAL FINANCIAL  
REPORT



Warrenville-  
For a Visit, Or A Lifetime

FOR THE FISCAL YEAR ENDED  
APRIL 30, 2017

**CITY OF WARRENVILLE, ILLINOIS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED**  
**APRIL 30, 2017**

Prepared by: Department of Finance

Kevin Dahlstrand  
Director of Finance

**CITY OF WARRENVILLE, ILLINOIS**

**TABLE OF CONTENTS**

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	<b>PAGE</b>
<b><u>INTRODUCTORY SECTION</u></b>	
List of Principal Officials.....	i
Organizational Chart .....	ii
Transmittal Letter .....	iii - viii
Certificate of Achievement for Excellence in Financial Reporting .....	ix

**FINANCIAL SECTION**

<b>INDEPENDENT AUDITORS' REPORT</b> .....	1 - 2
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b> .....	MD&A 1 - 14
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-Wide Financial Statements	
Statement of Net Position .....	3 - 4
Statement of Activities .....	5 - 6
Fund Financial Statements	
Balance Sheet – Governmental Funds .....	7 - 8
Reconciliation of Total Governmental Fund Balance to the Statement of Net Position – Governmental Activities .....	9
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	10 - 11
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities – Governmental Activities.....	12
Statement of Net Position – Proprietary Funds.....	13 - 14
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund.....	15
Statement of Cash Flows – Proprietary Fund .....	16
Statement of Fiduciary Net Position .....	17
Statement of Changes in Fiduciary Net Position .....	18
Notes to the Financial Statements .....	19 - 54

**CITY OF WARRENVILLE, ILLINOIS**

**TABLE OF CONTENTS**

---

---

	<b>PAGE</b>
<b><u>FINANCIAL SECTION – Continued</u></b>	
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Funding Progress and Employer Contributions	
Other Post-Employment Benefit Plan.....	55
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund.....	56
Police Pension Fund.....	57
Schedule of Changes in the Employer’s Net Pension Liability	
Illinois Municipal Retirement Fund.....	58
Police Pension Fund.....	59
Schedule of Investment Returns	
Police Pension Fund.....	60
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General Fund.....	61
Motor Fuel Tax – Special Revenue Fund .....	62
<b>OTHER SUPPLEMENTARY INFORMATION</b>	
Schedule of Revenues – Budget and Actual – General Fund .....	63 - 65
Schedule of Expenditures – Budget and Actual – General Fund.....	66 - 68
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Special Projects – Capital Projects Fund .....	69
Capital Maintenance and Replacement – Capital Projects Fund .....	70
TIF District #3 – Capital Projects Fund .....	71
Combining Balance Sheet – Nonmajor Governmental Funds .....	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	
Nonmajor Governmental Funds.....	73
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Seized Assets – Special Revenue Fund.....	74
Hotel/Motel Tax – Special Revenue Fund.....	75
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual	
Water and Sewer – Enterprise Fund.....	76
Schedule of Operating Expenses – Budget and Actual	
Water and Sewer – Enterprise Fund.....	77 - 79
Schedule of Changes in Fiduciary Net Position – Budget and Actual	
Police Pension – Pension Trust Fund.....	80

**CITY OF WARRENVILLE, ILLINOIS**

**TABLE OF CONTENTS**

---

---

	<b>PAGE</b>
<b><u>STATISTICAL SECTION (Unaudited)</u></b>	
Net Position by Component – Last Ten Fiscal Years .....	81 - 82
Changes in Net Position – Last Ten Fiscal Years .....	83 - 84
Fund Balances of Governmental Funds – Last Ten Fiscal Years .....	85 - 86
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years .....	87 - 88
Assessed Value and Actual Value of Taxable Property – Last Ten Fiscal Years.....	89
Direct and Overlapping Property Tax Rates – Last Ten Tax Levy Years .....	90
Principal Property Tax Payers – Current Tax Levy Year and Nine Tax Levy Years Ago .....	91
Property Tax Levies and Collections – Last Ten Tax Levy Years .....	92
Sales Tax Revenue by Category – Last Ten Calendar Years.....	93 - 94
Direct and Overlapping Sales Tax Rates – Last Ten Fiscal Years .....	95
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years.....	96
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years.....	97
Schedule of Direct and Overlapping Bonded Debt.....	98
Legal Debt Margin Information .....	99
Pledged-Revenue Coverage – Last Ten Fiscal Years .....	100
Demographic and Economic Statistics – Last Ten Fiscal Years.....	101
Principal Employers – Current Fiscal Year and Nine Fiscal Years Ago .....	102
Full-Time Equivalent City Government Employees by Function/Program – Last Ten Fiscal Years .....	103
Operating Indicators by Function/Program – Last Ten Fiscal Years.....	104 - 105
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years.....	106

## **INTRODUCTORY SECTION**

This section includes miscellaneous data regarding the City of Warrentville 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, 2017

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### 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

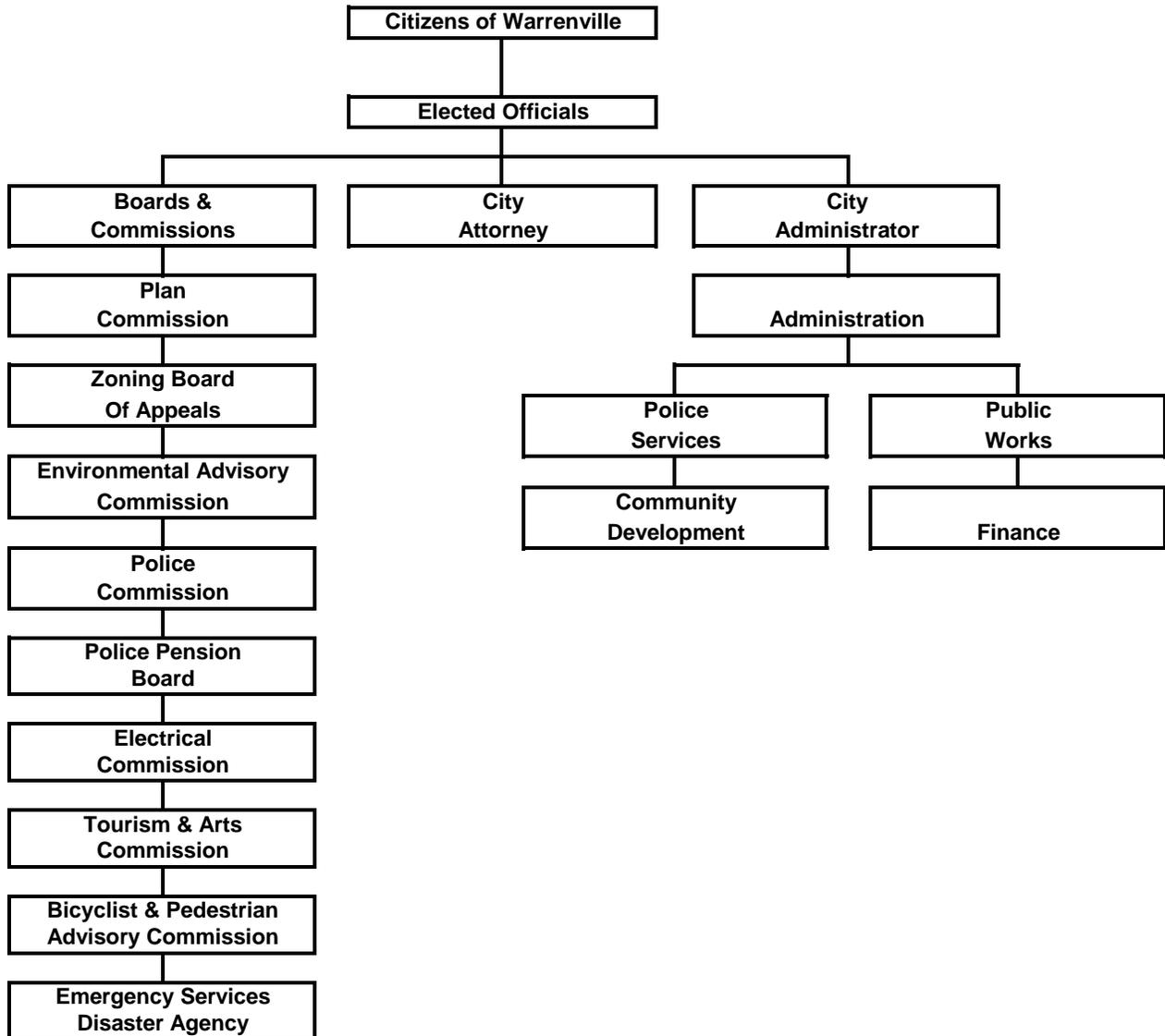
### EXECUTIVE

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



August 4, 2017

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, 2017 (FYE 2017), is hereby submitted. State statutes and local ordinances require that the City annually issue a report on its financial position and activity, presented in conformance with generally accepted accounting principles (GAAP) of the United States of America, and audited in accordance with generally accepted auditing standards (GAAS) by an independent firm of certified public accountants.

The management of the City of Warrenville is responsible for the completeness and reliability of all of the financial information presented in this report. To provide a reasonable basis for making these assertions, management has established an extensive internal control framework, designed to both protect the City's assets from loss, theft or misuse, and to compile sufficient reliable information for the preparation of the financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh the benefits, the City's 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 purpose of the independent audit is to provide reasonable assurance that the City's financial statements for FYE 2017, 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. Based on the audit. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for FYE 2017, 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 follows the report of the independent auditors.

## **Profile of the City of Warrenville**

The City of Warrenville is a home rule community, by 2004 referendum, 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, which entails 5.5 square miles and a population of 13,140 (2010 census). The City also has statutory authority to extend its corporate limits by annexation, as deemed appropriate by the City Council. The City annually levies a property tax, which primarily goes to pay General corporate expenses such as social security, pensions, and police protection, with other portions allocated to 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, City Administrator, and Police Chief.

By City Ordinance, the City Administrator is responsible, for proper administration 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 and contracts are properly administered.

The City provides a full range of services, including police protection, construction and maintenance of streets and other infrastructure, 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 prior to the start of the new fiscal 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 level. The Budget Officer may authorize transfers of budgeted amounts within a fund. However, budget amendments to increase, or decrease, a fund's total budgeted allocation require a formal City Council approved amendment to the approved budget.

This CAFR includes budget-to-actual comparisons are provided for each individual governmental fund, for which an annual budget has been adopted. The comparison for the

General Fund begins on page 61, as required supplementary information. The budget-to-actual comparisons for governmental funds, other than the General Fund (pages 61 and 63-68) and Motor Fuel Tax Fund (page 62), are presented in the governmental fund subsection of this report, which starts on page 69.

### **Major Initiatives and Developments**

Following City Council adopted directives, existing plans and programs, including the 2015 Strategic Plan, the City staff accomplished a number of major initiatives during FY 2017. 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 are City FY 2017 initiatives and accomplishments, listed by department:

#### Public Safety:

- National Night-Out-Against Crime had a record attendance of 1,200 participants
- Police Department continued its Neighborhood Roll Call program
- NARCAN opioid antidote reversal spray was used to save six lives during 2017
- Hired four full-time officers as replacements for existing vacancies due to officers who departed for various reasons
- Police Department conducted annual evidence audit, and no discrepancies were found

#### Public Works

- Completed Police Department building roof rehabilitation
- Completed annual road maintenance and reconstruction program:
  - Behr Circle (East, West and South)
  - Forest Land from Williams Road to Dead End
  - Glen Drive South from Warrenville Road to Dead End
  - Iroquois Court (North, West and South)
  - Jefferson Street from Second Street to Winfield Road
  - Main Street from Second Street to Winfield Road
  - Malvin Albright Street from Curtis Avenue to Dead End
  - Ridge Drive from Illinois Route 59 to Cul de Sac
  - River Oaks Drive from Ridge Drive to Cul de Sac
  - Second Street from Main Street to Jefferson Street
  - Shaw Drive from Batavia Road to Continental Drive
  - Steadman Avenue from Warrenville Road to Dead End
  - Warren Avenue from Warrenville Road to Forestview Drive South
  - Woodlawn Street from Curtis Avenue to Warren Avenue
- Extended Water Main on:
  - Warren Avenue from Warrenville Road to Rogers Avenue
- Extended Sanitary Sewer and Water Main on:
  - Iroquois Court (North, West and South)
  - Glen Drive South from Warrenville Road to Dead End

## Administration Department:

### Operations and Services

- The City Clerks file storage room was reorganized with a new file storage system, which maximized the capacity of the room, provided space for future City records storage, and enabled staff to file and retrieve official records in an efficient and organized manner

### Information Technology

- City server and network upgrades were completed
- Security cameras were installed at City Hall

### Human Resource, Collective Bargaining, and Employee Benefits

- Personnel Recruitments in police department, community development, and public works
- The City continued its efforts, with some success, to diversify its staff with skilled workers and professionals to become more representative of the community.
- Filled the vacant Assistant City Administrator position
- Completed the Collective bargaining agreements with the Patrol Officers (Metropolitan Alliance of Police (MAP 213), Police Sergeants (MAP 214)
- Completed the second and third phases of the Compensation Philosophy and study, which included the execution of a point factor analysis to establish objective ratings for all City positions and development of a new list of 15 comparable communities
- Began phase four of the Compensation Philosophy to survey the new list of comparable communities and develop updated salary ranges

### Transparency and Public Communications

- Increased postings and regular information updates on the City Facebook page
- Explored new ways to improve the engagement on the City Facebook page through creative content development. The Facebook page has grown significantly with over 900 “likes as of February 2017
- Upgraded Hometown Happenings, the City’s monthly newsletter, by adding color to increase visual attractiveness and readership at no additional City cost. Also initiated an e-blast newsletter format, which directly posts to the City’s Facebook page

### Legislative and Fiscal Issues

- Worked with state legislators and the Governor’s office, in conjunction with DuPage Mayors and Managers Conference and Illinois Municipal League, to prevent significant City revenue loss and unfunded mandates

### Interdepartmental and City Commission Support

- Administered 11 hotel/motel tax grants awarded by the City Council through the Tourism and Arts Commission supporting community events to promote tourism in Warrenville
- Supported the work through participation under the leadership of Community Development Department staff in the creation of the Southwest District Plan, establishment of the Southwest/Route 59 Corridor TIF District #4, economic development workgroup, and the City branding initiatives

## Finance Department:

- Coordinated and oversaw phase II of the Enterprise Resource Planning (ERP) assessment project, including the issuance of a Request for Proposals (RFP) to replace the City’s current financial software with an integrated software solution across all departments. This process will continue into FY 2018

- Completed the transition of the utility bill lockbox payment processor to a new service provider, which effectively significantly reduced the number of late payment and resulting penalties complaints, and provided departmental processing efficiencies.
- Outsourced the Warrenville Police Pension Fund accounting function, as well as the transitioning of the administrative functions to improved efficiencies in reporting, month-to-month accounting, and pension participant administration, and free up City staff for other financial management operations

#### Community Development:

- Recruited and filled Code Enforcement/Building Inspector Position
- Coordinated the preparation and adoption of Southwest/Route 59 Corridor TIF #4
- Coordinated the negotiation and approval of an Intergovernmental Agreement with Aurora and a Development Agreement with Duke Realty that will lead to Duke's construction of over \$5 million dollars' worth of new public road, pedestrian, sanitary sewer main, and water main improvement in the City of Warrenville in 2017.
- Collaborated with DuPage County on the completion of the DuPage River re-meandering and flood mitigation project
- Coordinated the acquisition of the 5 acre Tortoriello properties on Route 59 through a charitable donation process
- Issued 660 building permits valued at a total of \$23.5 million dollars of private building and construction activity
- Issued building permits for 32 new homes
- Negotiated a Redevelopment Agreement with Airhart Development for redevelopment of City owned, 4.25 acre, Civic Center Redevelopment Site #1 with 27 new single family homes

#### **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 maintains 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 diversified and generally stable tax base. Sales tax revenue is generated by a number of restaurants, a large chain retailer, a movie theater, gas stations, as well as smaller local merchants and retailers.

Warrenville continued in a strong financial position at the conclusion of FY 2017. While realized revenue fell short of budget, incurred expenses also fell short of budget to a greater extent, thereby adding to General Fund reserves. Revenue performance had mixed results. For example, State shared income tax fell short of budget and showed a decline of 11.3% from FY 2016. State shared sales tax revenue also fell short of budget, but did show improvement over FY 2016 of 4%. On the other hand, the City's Home Rule Sales tax revenue exceeded budget by almost 8.5%, and increased by more than 6% over FY 2016. Some of the City's other major tax revenue sources, which also fell short of budget included; property tax collections, food and beverage tax, circuit court fine revenue, license and permit fee revenue. Overall General Fund revenue remained virtually unchanged from FY 2016 to FY 2017.

### **Long-term planning and re-development**

During FY 2017 the City established a new tax incremental financing (TIF) district, the Southwest/Route 59 Corridor TIF #4, focused largely on redevelopment of the area around the intersection of Illinois Routes 56 and 59. The approximately 300-acre TIF district was created is intended to encourage significant economic development opportunities and allow the City to capitalize on the development of an Amazon distribution center being developed in an adjacent community.

The planning process continued during FY 2017 for the residential development of the city-owned property, the former Musselman Lumber site, Civic Center Redevelopment Site #1 (CCRS #1), located in the Civic Center/Old Town TIF District (TIF #3). The proposed development would see the addition of 27 detached single-family homes, on the 4.25 acre site, located between Rockwell Street, Stafford Place, Mount Street, and Manning Avenue. This development is projected to have a market value of almost \$12,000,000, annually yielding \$5,400,000 in gross incremental property tax revenue over the next twenty plus years.

Cantera subarea G Development remains the subject of possible redevelopment plans by the owners of the site. At the end of FY 2017, a newly constructed chain sit-down restaurant in the underutilized parking areas adjacent to the existing theater and family entertainment center located in this subarea was nearly complete, with anticipated opening in July 2017.

### **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, 2016, the 24<sup>th</sup> 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 2017 CAFR will again 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 continue to be 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. Appreciation is extended to all members of the City staff, particularly 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 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, 2016**

Executive Director/CEO

## **FINANCIAL SECTION**

This section includes:

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

## **INDEPENDENT AUDITORS' REPORT**

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



## **INDEPENDENT AUDITORS' REPORT**

August 4, 2017

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, 2017, 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, 2017, 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, 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 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 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, 2017. Readers are encouraged to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, and which may also be found in this report.

### **Financial Highlights**

- The City's net position decreased by \$2,937,100, or approximately 3.0%, from the April 30, 2016 total of \$98,089,023, to a total of \$95,151,923 at April 30, 2017.
- The City's total assets across all funds were \$113,017,733 as of April 30, 2017, which is a decrease of less than one-percent for the April 30, 2016 figure of \$113,705,704.
- The assets/deferred outflows of the City of Warrenville exceeded its liabilities/deferred inflows at the end of the fiscal year by \$95,151,923 (*net position*). Of this amount, \$9,167,470 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- \$85,137,434 of the net position is invested in capital assets.
- As of the end of FY 2017 the City of Warrenville's governmental funds reported combined ending fund balances of \$15,093,900, virtually unchanged from April 30, 2016. Of that total amount, \$5,637,051, or 37.3% is *available for spending* at the City's discretion (*unassigned fund balance*).
- Another 15.4%, or \$2,319,140 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, 5.6% or \$847,019 is *restricted* for specific purposes including: maintenance of roadways and public safety.
- Another \$898,392, or approximately 6%, is "*committed*" to funding tourism related activities through the City Hotel Motel Fund.
- Finally, a total of \$5,392,298, or 35.7% 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 existing City capital assets including infrastructure.
- The City of Warrenville's long-term obligations total \$12,508,427, which represents a decrease of approximately \$1,059,338 approximately 7.8% from the prior fiscal year. This figure is comprised of pension liabilities for public safety officers, as well as for general City employees, and other post-employment obligations (OPEB). The largest component of this figure is for the Police Pensions obligations that make up approximately 77% of the total.
- 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 Warrentville's basic financial statements. The City of Warrentville'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* provide readers with a broad overview of the City of Warrentville'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, deferred outflows of resources, 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 as to 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 Warrentville 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 Warrentville include general government, public safety, and public works. The business-type activities of the City of Warrentville include Water and Sewer operations.

The government-wide financial statements include only the City of Warrentville itself (known as the *primary government*). The City of Warrentville 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 Warrentville, and therefore has been included as an integral part of the primary government.

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 Warrentville, 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 Warrentville 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 eight 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 aggregated into a single presentation. Individual fund data for each of these non-major governmental funds are provided in the form of *combining statements* elsewhere in this report. As of the end of the fiscal year, the City has moved to close the Special Projects Fund, previously a capital projects fund, into the General Fund.

The City of Warrenton adopts an annual budget for the General Fund, the main operating account for the City. A budgetary comparison statement for the General Fund is presented on page 61 to demonstrate compliance with this budget.

Basic financial statements for the governmental funds are 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 are 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 sole 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.) had 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 given 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 that project is expensed. An "overlay" or resurfacing of a road is classified as maintenance, whereas the "rebuild" of a road is 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 19-54 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 55-62 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 63-80 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/deferred outflows exceeded liabilities/deferred inflows by \$95,151,923 at April 30, 2017.

The largest portion, approximately 89.5%, of the City of Warrenville's net position, is invested in capital assets (e.g., land, buildings, machinery, vehicles, and other 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 are 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 2017-2016
	Activities		Activities				
	2017	2016	2017	2016	2017	2016	
<b>Current assets:</b>							
Cash and Investments	14,677,490	14,723,106	4,907,911	6,103,157	19,585,401	20,826,263	-5.96%
Advances to/from other funds	(2,200,000)	(2,200,000)	2,200,000	2,200,000	-	-	
Receivables - net of allowances	5,362,365	5,137,850	599,427	641,462	5,961,792	5,779,312	3.16%
Other receivables and assets	119,140	138,287	13,966	12,296	133,106	150,583	-11.61%
Land held for resale	2,200,000	2,200,000	-	-	2,200,000	2,200,000	0.00%
<b>Total current assets:</b>	<b>20,158,995</b>	<b>19,999,243</b>	<b>7,721,304</b>	<b>8,956,915</b>	<b>27,880,299</b>	<b>28,956,158</b>	<b>-3.72%</b>
<b>Noncurrent assets:</b>							
<b>Capital assets</b>							
Nondepreciable capital assets	43,565,293	43,389,025	180,494	-	43,745,787	43,345,368	0.92%
Depreciable Capital Assets	43,796,630	43,345,368	23,414,749	22,672,189	67,211,379	66,017,557	1.81%
Accumulated Depreciation	(17,779,958)	(16,972,188)	(8,039,774)	(7,684,848)	(25,819,732)	(24,657,036)	4.72%
<b>Total noncurrent assets</b>	<b>69,581,965</b>	<b>69,762,205</b>	<b>15,555,469</b>	<b>14,987,341</b>	<b>85,137,434</b>	<b>84,749,546</b>	<b>0.46%</b>
<b>Total assets</b>	<b>89,740,960</b>	<b>89,761,448</b>	<b>23,276,773</b>	<b>23,944,256</b>	<b>113,017,733</b>	<b>113,705,704</b>	<b>-0.61%</b>
<b>Deferred outflows of resources</b>							
Deferred items - IMRF	839,335	1,127,443	309,068	174,634	1,148,403	1,302,077	-11.80%
Deferred items - Police Pension	208,073	2,399,831	-	-	208,073	2,399,831	-91.33%
<b>Total deferred outflows of resources</b>	<b>1,047,408</b>	<b>3,527,274</b>	<b>309,068</b>	<b>174,634</b>	<b>1,356,476</b>	<b>3,701,908</b>	<b>-63.36%</b>
<b>Total assets and deferred outflows</b>	<b>90,788,368</b>	<b>93,288,722</b>	<b>23,585,841</b>	<b>24,118,890</b>	<b>114,374,209</b>	<b>117,407,612</b>	<b>-2.58%</b>
<b>Current liabilities:</b>							
<b>Accounts payable and accrued liabilities</b>							
accrued liabilities	1,536,629	1,574,517	559,144	234,911	2,095,773	1,809,428	15.83%
Other current	166,922	156,521	19,332	18,314	186,254	174,835	6.53%
<b>Total current liabilities</b>	<b>1,703,551</b>	<b>1,731,038</b>	<b>578,476</b>	<b>253,225</b>	<b>2,282,027</b>	<b>1,984,263</b>	<b>15.01%</b>
<b>Noncurrent liabilities</b>							
Compensated absences payable	667,689	626,086	77,327	73,256	745,016	699,342	6.53%
Net pension liability - IMRF	1,462,964	1,969,245	538,706	305,024	2,001,670	2,274,269	-11.99%
Net pension liability - Police Pension	9,428,563	10,307,371	-	-	9,428,563	10,307,371	-8.53%
Net Other Post Employment Benefits	137,140	103,913	9,784	8,035	146,924	111,948	31.24%
<b>Total noncurrent liabilities</b>	<b>11,696,356</b>	<b>13,006,615</b>	<b>625,817</b>	<b>386,315</b>	<b>12,322,173</b>	<b>13,392,930</b>	<b>-7.99%</b>
<b>Total liabilities</b>	<b>13,399,907</b>	<b>14,737,653</b>	<b>1,204,293</b>	<b>639,540</b>	<b>14,604,200</b>	<b>15,377,193</b>	<b>-5.03%</b>
<b>Deferred Inflows of Resources</b>							
Unearned property taxes	3,528,466	3,406,401	-	-	3,528,466	3,406,401	3.58%
Deferred items - IMRF	32,005	-	11,785	-	43,790	-	
Deferred items - Police Pension	1,045,830	534,995	-	-	1,045,830	534,995	95.48%
<b>Total deferred inflows of resources</b>	<b>4,606,301</b>	<b>3,941,396</b>	<b>11,785</b>	<b>-</b>	<b>4,618,086</b>	<b>3,941,396</b>	<b>17.17%</b>
<b>Total liabilities and deferred inflows</b>	<b>18,006,208</b>	<b>18,679,049</b>	<b>1,216,078</b>	<b>639,540</b>	<b>19,222,286</b>	<b>19,318,589</b>	<b>-0.50%</b>
<b>Net Position:</b>							
Investment in capital assets	69,581,965	69,762,205	15,555,469	14,987,341	85,137,434	84,749,546	0.46%
Restricted	847,019	655,848	-	-	847,019	655,848	29.15%
Unrestricted	2,353,176	4,191,620	6,814,294	8,492,009	9,167,470	12,683,629	-27.72%
<b>Total Net Position</b>	<b>72,782,160</b>	<b>74,609,673</b>	<b>22,369,763</b>	<b>23,479,350</b>	<b>95,151,923</b>	<b>98,089,023</b>	<b>-2.99%</b>

The *unrestricted net position* as of April 30, 2017, totaled \$9,167,470 may be used to meet the government's ongoing obligations to citizens and creditors. This represents a 27.7% decrease in unrestricted net position from FY 2016. 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.

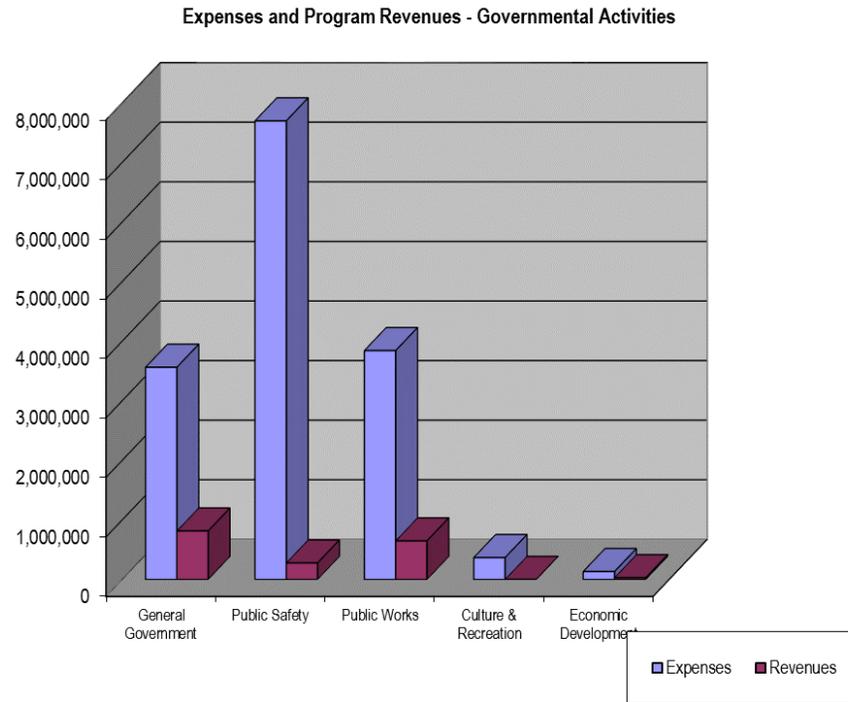
At the end of the current fiscal year, the City of Warrenville is able to report positive balances in all three categories of net position, for the government as a whole.

**CITY OF WARRENVILLE  
CHANGES IN NET POSITION**

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Revenues:</b>						
Program revenues:						
Charges for Services	\$ 1,030,867	\$ 1,076,670	\$ 3,428,495	\$ 3,527,198	\$ 4,459,362	\$ 4,603,868
Operating Grants and Contributions	381,770	376,306	3,079	14,390	384,849	390,696
Capital Grants and Contributions	-	310,452	-	821,374	-	1,131,826
General revenues:						
Property and Replacement Taxes	3,401,164	3,325,755	-	-	3,401,164	3,325,755
Other Taxes	8,767,962	8,806,381	-	-	8,767,962	8,806,381
Miscellaneous	184,913	156,385	6,018	19,683	190,931	176,068
Total Revenue	<u>13,766,676</u>	<u>14,051,949</u>	<u>3,437,592</u>	<u>4,382,645</u>	<u>17,204,268</u>	<u>18,434,594</u>
<b>Expenses:</b>						
General Government	3,560,422	4,510,434	-	-	3,560,422	4,510,434
Public Safety	7,695,403	7,194,137	-	-	7,695,403	7,194,137
Public Works	3,840,665	2,996,511	-	-	3,840,665	2,996,511
Culture & Recreation	366,399	252,325	-	-	366,399	252,325
Economic Development	131,300	78,592	-	-	131,300	78,592
Water	-	-	2,095,070	1,412,043	2,095,070	1,412,043
Sewer	-	-	2,452,109	1,976,386	2,452,109	1,976,386
Total Expenses	<u>15,594,189</u>	<u>15,031,999</u>	<u>4,547,179</u>	<u>3,388,429</u>	<u>20,141,368</u>	<u>18,420,428</u>
Change in Net Position	(1,827,513)	(980,050)	(1,109,587)	994,216	(2,937,100)	14,166
Net Position - May 1	<u>74,609,673</u>	<u>75,589,723</u>	<u>23,479,350</u>	<u>22,485,134</u>	<u>98,089,023</u>	<u>98,074,857</u>
Net Position - April 30	<u>72,782,160</u>	<u>74,609,673</u>	<u>22,369,763</u>	<u>23,479,350</u>	<u>95,151,923</u>	<u>98,089,023</u>

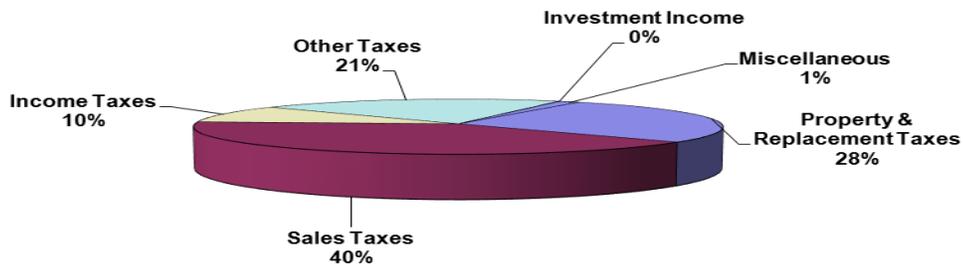
**Governmental activities** – The net position of the governmental activities decreased \$1,827,513, or 2.4%, from FY 2016 to FY 2017, beginning the year at \$74,609,673 and ending the year at \$72,782,160. Business-type activities experienced a decrease in net position of \$1,109,587, or about 4.7%. The City’s overall net position decreased 3.0%, of \$2,937,100, from \$98,089,023 at the beginning of the fiscal year, to \$95,151,923 at the end of the fiscal year.

## 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.

**Revenues By Source - Governmental Activities**



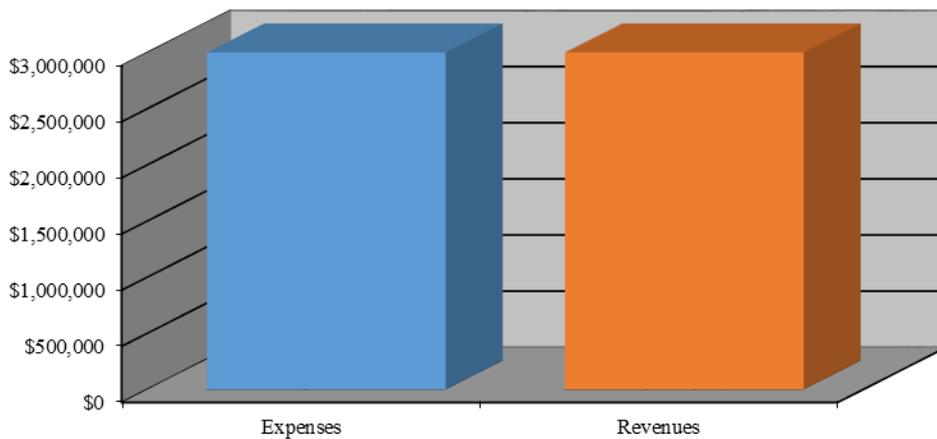
### Other Governmental Activities Highlights:

- For FY 2017 governmental activities expenses totaled \$15,594,189, representing a decrease of 3.7% from FY 2016, where expenses totaled \$15,031,999.
- Revenues for FY 2017 decreased by about 2% with total revenue of \$13,766,676, compared with FY 2016, where revenue totaled \$14,051,949.

**Business-type activities** - Business-type activities decreased the City’s net position by \$1,109,587. The change from FY 2016 to FY 2017 included the following:

- Charges for services for business-type activities showed a decrease of \$98,703, or approximately 2.8%. Sewer and water utility rates were not increased for FY 2017, and were also not increased for FY 2018.
- Regular non-operating revenue decreased by just over 5%, largely due to a decline in tap-on fee revenue and investment income.
- Water and Sewer operating expenses for FY 2017, not including depreciation expenses, totaled \$4,192,253, and increased by about 37% from FY 2016 where expenditures totaled \$3,053,899, due largely to increased expenditures for utility extensions into previously unserved areas of the community.

**Expenses and Program Revenues for Waterworks and Sewerage**



**Financial Analysis of the Government’s Funds**

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

**Governmental funds.** The focus of the City of Warrenville’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 Warrenville’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 \$15,093,900, virtually unchanged from FY 2016, when the figure was \$15,018,325. Approximately 37% of fund balance, or \$5,637,051, 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 2016. A total of \$847,019 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 (\$664,917), and 2) public safety (\$182,102). An additional \$898,392 of total fund balance is *committed* to tourism related activities, while \$5,392,298 is *assigned* for special projects, and will be discussed later in this document. Finally, a total of \$2,319,140 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 \$119,140 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 2017, the *unassigned* fund balance of the General Fund rose from \$6,947,628 to \$7,239,645, representing an increase of \$292,017 or approximately 4%. Overall, the total General Fund balance totaled \$13,703,577, increasing by \$4,436,626 or 47.9% over the FY 2016 figure of \$9,266,951. It is important to note however, that \$4,144,792 of the increase is a direct result of action take to close the Special Projects Fund into the General Fund at fiscal year-end. This residual equity transfer into the General Fund from the Special Projects Fund is classified in the General Fund, as *assigned* fund balance to continue to recognize that these funds have been identified for specific purposes, and are not currently available for general spending. A measure of the General Fund's liquidity can be found by comparing *unassigned fund balance* to total General Fund expenditures. The FY 2017 ending *unassigned* fund balance equals approximately 68% of total General Fund expenditures incurred during FY 2017, up from approximately 64% at the end of FY 2016.

Contributing factors for this change included the following:

- Total General Fund revenue showed a negative budget variance of \$545,250, with realized revenue totaling \$10,891,229, compared with fiscal year budgeted revenue of \$11,436,479. The performance of individual revenue sources was a mixed bag of results, and specific factors included:
  - Actual property tax revenue collections fell \$47,166 or about 1.4% short of budget
  - State Shared Sales tax revenue fell short of budget by \$82,909 or 3.5%, while Home Rule Sales tax revenue exceeded budget by \$137,089, or approximately 8.5% for a combined net positive variance to budget of \$54,180
  - State Shared Income Tax fell short of budget by \$98,224, or about 7%, with total revenue received of \$1,242,056 against budgeted revenue of \$1,340,280.
  - State Shared Use Tax, distributed by the State of Illinois on a per-capita basis, exceeded budget by about \$14,622, or 4.7%, with total revenue received of \$323,412, representing a 6% increase over FY 2016, and a per capita figure of \$24.61 compared to the budgeted per capita figure of \$23.50
  - Food and Beverage Tax revenue fell short of budget by \$121,640, or 16%, with total revenue received of \$636,359. This also represents a decrease from FY 2016 of \$34,929.
  - 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 \$142,288

- Fines and Forfeit revenue sources finished the fiscal year \$161,810 under budget, with 88% of that shortfall attributable to Circuit Court fine revenue falling well short of budget with revenue of \$167,190, compared to the budget figure of \$310,000
- Overall License and Permit revenue, including the aforementioned building related sources, also fell well short of budget, with a budgetary figure of \$781,703, compared to actual realized revenue of \$523,906
- Amusement Tax revenue which totaled \$269,114 for the fiscal year, continues to be a falling revenue source, with a decrease of \$21,444, or almost 7.4% from the FY 2016 figure of \$290,901. This revenue is allocated 40% to the General and 60% to the Capital Maintenance and Replacement Fund. Beginning in FY 2018 this revenue stream will be 100% allocated to the Capital Maintenance and Replacement Fund.
- Finally, regular transfers in from other funds totaled \$8,160 and \$11,682 from nonmajor governmental funds. This figure is down from prior years as the City Council has authorized the halting of a capital subsidy of \$200,000 from the Hotel Motel, as work to address fund balances across all funds is on-going to make more efficient use of taxpayer dollars across those funds.
- Total General Fund operating expenditures showed a positive budget variance of \$910,436, with total expenditures of \$10,582,967, compared with a budgeted total of \$11,493,403.
  - Positive budget variances, where actual expenditures fell short of budget, occurred in all fifteen departments or cost centers. Some of the budgetary savings are explained by the following:
    - Administration Department expenditures were short of budget by \$64,669, with the majority of the savings occurring in the area of personnel costs and professional services which did not occur to the extent budgeted
    - Finance Department expenditures were short of budget by \$56,856, largely due to the timing of professional services expenditures related to the ERP project which did not occur during the year, but which will occur and were budgeted for during FY 2018
    - The Central Services cost center was short of budget by \$126,379, with savings again coming in the areas of employee insurance where anticipated insurance premium increases did occur to the extent budgeted, as the City become more familiar with annual premium adjustments changes after the switch to the Intergovernmental Personal Benefits Cooperative (IPBC) in January 1, 2016. Additional savings occurred in the area of equipment maintenance, software maintenance costs, and general liability insurance
    - The Community Development Department was short of budget by \$135,565, with savings occurring in the area of personnel related costs, travel and meetings, engineering and other professional services
    - Police Department personnel related expenditures had a positive variance of \$247,939, with savings in personnel casts due to position vacancies among the sworn positions, and in gas and oil expenses due to gasoline prices that remained low during the year.
    - Public Works expenditures, including Building and Grounds expenditures, also had a positive budget variance of a combined \$200,913, with the largest savings occurring in the areas of personnel costs, supplies and services, and maintenance costs. Additional savings occurred with gas and oil expenses that remained low during the year as mentioned above in the Police Department section.

## Other Areas of Note

The Tax Increment Financing District #3 Fund began the fiscal year with a negative fund balance of \$1,354,135, finished the fiscal year with expenditures exceeding revenue by an additional \$95,785, leading to a year-end negative fund balance of \$1,449,920. This fund deficit, was a planned deficit, as expenses continue to be incurred in anticipation of the redevelopment of Civic Center Redevelopment Site #1 (CCRS #1), which is a City-owned vacant land located at 28W715 Mount Street. It is anticipated that this site will begin to develop during FY 2018, with a planned residential development of 27 homes. However, as previously noted, given that there has been no development within this TIF District, incremental property tax revenue for this TIF district remains very low.

During the fiscal year, the City established the Southwest /Route 59 Corridor Tax Increment Finance District (TIF #4), which is roughly 300 acres in the southwest most quadrant of the City of Warrenville. This tax increment financing fund, like the TIF #3 fund, ended the fiscal year with a planned deficit of \$152,674, as the City works toward development of this currently under-developed part of the City.

The Special Projects Fund, which has been a capital projects fund for a number of years, would have finished the fiscal year with a total fund balance of \$4,144,763 designated as “*assigned*” for special projects. However, the City, as a part of the on-going efforts to address fund balances across all City funds, has opted to close this fund into the General Fund at fiscal years end. This fund had no on-going and sustained revenue source from which to support the City practice of limiting fund expenditures to special projects that were outside of day-to-day operations, and which were of a more “capital expenditure” nature, as well as other “one-time” project related expenditures.

**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 2017 totaled \$6,814,294 compared to \$8,492,009 at the end of FY 2016, a decrease of \$1,677,715 from FY 2016. 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. Operating revenue for the year fell just 1.9% short of budget with total realized revenue of \$2,926,139, compared to the budget figure of \$2,984,068. Expenditures for the year totaled \$4,192,253 versus an amended budget figure of \$5,887,082. Overall, operating expenditures exceed operating revenue by \$1,266,114, much less than the planned and anticipated variance of \$2,903,014.

## **Capital Asset and Debt Administration**

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**Capital assets.** The City of Warrenville’s investment in capital assets for its governmental and business type activities as of April 30, 2017, totals \$85,137,434 (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. For FY 2017 the business type assets include \$180,494 of construction-in-progress, for a summer 2017 project which began a month early, but which will not be completed until FY 2018. The City’s total net investment in capital assets increased by less than one-half of one-percent, or \$387,888, from FY 2016 to FY 2017.

### City's Capital Assets

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017-2016</u>
Land	\$ 43,565,293	\$ 43,389,025	\$ -	\$ -	\$ 43,565,293	\$ 43,389,025	0.41%
Buildings and improvements	11,489,124	11,284,914	-	-	11,489,124	11,284,914	1.81%
Streets/Bridges/ Sidewalks	23,470,767	23,470,767	-	-	23,470,767	23,470,767	0.00%
Vehicles & Equipment	3,409,518	3,217,615	1,358,748	1,250,678	4,768,266	4,468,293	6.71%
Stormsewers	5,427,221	5,372,072	-	-	5,427,221	5,372,072	1.03%
Waterworks & Sewerage System	-	-	22,236,495	21,421,511	22,236,495	21,421,511	3.80%
Totals at historical cost	87,361,923	86,734,393	23,595,243	22,672,189	110,957,166	109,406,582	1.42%
Total accumulated depreciation	17,779,958	16,972,188	8,039,774	7,684,848	25,819,732	24,657,036	4.72%
Net capital assets	69,581,965	69,762,205	15,555,469	14,987,341	85,137,434	84,749,546	0.46%

Additional information on the City of Warrenville's capital assets are found in Note 3 on pages 36-37 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). This plan funds the long-term maintenance of existing City capital assets, including: roadways, curbs, gutters and sidewalks, as well as storm sewers, and vehicles. 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. Additionally, as of May 1, 2013, new taxes were implemented. 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 revenue is still outperforming the original CMRP expectation of \$409,116 in annual revenue, and exceeded the FY 2017 budget figure of \$540,366, with actual revenue of \$564,478. The actual revenue received represents an increase from FY 2016 of about \$26,300 or almost 5%. However, the increase in this revenue is the result of a full fiscal year without the effect of the DuPage County Warrenville Road Bridge reconstruction project, which cutoff the main regular access routes to two of the City's six gas stations during FY 2016, and lead to a 3.2% decrease in this revenue source for FY 2016.

The natural gas utility and use taxes for FY 2017 underperformed the budgetary expectation of \$157,221, with actual revenue of \$134,656. The FY 2017 actual revenue is an increase of approximately \$13,200, or almost 11% over the FY 2016 figure of \$121,656. Finally, this revenue source is currently performing at 97% of the original CMRP assumption of \$138,675 in annual revenue.

Electric Utility revenue finished the fiscal year virtually right on budget, with actual revenue of \$98,925 and a budget figure of \$98,946. This revenue source is performing at approximately 95% of the initial CMRP assumption of \$104,600 in annual revenue.

Lastly, the two longer-term funding sources for the CMRP, the Amusement and Telecommunications taxes, collectively underperformed budget expectations by a combine total of \$38,142. Amusement Tax revenue was discussed in the General Fund section earlier in this document, and as noted will go 100% to fund the CMRP beginning in FY 2018. Meanwhile, the Telecommunication Tax saw an 11.8% decrease, with total realized revenue of \$545,478, down from the FY 2016 figure of \$618,440.

### Long-term debt.

	Governmental Activities		Business-type Activities		Total 2017	Total 2016	Total Percentage Change 2017-2016
	2017	2016	2017	2016			
	Compensated Absences	834,611	782,607	96,659			
Net Pension Liability							
IMRF	1,462,964	1,969,245	538,706	305,024	2,001,670	2,274,269	-11.99%
Police Pension	9,428,563	10,307,371	-	-	9,428,563	10,307,371	-8.53%
Net Other Post-Employment Benefit Obligation	137,140	103,913	9,784	8,035	146,924	111,948	31.24%
<b>Total Long Term Debt</b>	<b>11,863,278</b>	<b>13,163,136</b>	<b>645,149</b>	<b>404,629</b>	<b>12,508,427</b>	<b>13,567,765</b>	<b>-7.81%</b>

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 decreased by 7.8%. In the Governmental activities and Business-type activities, the long-term liability for IMRF decreased significantly following the retirement or departure of key long-term employees in 2016. In both governmental and business type activities, the value of compensated absences increase by a combined 6.53%.

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 39.

### **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 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, 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. As FY 2017 concludes, the site remains undeveloped. However, the City is working with a new developer to redevelop the site into a quality residential development, with 27 detached single-family homes on the 4.25-acre site. This approximately \$12,000,000 (market value) development will enhance the City's civic center area and bring approximately \$5,400,000 in gross incremental property tax revenue over the next twenty plus years.

FY 2017 saw the City establish a fourth tax increment financing (TIF) district, which encompasses the area of Routes 56 and 59, an area long determined to be a desirable location for economic development opportunities. During FY 2018, the City will continue working towards redevelopment of the Route 56 and Route 59 corridor, in order to capitalize on the nearby development of an Amazon distribution center in an adjacent community.

### **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, 2017**

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**See Following Page**

**CITY OF WARRENVILLE, ILLINOIS**

**Statement of Net Position  
April 30, 2017**

	Primary Government		
	Governmental Activities	Business- Type Activities	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 14,677,490	4,907,911	19,585,401
Receivables - Net of Allowances	5,362,365	599,427	5,961,792
Advances to/from Other Funds	(2,200,000)	2,200,000	-
Prepays	119,140	13,966	133,106
Land Held for Resale	2,200,000	-	2,200,000
Total Current Assets	<u>20,158,995</u>	<u>7,721,304</u>	<u>27,880,299</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	43,565,293	180,494	43,745,787
Depreciable Capital Assets	43,796,630	23,414,749	67,211,379
Accumulated Depreciation	(17,779,958)	(8,039,774)	(25,819,732)
Total Noncurrent Assets	<u>69,581,965</u>	<u>15,555,469</u>	<u>85,137,434</u>
Total Assets	<u>89,740,960</u>	<u>23,276,773</u>	<u>113,017,733</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	839,335	309,068	1,148,403
Deferred Items - Police Pension	208,073	-	208,073
Total Deferred Outflows of Resources	<u>1,047,408</u>	<u>309,068</u>	<u>1,356,476</u>
Total Assets and Deferred Outflows of Resources	<u>90,788,368</u>	<u>23,585,841</u>	<u>114,374,209</u>

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

	Primary Government		
	Governmental Activities	Business- Type Activities	Totals
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 452,396	459,998	912,394
Retainage Payable	16,616	31,176	47,792
Accrued Payroll	244,836	33,074	277,910
Deposits Payable	802,873	31,459	834,332
Other Payables	19,908	3,437	23,345
Current Portion of Long-Term Debt	166,922	19,332	186,254
Total Current Liabilities	1,703,551	578,476	2,282,027
Noncurrent Liabilities			
Compensated Absences Payable	667,689	77,327	745,016
Net Pension Liability - IMRF	1,462,964	538,706	2,001,670
Net Pension Liability - Police Pension	9,428,563	-	9,428,563
Net Other Post-Employment Benefit Obligation Payable	137,140	9,784	146,924
Total Noncurrent Liabilities	11,696,356	625,817	12,322,173
Total Liabilities	13,399,907	1,204,293	14,604,200
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes	3,528,466	-	3,528,466
Deferred Items - IMRF	32,005	11,785	43,790
Deferred Items - Police Pension	1,045,830	-	1,045,830
Total Deferred Inflows of Resources	4,606,301	11,785	4,618,086
Total Liabilities and Deferred Inflows of Resources	18,006,208	1,216,078	19,222,286
<b>NET POSITION</b>			
Investment in Capital Assets	69,581,965	15,555,469	85,137,434
Restricted - Maintenance of Roadways	664,917	-	664,917
Restricted - Seized Assets	182,102	-	182,102
Unrestricted	2,353,176	6,814,294	9,167,470
Total Net Position	72,782,160	22,369,763	95,151,923

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, 2017**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 3,560,422	752,883	30,081	-
Public Safety	7,695,403	255,516	-	-
Public Works	3,840,665	-	351,689	-
Culture and Recreation	366,399	-	-	-
Economic Development	131,300	22,468	-	-
Total Governmental Activities	15,594,189	1,030,867	381,770	-
Business-Type Activities				
Water and Sewer	4,547,179	3,428,495	3,079	-
Total Primary Government	20,141,368	4,459,362	384,849	-

General Revenues  
Taxes  
    Property and Replacement  
    Home Rule Sales  
    Telecommunications  
    Hotel/Motel  
    Amusement  
    Food and Beverage  
    Natural Gas  
    Electric Utility  
    Local Motor Fuel  
    Other  
Intergovernmental - Unrestricted  
    Income Taxes  
    State Sales Tax  
    Local Use Tax  
Investment Income  
Miscellaneous

Change in Net Position

Net Position - Beginning

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
(2,777,458)	-	(2,777,458)
(7,439,887)	-	(7,439,887)
(3,488,976)	-	(3,488,976)
(366,399)	-	(366,399)
(108,832)	-	(108,832)
(14,181,552)	-	(14,181,552)
-	(1,115,605)	(1,115,605)
(14,181,552)	(1,115,605)	(15,297,157)
3,401,164	-	3,401,164
1,750,424	-	1,750,424
545,466	-	545,466
923,718	-	923,718
268,581	-	268,581
636,359	-	636,359
134,921	-	134,921
98,925	-	98,925
564,478	-	564,478
8,373	-	8,373
1,242,056	-	1,242,056
2,271,249	-	2,271,249
323,412	-	323,412
10,093	6,018	16,111
174,820	-	174,820
12,354,039	6,018	12,360,057
(1,827,513)	(1,109,587)	(2,937,100)
74,609,673	23,479,350	98,089,023
72,782,160	22,369,763	95,151,923

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

**CITY OF WARRENVILLE, ILLINOIS**

**Balance Sheet - Governmental Funds  
April 30, 2017**

	General	Special Revenue Motor Fuel Tax
<b>ASSETS</b>		
Cash and Investments	\$ 11,936,759	675,543
Receivables - Net of Allowances		
Property Taxes	3,464,930	-
Other Taxes	1,398,290	28,769
Interest	104,632	-
Due from Other Funds	1,589,731	-
Prepays	119,140	-
Land Held for Resale	2,200,000	-
	<u>20,813,482</u>	<u>704,312</u>
<b>LIABILITIES</b>		
Accounts Payable	330,624	32,598
Retainage Payable	-	-
Accrued Payroll	244,836	-
Deposits Payable	802,873	-
Other Payables	19,908	-
Due to Other Funds	46,734	6,797
Advances from Other Funds	2,200,000	-
Total Liabilities	<u>3,644,975</u>	<u>39,395</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes	3,464,930	-
Total Liabilities and Deferred Inflows of Resources	<u>7,109,905</u>	<u>39,395</u>
<b>FUND BALANCES</b>		
Nonspendable	2,319,140	-
Restricted	-	664,917
Committed	-	-
Assigned	4,144,792	-
Unassigned	7,239,645	-
Total Fund Balances	<u>13,703,577</u>	<u>664,917</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>20,813,482</u>	<u>704,312</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
-	1,064,802	-	1,000,386	14,677,490
-	-	15,807	47,729	3,528,466
-	213,413	-	75,990	1,716,462
-	8,400	1,390	3,015	117,437
-	-	-	46,734	1,636,465
-	-	-	-	119,140
-	-	-	-	2,200,000
-	1,286,615	17,197	1,173,854	23,995,460
-	22,493	9,620	57,061	452,396
-	16,616	-	-	16,616
-	-	-	-	244,836
-	-	-	-	802,873
-	-	-	-	19,908
-	-	1,441,690	141,244	1,636,465
-	-	-	-	2,200,000
-	39,109	1,451,310	198,305	5,373,094
-	-	15,807	47,729	3,528,466
-	39,109	1,467,117	246,034	8,901,560
-	-	-	-	2,319,140
-	-	-	182,102	847,019
-	-	-	898,392	898,392
-	1,247,506	-	-	5,392,298
-	-	(1,449,920)	(152,674)	5,637,051
-	1,247,506	(1,449,920)	927,820	15,093,900
-	1,286,615	17,197	1,173,854	23,995,460

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, 2017**

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<b>Total Governmental Fund Balances</b>	<b>\$ 15,093,900</b>
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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.	69,581,965
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Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	807,330
Deferred Items - Police Pension	(837,757)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(834,611)
Net Pension Liability - IMRF	(1,462,964)
Net Pension Liability - Police Pension	(9,428,563)
Net Other Post-Employment Benefit Obligation Payable	<u>(137,140)</u>

<b>Net Position of Governmental Activities</b>	<b><u><u>72,782,160</u></u></b>
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The notes to the financial statements are an integral part of this statement.

**CITY OF WARRENVILLE, ILLINOIS**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Fiscal Year Ended April 30, 2017**

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**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, 2017**

	General	Special Revenue Motor Fuel Tax
Revenues		
Taxes	\$ 6,109,657	-
Intergovernmental	3,866,798	333,053
Licenses and Permits	523,906	-
Fines and Forfeits	242,996	-
Investment Income	(571)	2,999
Miscellaneous	148,443	-
Total Revenues	<u>10,891,229</u>	<u>336,052</u>
Expenditures		
Current		
General Government	3,573,968	-
Public Safety	5,697,722	-
Public Works	1,265,233	193,117
Culture and Recreation	46,044	-
Economic Development	-	-
Capital Outlay	-	-
Total Expenditures	<u>10,582,967</u>	<u>193,117</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>308,262</u>	<u>142,935</u>
Other Financing Sources (Uses)		
Disposal of Capital Assets	729	-
Transfers In	4,164,635	-
Transfers Out	(37,000)	-
	<u>4,128,364</u>	<u>-</u>
Net Change in Fund Balances	4,436,626	142,935
Fund Balances - Beginning	<u>9,266,951</u>	<u>521,982</u>
Fund Balances - Ending	<u><u>13,703,577</u></u>	<u><u>664,917</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
-	1,504,939	4,489	923,718	8,542,803
18,636	-	-	-	4,218,487
-	-	-	-	523,906
22,468	-	-	-	265,464
6,291	1,501	248	(375)	10,093
-	-	-	57,480	205,923
47,395	1,506,440	4,737	980,823	13,766,676
-	-	-	-	3,573,968
-	-	-	1,124	5,698,846
-	-	-	-	1,458,350
-	-	-	320,355	366,399
-	-	62,831	68,469	131,300
11,800	2,391,874	37,691	45,447	2,486,812
11,800	2,391,874	100,522	435,395	13,715,675
35,595	(885,434)	(95,785)	545,428	51,001
-	23,845	-	-	24,574
112,112	337,000	-	-	4,613,747
(4,144,793)	-	-	(431,954)	(4,613,747)
(4,032,681)	360,845	-	(431,954)	24,574
(3,997,086)	(524,589)	(95,785)	113,474	75,575
3,997,086	1,772,095	(1,354,135)	814,346	15,018,325
-	1,247,506	(1,449,920)	927,820	15,093,900

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, 2017**

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**Net Change in Fund Balances - Total Governmental Funds** \$ 75,575

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	767,987
Depreciation Expense	(912,690)
Disposals - Cost	(140,457)
Disposals - Accumulated Depreciation	104,920

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

Change in Deferred Items - IMRF	(320,113)
Change in Deferred Items - Police Pension	(2,702,593)

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

Additions to Compensated Absences Payable	(52,004)
Deductions to Net Pension Liability - IMRF	506,281
Deductions to Net Pension Liability - Police Pension	878,808
Addition to Net Other Post-Employment Benefit Obligation Payable	<u>(33,227)</u>

**Changes in Net Position of Governmental Activities** (1,827,513)

**CITY OF WARRENVILLE, ILLINOIS**

**Statement of Net Position - Proprietary Funds  
April 30, 2017**

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**See Following Page**

**CITY OF WARRENVILLE, ILLINOIS**

**Statement of Net Position - Proprietary Funds  
April 30, 2017**

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	<u>Business-Type Activities</u> <u>Water and Sewer</u>
<b>ASSETS</b>	
Current Assets	
Cash and Investments	\$ 4,907,911
Receivables - Net of Allowances	
Accounts	548,423
Accrued Interest	51,004
Prepays	13,966
Total Current Assets	<u>5,521,304</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable Capital Assets	180,494
Depreciable Capital Assets	23,414,749
Accumulated Depreciation	<u>(8,039,774)</u>
	15,555,469
Other Assets	
Advances to Other Funds	<u>2,200,000</u>
Total Noncurrent Assets	<u>17,755,469</u>
Total Assets	<u>23,276,773</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Items - IMRF	<u>309,068</u>
Total Assets and Deferred Outflows of Resources	<u>23,585,841</u>

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

	<u>Business-Type Activities Water and Sewer</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	\$ 459,998
Retainage Payable	31,176
Accrued Payroll	33,074
Deposits Payable	31,459
Other Payables	3,437
Compensated Absences Payable	19,332
Total Current Liabilities	<u>578,476</u>
Noncurrent Liabilities	
Compensated Absences Payable	77,327
Net Pension Liability - IMRF	538,706
Net Other Post-Employment Benefit Obligation Payable	9,784
Total Noncurrent Liabilities	<u>625,817</u>
Total Liabilities	1,204,293
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Items - IMRF	11,785
Total Liabilities and Deferred Inflows of Resources	<u>1,216,078</u>
<b>NET POSITION</b>	
Investment in Capital Assets	15,555,469
Unrestricted	6,814,294
Total Net Position	<u><u>22,369,763</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, 2017

	<u>Business-Type Activities</u> <u>Water and Sewer</u>
Operating Revenues	
Charges for Services	\$ 2,909,313
Miscellaneous	16,826
Total Operating Revenues	<u>2,926,139</u>
Operating Expenses Excluding Depreciation Operations	<u>4,192,253</u>
Operating Income (Loss) Before Depreciation	(1,266,114)
Depreciation	<u>354,926</u>
Operating Income (Loss)	<u>(1,621,040)</u>
Nonoperating Revenues	
Tap-On Connection Fees	136,883
Investment Income	6,018
Sale of Capital Assets	3,079
Rental Income	<u>365,473</u>
	<u>511,453</u>
Change in Net Position	(1,109,587)
Net Position - Beginning	<u>23,479,350</u>
Net Position - Ending	<u><u>22,369,763</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, 2017**

	<u>Business-Type Activities</u> <u>Water and Sewer</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 3,579,893
Payments to Employees	(834,802)
Payments to Suppliers	(3,026,380)
	<u>(281,289)</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(923,054)
Disposal of Capital Assets	3,079
	<u>(919,975)</u>
Cash Flows from Investing Activities	
Interest Received	<u>6,018</u>
Net Change in Cash and Cash Equivalents	(1,195,246)
Cash and Cash Equivalents - Beginning	<u>6,103,157</u>
Cash and Cash Equivalents - Ending	<u><u>4,907,911</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(1,621,040)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	354,926
Other Income	613,389
(Increase) Decrease in Current Assets	40,365
Increase (Decrease) in Current Liabilities	331,071
	<u>331,071</u>
Net Cash Provided by Operating Activities	<u><u>(281,289)</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, 2017**

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	<u>Pension Trust Police Pension</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 391,059
Investments, at Fair Value	
U.S. Government Obligations	18,810
U.S. Agency Obligations	3,737,266
Corporate Bonds	3,942,015
State and Local Obligations	676,203
Common Stock	2,151,578
Mutual Funds	7,986,137
Receivables	
Accrued Interest	118,768
Prepays	<u>530</u>
Total Assets	<u>19,022,366</u>
<b>LIABILITIES</b>	
Accounts Payable	<u>7,293</u>
<b>NET POSITION</b>	
Net Position Restricted for Pensions	<u><u>19,015,073</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, 2017**

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	<u>Pension Trust Police Pension</u>
Additions	
Contributions - Employer	\$ 1,173,896
Contributions - Plan Members	273,581
Total Contributions	<u>1,447,477</u>
Investment Income	
Interest Income	563,596
Net Change in Fair Value	927,662
	<u>1,491,258</u>
Less Investment Expenses	(36,820)
Net Investment Income	<u>1,454,438</u>
Total Additions	<u>2,901,915</u>
Deductions	
Administration	22,534
Benefits	836,094
Total Deductions	<u>858,628</u>
Change in Fiduciary Net Position	2,043,287
Net Position Restricted for Pensions	
Beginning	<u>16,971,786</u>
Ending	<u>19,015,073</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, 2017**

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### **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, 2017**

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### **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, 2017

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### 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, 2017

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### 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. The City also maintains one nonmajor capital projects fund, the TIF District #4 Fund.

#### 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, 2017

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### 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, 2017

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### 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, 2017

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### 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 generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

# CITY OF WARRENVILLE, ILLINOIS

## Notes to the Financial Statements

April 30, 2017

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### 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, 2017**

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**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, 2017

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### 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:

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 “investment in capital assets.”

**CITY OF WARRENVILLE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2017**

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**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 2017 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 2017, there were two supplemental budget amendments that are reflected in the financial statements.

**EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS**

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

Fund	Excess
Hotel/Motel Tax	\$ 13,093
Police Pension	1,476

**DEFICIT FUND BALANCE**

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

Fund	Deficit
TIF District #3	\$ 1,449,920
TIF District #4	152,674

# CITY OF WARRENVILLE, ILLINOIS

## Notes to the Financial Statements

April 30, 2017

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### 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, Illinois Funds, and the Illinois Metropolitan Investment Fund.

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 OF WARRENVILLE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2017**

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**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**DEPOSITS AND INVESTMENTS – Continued**

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

The Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an Investment Company. Investments in IMET are valued at the share price, the price for which the investment could be sold.

**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 \$1,519,812 and the bank balances totaled \$1,655,741.

**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	\$ 12,452,095	2,510,113	9,941,982	-	-
State and Local Obligations	3,901,919	987,253	2,914,666	-	-
Illinois Funds	1,216,449	1,216,449	-	-	-
Illinois Metropolitan Investment Fund	495,126	495,126	-	-	-
	<u>18,065,589</u>	<u>5,208,941</u>	<u>12,856,648</u>	<u>-</u>	<u>-</u>

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

- U.S. Agencies of \$12,452,095 are valued using other observable inputs (Level 2 inputs)
- State and Local Obligations of \$3,901,919 are valued using other observable inputs (Level 2 inputs)
- Illinois Funds of \$1,216,449 are measured at the net asset value per share determined by the pool
- Illinois Metropolitan Investment Fund of \$495,126 are measured at the net asset value per share determined by the pool

## CITY OF WARRENVILLE, ILLINOIS

### Notes to the Financial Statements

April 30, 2017

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#### 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

*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.

*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 does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

**CITY OF WARRENVILLE, ILLINOIS**

**Notes to the Financial Statements**

**April 30, 2017**

**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**

*Deposits.* At year-end, the carrying amount of the Fund’s deposits totaled \$391,059 and the bank balances totaled \$391,059.

*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	\$ 18,810	-	18,810	-	-
U.S. Agencies	3,737,266	50,107	2,242,704	1,444,455	-
State and Local Obligations	676,203	-	625,406	50,797	-
Corporate Bonds	3,942,015	229,327	2,177,984	1,534,704	-
	<u>8,374,294</u>	<u>279,434</u>	<u>5,064,904</u>	<u>3,029,956</u>	<u>-</u>

The Fund has the following recurring fair value measurements as of April 30, 2017:

Investments by Fair Value Level	April 30, 2017	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Debt Securities</b>				
U.S. Treasuries	\$ 18,810	18,810	-	-
U.S. Agencies	3,737,266	-	3,737,266	-
Corporate Bonds	3,942,015	-	3,942,015	-
State and Local Obligations	676,203	-	676,203	-
<b>Equity Securities</b>				
Common Stock	2,151,578	-	2,151,578	-
Mutual Funds	7,986,137	7,986,137	-	-
<b>Total Investments by Fair Value Level</b>	<u>18,512,009</u>	<u>8,004,947</u>	<u>10,507,062</u>	<u>-</u>

# CITY OF WARRENVILLE, ILLINOIS

## Notes to the Financial Statements

April 30, 2017

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### 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 \$2,151,578 invested in common stock and \$7,986,137 invested in mutual funds. At year-end, the Fund does not have any investments over 5 percent of the net position (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

# CITY OF WARRENVILLE, ILLINOIS

## Notes to the Financial Statements

April 30, 2017

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### 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

*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%	5.90% - 12.30%
International Equities	15.00%	6.60% - 8.60%
Real Estate	5.00%	6.80% - 11.90%
Natural Resources	0.00%	3.80%
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 65%. 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 2017 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, 2017 are listed in the table above.

#### Rate of Return

For the year ended April 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.28%. 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, 2017**

**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
<b>Nondepreciable Capital Assets</b>				
Land	\$ 9,877,860	176,268	-	10,054,128
Land - Right of Way	33,511,165	-	-	33,511,165
	<u>43,389,025</u>	<u>176,268</u>	<u>-</u>	<u>43,565,293</u>
<b>Depreciable Capital Assets</b>				
Buildings	11,284,914	204,210	-	11,489,124
Streets, Bridges and Sidewalks	23,470,767	-	-	23,470,767
Storm Sewers	5,372,072	90,446	35,297	5,427,221
Vehicles and Equipment	3,217,615	297,063	105,160	3,409,518
	<u>43,345,368</u>	<u>591,719</u>	<u>140,457</u>	<u>43,796,630</u>
<b>Less Accumulated Depreciation</b>				
Buildings	4,414,956	272,123	-	4,687,079
Streets, Bridges and Sidewalks	8,582,068	379,662	17,414	8,944,316
Storm Sewers	1,647,151	76,949	-	1,724,100
Vehicles and Equipment	2,328,013	183,956	87,506	2,424,463
	<u>16,972,188</u>	<u>912,690</u>	<u>104,920</u>	<u>17,779,958</u>
 Total Depreciable Capital Assets	 <u>26,373,180</u>	 <u>(320,971)</u>	 <u>35,537</u>	 <u>26,016,672</u>
 Total Capital Assets	 <u>69,762,205</u>	 <u>(144,703)</u>	 <u>35,537</u>	 <u>69,581,965</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 117,598
Public Safety	146,063
Public Works	<u>649,029</u>
	<u>912,690</u>

**CITY OF WARRENVILLE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2017**

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**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
Nondepreciable Capital Assets				
Construction in Progress	\$ -	180,494	-	180,494
Depreciable Capital Assets				
Vehicles and Equipment	1,250,678	108,070	-	1,358,748
Water and Sewer Infrastructure	21,421,511	634,490	-	22,056,001
	<u>22,672,189</u>	<u>742,560</u>	<u>-</u>	<u>23,414,749</u>
Less Accumulated Depreciation				
Vehicles and Equipment	1,007,596	72,751	-	1,080,347
Water and Sewer Infrastructure	6,677,252	282,175	-	6,959,427
	<u>7,684,848</u>	<u>354,926</u>	<u>-</u>	<u>8,039,774</u>
Total Depreciable Capital Assets	<u>14,987,341</u>	<u>387,634</u>	<u>-</u>	<u>15,374,975</u>
Total Capital Assets	<u>14,987,341</u>	<u>568,128</u>	<u>-</u>	<u>15,555,469</u>

Depreciation expense of \$354,926 was charged to the Water and Sewer Fund.

**PROPERTY TAXES**

Property taxes for 2016 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, 2016. The County collects such taxes and remits them periodically. Those 2016 taxes are intended to finance the 2018 fiscal year and are not considered available for current operations and are, therefore, shown as a deferred inflow at year-end. The 2017 tax levy has not been recorded as a receivable at April 30, 2017. The tax is attached as a lien on property as of January 1, 2017; however, the tax will not be levied until December 2017 and, accordingly, is not measurable at April 30, 2017.

**CITY OF WARRENVILLE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2017**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**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.

**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	\$ 6,797
General	TIF District #3	1,441,690
General	Nonmajor Governmental	141,244
Nonmajor Governmental	General	<u>46,734</u>
		<u>1,636,465</u>

**Interfund Transfers**

Transfer In	Transfer Out	Amount
General	Special Projects	\$ 4,144,793 (3)
General	Nonmajor Governmental	19,842 (1)
Special Projects	Nonmajor Governmental	112,112 (1)
Capital Maintenance and Replacement	General	37,000 (2)
Capital Maintenance and Replacement	Nonmajor Governmental	<u>300,000 (1)</u>
		<u>4,613,747</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, (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) the City transferred the remaining fund balance in the Special Projects Fund to the General Fund as of April 30, 2017.

**CITY OF WARRENVILLE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2017**

**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	Additions	Deductions	Ending Balances	Amounts Due within One Year
<b>Governmental Activities</b>					
Compensated Absences	\$ 782,607	104,008	52,004	834,611	166,922
Net Pension Liability					
IMRF	1,969,245	-	506,281	1,462,964	-
Police Pension	10,307,371	-	878,808	9,428,563	-
Net Other Post-Employment Benefit Obligation	103,913	33,227	-	137,140	-
	<u>13,163,136</u>	<u>137,235</u>	<u>1,437,093</u>	<u>11,863,278</u>	<u>166,922</u>
<b>Business-Type Activities</b>					
Compensated Absences	91,570	10,178	5,089	96,659	19,332
Net Pension Liability					
IMRF	305,024	233,682	-	538,706	-
Net Other Post-Employment Benefit Obligation	8,035	1,749	-	9,784	-
	<u>404,629</u>	<u>245,609</u>	<u>5,089</u>	<u>645,149</u>	<u>19,332</u>

For the governmental activities, the General Fund makes payments on the compensated absences, the net pension liabilities, 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.

**CITY OF WARRENVILLE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2017**

**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:

	General	Special	Capital Projects			Nonmajor	Totals
		Revenue	Special	Capital Maintenance	TIF		
		Motor Fuel	Projects	and Replacement	District #3		
		Tax					
Fund Balances							
Nonspendable							
Prepays	\$ 119,140	-	-	-	-	-	119,140
Land Held for Resale	2,200,000	-	-	-	-	-	2,200,000
	<u>2,319,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,319,140</u>
Restricted							
Maintenance of Roadways	-	664,917	-	-	-	-	664,917
Seized Assets	-	-	-	-	-	182,102	182,102
	<u>-</u>	<u>664,917</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>182,102</u>	<u>847,019</u>
Committed							
Tourism	-	-	-	-	-	898,392	898,392
Assigned							
Capital Projects	4,144,792	-	-	1,247,506	-	-	5,392,298
Unassigned	7,239,645	-	-	-	(1,449,920)	(152,674)	5,637,051
Total Fund Balances	<u>13,703,577</u>	<u>664,917</u>	<u>-</u>	<u>1,247,506</u>	<u>(1,449,920)</u>	<u>927,820</u>	<u>15,093,900</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 General Fund and the 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, 2017**

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### **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.

#### **Intergovernmental Personnel Benefit Cooperative (IPBC)**

Risks for medical and death benefits for employees and retirees are provided for through the City's participation in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC acts as an administrative agency to receive, process and pay such claims as may come within the benefit program of each member. IPBC maintains specific reinsurance coverage for claims in excess of \$50,000 per individual employee participant. The City pays premiums to IPBC based upon current employee participation and its prior experience factor with the pool. Current year overages or underages for participation in the pool are adjusted into subsequent years experience factor for premiums. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

#### **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, 2017

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### 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](http://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, 2017**

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**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, 2016, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	36
Inactive Plan Members Entitled to but not yet Receiving Benefits	17
Active Plan Members	<u>41</u>
Total	<u><u>94</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 2016 was 15.58% of covered payroll.

*Net Pension Liability.* The City’s net pension liability was measured as of December 31, 2016. 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, 2017**

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**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, 2016, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	3.75% to 14.50%
Cost of Living Adjustments	2.75%
Inflation	2.75%

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). 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 2012). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.50% and the discount rate used in the prior valuation was 7.49%. 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, 2017**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Illinois Municipal Retirement Fund (IMRF) – Continued**

**Discount Rate Sensitivity**

The following presents the plan’s net pension liability, calculated using a Single Discount Rate of 7.50%, as well as what the plan’s net pension liability would be if it were calculated using a Single Discount Rate that is one percentage point lower or one percentage point higher:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 4,022,652	2,001,670	346,036

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2015	\$ 13,274,164	10,999,895	2,274,269
Changes for the Year:			
Service Cost	335,061	-	335,061
Interest on the Total Pension Liability	979,831	-	979,831
Difference Between Expected and Actual Experience of the Total Pension Liability	164,724	-	164,724
Changes of Assumptions	(56,048)	-	(56,048)
Contributions - Employer	-	484,033	(484,033)
Contributions - Employees	-	139,783	(139,783)
Net Investment Income	-	746,501	(746,501)
Benefit Payments, including Refunds of Employee Contributions	(649,632)	(649,632)	-
Other (Net Transfer)	-	325,850	(325,850)
Net Changes	773,936	1,046,535	(272,599)
Balances at December 31, 2016	14,048,100	12,046,430	2,001,670

**CITY OF WARRENVILLE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2017**

**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, 2017, the City recognized pension expense of \$281,092. At April 30, 2017, the City reported deferred outflows of 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	\$ 266,869	-	266,869
Change in Assumptions	179,610	(43,790)	135,820
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	591,973	-	591,973
Total Pension Expense to be Recognized in Future Periods	1,038,452	(43,790)	994,662
Pension Contributions Made Subsequent to the Measurement Date	109,951	-	109,951
Total Deferred Amounts Related to IMRF	1,148,403	(43,790)	1,104,613

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
2018	\$ 394,751
2019	352,460
2020	215,901
2021	31,550
2022	-
Thereafter	-
Total	994,662

**CITY OF WARRENVILLE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2017**

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**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, 2017, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	13
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	<u>30</u>
Total	<u><u>45</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, 2017**

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**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 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 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, 2017, the City's contribution was 42.61% of covered payroll.

*Concentrations.* At year end, the Pension Plan does not have any investments over 5 percent of the net position (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

**CITY OF WARRENVILLE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2017**

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**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, 2017, using the following actuarial methods and assumptions:

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 2017 using improvement scale MP-2016. The other non-economic actuarial assumptions used in the April 30, 2017 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

**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, 2017**

**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	\$ 13,832,677	9,428,563	5,846,371

**Changes in the Net Pension Liability**

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2016	\$ 27,279,157	16,971,786	10,307,371
Changes for the Year:			
Service Cost	712,249	-	712,249
Interest on the Total Pension Liability	1,880,277	-	1,880,277
Difference Between Expected and Actual Experience of the Total Pension Liability	208,073	-	208,073
Changes of Assumptions	(800,026)	-	(800,026)
Contributions - Employer	-	1,173,896	(1,173,896)
Contributions - Employees	-	273,581	(273,581)
Net Investment Income	-	1,454,438	(1,454,438)
Benefit Payments, including Refunds of Employee Contributions	(836,094)	(836,094)	-
Administrative Expense	-	(22,534)	22,534
Net Changes	1,164,479	2,043,287	(878,808)
Balances at April 30, 2017	28,443,636	19,015,073	9,428,563

**CITY OF WARRENVILLE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2017**

**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, 2017, the City recognized pension expense of \$1,823,785. At April 30, 2017, the City reported deferred outflows of 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	\$ 208,073	-	208,073
Change in Assumptions	-	(800,026)	(800,026)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(245,804)	(245,804)
Total Deferred Amounts Related to Police Pension	<u>208,073</u>	<u>(1,045,830)</u>	<u>(837,757)</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 (Inflows) of Resources
2018	\$ (123,155)
2019	(123,155)
2020	(123,155)
2021	(123,155)
2022	(123,154)
Thereafter	<u>(221,983)</u>
Total	<u>(837,757)</u>

**CITY OF WARRENVILLE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2017**

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**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, 2017, retirees contributed \$44,086. Active employees do not contribute to the plan until retirement.

At April 30, 2017 membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.	4
Active Employees	<u>66</u>
Total	<u><u>70</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, 2017**

**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, 2017, was calculated as follows:

Annual Required Contribution	\$ 106,365
Interest on the NOPEBO	4,478
Adjustment to the ARC	<u>(6,475)</u>
Annual OPEB Cost	104,368
Actual Contribution	<u>69,392</u>
Change in the NOPEBO	34,976
NOPEBO - Beginning	<u>111,948</u>
NOPEBO - Ending	<u><u>146,924</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
2015	\$ 97,636	\$ 60,573	62.04%	\$ 76,550
2016	100,909	65,510	64.92%	111,948
2017	104,368	69,392	66.49%	146,924

**CITY OF WARRENVILLE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2017**

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**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 advance 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, 2017, 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, 2017**

**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)
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
2017	N/A	N/A	N/A	N/A	N/A	N/A

**Employer Contributions**

Fiscal Year	Employer Contributions	Annual Required Contributions	Percent Contributed
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%
2016	69,392	106,365	65.24%

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

N/A - Not Available

**CITY OF WARRENVILLE, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information  
Schedule of Employer Contributions  
April 30, 2017**

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
2016	\$ 356,679	\$ 356,679	\$ -	\$ 3,181,800	11.21%
2017	355,980	484,033	128,053	3,106,286	15.58%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	27 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	3.75% - 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012).

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, 2017**

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%
2017	859,923	1,173,896	313,973	2,755,019	42.61%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	24 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Salary Increases	5.00%
Investment Rate of Return	7.00%
Retirement Age	50-70
Mortality	RP 2014 projected to 2017

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, 2017**

	12/31/15	12/31/16
Total Pension Liability		
Service Cost	\$ 343,172	335,061
Interest	917,273	979,831
Differences Between Expected and Actual Experience	112,522	164,724
Change of Assumptions	35,968	(56,048)
Benefit Payments, Including Refunds of Member Contributions	(419,635)	(649,632)
	<u>989,300</u>	<u>773,936</u>
Net Change in Total Pension Liability	989,300	773,936
Total Pension Liability - Beginning	12,284,864	13,274,164
	<u>13,274,164</u>	<u>14,048,100</u>
Total Pension Liability - Ending		
Plan Fiduciary Net Position		
Contributions - Employer	\$ 356,679	484,033
Contributions - Members	164,720	139,783
Net Investment Income	55,543	746,501
Benefit Payments, Including Refunds of Member Contributions	(419,635)	(649,632)
Administrative Expense	(215,101)	325,850
	<u>(57,794)</u>	<u>1,046,535</u>
Net Change in Plan Fiduciary Net Position	(57,794)	1,046,535
Plan Net Position - Beginning	11,057,689	10,999,895
	<u>10,999,895</u>	<u>12,046,430</u>
Plan Net Position - Ending		
Employer's Net Pension Liability	<u>\$ 2,274,269</u>	<u>2,001,670</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.87%	85.75%
Covered-Employee Payroll	\$ 3,181,800	3,106,286
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	71.48%	64.44%

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, 2017**

	2015	2016	2017
Total Pension Liability			
Service Cost	\$ 715,618	724,682	712,249
Interest	1,592,450	1,700,825	1,880,277
Differences Between Expected and Actual Experience	(9,602)	(606,763)	208,073
Changes of Assumptions	-	1,581,439	(800,026)
Benefit Payments, Including Refunds of Member Contributions	(663,425)	(837,061)	(836,094)
Net Change in Total Pension Liability	1,635,041	2,563,122	1,164,479
Total Pension Liability - Beginning	23,080,994	24,716,035	27,279,157
Total Pension Liability - Ending	24,716,035	27,279,157	28,443,636
Plan Fiduciary Net Position			
Contributions - Employer	\$ 966,691	1,004,900	1,173,896
Contributions - Members	273,038	264,105	273,581
Net Investment Income	1,134,686	(49,051)	1,454,438
Benefit Payments, Including Refunds of Member Contributions	(663,425)	(837,061)	(836,094)
Administrative Expense	(5,797)	(51,206)	(22,534)
Net Change in Plan Fiduciary Net Position	1,705,193	331,687	2,043,287
Plan Net Position - Beginning	14,934,906	16,640,099	16,971,786
Plan Net Position - Ending	16,640,099	16,971,786	19,015,073
Employer's Net Pension Liability	\$ 8,075,936	10,307,371	9,428,563
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.33%	62.22%	66.85%
Covered-Employee Payroll	\$ 2,815,384	2,764,771	2,755,019
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	286.85%	372.81%	342.23%

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, 2017**

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Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	7.41%
2016	(0.46%)
2017	8.28%

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, 2017**

	Budget		Actual	Variance Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 6,138,332	6,138,332	6,109,657	(28,675)
Intergovernmental	4,004,548	4,004,548	3,866,798	(137,750)
Licenses and Permits	781,703	781,703	523,906	(257,797)
Fines and Forfeits	404,806	404,806	242,996	(161,810)
Investment Income	10,050	10,050	(571)	(10,621)
Miscellaneous	97,040	97,040	148,443	51,403
Total Revenues	<u>11,436,479</u>	<u>11,436,479</u>	<u>10,891,229</u>	<u>(545,250)</u>
Expenditures				
Current				
General Government	3,981,169	3,981,169	3,573,968	(407,201)
Public Safety	5,999,462	5,999,462	5,697,722	(301,740)
Public Works	1,466,146	1,466,146	1,265,233	(200,913)
Culture and Recreation	46,626	46,626	46,044	(582)
Total Expenditures	<u>11,493,403</u>	<u>11,493,403</u>	<u>10,582,967</u>	<u>(910,436)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(56,924)</u>	<u>(56,924)</u>	<u>308,262</u>	<u>365,186</u>
Other Financing Sources (Uses)				
Disposal of Capital Assets	-	-	729	729
Transfers In	220,638	220,638	4,164,635	3,943,997
Transfers Out	(37,000)	(37,000)	(37,000)	-
	<u>183,638</u>	<u>183,638</u>	<u>4,128,364</u>	<u>3,944,726</u>
Net Change in Fund Balance	<u>126,714</u>	<u>126,714</u>	4,436,626	<u>4,309,912</u>
Fund Balance - Beginning			<u>9,266,951</u>	
Fund Balance - Ending			<u>13,703,577</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, 2017**

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	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax	\$ 340,326	340,326	333,053
Investment Income	200	200	2,999
Total Revenues	<u>340,526</u>	<u>340,526</u>	<u>336,052</u>
Expenditures			
Public Works			
Supplies and Services	79,000	79,000	68,829
Maintenance	231,000	215,043	124,288
Total Expenditures	<u>310,000</u>	<u>294,043</u>	<u>193,117</u>
Net Change in Fund Balance	<u>30,526</u>	<u>46,483</u>	142,935
Fund Balance - Beginning			<u>521,982</u>
Fund Balance - Ending			<u><u>664,917</u></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**

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## **GENERAL FUND**

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

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## **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 Fund 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.

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## **CAPITAL PROJECTS FUNDS**

The Capital Projects Funds are used 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**

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## **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.

### **TIF District #4 Fund**

The TIF District #4 Fund is used to account for the incremental property tax revenues received from the City's designated Southwest/Route 59 Corridor TIF District that are restricted to be used for the development of the designated site.

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## **ENTERPRISE FUND**

The 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.

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## **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.

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**CITY OF WARRENVILLE, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual  
For the Fiscal Year Ended April 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance Over (Under)
	Original	Final		
<b>Taxes</b>				
Property Tax				
General Corporate	\$ 1,321,651	1,321,651	1,309,365	(12,286)
Police Protection	357,060	357,060	353,722	(3,338)
FICA	274,787	274,787	272,227	(2,560)
Police Pension	853,135	853,135	823,895	(29,240)
IMRF	181,975	181,975	180,329	(1,646)
Audit	15,806	15,806	15,605	(201)
Non Current	-	-	4	4
Tort and Liability	94,838	94,838	93,880	(958)
Workers' Compensation	60,794	60,794	60,192	(602)
Crossing Guards	36,881	36,881	36,413	(468)
Road and Bridge	157,847	157,847	155,311	(2,536)
Township Road and Bridge	41,382	41,382	48,047	6,665
Personal Property Replacement	46,377	46,377	47,685	1,308
Home Rule Sales	1,613,335	1,613,335	1,750,424	137,089
Amusement	107,787	107,787	107,432	(355)
Food and Beverage	757,999	757,999	636,359	(121,640)
Auto Rental	7,202	7,202	8,373	1,171
Franchise Fees	209,476	209,476	210,394	918
<b>Total Taxes</b>	<b>6,138,332</b>	<b>6,138,332</b>	<b>6,109,657</b>	<b>(28,675)</b>
<b>Intergovernmental</b>				
Income Tax	1,340,280	1,340,280	1,242,056	(98,224)
State Sales Tax	2,354,158	2,354,158	2,271,249	(82,909)
Local Use Tax	308,790	308,790	323,412	14,622
Grants	1,320	1,320	30,081	28,761
<b>Total Intergovernmental</b>	<b>4,004,548</b>	<b>4,004,548</b>	<b>3,866,798</b>	<b>(137,750)</b>

**CITY OF WARRENVILLE, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual - Continued  
For the Fiscal Year Ended April 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance Over (Under)
	Original	Final		
<b>Licenses and Permits</b>				
Liquor Licenses	\$ 48,600	48,600	48,110	(490)
Business Licenses	5,440	5,440	4,590	(850)
Refuse Collection Licenses	5,250	5,250	5,250	-
Dog Licenses	1,200	1,200	1,027	(173)
Other Business Licenses	21,245	21,245	24,440	3,195
Building Permits	206,856	206,856	170,945	(35,911)
Electric Permits	34,236	34,236	19,774	(14,462)
Plumbing Permits	17,487	17,487	13,752	(3,735)
Building Plan Review Fees	89,000	89,000	28,523	(60,477)
Overweight Permit Fees	-	-	6,290	6,290
Other Permits	13,628	13,628	16,751	3,123
Printing Charges	2,200	2,200	1,797	(403)
Re-Inspection Fees	250	250	280	30
Annexation Fees	1,000	1,000	-	(1,000)
Senior Taxi Coupons	200	200	15	(185)
Site Plan Review Fees	58,080	58,080	10,800	(47,280)
Engineer Review and Inspection Fees	41,000	41,000	13,297	(27,703)
Public Hearing Fees	9,600	9,600	6,388	(3,212)
Recording Fees	1,500	1,500	971	(529)
Stormwater Management Fees	57,075	57,075	25,700	(31,375)
Preliminary Consultative Fees	14,000	14,000	4,050	(9,950)
New Elevator and Inspection Fees	16,000	16,000	12,938	(3,062)
Elevator Re-Inspection	-	-	1,519	1,519
Vacant Building Registration	5,400	5,400	2,975	(2,425)
Code Enforcement Adjudication	14,536	14,536	345	(14,191)
False Alarm Calls	3,400	3,400	8,800	5,400
Fingerprinting	5,320	5,320	3,720	(1,600)
Refuse Stickers	109,200	109,200	90,859	(18,341)
<b>Total Licenses and Permits</b>	<b>781,703</b>	<b>781,703</b>	<b>523,906</b>	<b>(257,797)</b>
<b>Fines and Forfeits</b>				
Circuit Court Fines	310,000	310,000	167,190	(142,810)
Parking Fines	15,326	15,326	27,304	11,978
Other Fines and Forfeitures	540	540	1,567	1,027
Administrative Towing Fee	70,900	70,900	40,660	(30,240)

**CITY OF WARRENVILLE, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual - Continued  
For the Fiscal Year Ended April 30, 2017**

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	Budgeted Amounts		Actual Amounts	Variance Over (Under)
	Original	Final		
Fines and Forfeitures - Continued				
Booking Fees	\$ 7,840	7,840	5,930	(1,910)
Penalties	200	200	345	145
Total Fines and Forfeitures	404,806	404,806	242,996	(161,810)
Investment Income	10,050	10,050	(571)	(10,621)
Miscellaneous				
Rental Income	33,878	33,878	31,103	(2,775)
Other	63,162	63,162	117,340	54,178
Total Miscellaneous	97,040	97,040	148,443	51,403
Total Revenues	11,436,479	11,436,479	10,891,229	(545,250)

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**CITY OF WARRENVILLE, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual  
For the Fiscal Year Ended April 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance Over (Under)
	Original	Final		
<b>General Government</b>				
<b>Mayor and Council</b>				
Personnel	\$ 69,758	69,758	69,728	(30)
Supplies and Services	11,451	11,451	6,003	(5,448)
Miscellaneous	6,700	6,700	8,316	1,616
<b>Total Mayor and Council</b>	<b>87,909</b>	<b>87,909</b>	<b>84,047</b>	<b>(3,862)</b>
<b>City Clerk</b>				
Personnel	10,765	10,765	10,765	-
Supplies and Services	50,601	50,601	44,044	(6,557)
Capital	24,000	24,000	22,452	(1,548)
<b>Total City Clerk</b>	<b>85,366</b>	<b>85,366</b>	<b>77,261</b>	<b>(8,105)</b>
<b>Legal</b>				
Supplies and Services	159,700	159,700	150,225	(9,475)
<b>Finance and Information Services</b>				
Personnel	279,327	279,327	276,237	(3,090)
Supplies and Services	137,207	137,207	83,059	(54,148)
Miscellaneous	109,835	109,835	109,870	35
Capital	500	500	847	347
<b>Total Finance and Information Services</b>	<b>526,869</b>	<b>526,869</b>	<b>470,013</b>	<b>(56,856)</b>
<b>Administration</b>				
Personnel	432,328	432,328	387,113	(45,215)
Supplies and Services	110,522	110,522	89,707	(20,815)
Miscellaneous	6,622	6,622	7,588	966
Capital	5,100	5,100	5,495	395
<b>Total Administration</b>	<b>554,572</b>	<b>554,572</b>	<b>489,903</b>	<b>(64,669)</b>
<b>Central Services</b>				
Personnel	914,002	914,002	877,643	(36,359)
Supplies and Services	358,698	358,698	336,304	(22,394)
Maintenance	307,611	307,611	239,985	(67,626)
<b>Total Central Services</b>	<b>1,580,311</b>	<b>1,580,311</b>	<b>1,453,932</b>	<b>(126,379)</b>

**CITY OF WARRENVILLE, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended April 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance Over (Under)
	Original	Final		
General Government - Continued				
Community Development				
Personnel	\$ 791,889	791,889	742,580	(49,309)
Supplies and Services	184,150	184,150	95,239	(88,911)
Maintenance	1,500	1,500	200	(1,300)
Miscellaneous	3,900	3,900	78	(3,822)
Capital	1,000	1,000	8,777	7,777
Total Community Development	982,439	982,439	846,874	(135,565)
Municipal Van				
Personnel	31,767	31,767	31,083	(684)
Supplies and Services	11,976	11,976	10,637	(1,339)
Maintenance	300	300	333	33
Miscellaneous	100	100	-	(100)
Total Municipal Van	44,143	44,143	42,053	(2,090)
Less: Administrative Costs Charged to Other Departments and Funds				
	(40,140)	(40,140)	(40,340)	(200)
Total General Government	3,981,169	3,981,169	3,573,968	(407,201)
Public Safety				
Police Protection				
Personnel	5,215,233	5,215,233	5,037,460	(177,773)
Supplies and Services	610,918	610,918	545,757	(65,161)
Maintenance	81,003	81,003	80,906	(97)
Miscellaneous	9,325	9,325	6,007	(3,318)
Capital	4,299	4,299	2,709	(1,590)
Total Police Protection	5,920,778	5,920,778	5,672,839	(247,939)
EMA				
Personnel	6,459	6,459	6,459	-
Supplies and Services	15,635	15,635	3,767	(11,868)
Maintenance	8,250	8,250	3,767	(4,483)
Miscellaneous	5,500	5,500	50	(5,450)
Capital	31,000	31,000	802	(30,198)
Total EMA	66,844	66,844	14,845	(51,999)

**CITY OF WARRENVILLE, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued  
For the Fiscal Year Ended April 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance Over (Under)
	Original	Final		
Public Safety - Continued				
Police Commission				
Supplies and Services	\$ 11,840	11,840	10,038	(1,802)
Total Public Safety	5,999,462	5,999,462	5,697,722	(301,740)
Public Works				
Streets				
Personnel	733,893	733,893	685,503	(48,390)
Supplies and Services	197,842	197,842	128,226	(69,616)
Maintenance	204,200	204,200	166,612	(37,588)
Miscellaneous	7,000	7,000	5,749	(1,251)
Capital	28,300	28,300	12,179	(16,121)
Total Streets	1,171,235	1,171,235	998,269	(172,966)
Road and Bridge				
Personnel	79,850	79,850	77,875	(1,975)
Buildings and Grounds				
Personnel	98,599	98,599	86,466	(12,133)
Supplies and Services	6,687	6,687	4,853	(1,834)
Maintenance	109,775	109,775	97,770	(12,005)
Total Buildings and Grounds	215,061	215,061	189,089	(25,972)
Total Public Works	1,466,146	1,466,146	1,265,233	(200,913)
Culture and Recreation				
Parks and Recreation				
Supplies and Services	11,300	11,300	3,407	(7,893)
Maintenance	26,590	26,590	31,411	4,821
Miscellaneous	8,736	8,736	10,156	1,420
Capital	-	-	1,070	1,070
Total Culture and Recreation	46,626	46,626	46,044	(582)
Total Expenditures	11,493,403	11,493,403	10,582,967	(910,436)

**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, 2017**

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Intergovernmental			
Grants	\$ -	-	18,636
Fines and Forfeits			
Traffic Impact Fees	25,000	25,000	22,468
Investment Income	7,500	7,500	6,291
Total Revenues	<u>32,500</u>	<u>32,500</u>	<u>47,395</u>
<b>Expenditures</b>			
Capital Outlay			
Supplies and Services	154,000	154,000	12,324
Capital	265,000	265,000	(524)
Total Expenditures	<u>419,000</u>	<u>419,000</u>	<u>11,800</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(386,500)</u>	<u>(386,500)</u>	<u>35,595</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	50,000	50,000	112,112
Transfers Out	-	-	(4,144,793)
	<u>50,000</u>	<u>50,000</u>	<u>(4,032,681)</u>
Net Change in Fund Balance	<u>(336,500)</u>	<u>(336,500)</u>	(3,997,086)
Fund Balance - Beginning			<u>3,997,086</u>
Fund Balance - Ending			<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, 2017**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Telecommunications	\$ 583,075	583,075	545,466
Amusement	161,682	161,682	161,149
Natural Gas	157,221	157,221	134,921
Electric Utility	98,946	98,946	98,925
Local Motor Fuel	540,366	540,366	564,478
Investment Income	2,200	2,200	1,501
Total Revenues	<u>1,543,490</u>	<u>1,543,490</u>	<u>1,506,440</u>
Expenditures			
Capital Outlay			
Supplies and Services	126,700	126,700	123,829
Maintenance	243,000	243,000	240,183
Capital	2,395,199	2,431,674	2,027,862
Total Expenditures	<u>2,764,899</u>	<u>2,801,374</u>	<u>2,391,874</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,221,409)</u>	<u>(1,257,884)</u>	<u>(885,434)</u>
Other Financing Sources			
Disposal of Capital Assets	10,535	10,535	23,845
Transfers In	337,000	337,000	337,000
	<u>347,535</u>	<u>347,535</u>	<u>360,845</u>
Net Change in Fund Balance	<u>(873,874)</u>	<u>(910,349)</u>	(524,589)
Fund Balance - Beginning			<u>1,772,095</u>
Fund Balance - Ending			<u>1,247,506</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, 2017**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property	\$ 3,661	3,661	4,489
Investment Income	-	-	248
Total Revenues	<u>3,661</u>	<u>3,661</u>	<u>4,737</u>
Expenditures			
Economic Development			
Supplies and Services	60,450	60,450	62,831
Capital Outlay			
City Projects	195,700	195,700	35,691
Land Purchases	50,000	50,000	2,000
Total Expenditures	<u>306,150</u>	<u>306,150</u>	<u>100,522</u>
Net Change in Fund Balance	<u>(302,489)</u>	<u>(302,489)</u>	(95,785)
Fund Balance - Beginning			<u>(1,354,135)</u>
Fund Balance - Ending			<u>(1,449,920)</u>

**CITY OF WARRENVILLE, ILLINOIS**

**Nonmajor Governmental Funds**

**Combining Balance Sheet**

**April 30, 2017**

	Special Revenue		Capital	Totals
	Seized Assets	Hotel/ Motel Tax	Projects TIF District #4	
<b>ASSETS</b>				
Cash and Investments	\$ 134,514	865,872	-	1,000,386
Receivables - Net of Allowances				
Property Taxes	-	-	47,729	47,729
Other Taxes	854	75,136	-	75,990
Interest	-	3,015	-	3,015
Due from Other Funds	46,734	-	-	46,734
Total Assets	182,102	944,023	47,729	1,173,854
<b>LIABILITIES</b>				
Accounts Payable	-	45,631	11,430	57,061
Due to Other Funds	-	-	141,244	141,244
Total Liabilities	-	45,631	152,674	198,305
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	-	-	47,729	47,729
Total Liabilities and Deferred Inflows of Resources	-	45,631	200,403	246,034
<b>FUND BALANCES</b>				
Restricted	182,102	-	-	182,102
Committed	-	898,392	-	898,392
Unassigned	-	-	(152,674)	(152,674)
Total Fund Balances	182,102	898,392	(152,674)	927,820
Total Liabilities, Deferred Inflows of Resources and Fund Balance	182,102	944,023	47,729	1,173,854

**CITY OF WARRENVILLE, ILLINOIS**

**Nonmajor Governmental Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Fiscal Year Ended April 30, 2017**

	Special Revenue		Capital Projects	Totals
	Seized Assets	Hotel/ Motel Tax	TIF District #4	
Revenues				
Taxes	\$ -	923,718	-	923,718
Investment Income	40	(415)	-	(375)
Miscellaneous	57,480	-	-	57,480
Total Revenues	<u>57,520</u>	<u>923,303</u>	<u>-</u>	<u>980,823</u>
Expenditures				
Current				
Public Safety	1,124	-	-	1,124
Culture and Recreation	-	320,355	-	320,355
Economic Development	-	-	68,469	68,469
Capital Outlay	-	23,354	22,093	45,447
Total Expenditures	<u>1,124</u>	<u>343,709</u>	<u>90,562</u>	<u>435,395</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	56,396	579,594	(90,562)	545,428
Other Financing (Uses)				
Transfers Out	(8,160)	(361,682)	(62,112)	(431,954)
Net Change in Fund Balances	48,236	217,912	(152,674)	113,474
Fund Balances - Beginning	<u>133,866</u>	<u>680,480</u>	<u>-</u>	<u>814,346</u>
Fund Balances -Ending	<u>182,102</u>	<u>898,392</u>	<u>(152,674)</u>	<u>927,820</u>

**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, 2017**

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	Budget		Actual
	Original	Final	
Revenues			
Investment Income	\$ 40	40	40
Miscellaneous	25,500	25,500	57,480
Total Revenues	25,540	25,540	57,520
Expenditures			
Public Safety			
Supplies and Services	2,200	2,200	1,124
Excess (Deficiency) of Revenues Over (Under) Expenditures	23,340	23,340	56,396
Other Financing (Uses)			
Transfers Out	(8,160)	(8,160)	(8,160)
Net Change in Fund Balance	15,180	15,180	48,236
Fund Balance - Beginning			133,866
Fund Balance - Ending			182,102

**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, 2017**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Hotel/Motel	\$ 950,960	950,960	923,718
Investment Income	1,000	1,000	(415)
Total Revenues	<u>951,960</u>	<u>951,960</u>	<u>923,303</u>
Expenditures			
Culture and Recreation			
Supplies and Services	250,616	250,616	320,355
Capital Outlay			
City Projects	80,000	80,000	23,354
Total Expenditures	<u>330,616</u>	<u>330,616</u>	<u>343,709</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	621,344	621,344	579,594
Other Financing (Uses)			
Transfers Out	<u>(550,000)</u>	<u>(550,000)</u>	<u>(361,682)</u>
Net Change in Fund Balance	<u>71,344</u>	<u>71,344</u>	217,912
Fund Balance - Beginning			<u>680,480</u>
Fund Balance - Ending			<u>898,392</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, 2017**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Water Sales	\$ 920,589	920,589	946,478
Sewer Sales	1,978,578	1,978,578	1,919,149
Meter Sales	11,276	11,276	14,628
Penalties	36,827	36,827	29,058
Miscellaneous	36,798	36,798	16,826
Total Operating Revenues	<u>2,984,068</u>	<u>2,984,068</u>	<u>2,926,139</u>
Operating Expenses			
Operations			
Waterworks	2,702,602	2,719,202	1,917,607
Sewerage	3,167,880	3,167,880	2,274,646
Total Operating Expenses	<u>5,870,482</u>	<u>5,887,082</u>	<u>4,192,253</u>
Operating Income (Loss) Before Depreciation	(2,886,414)	(2,903,014)	(1,266,114)
Depreciation	<u>295,365</u>	<u>295,365</u>	<u>354,926</u>
Operating Income (Loss)	<u>(3,181,779)</u>	<u>(3,198,379)</u>	<u>(1,621,040)</u>
Nonoperating Revenues			
Tap-On Connection Fees	71,367	71,367	136,883
Investment Income	25,425	25,425	6,018
Disposal of Capital Assets	-	-	3,079
Rental Income	334,937	334,937	365,473
	<u>431,729</u>	<u>431,729</u>	<u>511,453</u>
Change in Net Position	<u>(2,750,050)</u>	<u>(2,766,650)</u>	(1,109,587)
Net Position - Beginning			<u>23,479,350</u>
Net Position - Ending			<u>22,369,763</u>

**CITY OF WARRENVILLE, ILLINOIS**

**Water and Sewer - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual  
For the Fiscal Year Ended April 30, 2017**

	Budget		Actual
	Original	Final	
Operating Expenses			
Waterworks			
Personnel			
Salaries	\$ 494,028	494,028	478,817
FICA/Medicare/IMRF	95,102	95,102	201,155
Accrued Sick/Com Time/OPEB	5,530	5,530	6,838
Employee Insurance	88,529	88,529	82,543
Total Personnel	683,189	683,189	769,353
Maintenance			
Building	5,000	5,000	4,230
Water Tower	12,000	12,000	9,045
Equipment	8,000	8,000	18,104
Software	5,221	5,221	6,546
Utility System	59,000	59,000	89,033
Communications	4,100	4,100	3,331
Total Maintenance	93,321	93,321	130,289
Supplies and Services			
General Insurance	29,652	29,652	29,071
Telephone	13,000	13,000	17,297
Utilities	73,000	73,000	79,041
Rental	6,300	6,300	6,828
Travel	1,500	1,500	988
Postage	7,670	7,670	7,519
Printing/Publishing	8,500	8,500	8,283
Liens	150	150	115
Legal and Accounting	1,000	1,000	-
Annual Audit	2,050	2,050	2,050
Engineering	224,800	241,400	207,539
Other Professional Services	43,850	43,850	19,386
J.U.L.I.E.	1,375	1,375	1,109
Education Reimbursement	500	500	48
Dues and Subscriptions	500	500	478
Supplies	1,750	1,750	636
Small Tools	1,200	1,200	52
Uniforms	4,300	4,300	3,208
Gas/Oil	15,000	15,000	7,236

**CITY OF WARRENVILLE, ILLINOIS**

**Water and Sewer - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual - Continued  
For the Fiscal Year Ended April 30, 2017**

	Budget		Actual
	Original	Final	
Operating Expenses - Continued			
Waterworks - Continued			
Supplies and Services - Continued			
Chlorination	\$ 63,500	63,500	40,502
Administrative	20,070	20,070	20,070
Meters	45,000	45,000	35,914
Miscellaneous	1,000	1,000	49
Total Supplies and Services	<u>565,667</u>	<u>582,267</u>	<u>487,419</u>
Capital			
Computer Software	1,000	1,000	-
Water Main Improvements	1,234,000	1,234,000	520,223
Building Improvements	1,000	1,000	-
Capital Operating Costs	59,000	59,000	5,785
Equipment Purchase	65,425	65,425	4,538
Total Capital	<u>1,360,425</u>	<u>1,360,425</u>	<u>530,546</u>
Total Waterworks	<u>2,702,602</u>	<u>2,719,202</u>	<u>1,917,607</u>
Sewerage			
Personnel			
Salaries	375,880	375,880	355,985
FICA/Medicare/IMRF	72,359	72,359	66,968
Employee Insurance	66,113	66,113	59,779
Total Personnel	<u>514,352</u>	<u>514,352</u>	<u>482,732</u>
Maintenance			
Building	2,700	2,700	2,826
Equipment	6,100	6,100	6,816
Software	3,481	3,481	4,781
Grounds	300	300	-
Utility System	10,000	10,000	25,162
Communications	600	600	457
Total Maintenance	<u>23,181</u>	<u>23,181</u>	<u>40,042</u>
Supplies and Services			
General Insurance	25,427	25,427	24,846
Telephone	9,800	9,800	12,219

**CITY OF WARRENVILLE, ILLINOIS**

**Water and Sewer - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual - Continued  
For the Fiscal Year Ended April 30, 2017**

	Budget		Actual
	Original	Final	
Operating Expenses - Continued			
Sewerage - Continued			
Supplies and Services - Continued			
Utilities	\$ 18,500	18,500	20,594
Rental	6,030	6,030	6,037
Travel	1,300	1,300	717
Postage	7,900	7,900	7,519
Printing/Publishing	6,800	6,800	6,401
Liens	200	200	115
Legal	1,000	1,000	-
Annual Audit	2,050	2,050	2,050
Engineering	135,300	135,300	139,705
Other Professional Services	6,550	6,550	9,734
J.U.L.I.E.	1,200	1,200	740
Naperville Sewage Treatment	1,190,000	1,190,000	1,032,071
Dues and Subscriptions	1,600	1,600	1,938
Office Supplies	1,400	1,400	426
Small Tools	720	720	100
Uniforms	2,900	2,900	2,138
Gas/Oil	11,000	11,000	4,824
Administrative	20,070	20,070	20,070
Meters	45,000	45,000	35,914
Overhead Sewer Grant	2,000	2,000	-
Infiltration Analysis	14,400	14,400	11,038
Miscellaneous	300	300	48
Total Supplies and Services	1,511,447	1,511,447	1,339,244
Capital			
Computer Software	500	500	-
Sewer Main Improvements	960,000	960,000	396,975
Capital Operating Costs	98,400	98,400	14,280
Equipment Purchase	60,000	60,000	1,373
Total Capital	1,118,900	1,118,900	412,628
Total Sewerage	3,167,880	3,167,880	2,274,646
Depreciation	295,365	295,365	354,926
Total Operating Expenses	6,165,847	6,182,447	4,547,179

**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, 2017**

	Budget		Actual
	Original	Final	
<b>Additions</b>			
Contributions - Employer	\$ 1,109,923	1,109,923	1,173,896
Contributions - Plan Members	302,588	302,588	273,581
Total Contributions	1,412,511	1,412,511	1,447,477
<b>Investment Income</b>			
Interest Income	1,310,187	1,310,187	563,596
Net Change in Fair Value	-	-	927,662
	1,310,187	1,310,187	1,491,258
Less Investment Expenses	-	-	(36,820)
Net Investment Income	1,310,187	1,310,187	1,454,438
Total Additions	2,722,698	2,722,698	2,901,915
<b>Deductions</b>			
Administration	55,555	55,555	22,534
Benefits and Refunds	801,597	801,597	836,094
Total Deductions	857,152	857,152	858,628
Change in Fiduciary Net Position	1,865,546	1,865,546	2,043,287
<b>Net Position Restricted for Pensions</b>			
Beginning			16,971,786
Ending			19,015,073

## **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, 2017 (Unaudited)**

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**See Following Page**

**CITY OF WARRENVILLE, ILLINOIS**

**Net Position by Component - Last Ten Fiscal Years  
April 30, 2017 (Unaudited)**

	2008	2009	2010	2011
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$ 64,760,369	68,817,707	71,267,517	70,610,196
Restricted	11,805,957	8,700,509	7,286,830	1,476,156
Unrestricted	5,993,439	8,433,433	5,274,837	12,224,134
<b>Total Governmental Activities   Net Position</b>	<b>82,559,765</b>	<b>85,951,649</b>	<b>83,829,184</b>	<b>84,310,486</b>
<b>Business-Type Activities</b>				
Net Investment in Capital Assets	11,041,507	11,975,287	13,845,927	13,649,811
Restricted	-	-	-	9,590,271
Unrestricted	12,210,442	11,655,158	9,817,965	-
<b>Total Business-Type Activities   Net Position</b>	<b>23,251,949</b>	<b>23,630,445</b>	<b>23,663,892</b>	<b>23,240,082</b>
<b>Total Net Position</b>				
Net Investment in Capital Assets	75,801,876	80,792,994	85,113,444	84,260,007
Restricted	11,805,957	8,700,509	7,286,830	11,066,427
Unrestricted	18,203,881	20,088,591	15,092,802	12,224,134
<b>Total Primary Government   Net Position</b>	<b>105,811,714</b>	<b>109,582,094</b>	<b>107,493,076</b>	<b>107,550,568</b>

Data Source: Audited Financial Statements

2012	2013	2014	2015	2016	2017
70,035,401	69,200,158	68,918,115	68,626,021	69,762,205	69,581,965
812,193	705,834	749,557	908,091	655,848	847,019
13,894,169	14,471,337	15,005,512	13,931,459	4,191,620	2,353,176
84,741,763	84,377,329	84,673,184	83,465,571	74,609,673	72,782,160
13,608,173	13,264,609	12,960,880	13,455,467	14,987,341	15,555,469
-	-	9,511,461	-	-	-
9,308,978	9,433,113	-	9,062,458	8,492,009	6,814,294
22,917,151	22,697,722	22,472,341	22,517,925	23,479,350	22,369,763
83,643,574	82,464,767	81,878,995	82,081,488	84,749,546	85,137,434
812,193	705,834	10,261,018	908,091	655,848	847,019
23,203,147	23,904,450	15,005,512	22,993,917	12,683,629	9,167,470
107,658,914	107,075,051	107,145,525	105,983,496	98,089,023	95,151,923

CITY OF WARRENVILLE, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years  
April 30, 2017 (Unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
<b>Governmental Activities</b>										
General Government	\$ 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	3,560,422
Public Safety	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	7,695,403
Public Works	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	3,840,665
Culture and Recreation	238,320	305,409	264,480	297,975	257,500	273,552	257,149	247,069	252,325	366,399
Economic Development	6,874,700	11,306,234	13,426,691	10,031,742	737,277	1,150,690	308,925	92,794	78,592	131,300
Interest	334,821	169,740	3,230	-	-	-	-	-	-	-
Total Governmental Activities Expenses	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	15,594,189
<b>Business-Type Activities</b>										
Water and Sewerage	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	4,547,179
Total Primary Government Expenses	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	20,141,368
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
<b>Charges for Services</b>										
General Government	675,593	595,145	721,489	484,478	489,298	703,633	589,012	797,333	772,344	752,883
Public Safety	304,632	653,468	799,615	626,234	480,071	402,864	411,377	355,654	275,859	255,516
Public Works	173,553	204,757	208,939	162,151	238,082	194,890	199,865	-	-	-
Economic Development	34,975	-	-	-	9,851	191,333	4,365	9,768	28,467	22,468
Operating Grants/Contributions	421,182	455,057	401,498	444,151	384,594	374,459	405,250	480,006	376,306	381,770
Capital Grants/Contributions	-	-	142,498	78,031	129,147	375,090	310,962	62,185	310,452	-
Total Governmental Activities Program Revenue	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	1,412,637
<b>Business-Type Activities</b>										
<b>Charges for Services</b>										
Water and Sewerage	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	3,428,495
Operating Grants/Contributions	-	-	-	-	3,600	7,500	10,875	15,681	14,390	3,079
Capital Grants/Contributions	-	-	317,619	-	-	-	-	-	821,374	-
Total Business-Type Activities Program Revenue	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	3,431,574
Total Primary Government Program Revenue	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	4,844,211

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (Expenses) Revenues										
Governmental Activities	\$ (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)	(14,181,552)
Business-Type Activities	(95,356)	(197,381)	(585,291)	(440,228)	(291,187)	(245,335)	61,173	61,173	974,533	(1,115,605)
Total Net Revenue (Expenses)	<u>(18,855,697)</u>	<u>(22,273,461)</u>	<u>(19,703,678)</u>	<u>(11,015,872)</u>	<u>(11,664,679)</u>	<u>(11,259,800)</u>	<u>(12,806,490)</u>	<u>(12,806,490)</u>	<u>(12,294,038)</u>	<u>(15,297,157)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property and Replacement	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	3,401,164
Sales, Local Use	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	2,594,661
Utility	583,625	579,961	597,460	580,875	697,612	775,737	707,047	269,030	217,864	233,846
Income	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	1,242,056
Other	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	4,697,399
Investment Earnings	1,297,753	786,135	193,355	197,502	89,790	18,806	22,275	57,257	14,578	10,093
Developer Donations	-	-	-	-	-	-	-	-	-	-
Miscellaneous	147,820	45,698	48,815	49,513	144,897	41,110	21,708	150,107	141,807	174,820
Total Governmental Activities	<u>21,193,193</u>	<u>20,761,482</u>	<u>19,953,615</u>	<u>19,599,689</u>	<u>11,006,921</u>	<u>11,009,058</u>	<u>11,310,320</u>	<u>12,097,103</u>	<u>12,288,521</u>	<u>12,354,039</u>
Business-Type Activities										
Investment Earnings	660,919	473,852	230,828	161,481	117,297	71,758	19,954	57,907	19,683	6,018
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	<u>660,919</u>	<u>473,852</u>	<u>230,828</u>	<u>161,481</u>	<u>117,297</u>	<u>71,758</u>	<u>19,954</u>	<u>57,907</u>	<u>19,683</u>	<u>6,018</u>
Total Primary Government	<u>21,854,112</u>	<u>21,235,334</u>	<u>20,184,443</u>	<u>19,761,170</u>	<u>11,124,218</u>	<u>11,080,816</u>	<u>11,330,274</u>	<u>12,155,010</u>	<u>12,308,204</u>	<u>12,360,057</u>
Changes in Net Position										
Governmental Activities	2,432,852	(1,314,598)	835,228	9,024,045	(366,571)	(5,407)	(1,557,343)	(770,560)	(980,050)	(1,827,513)
Business-Type Activities	565,563	276,471	(354,463)	(278,747)	(173,890)	(173,577)	81,127	119,080	994,216	(1,109,587)
Total Primary Government	<u>2,998,415</u>	<u>(1,038,127)</u>	<u>480,765</u>	<u>8,745,298</u>	<u>(540,461)</u>	<u>(178,984)</u>	<u>(1,476,216)</u>	<u>(651,480)</u>	<u>14,166</u>	<u>(2,937,100)</u>

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, 2017 (Unaudited)**

	2008	2009	2010	2011
<b>General Fund</b>				
Reserved	\$ 71,592	138,037	62,769	-
Unreserved	7,568,274	7,532,538	7,558,056	-
Nonspendable	-	-	-	2,279,945
Assigned	-	-	-	-
Unassigned	-	-	-	4,412,572
<b>Total General Fund</b>	<b>7,639,866</b>	<b>7,670,575</b>	<b>7,620,825</b>	<b>6,692,517</b>
<b>All Other Governmental Funds</b>				
Unreserved/Unassigned:				
Special Revenues Funds	-	-	-	(662,451)
Capital Projects Funds	-	-	-	-
Reserved/Restricted, Reported in				
Special Revenue Funds	1,267,597	939,956	939,956	356,720
Debt Service Funds	114,970	-	-	-
Capital Projects Funds	9,957,299	7,709,070	7,709,070	246,449
Permanent Funds	411,407	411,407	411,407	411,407
Committed	-	-	-	461,580
Assigned	-	-	-	6,123,086
Nonspendable	-	-	-	662,451
<b>Total All Other Governmental Funds</b>	<b>11,751,273</b>	<b>9,060,433</b>	<b>9,060,433</b>	<b>7,599,242</b>
<b>Total Governmental Funds</b>	<b>19,391,139</b>	<b>16,731,008</b>	<b>16,681,258</b>	<b>14,291,759</b>

Data Source: Audited Financial Statements

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

2012	2013	2014	2015	2016	2017
-	-	-	-	-	-
-	-	-	-	-	-
2,209,995	2,208,938	2,231,448	2,236,098	2,319,323	2,319,140
-	-	-	-	-	4,144,792
5,168,013	5,873,707	6,401,476	6,746,084	6,947,628	7,239,645
7,378,008	8,082,645	8,632,924	8,982,182	9,266,951	13,703,577
(639,558)	(639,558)	(639,558)	-	-	-
-	(92,625)	(400,237)	-	-	-
508,867	705,834	749,557	908,091	655,848	847,019
-	-	-	-	-	-
303,326	-	-	-	-	-
-	-	-	-	-	-
593,760	223,545	322,603	505,894	680,480	898,392
6,493,380	6,505,423	6,235,623	5,954,672	5,769,181	1,247,506
639,558	732,183	1,049,088	(1,206,432)	(1,354,135)	(1,602,594)
7,899,333	7,434,802	7,317,076	6,162,225	5,751,374	1,390,323
15,277,341	15,517,447	15,950,000	15,144,407	15,018,325	15,093,900

**CITY OF WARRENVILLE, ILLINOIS**

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years  
April 30, 2017 (Unaudited)**

	2008	2009	2010	2011
<b>Revenues</b>				
Property Taxes	\$ 11,679,789	12,096,083	12,372,224	12,556,309
Other Taxes	8,067,831	7,837,759	7,339,223	6,796,365
Intergovernmental	421,182	455,056	439,496	502,182
Licenses, Permits, Fees	746,759	690,142	800,832	506,793
Fines and Forfeits	260,832	598,056	750,831	588,523
Investment Income	1,297,753	786,135	193,355	197,502
Miscellaneous	294,007	206,678	331,693	247,060
<b>Total Revenues</b>	<b>22,768,153</b>	<b>22,669,909</b>	<b>22,227,654</b>	<b>21,394,734</b>
<b>Expenditures</b>				
General Government	1,856,094	2,070,469	1,969,043	2,256,200
Public Safety	4,741,482	5,368,060	5,419,963	5,585,213
Public Works	1,352,330	1,543,883	1,819,645	1,635,169
Culture and Recreation	238,320	305,409	264,480	297,975
Economic Development	8,088,574	11,306,234	13,551,291	10,031,742
Capital Outlay	831,786	1,073,197	1,934,028	705,922
Debt Service				
Principal	3,530,500	3,775,000	760,000	-
Interest and Fiscal Charges	353,851	192,426	12,920	-
<b>Total Expenditures</b>	<b>20,992,937</b>	<b>25,634,678</b>	<b>25,731,370</b>	<b>20,512,221</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,775,216</b>	<b>(2,964,769)</b>	<b>(3,503,716)</b>	<b>882,513</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	100,000	535,532	310,271	451,880
Transfers Out	(100,000)	(535,532)	(310,271)	(451,880)
Disposal of Capital Assets	20,915	304,638	58,042	123,912
	<b>20,915</b>	<b>304,638</b>	<b>58,042</b>	<b>123,912</b>
<b>Net Change in Fund Balances</b>	<b>1,796,131</b>	<b>(2,660,131)</b>	<b>(3,445,674)</b>	<b>1,006,425</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>18.50%</b>	<b>15.48%</b>	<b>3.00%</b>	<b>0.00%</b>

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.

2012	2013	2014	2015	2016	2017
4,032,040	3,875,670	3,286,186	3,319,256	3,280,809	3,353,479
5,669,526	5,904,972	6,725,745	5,492,705	5,472,558	5,189,324
1,566,251	1,913,771	1,976,654	3,812,885	4,269,622	4,218,487
562,692	701,021	586,161	583,533	544,347	523,906
452,982	549,597	371,920	355,887	294,366	265,464
89,790	18,806	22,275	57,257	14,579	10,093
364,683	287,490	262,210	180,526	175,668	205,923
12,737,964	13,251,327	13,231,151	13,802,049	14,051,949	13,766,676
2,249,067	2,376,899	2,324,352	3,596,990	3,804,284	3,573,968
5,772,515	5,775,860	6,000,541	5,680,486	5,643,598	5,698,846
1,616,731	1,537,076	1,800,634	1,592,078	1,495,110	1,458,350
257,500	273,552	257,149	247,069	252,325	366,399
737,277	1,150,690	308,925	92,794	78,592	131,300
1,141,344	1,923,672	2,132,236	3,419,222	2,925,609	2,486,812
-	-	-	-	-	-
-	-	-	-	-	-
11,774,434	13,037,749	12,823,837	14,628,639	14,199,518	13,715,675
963,530	213,578	407,314	(826,590)	(147,569)	51,001
815,493	921,688	538,433	1,250,274	607,638	4,613,747
(815,493)	(921,688)	(538,433)	(1,250,274)	(607,638)	(4,613,747)
22,052	26,528	25,239	20,997	21,487	24,574
22,052	26,528	25,239	20,997	21,487	24,574
985,582	240,106	432,553	(805,593)	(126,082)	75,575
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, 2017 (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
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%
2016	General	271,442,481	26,450	148,567,811	13,437,920	433,474,662	0.7710	1,300,423,986	33.33%
	TIF #3	2,769,240	-	4,355,797	959,700	8,084,737		24,254,211	33.33%
	TIF #4	4,954,150	15,044	2,848,761	80,660	7,898,615		23,695,845	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, 2017 (Unaudited)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>City Direct Rates</b>										
Corporate	\$ 0.2262	0.2306	0.2205	0.2372	0.2575	0.2959	0.3288	0.3400	0.3261	0.3039
IMRF	0.0329	0.0308	0.0295	0.0318	0.0346	0.0396	0.0452	0.0468	0.0449	0.0418
Police Protection	0.0638	0.0670	0.0642	0.0647	0.0703	0.0803	0.0887	0.0918	0.0881	0.0821
Police Pension	0.1240	0.1243	0.1511	0.1739	0.1746	0.1890	0.2061	0.1945	0.2105	0.2114
Audit	0.0047	0.0031	0.0030	0.0031	0.0030	0.0034	0.0038	0.0040	0.0039	0.0037
Tort Judgments/Liability	0.0218	0.0203	0.0194	0.0215	0.0185	0.0212	0.0235	0.0243	0.0234	0.0218
Social Security	0.0520	0.0473	0.0453	0.0488	0.0530	0.0606	0.0682	0.0706	0.0678	0.0632
School Crossing Guards	0.0113	0.0101	0.0097	0.0085	0.0093	0.0103	0.0094	0.0098	0.0091	0.0085
Workers' Compensation	0.0123	0.0114	0.0110	0.0105	0.0118	0.0135	0.0150	0.0156	0.0150	0.0140
Road and Bridge	0.0195	0.0178	0.0174	0.0170	0.0189	0.0218	0.0244	0.0253	0.0219	0.0206
Total Direct Tax Rate	0.5685	0.5627	0.5711	0.6170	0.6515	0.7356	0.8131	0.8227	0.8107	0.7710
<b>Overlapping Rates</b>										
College of DuPage (#502)	0.1888	0.1858	0.2127	0.2349	0.2495	0.2681	0.2956	0.2975	0.2786	0.2626
DuPage Airport Authority	0.0170	0.0160	0.0148	0.0158	0.0169	0.0168	0.0178	0.0196	0.0188	0.0176
DuPage County	0.1651	0.1157	0.1554	0.1659	0.1773	0.1929	0.2040	0.2057	0.1971	0.1848
DuPage County Forest										
Preserve District	0.1187	0.1206	0.1217	0.1321	0.1414	0.1533	0.1657	0.1691	0.1622	0.1514
Unit School District #200	3.7274	3.7218	3.7697	4.0437	4.3812	4.8474	5.2036	5.3915	5.3108	5.1076
Warrenville Fire										
Protection District	0.3863	0.3834	0.3892	0.4199	0.4621	0.5237	0.5745	0.5973	0.5840	0.5572
Warrenville Library	0.2691	0.2659	0.2701	0.2922	0.3224	0.3675	0.4070	0.4247	0.4153	0.3944
Warrenville Park District	0.3489	0.3425	0.3460	0.3984	0.4341	0.4902	0.5393	0.5604	0.5461	0.5131
Winfield Township	0.0855	0.0845	0.0854	0.0924	0.1021	0.1174	0.1318	0.1396	0.1370	0.1275
Winfield Township R&B	0.1125	0.1112	0.1123	0.1215	0.1342	0.1543	0.1730	0.1835	0.1801	0.1676
Total Overlapping Rates	5.4193	5.3474	5.4773	5.9168	6.4212	7.1316	7.7123	7.9889	7.8300	7.4838
Total Tax Rates	5.9878	5.9101	6.0484	6.5338	7.0727	7.8672	8.5254	8.8116	8.6407	8.2548

**CITY OF WARRENVILLE, ILLINOIS**

**Principal Property Tax Payers - Current Tax Levy Year and Nine Tax Levy Years Ago  
April 30, 2017 (Unaudited)**

Taxpayer	Tax Levy Year 2016			Tax Levy Year 2007		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
BIT Investment Seventy Four	\$ 7,798,890	1	1.80%			
Cadence Health	6,007,550	2	1.39%			
MJH Warrenville, LLC	5,999,400	3	1.38%			
Adventus US Realty #5 LP	5,730,290	4	1.32%			
CII Landlord IL LLC	5,360,680	5	1.24%			
R.R. Donnelley & Sons	5,101,740	6	1.18%			
CPX Warrenville OPAG LLC	5,029,740	7	1.16%			
Globe Corporation	4,942,560	8	1.14%			
Liberty/Warrenville LLC	4,775,590	9	1.10%			
Northwestern Mutual Life	4,774,450	10	1.10%			
Warrenville Development Corp				\$ 6,842,260	1	3.07%
American MultiCinema, Inc				3,485,000	2	1.56%
Village Green at Cantera				3,260,950	3	1.46%
AT&T Communications of IL				1,309,710	4	0.59%
Private Citizen				1,074,000	5	0.48%
American National Bank & Trust				872,700	6	0.39%
Cantera Village				729,520	7	0.33%
1st of America				649,770	8	0.29%
Extra Closet				580,320	9	0.26%
Firststar Naper Bank				578,580	10	0.26%
	<u>47,722,000</u>		<u>11.01%</u>	<u>19,382,810</u>		<u>8.69%</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, 2017 (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
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	3,303,980	98.42%	-	3,303,980	98.42%
	TIF #3	4,489	4,489	100.00%	-	4,489	100.00%
2016	General *	3,418,542	-	0.00%	-	-	0.00%
	TIF #3 *	15,807	-	0.00%	-	-	0.00%
	TIF #4 *	47,729	-	0.00%	-	-	0.00%

Data Source: Office of the County Clerk

\*The 2016 levy amounts will be collectible during City Fiscal Year 2018, as such none of this levy is collected during fiscal year 2017.

**CITY OF WARRENVILLE, ILLINOIS**

**Sales Tax Revenue by Category - Last Ten Calendar Years  
April 30, 2017 (Unaudited)**

	2007	2008	2009	2010
General Merchandise	\$ 2,950,986	3,034,049	3,110,309	3,211,974
Food	502,493	508,509	212,310	480,153
Drinking and Eating Places	2,804,804	2,831,363	2,758,943	2,781,235
Apparel	62,336	72,507	72,601	81,438
Furniture and H.H. and Radio	33,380	50,893	-	-
Lumber, Building Hardware	439,378	304,491	151,857	141,291
Automobile and Filling Stations	1,344,656	1,428,105	1,913,456	2,113,858
Drugs and Miscellaneous Retail	737,292	853,477	679,659	1,205,797
Agriculture and All Others	1,942,559	1,728,744	1,496,259	642,785
Manufacturers	718,354	742,446	548,669	601,490
Totals	11,536,238	11,554,584	10,944,063	11,260,021
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, increased that tax to 1.25% in July 2006, and to 2.25% in July 2007.

2011	2012	2013	2014	2015	2016
3,219,110	3,331,080	3,399,980	3,402,088	3,530,429	1,475,697
433,767	423,111	417,704	425,396	908,969	960,754
2,759,916	2,815,753	2,853,404	2,895,031	3,295,386	2,975,178
-	-	99,495	90,200	102,250	93,739
33,211	33,141	-	-	-	-
135,209	132,506	167,632	234,540	261,611	493,421
2,450,161	2,489,266	2,963,861	3,232,307	2,931,586	3,170,251
1,378,819	1,600,895	1,534,410	1,730,646	472,360	1,782,907
735,339	937,574	507,432	984,820	2,163,503	1,082,070
235,659	26,013	298,802	354,254	349,866	191,047
11,381,191	11,789,339	12,242,720	13,349,282	14,015,962	12,225,064
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, 2017 (Unaudited)**

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Fiscal Year	City Direct Rate	State Rate	DuPage County Rate	RTA Rate	County Water Commission Rate
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%	0.00%
2017	2.25%	5.00%	0.25%	0.75%	0.00%

Data Source: City and County Records

**CITY OF WARRENVILLE, ILLINOIS**

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years  
April 30, 2017 (Unaudited)**

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income *	Per Capita *
	Installment Contracts Payable	Tax Increment Revenue Bonds			
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%	-
2017	-	-	-	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, 2017 (Unaudited)**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Actual Taxable Value of Property*	Per Capita
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%	-
2017	-	-	-	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, 2017 (Unaudited)**

Governmental Unit	Gross Debt	Percentage Debt Applicable to City (1)	City's Share of Debt
City of Warrenville	\$ -	100.000 %	\$ -
DuPage County	201,192,189	1.200 %	2,414,306
DuPage County Forest Preserve District	126,373,595	1.200 %	1,516,483
Warrenville Park District	358,191	100.000 %	358,191
Warrenville Library District	1,950,000	95.560 %	1,863,420
Schools			
Elementary District No. 33	33,430,000	63.150 %	21,111,045
High School District No. 94	2,670,000	41.620 %	1,111,254
Community Unit School District No. 200	148,740,000	14.780 %	21,983,772
Community Unit School District No. 203	29,560,000	1.240 %	366,544
College of DuPage No. 502	257,390,000	10.360 %	26,665,604
Total Overlapping Debt	801,663,975		77,390,619
 Total Direct and Overlapping Debt	 801,663,975		 77,390,619

(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, 2017 (Unaudited)**

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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, 2017 (Unaudited)**

Fiscal Year	Tax Increment Revenue Bonds				Coverage
	Tax Increment Revenue	Debt Service			
		Principal	Interest		
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	-	-	-	-	
2017	-	-	-	-	

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, 2017 (Unaudited)

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Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
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%
2017	13,140	467,389,800	35,570	4.30%

Data Source: U.S. Census Data

**CITY OF WARRENVILLE, ILLINOIS**

**Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago  
April 30, 2017 (Unaudited)**

Employer	2017			2008		
	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%			
LSC Communications	331	4	2.52%			
A&H Management Group	265	5	2.02%			
Target	242	6	1.84%	254	6	1.90%
Lifetime Fitness	240	7	1.83%			
Phonak	220	8	1.67%	500	3	3.74%
National Express Corp	180	9	1.37%			
Performance Health Supply	170	10	1.29%			
Navistar				1,450	1	10.85%
BP/Amoco (1)				1,270	2	9.50%
Exelon (1)				374	4	2.80%
AT&T Data Center				280	5	2.10%
Family Foods				71	7	0.53%
Paragon Global				60	8	0.45%
Ed Hoy's International				50	9	0.37%
Plymouth Tube Inc.				37	10	0.28%
	<u>2,811</u>		<u>21.38%</u>	<u>4,346</u>		<u>32.52%</u>

Data Source: City Records

**CITY OF WARRENVILLE, ILLINOIS**

**Full-Time Equivalent City Government Employees by Function/Program - Last Ten Fiscal Years  
April 30, 2017 (Unaudited)**

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Government</b>										
Administration	4.5	4.5	4.5	4.5	4.0	4.0	4.0	4.0	4.0	4.0
Finance	6.0	6.0	6.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0
Community Development	8.0	9.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
<b>Public Safety</b>										
Police										
Officers	35.0	32.0	32.0	34.0	34.0	34.0	35.5	34.5	34.0	34.0
Civilians	17.5	13.5	15.0	16.0	16.0	16.0	16.0	14.0	14.0	14.0
<b>Public Works</b>										
Administration	3.0	4.0	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, 2017 (Unaudited)**

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**See Following Page**

**CITY OF WARRENVILLE, ILLINOIS**

**Operating Indicators by Function/Program - Last Ten Fiscal Years  
April 30, 2017 (Unaudited)**

Function/Program	2008	2009	2010
Public Safety			
Police			
Physical Arrests	1,288	1,879	2,312
Parking Violations	1,461	1,132	871
Traffic Violations	5,818	8,102	9,314
Public Works			
Street Resurfacing (Miles)	1.45	1.30	3.05
Potholes Repairs	25	48	52
Water			
New Connections	24	28	18
Water Main Breaks	16	14	22
Number of Meters in Operation	4,414	4,414	4,498
Number of Properties Connected to Sewer System	4,614	4,614	4,662
Average Daily Pumpage (MGD)	1.53	1.41	1.39
Maximum Daily Pumpage (MGD)	2.10	1.95	1.37
Number of Gallons Pumped (000)	563,962	514,285	499,220

Data Source: Various City Departments

2011	2012	2013	2014	2015	2016	2017
1,755	1,144	2,262	739	713	554	647
750	723	352	997	688	540	574
5,532	5,260	2,688	5,889	4,038	2,838	3,117
1.20	5.10	3.90	3.87	3.87	5.36	3.10
60	48	52	35	35	15	30
12	9	15	22	38	20	15
17	22	28	27	41	15	11
4,484	4,493	4,508	4,492	4,530	4,550	4,565
4,642	4,642	4,657	4,674	4,712	4,732	4,747
1.32	1.26	1.33	1.32	1.34	1.20	1.40
2.06	1.97	2.10	1.98	1.89	2.60	2.29
481,890	461,000	486,276	476,525	438,546	453,967	497,662

**CITY OF WARRENVILLE, ILLINOIS**

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years  
April 30, 2017 (Unaudited)**

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Public Safety</b>										
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	17	17	17	17	17	17	17	17	17	17
<b>Public Works</b>										
Streets (Miles)	51	51	54	54	54	54	54	54	54	54
Streetlights	726	735	741	741	741	741	741	741	741	741
Traffic Signals:	4	4	4	4	4	4	4	4	4	4
<b>Water</b>										
Water Mains (Miles)	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.0	64.4	64.8
Fire Hydrants	702	702	702	702	702	702	702	702	714	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
<b>Wastewater</b>										
Sanitary Sewers (Miles)	58.0	59.0	59.0	59.0	59.0	59.0	59.0	59.0	59.2	59.6
Storm Sewers (Miles)	30.0	30.2	30.4	30.4	30.4	30.4	30.4	30.4	30.7	30.7

Data Source: Various City Departments