

**Comprehensive Annual
Financial Report**



**Year Ended
April 30, 2020**

CITY OF WARRENVILLE, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
APRIL 30, 2020

Prepared by: Department of Finance

Kevin Dahlstrand
Director of Finance

CITY OF WARRENVILLE, ILLINOIS

TABLE OF CONTENTS

PAGE

INTRODUCTORY SECTION

List of Principal Officials	1
Organizational Chart	2
Transmittal Letter	3 - 10
Certificate of Achievement for Excellence in Financial Reporting	11

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	12 - 13
MANAGEMENT'S DISCUSSION AND ANALYSIS	14 - 33
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	34 - 35
Statement of Activities	36 - 37
Fund Financial Statements	
Balance Sheet – Governmental Funds	38 - 39
Reconciliation of Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities	40
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	41 - 42
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities – Governmental Activities	43
Statement of Net Position - Proprietary Funds	44 - 45
Statement of Revenues, Expenditures and Changes in Net Position - Proprietary Funds	46
Statement of Cash Flows - Proprietary Fund	47
Statement of Fiduciary Net Position	48
Statement of Changes on Fiduciary Net Position	49
Notes to Financial Statements	50 - 89

CITY OF WARRENVILLE, ILLINOIS

TABLE OF CONTENTS

	PAGE
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund	90
Police Pension Fund	91
Schedule of Changes in the Employer's Net Pension Liability	
Illinois Municipal Retirement Fund	92 - 93
Police Pension Fund	94 - 95
Schedule of Investment Returns	
Police Pension Fund	96
Schedule of Funding Progress and Employer Contributions	
Other Post-Employment Benefit Plans	97 - 98
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
General Fund	99
Motor Fund Tax	100
OTHER SUPPLEMENTARY INFORMATION	
Schedule of Revenues – Budget and Actual – General Fund	101 - 103
Schedule of Expenditures – Budget and Actual – General Fund	104 - 106
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Capital Maintenance and Replacement - Capital Projects Fund	107
TIF District #3 - Capital Projects Fund	108
TIF District #4 - Capital Projects Fund	109
Combining Balance Sheet – Nonmajor Governmental Funds	110
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	
Nonmajor Governmental Funds	111
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Seized Assets - Special Revenue Fund	112
Hotel Tax - Special Revenue Fund	113
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Water and Sewer - Enterprise Fund	114
Schedule of Operating Expenses - Budget and Actual	
Water and Sewer - Enterprise Fund	115 - 117
Schedule of Changes in Fiduciary Net Position - Budget and Actual	
Police Pension - Pension Trust Fund	118
Consolidated Year-End Financial Report	119
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	120 - 121

CITY OF WARRENVILLE, ILLINOIS

TABLE OF CONTENTS

PAGE

STATISTICAL SECTION (Unaudited)

Net Position by Component – Last Ten Fiscal Years	122 - 123
Changes in Net Position – Last Ten Fiscal Years	124 - 125
Fund Balances of Governmental Funds – Last Ten Fiscal Years	126 - 127
Changes in Fund Balances for Governmental Funds – Last Ten Fiscal Years	128 - 129
Assessed Value and Actual Value of Taxable Property – Last Ten Fiscal Years	130
Direct and Overlapping Property Tax Rates – Last Ten Tax Levy Years	131
Principal Property Tax Payers – Current Tax Levy Year and Nine Tax Levy Years Ago	132
Property Tax Levies and Collections – Last Ten Tax Levy Years	133
Sales Tax Revenue by Category - Last Ten Calendar Years	134 - 135
Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years	136
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	137
Ratio of General Bonded Debt Outstanding – Last Ten Fiscal Years	138
Schedule of Direct and Overlapping Bonded Debt	139
Legal Debt Margin Information	140
Pledged-Revenue Coverage - Last Ten Fiscal Years	141
Demographic and Economic Statistics – Last Ten Fiscal Years	142
Principal Employers – Current Fiscal Year and Nine Fiscal Years Ago	143
Full-Time Equivalent City Governmental Employees by Function/Program – Last Ten Fiscal Years	144
Operating Indicators by Function/Program – Last Ten Fiscal Years	145 - 146
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years	147

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, 2020**

LEGISLATIVE

City Council

David Brummel, Mayor
Emily Larson, City Clerk
Larry Brenner, Treasurer

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

Jeff Krischel Ward 3
Kathryn Davolos Ward 3
Leah Goodman Ward 4
Clare Barry Ward 4

EXECUTIVE

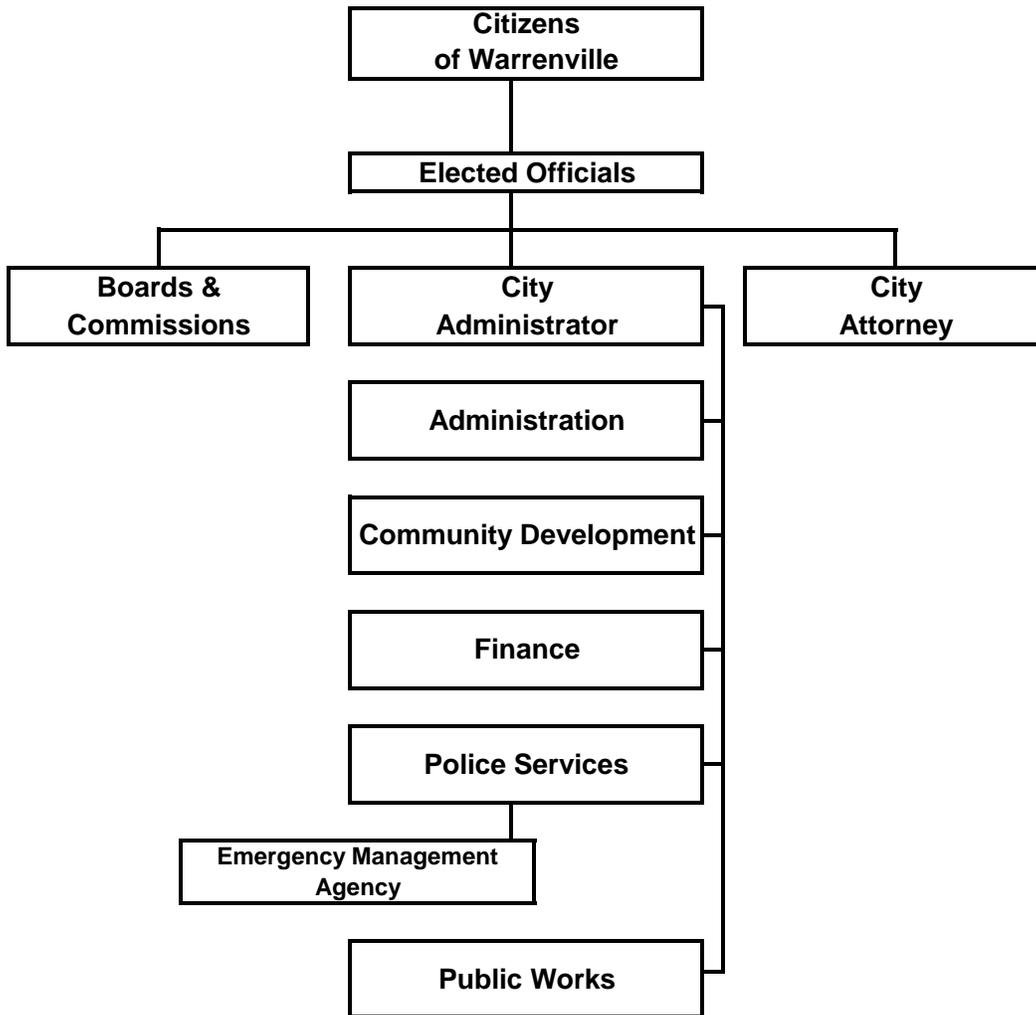
John M. Coakley, City Administrator

Finance Department

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



Organizational Chart





City of Warrenville
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Warrenville, IL 60555

(630) 836 3050 tel
(630) 393 1531 fax
www.warrenville.il.us

September 11, 2020

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, 2020 (FY 2020), 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, and audited by an independent firm of certified public accountants in accordance with generally accepted auditing standards (GAAS).

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 FY 2020 financial statements are free of material misstatements. 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 FY 2020 financial statements for 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 an Illinois home-rule community, by 2004 referendum, as defined by the Illinois Constitution. The City incorporated in 1967, is located in DuPage County, approximately 28 miles west of the City of Chicago, encompasses 5.5 square miles, and has a population of 13,140 (2010 census). The City 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 elected every two years from each ward., The City Clerk and City Treasurer are also 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 the members of City boards and commissions, 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 enacted by 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 all City employees, providing for the enforcement of all laws and ordinances within the City; and to ensure that all contracts are properly administered.

The City provides a full range of services, including police protection, construction and maintenance of City streets and other infrastructure, operation and administration of water and wastewater infrastructure, 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. 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. During the fiscal year, the Budget Officer may authorize transfers of budgeted amounts within a fund, but budget amendments to increase, or decrease, a fund's total budgeted allocation require formal City Council approval.

This comprehensive annual financial report (CAFR) includes budget-to-actual comparisons for each individual governmental fund, for which an annual budget has been adopted. The comparison for the General Fund begins on page 909 as required supplementary information. The budget-to-actual comparisons for governmental fund types begin on page 99.

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 2020. 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's FY 2020 initiatives and accomplishments, listed by area of focus:

ECONOMIC DEVELOPMENT

- Renovation and re-occupancy of former Navistar office building
- Private development projects under construction or beginning construction
 - Stafford Place (Old Town Civic Center TIF #3)
 - River West Apartments (Cantera)
 - Vanguard Apartments (Cantera)
 - Lexington Trace Townhomes (Southwest/Route 59 Corridor TIF #4)
 - Everton Townhomes and Apartments (Southwest/Route 59 Corridor TIF #4)
 - Culvers Restaurant – groundbreaking spring 2020 (TIF #4)
 - Thornton's Gas Station – groundbreaking spring 2020 (TIF #4)
 - Warrenville Horizon senior living complex – groundbreaking spring 2020 (TIF #3)
- Amended Zoning Code to allow and attract one new Adult Use Cannabis business under the 2019 state recreational cannabis law
- Off-site City Sewer and Water Utility Improvements in the Southwest/Route 59 Corridor Tax Increment Financing District (TIF #4) (also listed under Capital Improvement and Infrastructure Enhancements)
- Citgo Property due diligence assessments for potential acquisition for future mixed use development and open space

CAPITAL IMPROVEMENTS & INFRASTRUCTURE ENHANCEMENTS

- Road Projects
 - Warrenville Road reconstruction
 - Diehl Road turn lanes construction (to support existing businesses)
- Conversion of utility atlas data to Geographic Information System (GIS)

- Water, Sanitary and Storm Sewer Projects
 - Private drainage assistance project
 - Virginia storm sewer upgrade construction
 - Fox Hollow lift station rehabilitation
 - Infiltration and Inflow (I/I) Reduction Program for basins 1 & 2
 - Completed water main loop between Everton development and Landon Avenue
 - Completed citywide replacement of water meter transmitter units
- Data collection for the pavement condition survey
- Developed Complete Streets Policy (enhances community walkability)

ENVIRONMENTAL AND GREEN INITIATIVES

- LED Street Light Retrofits
 - 82 Cantera Streetlights
 - 240 Decorative Streetlights
- Streamlined Solar Energy Permitting Process
- Developed a City Tree Inventory and Management Plan

COMMUNITY ENHANCEMENTS

- Aesthetic and other Improvements to Parks, Trails, and Open Spaces
 - Raised and Realigned the Illinois Prairie Path in the Civic Center Area
- Program and Customer Service Related
 - Electronic building permit applications implemented for ease of access
 - Ride DuPage program implemented to expanded transportation access to 24 hours per day, seven days a week
 - Website redesigned to improve accessibility and language options

CITY SERVICES, PERSONNEL, AND FINANCES

- Technology improvements for more efficient service delivery
 - ERP implementation across all departments continued
 - Began collective bargaining negotiations with Patrol Officers, Sergeants, and Public Works Laborers
 - City Website redesign
 - City phone system replacement
- Cost-savings measures
 - Health and Wellness Fair
 - Health insurance verification of dependents
 - 2019 IPRF Highly Enhanced Loss Prevention (HELP) Program

- 2020 Census support to ensure all Warrenville residents are counted
 - Established and Coordinated efforts of local Complete Count Committee
- Obtained Community Development Block Grant (CDBG) funding for Summerlakes Square Courts infrastructure improvements

Public Safety

- Assisted with the formation of the DuPage Metropolitan Emergency Response and Investigations Team (DuPage MERIT)
- Administration and Records Management
 - Implemented new countywide Police Records Management System (RMS)
 - Completed mandatory expungement of cannabis records
- Expanded the use of speed awareness monitoring devices

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 a 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 multi-screen movie theater, a family entertainment venue, gas stations, medical products distributor, as well as a number of smaller local merchants and retailers.

Warrenville remained in a strong financial position at the conclusion of FY 2020, with actual fiscal year end General Fund revenue exceeding fiscal year budgeted revenue by \$1,374,682. This was due in largest part, to building permit and other development permit related revenue sources exceeding budget by a combined \$1,229,000, as a direct result of multiple development projects taking place at various locations throughout the City, which are discussed in the management discussion and analysis portion of the CAFR.

Actual incurred General Fund expenditures fell short of budgeted and anticipated expenditures by almost \$1.8 million dollars. One factor was the continued delay in the implementation of the City’s new D365 enterprise resource planning (ERP) system, which due to a series of individual set-backs, will not “Go-Live” until the end of calendar year 2020. Additionally, budgetary savings occurred in 11 of 13 budgetary departments, where contributing factors included: personnel savings in the Police and Public Works departments due to staffing vacancies and retirements, supply and services savings in multiple departments and other cost centers, including Central Services, Public Works, and Police.

Actual General Fund operational revenue fell short of actual operational expenditures by just \$224,134, thereby utilizing less of the City's General Fund's unassigned fund balance reserves than planned. The General Fund began the year with unassigned fund balance reserves of \$4,125,857, and ended the fiscal year at a net total of \$4,169,726, after adjustments to the fiscal year-end assigned fund balance, to recognize expenditures for larger one-time projects, and the recognition of non-operational investment income for the fiscal year.

As is generally the case for Warrentonville revenue performance, there were varying results for the fiscal year. Home rule sales tax, state shared sales use tax, the aforementioned building permit and development revenue, investment income and miscellaneous sources of income all exceeded budget. On the other hand, property tax collections, state shared sales tax, parking and ordinance violation fine revenue, and food and beverage tax revenue all fell short of budget.

While performance of these various revenue sources, it is very important to note, that the market based revenue sources, such as sales tax and food and beverage tax, were greatly affected by the governmental restrictions put in place in response to the COVID-19 novel corona virus pandemic, which impacted the final two months of the fiscal year, and continued into FY 2021. This is discussed in greater detail in the MD&A section of the CAFR, which begins on page 14.

Overall for FY 2020, General Fund revenue totaled \$12,991,863, an increase of approximately 11.4% from FY 2019, when General Fund revenue totaled \$11,662,756. Finally, unassigned General Fund reserves remained relatively strong at fiscal year-end, exceeding the 25% minimum level established by City Council policy.

Long-term financial planning

As the fiscal year ended, the world was in the midst of the COVID-19 coronavirus global pandemic. The City Council and staff took steps to curtail discretionary spending, significantly reducing infrastructure and capital project spending and postponing large equipment replacement expenditures, while working to assess the magnitude of the impacts on market-based revenues resulting from the Governor's "stay-at-home" orders. It is anticipated that the financial impacts will be felt by the City for a number of years to come, and that the recovery will be a long and drawn out process. The City Council and staff continue to regularly assess and report on the financial impacts, and will adjust the City financial plans accordingly, with the goal of maintaining the staffing and service levels the City residents have come to expect.

During FY 2021, the City will be working on updates to the Capital Maintenance and Replacement Plan (CMRP) for the long-term maintenance and replacement of City capital equipment and infrastructure and updates and refinement of the Enterprise Maintenance and Replacement Plan (EMRP) for the long-term maintenance and replacement of City Water and Sewer enterprise fund capital assets and infrastructure. Finally, City staff is engaged in developing a repayment schedule for inter-fund loans made the two TIF District funds for other City funds, such as the General Fund, in support of TIF district redevelopment activities. The paybacks will commence once the districts begin to generate sufficient incremental property tax revenue in the coming years.

Redevelopment

The Stafford Place development, within the Old Town/Civic Center TIF District #3, is located on the formerly city-owned Musselman Lumber site. The project began in late FY 2019, and continued through FY 2020. By the end of the fiscal year, permits had been issued for 20 of the planned 27 detached single-family homes on the site. When completed, the residential development is projected to have a market value of almost \$12,000,000, yielding \$5,400,000 in gross TIF incremental property tax revenue over the remaining life of TIF District #3.

Within the Southwest/Route 59 Corridor TIF District #4, the 106-townhome Lexington Trace development project was under construction, and is projected to have a market value of about \$35,000,000, yielding \$1,000,000 in annual gross TIF incremental property tax revenue. Also, under construction within TIF District #4, was the Everton development, which will consist of 259 apartments and 89 townhomes when completed, with a projected market value of \$64,000,000.

Outside of the TIF districts, located within Cantera, are the Riverview West development consisting of 364 apartments and 60 townhomes, with a projected market value of approximately \$80,000,000, and the Vanguard Apartments, with 262 apartments and a projected market value of almost \$34,000,000, when completed.

Additional development is addressed in the Management Discussion and Analysis section of the CAFR.

Awards and acknowledgments

The first six items listed below are non-financial awards received by the City during the fiscal year, and are examples of the City's commitment to excellence in all areas of the City.

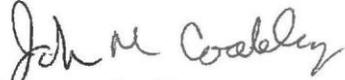
- Recognized as the 2019 Safest City to live in Illinois by *patch.com*
- Recognized in 2020 as the 14th Safest City in Illinois by *alarms.org*
- Bicycle Friendly designation was retained
- Achieved Gold designation in the U.S. Department of Energy's SolSmart program
- Received top honors in America in Bloom National Award Program for towns with populations between 14,000 and 17,000
- The 2019 National Night Out Against Crime again recognized the City of Warrenville for outstanding participation for communities with similar populations by the *National Association of Town Watch*

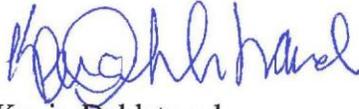
Finally, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended on April 30, 2019. This was the 27th consecutive year the City has received 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 one year. City staff anticipates the 2020 CAFR will again meet the Certificate of Achievement Program's requirements, and as such, it will be submitted to GFOA to determine its eligibility for the award under the certificate program.

Credit and gratitude continue to be extended to the Mayor and City Council for their continued support and on-going dedication to maintaining, supporting, and demanding 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 & Amen, LLP for their detail-oriented approach and willingness to work with Finance Department staff to resolve complex accounting issues when necessary, despite having to work remotely for much of the audit process, due to the ongoing pandemic and social distancing protocols.

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, 2019

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITORS' REPORT

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



INDEPENDENT AUDITORS' REPORT

September 11, 2020

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, 2020, 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 the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Warrenville, Illinois, as of April 30, 2020, 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 a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Lauterbach & Amen, LLP
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, 2020. Readers are encouraged to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, and contained within this report.

Financial Highlights

- The City's net position at April 30, 2020 totaled \$88,309,053, a decrease of about 2.6% from the April 30, 2019 figure of \$90,685,137.
- The City's total assets and deferred outflows exceeded its liabilities/deferred inflows at the end of the fiscal year by \$88,309,053 (*net position*). Of this amount, Unrestricted net position would generally represent available funds, *which* may be used to meet the government's ongoing obligations to citizens and creditors. However, due to the City's ongoing investment in the two TIF districts and the effects of the COVID-19 pandemic on revenues, both of which will be addressed in greater detail later in the document, the City's *unrestricted net position*, finished the fiscal year in a slightly net positive position of just \$74,420.
- The City's total assets across all funds as of April 30, 2020 totaled \$110,828,407, which represents an increase of \$926,364, or less than 1%, from the April 30, 2019, figure of \$109,902,043.
- A total of \$87,537,319 of net position is invested in capital assets, of which \$69,613,811 is for Governmental Activities and another \$17,923,508 is for Business-Type Activities.
- As of the end of FY 2020, the City of Warrenville's governmental funds reported combined ending fund balances of \$10,135,017 a decrease of 18.5%, or \$2,295,264, from the April 30, 2019, total balances of \$12,430,281. Of that total amount, Unassigned fund balances have a net deficit of \$2,226,243, as the result of the combined deficits in TIF# 3 and TIF#4, which total \$5,750,610, while the General Fund has a positive Unassigned fund balance of \$3,524,367.
- Approximately 52%, or \$5,310,831, is in the form of "non-spendable" fund balances, consisting of \$117,068 in pre-paid items, and \$5,193,763 in recognition of advances to the TIF #3 and TIF#4 funds, by the General Fund and the Hotel Tax Fund.
- Additionally, \$697,314 or 7% is *Restricted* specifically for roadway maintenance and public safety, and another \$1,630,315 or approximately 16%, is *Committed* to funding tourism related activities through the City Hotel Tax Fund.
- Finally, a total of \$4,722,800 or about 46% is fund balance designated as *Assigned* for special projects, which are generally one-time large capital expenditures or one-time non-budgeted expenditures for outside professional services for larger projects, and for the on-going maintenance and replacement of existing City capital assets and infrastructure through the City's Capital Maintenance and Replacement Plan (CMRP).
- The City of Warrenville's long-term obligations total \$15,885,889, which represents an increase of \$1,497,632, or approximately 10.4% over the fiscal year 2019 total of \$14,388,257. This figure is comprised of public safety pension liabilities, pension liabilities for general City employees through the Illinois Municipal Retirement Fund (IMRF), compensated absences, and other post-employment obligations (OPEB).

- The largest component of the long-term debt obligations is for the public safety or Police Pension obligations, which make up approximately 70% of the total at \$11,067,026. The second largest component are the Other Post Employment Benefit (OPEB) obligations at \$2,010,580, or about 13%, and the Compensated Absences and IMRF liabilities, make up about 8% each. Finally, a new tax increment financing note payable of \$406,183, is approximately 2.5% of the total. It is important to note that the most significant year-to-year increase was for the Police Pension with an increase of 28.4%, while the most significant decrease occurred in the total IMRF Net Pension Liability, which decreased from \$2,636,900 at the end of FY 2019, to \$1,211,646 at the end of FY 2020. These figures are displayed in the Long-Term Debt section on page 69. Explanations of the pension liability changes are provided later in this document.
- The City continues to have no general obligation debt.

Overview of the Financial Statements

This goal of this management discussion and analysis (MD&A) is to serve as an introduction to the City of Warrenville's basic financial statements. The City of Warrenville's basic financial statements consist of three components:

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

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

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

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

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, *without regard to 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).

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

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

Government-wide financial statements are found on pages 34-37 of this report.

Fund financial statements. A *fund* is a grouping of related accounts or line items, which are 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 are divided into three major categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. 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 impacts 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 Warrentville maintains seven 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, Capital Maintenance and Replacement Fund, and TIF District # 3 Fund, all four of which are considered to be major funds. Data from the other non-major governmental funds are presented in aggregate in a single presentation. Additionally, individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Warrentville adopts an annual budget for all of the governmental funds. A budgetary comparison statement for these funds are presented on pages 99-113 to demonstrate compliance with these budgets.

Basic financial statements for the governmental funds are found on pages 38-43 of this report.

Proprietary funds. The City of Warrentville maintains one proprietary fund, the Water and Sewer Enterprise Fund. *Enterprise funds* are used to report the *business-type activities* in the government-wide financial statements.

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 on pages 44-47 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 the City to support day-to-day programs and activities. The accounting used for fiduciary funds is similar to that used for proprietary funds. The Police Pension Fund is the City's sole fiduciary fund. The basic fiduciary fund financial statements are on pages 48-49 of this report.

Infrastructure Assets. Historically, a government's largest group of assets (infrastructure assets - i.e. roads, bridges, stormsewers, etc.) were not 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 in 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 base structure is capitalized.

Notes to the financial statements. The notes to the financial statements 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 are on pages 50-89 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 is found on pages 90-100 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 are found on pages 101-121 of this report.

Government-wide Financial Analysis

As indicated previously, 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 and deferred outflows exceeded liabilities and deferred inflows by \$86,161,712 at April 30, 2020.

The largest portion, approximately 99%, of the City of Warrenville’s total net position, is invested in capital assets (e.g., land, buildings, infrastructure, vehicles, and other equipment). The City of Warrenville uses these capital assets to provide services to citizens; as a result, 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 any debt must be provided from other sources, since the capital assets themselves cannot be liquidated to cover these liabilities.

**CITY OF WARRENVILLE
NET POSITION**

	Governmental		Business-type		Total		Percentage Change 2020-2019
	Activities		Activities				
	2020	2019	2020	2019	2020	2019	
Current assets:							
Cash and Investments	12,650,981	12,069,164	3,957,396	4,651,336	16,608,377	16,720,500	-0.67%
Advances to/from other funds					-	-	
Receivables - net of allowances	5,487,061	5,605,764	656,910	555,101	6,143,971	6,160,865	-0.27%
Other receivables and assets	(465,614)	88,910	598,171	6,085	132,557	94,995	39.54%
Total current assets:	17,672,428	17,763,838	5,212,477	5,212,522	22,884,905	22,976,360	-0.40%
Noncurrent assets:							
Capital assets							
Nondepreciable capital assets	44,800,151	44,183,438	235,513		45,035,664	44,094,510	2.13%
Depreciable Capital Assets	44,853,290	44,094,510	26,757,476	26,245,001	71,610,766	70,339,511	1.81%
Accumulated Depreciation	(19,633,447)	(19,076,012)	(9,069,481)	(8,743,877)	(28,702,928)	(27,819,889)	3.17%
Total noncurrent assets	70,019,994	69,201,936	17,923,508	17,501,124	87,943,502	86,703,060	1.43%
Total assets	87,692,422	86,965,774	23,135,985	22,713,646	110,828,407	109,679,420	1.05%
Deferred outflows of resources							
Deferred items - IMRF	375,383	1,151,218	145,147	435,858	520,530	1,587,076	-67.20%
Deferred items - Police Pension	3,104,897	1,729,904			3,104,897	1,729,904	79.48%
Deferred items - RBP		33,245		5,374	-	38,619	
Total deferred outflows of resources	3,480,280	2,914,367	145,147	441,232	3,625,427	3,355,599	8.04%
Total assets and deferred outflows	91,172,702	89,880,141	23,281,132	23,154,878	114,453,834	113,035,019	1.26%
Current liabilities:							
Accounts payable and accrued liabilities	3,420,548	1,560,102	320,356	442,632	3,740,904	2,002,734	86.79%
Other current	207,321	192,258	30,769	28,614	238,090	220,872	7.80%
Total current liabilities	3,627,869	1,752,360	351,125	471,246	3,978,994	2,223,606	78.94%
Noncurrent liabilities							
Compensated absences payable	829,286	769,033	123,078	114,458	952,364	883,491	7.80%
Net pension liability - IMRF	873,785	1,912,729	337,861	724,171	1,211,646	2,636,900	-54.05%
Net pension liability - Police Pension	11,067,026	8,620,522			11,067,026	8,620,522	28.38%
Total Other Post Employment Benefits	1,735,280	1,744,488	275,300	281,984	2,010,580	2,026,472	-0.78%
Tax Increment Financing Note Payable	406,183						
Total noncurrent liabilities	14,911,560	13,046,772	736,239	1,120,613	15,647,799	14,167,385	10.45%
Total liabilities	18,539,429	14,799,132	1,087,364	1,591,859	19,626,793	16,390,991	19.74%
Deferred Inflows of Resources							
Unearned property taxes	4,116,863	3,773,455			4,116,863	3,773,455	9.10%
Deferred items - IMRF	568,870	215,787	219,962	81,698	788,832	297,485	
Deferred items - Police Pension	1,612,293	1,887,951			1,612,293	1,887,951	-14.60%
Total deferred inflows of resources	6,298,026	5,877,193	219,962	81,698	6,517,988	5,958,891	9.38%
Total liabilities and deferred inflows	24,837,455	20,676,325	1,307,326	1,673,557	26,144,781	22,349,882	16.98%
Net Position:							
Investment in capital assets	69,613,811	69,201,936	17,923,508	17,501,124	87,537,319	86,703,060	0.96%
Restricted	697,314	1,146,886	-	-	697,314	1,146,886	-39.20%
Unrestricted	(3,975,878)	(1,145,006)	4,050,298	3,980,197	74,420	2,835,191	-97.38%
Total Net Position	66,335,247	69,203,816	21,973,806	21,481,321	88,309,053	90,685,137	-2.62%

As previously noted, *Unrestricted Net Position*, as of April 30, 2020, totaled a positive position of \$74,420. This represents a 97% decrease in *Unrestricted* net position from FY 2019, when the total was a positive \$2,835,191. The decrease is due in large part, to the on-going recognition of interfund advances to the City's two Tax Increment Financing Funds, TIF#3 and TIF #4, with the vast majority of the change for FY 2020 involving TIF #4. Previously all of the interfund advances to the TIF's were from the General Fund, However, FY 2020, added interfund advances to TIF #4, from both the Hotel Tax Fund and the Water and Sewer Fund. In the longer-term, the interfund advances will be returned to the General Fund, Hotel Tax and Water and Sewer Fund and back into *Unrestricted* net position, once the TIF districts begin generating sufficient incremental property tax revenue.

**CITY OF WARRENVILLE
CHANGES IN NET POSITION**

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for Services	\$ 2,717,996	\$ 1,405,245	\$ 4,164,821	\$ 3,412,272	\$ 6,882,817	\$ 4,817,517
Operating Grants and Contributions	503,735	471,454			503,735	471,454
Capital Grants and Contributions	-	-	-	298,286	-	298,286
General revenues:						
Property and Replacement Taxes	3,718,256	3,639,250			3,718,256	3,639,250
Other Taxes	8,204,986	8,510,972			8,204,986	8,510,972
Miscellaneous	631,310	507,212	192,385	146,544	823,695	653,756
Total Revenue	<u>15,776,283</u>	<u>14,534,133</u>	<u>4,357,206</u>	<u>3,857,102</u>	<u>20,133,489</u>	<u>18,391,235</u>
Expenses:						
General Government	5,326,317	5,748,248	-	-	5,326,317	5,748,248
Public Safety	7,430,952	6,498,465	-	-	7,430,952	6,498,465
Public Works	5,205,930	2,908,029	-	-	5,205,930	2,908,029
Culture & Recreation	367,724	307,376	-	-	367,724	307,376
Economic Development	313,929	115,241	-	-	313,929	115,241
Water			1,566,536	1,969,952	1,566,536	1,969,952
Sewer			2,298,186	2,454,685	2,298,186	2,454,685
Total Expenses	<u>18,644,852</u>	<u>15,577,359</u>	<u>3,864,721</u>	<u>4,424,636</u>	<u>22,509,573</u>	<u>20,001,995</u>
Change in Net Position	(2,868,569)	(1,043,226)	492,485	(567,534)	(2,376,084)	(1,610,760)
Net Position - May 1	<u>69,203,816</u>	<u>70,247,042</u>	<u>21,481,321</u>	<u>22,048,855</u>	<u>90,685,137</u>	<u>92,295,897</u>
Net Position - April 30	<u>66,335,247</u>	<u>69,203,816</u>	<u>21,973,806</u>	<u>21,481,321</u>	<u>88,309,053</u>	<u>90,685,137</u>

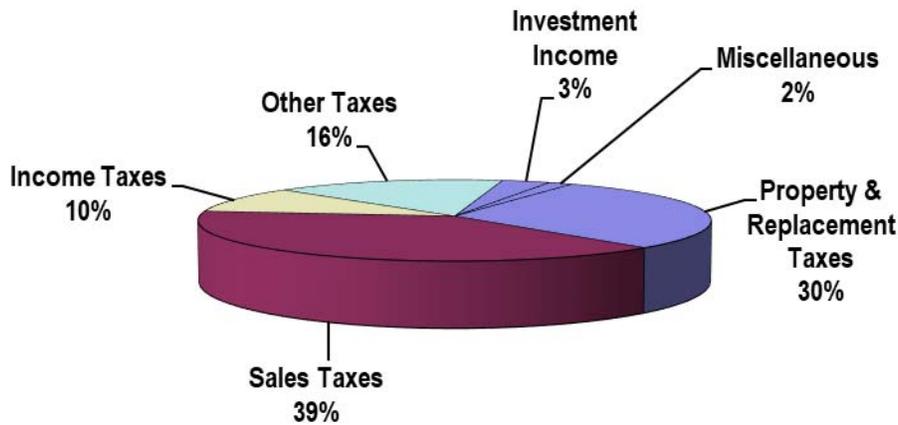
Governmental activities – The net position of the governmental activities decreased by about 4.% or \$2,868,569, from FY 2019 to FY 2020, beginning the year at a figure of \$69,203,816 and ending the fiscal year at \$66,335,247. The decrease in the net position for governmental activities is attributable to a number of factors. The first being the City’s on-going investment in TIF Districts #3 and #4, in which redevelopment activities are occurring, but which are not yet generating sufficient incremental property tax revenue to offset the expenditures being made for activity within the districts. An additional factor is a significant increase in the net pension liability of the Police Pension, which increased by almost 28.4%, from a 2019, figure of \$8,620,522 to a FY 20 figure of \$11,067,026.

Summary Governmental Activities Highlights:

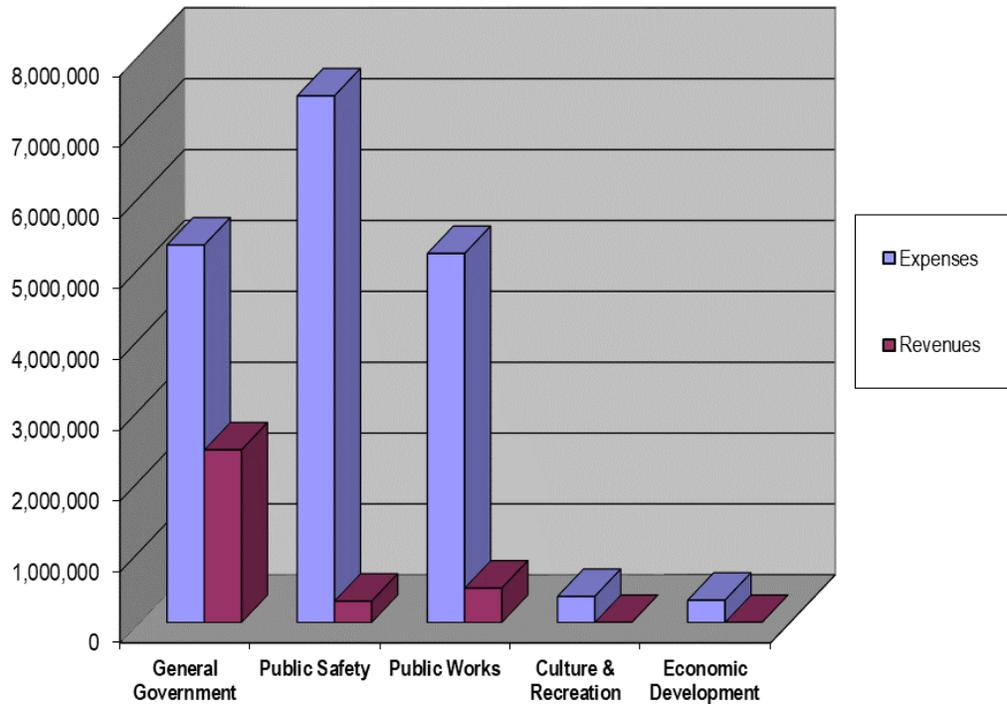
- Expenses totaled \$18,644,852, representing an increase of about 20% from FY 2019, where expenses totaled \$15,577,359.
- Revenue totaled \$15,776,283, an increase of \$1,242,150 or approximately 8.5%, over total FY 2019, revenue of \$14,534,133.

Expenses and Program Revenues

Revenues By Source - Governmental Activities



Expenses and Program Revenues - Governmental Activities



Governmental Activities require tax subsidization, as 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.

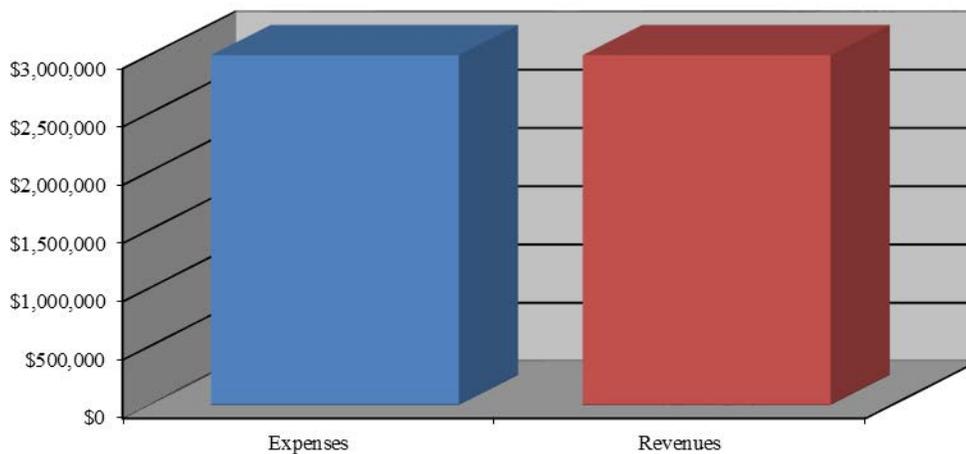
Business-type activities – Net Business-type activities increased the City’s overall net position by \$280,523.

- Charges for services for business-type activities showed an increase of \$752,549, a twenty-two percent increase from FY 2019, with revenue of \$4,164,821 compared with revenue for FY 2019 of \$3,412,272., Water and sewer rates were each increased five-percent.
- Non-operating revenue increased by 85%, attributable almost in the entirety to a 700% increase in tap-on fee revenue from a FY 2019 figure of \$61,100, to a FY 2020 figure of \$500,010. In addition, virtually no year-to-year dollar change in investment income, and just a 3% increase in cell tower rental income, and recognition of a small gain on the sale of disposed capital assets of \$47,831.
- For FY 2020 Water and Sewer operating expenses, excluding depreciation, totaled \$3,471,716, well short of the fiscal year budget figure of \$4,729,478. This represents a decrease of 13.9% from FY 2019, where actual expenditures totaled \$4,031,631.
- Fiscal year total Personnel related costs exceeded budget by \$36,120, but saw year-to-year decreases in FICA, Medicare and IMRF related expenses as well as a decrease in accrued sick, comp time and OPEB long-term liabilities and related expenses. This group of expenses totaled \$434,570, for FY 2019, while for FY 2020 the group totaled \$375,199. The decreases are largely attributable to retirements of long

servicing employees, that were at least partially, expensed in the Water and Sewer Fund.

- Maintenance expenditures exceeded budget by just \$23,319. Maintenance of buildings, equipment, software, and utility systems accounted for this budget variance, and a year-to-year decrease in expenditures in this area was just 5.5%
- Supplies and Services expenditures fell \$246,725 short of budget. With the vast majority of those savings occurring in engineering expenses. Engineering savings came in the areas of the Landon Avenue water main extension project, design engineering for the dead-end cul-de-sacs and the in-flow and infiltration (I&I) reduction program. However, on the other side, expenditures for the fees paid to the City of Naperville for wastewater treatment did exceed budget by almost \$68,000 due to increased volume and related charges.
- Capital Expenditures finished the fiscal year \$1,023,928, under budget, because of the capitalization of assets, made up of equipment purchases including replacement of a sewer line-televising camera and large vehicle replacement.

Expenses and Program Revenues for Waterworks and Sewerage



Financial Analysis of the Government's Funds

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 shows ending total fund balances of \$10,135,017 compared to the FY 2019 total of was \$12,430,281, a decrease of \$2,295,264 or about 18%.

Unassigned fund balance, that portion of fund balances that is available for spending at the City's discretion, finished FY 2019 at a net balance of a negative \$323,275, and decreased an additional \$1,902,968, to a FY 2020

year-end total of a negative \$2,226,243. This will be discussed in the General Fund Highlights section later in this document, with additional discussion in the Hotel Tax fund, TIF #3 fund and TIF #4 fund sections.

A total of \$697,314 of fund balance is *Restricted*, meaning that those balances are not available for new spending, on: 1) maintenance of roadways with state shared motor fuel taxes (\$480,165), and 2) public safety (\$217,149).

An additional \$1,630,315 of total fund balance is *Committed* to tourism related activities in the Hotel Tax fund, while a combined total of \$4,722,800 is *Assigned* fund balance in the General Fund for special projects (\$3,389,890), and in the Capital Maintenance and Replacement Fund for the ongoing maintenance of existing City capital assets (\$1,323,910).

Finally, a total of \$5,310,831 is categorized as *Nonspendable*, meaning that portion of fund balance, which is in a form that cannot be spent. This too will be detailed further in the General Fund Highlights section, as well as the Hotel Tax Fund section of this document.

General Fund Highlights

The General Fund is the general day-to-day operating fund of the City of Warrenville. The total General Fund balance decreased just \$228,134, or about 1.8%, from a FY 2019 fiscal year-end total of \$12,462,222, to a FY 2020 fiscal-year-end total of \$12,234,088.

Comparing total General Fund expenditures to *Unassigned fund balance* can be looked at as a measure of the General Fund's liquidity. At the end of FY 2019, the *Unassigned* fund balance portion of the General Fund stood at \$4,125,857, or 32% of total General Fund expenditures incurred during FY 2019. At the end of FY 2020, the *Unassigned* fund balance totaled \$3,524,367, or about 26.7% of FY 2020 expenditures.

However, additional contributing factors for this change included the following:

- Total General Fund revenue showed a positive budget variance of \$1,374,682, with realized revenue totaling \$12,991,863, compared with fiscal year budgeted revenue of \$11,617,181. Individual revenue sources yielded varying results, and specific factors included:
 - Property tax revenue collections fell short of budget by budget by \$33,216 or about 1.5%
 - State Shared Sales tax revenue fell short of budget by almost 4.4%, or just \$95,688, with total revenue of \$2,086,252, a decrease of just less than 2% from the 2019 total of \$2,128,301.
Home Rule Sales tax revenue exceeded budget by \$28,186, or about 1.7%, with total revenue of \$1,690,374, an increase of \$37,775 or about 2.3% over the FY 2019, total of \$1,652,599.
The combined net negative variance to budget from these two sources totaled just \$67,225.
 - State Shared Income Tax revenue for FY 2020 totaled \$1,292,779, and fell just \$1,511 short of the fiscal year budget figure of \$1,294,290. The actual revenue received represents a per-capita figure of \$98.38.
 - State Shared Use Tax, distributed by the State of Illinois on a per-capita basis, exceeded budget by \$39,312, or 9.1%, with total revenue received of \$469,647, representing a 15.5% increase over the FY 2019, total received of \$406,513. For FY 2019, the per capita figure was about \$30.94, compared to a per capita figure for FY 2020 of \$35.74.
 - Food and Beverage Tax revenue fell 10.1%, or \$67,463 short of budget, with total revenue received of \$599,536, compared to a budget figure of \$666,999. This also represents a decrease of 9.7% from the FY 2019, total of \$664,152. At fiscal year-end, there were forty-eight businesses collecting and remitting this tax, a net decrease of four remitting entities from FY

2019. However, due to the significant restriction placed on businesses by the State of Illinois, in response to the COVID-19 pandemic, a significant number of the restaurants which would normally be collecting and remitting this tax, were either completely closed, or severely limited to carry-out, curbside pick-up or delivery only. As a result, the businesses experienced extremely diminished sales for the second half of March and all of April 2020. This has been a relatively flat source of revenue for a number of years, with very little variation in the annual revenue received, until this fiscal year. This decreased rate of collection has continued into the next fiscal year as well.

- Permitting and fee related revenue, which includes, but is not limited to building, electrical, and plumbing permit revenue, as well as building plan review fees, stormwater management fees, and engineering review and inspection fees exceeded budget by a combined total of \$1,216,100. This is due to a number of largely residential development projects which moved ahead strongly during the year. Development projects underway included Everton, Lexington Trace, Stafford Place, and the Vanguard Apartments, while the Warrenville Horizons senior housing project was in the process of being approved for development
- Fines and Forfeit revenue sources finished the fiscal year with a negative variance of \$93,754, with budgeted revenue of \$392,655, but realized revenue of \$299,081. The negative variance was almost completely the result of shortfall in parking fine and ordinance violations revenue. That shortfall was due to the postponement of administrative adjudication sessions that would have been held during March and April, but the COVID-19 related restrictions caused all of the cases that would have appeared before the local adjudication judge, to not be heard, and as a result, the fines were not assessed and not collected.
- Investment Income revenue posted a second consecutive strong year, with total revenue of \$361,109, after total FY 2019 revenue of \$259,262.
- Finally, miscellaneous revenue exceeded budget by \$47,807, with the recognition of \$35,785 in IPBC Terminal Reserve balance.
- Total General Fund operating expenditures showed a positive budget variance of \$1,794,129, with total expenditures of \$13,216,083, compared with a budgeted total of \$15,010,212.

Positive budget variances, where actual expenditures fell short of budget, occurred in eleven of thirteen departments or cost centers. Some of the budgetary savings are explained by the following:

- Administration Department expenditures were short of budget by \$46,069, with the majority of the savings occurring in the area of personnel costs due to a personnel vacancy for about a quarter of the fiscal year, less overtime than anticipated, and fewer costs for committees and commission meetings which did not occur due to COVID-10 restrictions on the ability to hold meetings
- Finance Department expenditures fell short of budget by \$46,712, as budgeted part-time contractual administrative assistance for departmental coverage during on-going ERP project work was cut short by City Hall closures due to COVID-19 restrictions, and additional savings occurred in diminished sales of yard-waste and refuse stickers, again due to City Hall closures and residential “stay-at-home” orders.
- The Central Services cost center finished the year short of budget by \$695,074. Most of that savings occurring due to on going delays in the implementation of the ERP Project. More specifically, contractual fee payments originally due to the implementer, did not occur because of the on-going project delays.
- Community Development Department expenditures exceeded budget by just \$25,123, with some savings in the area of personnel costs due to vacancies, but those savings were offset by the need

for contractual engineering assistance with the aforementioned development projects.

- Legal services exceeded budget by \$57,571, as the need for additional unanticipated legal work arose in the area of labor relations, and additional general corporate legal work was needed in relation to the large number of development agreements being put in place
- Overall Public Safety, (which includes Police Protection, the Emergency Management Agency (EMA) and the Board of Fire and Police Commissioners) expenditures had a positive variance of \$495,347. Police Protection alone had personnel related cost savings of \$385,181, as the result of position vacancies throughout the department. Additionally, as a cost savings measure, a planned \$250,000 additional contribution the Police Pension, over and above required contributions, was not undertaken. Additional savings of \$94,705 occurred in the category of Supplies and Services, with more than half of that savings occurring in the gasoline expenses due to lower fuel costs.
- Total Public Works expenditures finished the fiscal year \$589,525 under budget. Total Streets Division expenditures had a positive budget variance of \$469,723, with 73%, or a little over \$268,000 of that savings occurring in Supplies and Services expenditures, and an additional \$70,223 in savings occurred in Miscellaneous expenditures as the result of a budgeted projects not taking place.

Other Areas of Note

Capital Maintenance and Replacement Fund

The City's Capital Maintenance and Replacement Fund, is the accounting fund for the City's long-term Capital Maintenance and Replacement Plan, referred to as the CMRP. The CMRP, first developed and adopted in 2011, provides for the long-term maintenance and replacement of the City's existing capital assets, such as rolling stock, and infrastructure. The plan asset schedules are reviewed annually to adjust for replacement cost inflation factors and the updating of the anticipated replacement costs of the infrastructure and vehicles.

The revenue sources in this fund are comprised of telecommunications taxes, amusement taxes, natural gas utility and use taxes, electric utility tax and a local motor fuel tax. The COVID-19 pandemic had a significant negative impact on the revenue in this fund, with the most significant impacts occurring to amusement tax revenue and local motor fuel tax revenue.

Amusement tax revenue is collected from two main sources, a multi-screen theater complex and a family entertainment venue. Due to COVID-19 related social distancing and mandated forced closures, these two venues, along with a smaller remitter, a health club facility, were not open to the public for the latter half of March 2020, and all of April 2020, thereby generating no tax revenue. Due to those closures, amusement tax fell approximately 34% short of budget expectations, with actual revenue received of \$222,708, compared to budgeted revenue of \$335,750. The negative effects of the restrictions on this revenue source will continue well into FY 2021 as well.

Additionally, "stay-at-home" orders issued by the State of Illinois directly affected local motor fuel tax revenue, as many drivers were working remotely, and unable to commute to work. As a result, diminished sales at the five local gas station collection and remitting this tax revenue, led to a 17% negative budget variance, with actual revenue received of \$360,590, while the budgeted revenue expectation was \$436,600.

Smaller budgetary losses were also experienced with the natural gas use and utility tax and the electric utility tax revenue sources, with a combined budgetary loss of 4.6% or \$11,531, with actual combine revenue of \$237,687 and a budget expectation of \$249,038.

On a positive note, telecommunications tax revenue and investment income provided a combined positive revenue

budget variance of \$80,246, or 20%. Telecommunications Tax revenue alone exceeded budget by 11.7% or \$46,575, while investment income far exceeded the budget figure of just \$1,000, with actual revenue of \$34,489. Finally, the fund also receives annual capital subsidies totaling \$337,000 from the Hotel Tax Fund (\$300,000) and the General Fund (\$37,000) in support of the maintenance of the City's assets.

Overall, the revenue in this fund fell about 8.5%, or \$120,519 short of the budget expectation of \$1,419,229 in total revenue, with actual revenue of \$1,298,710.

On the expense side, the CMRP anticipates average annual fund expenditures of \$2,291,932, and for FY 20 the fund expenses totaled just \$2,077,993. This variance actually is in keeping with how the plan has operated since inception, where some years expenses are in excess of the average annual, and other years, such as this fiscal year fall short of the average annual. Expenditures incurred during the fiscal year included the annual road program, which provides for the on-going maintenance and repaving of City roads. This fund also incurred a share of the cost of the Warrenville Road reconstruction project, with an asphalt surface replacing a failed permeable brick paver surface.

The replacement of police department vehicles, and large public works trucks and equipment, is another area of expenditures in this fund. Finally, the expenditures for the year also included the beginning of an HVAC system replacement project at the police department building, the conclusion of which is being delayed until mid to late fiscal 2021, as a cost saving measure in light of the revenue losses anticipated due to global pandemic.

The fund began the fiscal year with a fund balance of \$1,759,107, and completed the fiscal year with a fund balance of \$1,323,910. As noted above, actual fund expenditures totaled \$2,077,993, while actual fund revenues, plus the aforementioned capital subsidies, totaled \$1,642,796, which lead to the use of \$435,197 in fund balance. While the CMRP expenditures annually updated as mentioned above, the revenues are analyzed with greater frequency, and it has been determined, that they are not meeting the original plan expectations. As a result, the complete CMRP is being re-evaluated and will be updated during FY 21.

Motor Fuel Tax Fund

The Motor Fuel Tax (MFT) Fund receives monthly per capita allocations from the State of Illinois, as a share of the motor fuel taxes collected statewide. During FY 20, the City received \$321,966, or \$24.50 per capita, of motor fuel tax allocation from the State. Additionally, as the result of a State capital bill that more than doubled the taxes on motor fuel, municipalities such as the City, began receiving additional funding from the State, in the form of State Transportation Renewal Fund allocations. The City received a total of \$162,922, or approximately \$12.40 per capita, which must be utilized for infrastructure projects. Between these two State sources, the fund received a total of \$484,888, or about \$36.90 per capita. In addition, the fund also achieved \$13,378 in investment income for the year.

Annually, the fund expenditures cover the maintenance of streets, tree removal, streetlights and street signs, and street lighting electricity costs, all of which totaled a little over \$106,000 for FY 20. Additionally, this fund annually covers the cost of road salt for use during the winter. For FY 20 this expenditure was budgeted at a total of \$155,000, but due to the mild winter of 2019-2020, the actual expense incurred totaled just \$50,334. Finally, for FY 20, the MFT fund balance covered a large portion, \$800,000, of the Warrenville Road reconstruction project cost. Expenditures for the fiscal year totaled \$957,388.

The fund balance began the fiscal year at a total of \$939,287 and ended the fiscal year at a balance of \$480,165. The fund balance was purposely accumulated over a number of years, in anticipation of the aforementioned Warrenville Road reconstruction project. As noted above, actual fund expenditures totaled \$2,077,993, while actual fund revenues, plus the aforementioned capital subsidies, totaled \$1,642,796, which lead to the use of \$435,197 in fund balance. While the CMRP expenditures are updated annual as mentioned above, the CMRP

revenues are not meeting the original plan expectations, and as a result, the complete plan is being re-evaluated during FY 2021.

Hotel Tax Fund

The City's Hotel Tax fund has been a pillar of stability among the City's accounting funds for a number of years. However, as FY 2020 concluded, the worldwide COVID-19 pandemic had a significant impact on the six hotels, with travel almost non-existent, with one of the hotels actually completely closing down for a period-of-time. The normally stable hotel tax revenue fell short of budget by 17%, with total revenue of \$738,883, compared to a budget figure of \$886,924.

The hotel tax revenue collected in this fund is utilized to fund community groups and events. Some annually recurring recipients or events are the Fourth of July celebration, Summer Daze festival, and the Warrenville Historical Society Curator position. Other community events or groups can receive funding through a grant program established to fund such events and groups, for events, which may not be recurring events, but new community events. For FY 20, a total of \$198,724 was expended for these types of event.

This fund provides funding for public relation expenditures, such as fees for hosting of the City website, partnership fees for the City association with the DuPage Convention and Visitors Bureau, and city promotional items and local guide maps.

Finally, this fund also provides an annual \$300,000 capital subsidy to the City's Capital Maintenance and Replacement Fund, as previously noted.

This fund began the fiscal year with fund balance totaling \$1,511,198, and ended the fiscal year with a total fund balance of \$1,630,315. However, the Hotel Tax fund advanced \$673,787 to the TIF#4 fund, in support of a redevelopment agreement (RDA) with Lexington Homes, which will be detailed below in the TIF #4 section of this analysis. As a result, that \$676,787 is unavailable for future spending, until the TIF fund can generate enough incremental property tax revenue to repay the advance. This leaves a total of \$956,528, available to be spent in this fund.

TIF #3

Tax Increment Financing District #3 Fund began the fiscal year with a deficit fund balance of \$3,503,991, and finished the fiscal year with "operating" expenditures exceeding revenue by \$99,399, and a year-end deficit fund balance of \$3,603,390.

As was pointed out at the end of last fiscal year, the vast majority of this deficit is the result of land sold pursuant to a redevelopment agreement, at a substantial "loss" from the original 2007 purchase price of \$2,200,000. Under TIF statutes, the TIF #3 fund will utilize incremental property tax revenue generated over the remaining life of the TIF district to make the General Fund whole, for the "loss" taken on that land sale. The site is being redeveloped as the Stafford Place residential development, and while the site is not yet complete it has begun to yield additional, although not yet substantial incremental property tax revenue, which for FY 2020 totaled \$99,231, a 60% increase over the amount received during the prior fiscal year. .

Total Expenditures were budgeted at \$893,595, but finished the fiscal year with just \$198,630 in actual expenditures, leading to a positive fund variance of \$732,345. During the fiscal year, a land purchase and associated environmental and legal costs, budgeted at a total of \$570,000, again did not take place, as was the case at the end of FY 2019, due to on-going negotiations for the City acquisition of the property, which will ultimately require environmental remediation of some leaking underground gasoline storage tanks.

Finally, through the end of FY 2020, the TIF #3 fund has received interfund advances from other City funds totaling \$3,552,635, since inception of the district. Once this TIF fund district is generating sufficient TIF incremental property tax revenue to do so these advances will be repaid.

TIF #4

During FY 2017, 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 Warrenton. The Tax Increment Financing District Fund began fiscal year 2020 with a deficit fund balance of \$945,141, and concluded the fiscal year with a deficit fund balance of \$2,147,220.

The largest contributing factor to the fiscal year deficit, and the overall increase in the fund deficit was from costs associated with a redevelopment agreement (RDA) entered into between the City and Lexington Homes, for development of the Lexington Trace townhomes development located along Route 59 south of Route 56. The RDA required the TIF district to provide reimbursement to Lexington Homes for costs associated with the installation of various site improvements, all of which will be paid back to the City's General Fund, Hotel Tax Fund, and Water and Sewer Fund, once the TIF district generates sufficient incremental property tax revenue to do so. The RDA also requires the City to issue tax increment financing notes totaling \$406,183, which are recognized as long-term debt in the City's governmental activities classification.

Finally, through the end of FY 2020, the TIF #4 fund has received interfund advances from other City funds totaling \$2,512,949, since inception of the district. Once this TIF fund district is generating sufficient TIF incremental property tax revenue to do so these advances will be repaid.

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

The unrestricted net position of the Water and Sewer Fund at the end of FY 2020 totaled \$4,050,298 compared to \$3,980,197 at the end of FY 2019 a negligible year-to-year increase of just \$70,101.

Operating revenue for the year rose by \$302,097, or about 5%, on a year-to-year basis, with total revenue received of \$3,281,491, compared to a prior fiscal-year end of \$2,979,394, and exceeded the FY 2020 budget figure by \$72,227. Water Sales revenue exceeded budget by \$82,638, with total revenue of \$1,086,334 compared to a budget figure of \$1,003,696, and Sewer Sales revenue fell \$60,754 short of the budget figure of \$2,151,235, with realized revenue of \$2,090,481. It is important to note that both water and sewer rates were increased by 5% effective May 1, 2019.

Operating expenses for the year totaled \$3,471,716, compared to an amended budget figure of \$4,729,478, resulting in a positive budget variance of \$1,257,762. Expenditures for the year included the acceleration and completion of multi-year a program, to replace all water meter interrogation units, or MIU's.

Non-operating revenues budgeted at \$565,542 exceed that budget figure by \$510,173, due in largest part to a significant increase in Tap-on Connection Fees revenue as a result of the aforementioned development occurring in TIF #4, and other parts of the City. Additional positive fund variance was added through Investment Income exceeding budget by \$138,024.

Overall the fund's net position increased by \$492,485, from a beginning balance of \$21,481,321 to a fiscal year ending balance of \$21,973,806.

The City's Enterprise Maintenance and Replacement Plan (EMRP) workgroup comprised of City staff and elected officials, is working on an extensive update and revisions to the City's EMRP, for the long-term maintenance of

the Water and Sewer Enterprise Fund fixed assets. A major focus of the workgroup is the establishment of user rates needed over the coming year needed to fund the water and sewer operations and system maintenance costs.

Capital Asset and Debt Administration

Capital assets. The City of Warrenville’s investment in capital assets for its governmental and business type activities as of April 30, 2020, totals \$87,707,989 (net of accumulated depreciation). This investment in capital assets includes buildings and system improvements, vehicles, machinery and equipment, water and sewerage infrastructure, and holdings (including Rights-of-Way), roads, highways, and bridges. The City’s total net investment in capital assets increased by just 1.16%, or \$1,004,929 from FY 2019 to FY 2020.

	City’s Capital Assets						Total Percentage Change 2020-2019
	Governmental Activities		Business-type Activities		Total		
	2020	2019	2020	2019	2020	2019	
Land	\$ 46,369,966	\$44,175,439			\$46,369,966	\$44,175,439	4.97%
Buildings and improvements	11,489,124	11,489,124			11,489,124	11,489,124	0.00%
Streets/Bridges/ Sidewalks	22,320,481	23,470,767			22,320,481	23,470,767	-4.90%
Vehicles & Equipment	3,910,291	3,579,040	1,877,569	1,365,094	5,787,860	4,944,134	17.07%
Stormsewers	5,563,579	5,563,579	-	-	5,563,579	5,563,579	0.00%
Waterworks & Sewerage System	-	-	24,879,907	24,879,907	24,879,907	24,879,907	0.00%
Totals at historical cost	89,653,441	88,277,949	26,757,476	26,245,001	116,410,917	114,522,950	1.65%
Total accumulated depreciation	19,633,447	19,076,013	9,069,481	8,743,877	28,702,928	27,819,890	3.17%
Net capital assets	70,019,994	69,201,936	17,687,995	17,501,124	87,707,989	86,703,060	1.16%

Additional information on the City of Warrenville’s capital assets are found in Note 3, on pages 66-67 of this report.

Capital Improvement Planning. Maintenance of the City’s governmental capital assets, including: roadways,

curbs, gutters and sidewalks, as well as storm sewers, and vehicles, is addressed with the long-range comprehensive capital improvement plan, the Capital Maintenance and Replacement Plan (CMRP). The initial plan, adopted in 2011, 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 as current 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, in May 1, 2013, a local motor fuel, natural gas utility and use, and an electric utility tax were all implemented. The revenue from each of these sources goes solely to fund the CMRP.

The local motor fuel tax revenue for FY 2020 totaled \$360,590, which is almost 12 %, or \$48,526 short of the original CMRP expectation of \$409,116 in annual revenue, and also \$76,010 short of the FY 2020 budget figure of \$436,600. The actual revenue received represents a decrease from the FY 2019 total of about \$49,600, or about 12%. The decrease in this revenue is largely attributable to the effects of the COVID-19 stay at home orders in the final two months of the fiscal year, which had a significant effect on the number of vehicles traveling to or through Warrenville, thereby decreasing the number of stops at the local gasoline stations. Finally, the addition of a Thornton's gas station at Duke Parkway and Route 59, which is currently being developed, will add an additional collection point for this tax, and will bring the number of gas stations in Warrenville to six.

The natural gas utility and use tax revenue for FY 2020 totaled \$144,576, falling short of budget by 4% or \$6,173, and short of the FY 2019 actual of \$156,743, by \$12,167, or 7.8%. Finally, this revenue source is still out performing the original CMRP assumption of \$138,675 in annual revenue. Since implementation of this tax in FY 2014, annual revenue has averaged \$149,959 per fiscal year.

Electric utility tax revenue for the fiscal year totaled \$92,931, falling \$5,358 or 5.4% short of the budget figure of \$98,289, and 4%, below the FY 2019 total of \$96,833. Since implementation of this tax in FY 2014, annual revenue has averaged \$97,250 per fiscal year. This revenue source has annually under-performed the initial CMRP assumption of \$104,600 in annual revenue by about 7%.

Amusement Tax revenue for the fiscal year totaled \$222,708, falling \$113,042 or 34%, short of the FY budget figure of \$335,750. This shortfall is attributable, in largest part, to the closure of all venues collecting and remitting this tax, as the result of the stay-at-home orders made necessary by COVID-19. For February 2020, the City received just 37% of the revenue from this source for February 2019. For March 2020, the City received just 14% of the revenue received from this source for March 2019. Finally, for April 2020, the City received 100% less revenue from this source than it did for April 2019. Since FY 2014, this revenue stream has averaged \$212,961 annually.

Finally, the City's 6% Telecommunication Tax yielded revenue of \$443,416, against fiscal year budgeted revenue of \$396,841, a positive variance of \$46,575, or 11.7%. However, despite the positive budget variance for the current fiscal year, this revenue source continues a downward trend, with a year-to-year decrease of 3%, or \$13,738, down from the FY 2019 total received of \$457,154. Since FY 2014, the CMRP has received annual funding averaging \$522,342, but based upon the current fiscal year, the actual revenue received has fallen by approximately 25%.

City's Long Term Debt
(In millions of dollars)

	Governmental		Business-type		Total		Total
	Activities		Activities				Percentage
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>Change</u> <u>2020-2019</u>
Compensated Absences	1,036,607	961,291	153,847	143,072	1,190,454	1,104,363	7.80%
Net Pension Liability							
IMRF	873,785	1,912,729	337,861	724,171	1,211,646	2,636,900	-54.05%
Police Pension	11,067,026	8,620,522	-	-	11,067,026	8,620,522	28.38%
Net Other Post-Employment Benefit Obligation	1,735,280	1,744,488	275,300	281,984	2,010,580	2,026,472	-0.78%
Tax Increment Financing Note	<u>406,183</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>406,183</u>	<u>-</u>	100.00%
Total Long Term Debt	<u>15,118,881</u>	<u>13,239,030</u>	<u>767,008</u>	<u>1,149,227</u>	<u>15,885,889</u>	<u>14,388,257</u>	10.41%

In keeping with long-standing City Council policy, the City of Warrenville had no outstanding bonded or general obligation debt.

The City's overall long-term debt increased by 10.41% from the FY 2019 year-end figure of \$14,388,257 to a FY 2020 year-end figure of \$15,885,889. In the Governmental activities and Business-type activities, the long-term liability for IMRF decreased by 54.5 %, as calendar 2019 investment returns achieved a gross rate of return of 19.77%, compared to the IMRF investment return assumption of 7.25%, and movement of former employees to the retiree category. On the other side, the net pension liability for the police pension fund increased by 28.38% from \$8,158,920 to \$11,067,026, due to a number of factors, including: decreased net investment income, decreased employer contributions from lower collections and suspension of additional employer contributions beyond the required contributions. Additionally, plan provisions were updated to reflect benefit modifications to Tier II benefits that included changes to the pensionable salary cap, final average salary, and survivor benefit calculations. Finally, as previously mentioned, governmental activities group added \$406,183 in long-term debt, in the form of a tax increment note payable, as discuss above in the TIF #4 section above.

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 is in Note 3 on pages 69-71.

Redevelopment and Economic and Other Factors

The Southwest/Route 59 Corridor TIF District #4 is an important component of the economic development activities within the City. As of February 2020, a number of private developments were under construction, including : Everton, a mixed use development consisting of 89 townhomes, 259 Class "A" apartments and 3.5 acres of commercial development, and "Lexington Trace", consisting of 106 townhomes. These two projects will add approximately 900 new residents to Warrenville. Additionally, after a number of corporate delays, a Thornton's gas station located at Duke Parkway and Route 59, finally began to develop in the spring of 2020, and is projected to be open by Q4 of 2020. Additionally a Culver's Restaurant broke grounds in the spring of 2020, and opened on July 27, 2020, near the intersection of Duke Parkway and Route 59, in conjunction with the Everton development.

Located within TIF District #3, is the *Stafford Place* development by Airhart Construction, will consist of 27 detached single-family homes, with an estimated market value of \$13,400,000. Also located within TIF District #3, at the intersection of Route 56 and Batavia Road will be the Alden Foundation's *Warrenville Horizon Senior Living Community*, 71 units of age-restricted senior living apartments, with a market value of almost \$10,000,000.

Additional development projects will be located within the Cantera area of the community. The *Arden (formerly named Riverview West)* mixed use development will bring 364 Class "A" apartments and 35,000 square feet of commercial space to a 33 acre site, and the *Vanguard* project will bring an additional 242 Class "A" apartments to a 5.5 acre site. These two projects combined have an estimated value of \$54,000,000, and will bring approximately 1,242 new residents to Warrenville.

As previously mentioned, during all of FY 2019 and FY 2020, the City has invested significant staff time and resources on the implementation of a comprehensive Enterprise Resource Planning (ERP) system, to replace the City's current financial software, which has been in place for over twenty years. In November 2019, the City when "live" with accounts payable, and human resources, with the complete implementation of the ERP originally planned to "go-live" in early 2020. However, the "go-live" date has been revised a number of times, and the remaining core financial operations, including financials and payroll are now targeted to be fully implemented by the end of calendar 2020. Additionally, permitting, licensing, utility billing, a citizen portal, and public works related modules are targeted for end of fiscal year 2021 completion.

Global Pandemic

As FY 2020 ended, the global novel coronavirus pandemic, COVID-19, had a major impact on the City's operations and finances, particularly in the final two months of the fiscal year, and continuing into early FY 2021. "Stay-at-home" restrictions imposed by the State of Illinois, lead to the closure of all City facilities to public access, for the last half of March, all of April and May, the first half of June, and a partial reopening on June 15, until a full reopening, with social distancing restrictions in place, occurred on Monday July 20, 2020. The effects of the pandemic will have long-lasting effects on the City's financial outlook into the coming fiscal years as well

The State "stay-at-home" orders negatively effected market based revenue streams such as, the City's amusement tax, sales related taxes including the City's local food and beverage tax, local motor fuel tax, as well as the City's hotel tax, are all being negatively impacted.

Examples of the immediate impacts include the temporary closure of all amusement facilities located within the City, including a theater multiplex, family entertainment center, and fitness center. Recreational and business travel all but ended, which lead to significantly diminished occupancy levels at five of the six hotels located within the City, and a temporary closure of the sixth hotel. All restaurants operating within the City were either limited to curbside pick-up, carry out, or delivery only, with no on-site consumption allowed. Finally, because many businesses were forced to have their workforces working remotely from home, it meant that workers

weren't driving to work, leading to greatly decreased gasoline sales, and a resulting decrease in state shared and local motor fuel tax revenue.

Given these severe, but necessary restrictions, these businesses, all of which were generating the collection of various taxes, such as: the City amusement tax, City hotel tax, City food and beverage tax, and state shared sales and home rule sales taxes, were suddenly collecting and remitting greatly diminished or no taxes at all.

As FY 2021, began, the City, significantly scaled back planned capital expenditures on infrastructure projects, postponed planned capital expenditures for equipment replacements, and postponed planned non-represented staff salary increases, maybe indefinitely, and is working towards similar actions with collectively bargained represented employee groups.

As of mid-August, 2020, it is anticipated that the City could lose approximately \$2.4 million in revenue, across all funds, from these various market-based revenue sources by the end of FY 2021, with more than half of that loss projected to occur in the City's General Fund, the main operating fund for the City.

City staff is conducting regular and on-going assessments of the revenue loss impacts, and how the loses of the aforementioned revenue could lead to the scaling back of planned City expenditures in all areas, including capital expenditures

Requests for Information

The purpose of this financial report is 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, 2020**

See Following Page

CITY OF WARRENVILLE, ILLINOIS

**Statement of Net Position
April 30, 2020**

	Primary Government		
	Governmental Activities	Business- Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 12,650,981	3,957,396	16,608,377
Receivables - Net of Allowances	5,487,061	656,910	6,143,971
Internal Balances	(582,682)	582,682	-
Prepays	117,068	15,489	132,557
Total Current Assets	17,672,428	5,212,477	22,884,905
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	44,800,151	235,513	45,035,664
Depreciable Capital Assets	44,853,290	26,757,476	71,610,766
Accumulated Depreciation	(19,633,447)	(9,069,481)	(28,702,928)
Total Noncurrent Assets	70,019,994	17,923,508	87,943,502
Total Assets	87,692,422	23,135,985	110,828,407
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	375,383	145,147	520,530
Deferred Items - Police Pension	3,104,897	-	3,104,897
Total Deferred Outflows of Resources	3,480,280	145,147	3,625,427
Total Assets and Deferred Outflows of Resources	91,172,702	23,281,132	114,453,834

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

	Primary Government		
	Governmental Activities	Business- Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 970,952	210,648	1,181,600
Retainage Payable	157,461	23,551	181,012
Accrued Payroll	436,117	53,432	489,549
Deposits Payable	249,006	32,617	281,623
Other Payables	1,607,012	108	1,607,120
Current Portion of Long-Term Debt	207,321	30,769	238,090
Total Current Liabilities	3,627,869	351,125	3,978,994
Noncurrent Liabilities			
Compensated Absences Payable	829,286	123,078	952,364
Net Pension Liability - IMRF	873,785	337,861	1,211,646
Net Pension Liability - Police Pension	11,067,026	-	11,067,026
Total OPEB Liability - RBP	1,735,280	275,300	2,010,580
Tax Increment Financing Note Payable	406,183	-	406,183
Total Noncurrent Liabilities	14,911,560	736,239	15,647,799
Total Liabilities	18,539,429	1,087,364	19,626,793
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	4,116,863	-	4,116,863
Deferred Items - IMRF	568,870	219,962	788,832
Deferred Items - Police Pension	1,612,293	-	1,612,293
Total Deferred Inflows of Resources	6,298,026	219,962	6,517,988
Total Liabilities and Deferred Inflows of Resources	24,837,455	1,307,326	26,144,781
NET POSITION			
Investment in Capital Assets	69,613,811	17,923,508	87,537,319
Restricted - Maintenance of Roadways	480,165	-	480,165
Restricted - Seized Assets	217,149	-	217,149
Unrestricted (Deficit)	(3,975,878)	4,050,298	74,420
Total Net Position	66,335,247	21,973,806	88,309,053

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, 2020**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/Contributions	Capital Grants/Contributions
Governmental Activities				
General Government	\$ 5,326,317	2,416,855	18,847	-
Public Safety	7,430,952	301,141	-	-
Public Works	5,205,930	-	484,888	-
Culture and Recreation	367,724	-	-	-
Economic Development	313,929	-	-	-
Total Governmental Activities	18,644,852	2,717,996	503,735	-
Business-Type Activities				
Water and Sewer	3,864,721	4,164,821	-	-
Total Primary Government	22,509,573	6,882,817	503,735	-

- General Revenues
- Taxes
- Property
- 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
- Replacement Taxes
- Local Use Tax
- Investment Income
- Miscellaneous

Change in Net Position

Net Position - Beginning as Restated

Net Position - Ending

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

Net (Expenses)/Revenues		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
(2,890,615)	-	(2,890,615)
(7,129,811)	-	(7,129,811)
(4,721,042)	-	(4,721,042)
(367,724)	-	(367,724)
(313,929)	-	(313,929)
(15,423,121)	-	(15,423,121)
-	300,100	300,100
(15,423,121)	300,100	(15,123,021)
3,718,256	-	3,718,256
1,690,374	-	1,690,374
443,416	-	443,416
738,883	-	738,883
222,708	-	222,708
599,536	-	599,536
144,576	-	144,576
92,931	-	92,931
360,590	-	360,590
10,973	-	10,973
1,292,779	-	1,292,779
2,086,252	-	2,086,252
52,321	-	52,321
469,647	-	469,647
421,435	144,554	565,989
209,875	47,831	257,706
12,554,552	192,385	12,746,937
(2,868,569)	492,485	(2,376,084)
69,203,816	21,481,321	90,685,137
66,335,247	21,973,806	88,309,053

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

CITY OF WARRENVILLE, ILLINOIS

**Balance Sheet - Governmental Funds
April 30, 2020**

	General	Special Revenue Motor Fuel Tax
ASSETS		
Cash and Investments	\$ 8,923,169	445,597
Receivables - Net of Allowances		
Property Taxes	3,698,240	-
Other Taxes	1,105,270	38,972
Interest	65,843	-
Due from Other Funds	-	-
Advances to Other Funds	5,193,763	-
Prepays	117,068	-
	<u>19,103,353</u>	<u>484,569</u>
LIABILITIES		
Accounts Payable	328,310	4,404
Retainage Payable	102,181	-
Accrued Payroll	436,117	-
Deposits Payable	222,791	-
Other Payables	1,607,012	-
Due to Other Funds	474,614	-
Advances from Other Funds	-	-
Total Liabilities	<u>3,171,025</u>	<u>4,404</u>
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	3,698,240	-
Total Liabilities and Deferred Inflows of Resources	<u>6,869,265</u>	<u>4,404</u>
FUND BALANCES		
Nonspendable	5,310,831	-
Restricted	-	480,165
Committed	-	-
Assigned	3,398,890	-
Unassigned	3,524,367	-
Total Fund Balances	<u>12,234,088</u>	<u>480,165</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>19,103,353</u>	<u>484,569</u>

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

Capital Projects				
Capital Maintenance and Replacement	TIF District #3	TIF District #4	Nonmajor	Totals
1,770,658	-	371,649	1,139,908	12,650,981
-	214,091	204,532	-	4,116,863
142,518	-	-	8,001	1,294,761
7,060	-	-	2,534	75,437
-	-	-	78,254	78,254
-	-	-	673,787	5,867,550
-	-	-	-	117,068
1,920,236	214,091	576,181	1,902,484	24,200,914
516,046	50,755	4,705	55,020	959,240
55,280	-	-	-	157,461
-	-	-	-	436,117
25,000	-	1,215	-	249,006
-	-	-	-	1,607,012
-	-	-	-	474,614
-	3,552,635	2,512,949	-	6,065,584
596,326	3,603,390	2,518,869	55,020	9,949,034
-	214,091	204,532	-	4,116,863
596,326	3,817,481	2,723,401	55,020	14,065,897
-	-	-	-	5,310,831
-	-	-	217,149	697,314
-	-	-	1,630,315	1,630,315
1,323,910	-	-	-	4,722,800
-	(3,603,390)	(2,147,220)	-	(2,226,243)
1,323,910	(3,603,390)	(2,147,220)	1,847,464	10,135,017
1,920,236	214,091	576,181	1,902,484	24,200,914

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, 2020

Total Governmental Fund Balances	\$ 10,135,017
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.	70,019,994
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	(193,487)
Deferred Items - Police Pension	1,492,604
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(1,036,607)
Net Pension Liability - IMRF	(873,785)
Net Pension Liability - Police Pension	(11,067,026)
Total OPEB Liability - RBP	(1,735,280)
Tax Increment Financing Note Payable	<u>(406,183)</u>
Net Position of Governmental Activities	<u>66,335,247</u>

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, 2020**

	General	Special Revenue Motor Fuel Tax
Revenues		
Taxes	\$ 5,803,692	-
Intergovernmental	3,919,846	484,888
Licenses and Permits	2,418,915	-
Fines and Forfeits	299,081	-
Investment Income	361,109	13,378
Miscellaneous	189,220	-
Total Revenues	12,991,863	498,266
Expenditures		
Current		
General Government	4,982,555	-
Public Safety	6,090,641	-
Public Works	2,084,502	157,238
Culture and Recreation	58,385	-
Economic Development	-	-
Capital Outlay	-	800,150
Total Expenditures	13,216,083	957,388
Excess (Deficiency) of Revenues Over (Under) Expenditures	(224,220)	(459,122)
Other Financing Sources (Uses)		
Debt Issuance	-	-
Disposal of Capital Assets	2,117	-
Transfers In	30,969	-
Transfers Out	(37,000)	-
	(3,914)	-
Net Change in Fund Balances	(228,134)	(459,122)
Fund Balances - Beginning	12,462,222	939,287
Fund Balances - Ending	12,234,088	480,165

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

Capital Projects				
Capital Maintenance and Replacement	TIF District #3	TIF District #4	Nonmajor	Totals
1,264,221	99,231	116,216	738,883	8,022,243
-	-	-	-	4,404,734
-	-	-	-	2,418,915
-	-	-	-	299,081
34,489	-	-	12,459	421,435
-	-	-	20,655	209,875
1,298,710	99,231	116,216	771,997	15,776,283
-	-	-	-	4,982,555
-	-	-	3,022	6,093,663
-	-	-	-	2,241,740
-	-	-	265,816	324,201
-	132,885	16,619	-	149,504
2,077,993	65,745	1,707,859	43,523	4,695,270
2,077,993	198,630	1,724,478	312,361	18,486,933
(779,283)	(99,399)	(1,608,262)	459,636	(2,710,650)
-	-	406,183	-	406,183
7,086	-	-	-	9,203
337,000	-	-	-	367,969
-	-	-	(330,969)	(367,969)
344,086	-	406,183	(330,969)	415,386
(435,197)	(99,399)	(1,202,079)	128,667	(2,295,264)
1,759,107	(3,503,991)	(945,141)	1,718,797	12,430,281
1,323,910	(3,603,390)	(2,147,220)	1,847,464	10,135,017

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, 2020

Net Change in Fund Balances - Total Governmental Funds \$ (2,295,264)

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	3,551,746
Depreciation Expense	(944,995)
Disposals - Cost	(2,176,254)
Disposals - Accumulated Depreciation	387,561

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

Change in Deferred Items - IMRF	(1,128,918)
Change in Deferred Items - Police Pension	1,650,651
Change in Deferred Items - RBP	(33,245)

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

Changes in Compensated Absences Payable	(75,316)
Changes in Net Pension Liability - IMRF	1,038,944
Changes in Net Pension Liability - Police	(2,446,504)
Changes in Total OPEB Liability - RBP	9,208
Issuance of Debt	(406,183)

Changes in Net Position of Governmental Activities (2,868,569)

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

CITY OF WARRENVILLE, ILLINOIS

**Statement of Net Position - Proprietary Funds
April 30, 2020**

	<u>Business-Type Activities</u> <u>Water and Sewer</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 3,957,396
Receivables - Net of Allowances	
Accounts	624,367
Accrued Interest	32,543
Due from Other Funds	384,648
Advances to Other Funds	198,034
Prepays	15,489
Total Current Assets	<u>5,212,477</u>
Noncurrent Assets	
Capital Assets	
Nondepreciable	235,513
Depreciable Capital Assets	26,757,476
Accumulated Depreciation	<u>(9,069,481)</u>
Total Noncurrent Assets	<u>17,923,508</u>
Total Assets	<u>23,135,985</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	<u>145,147</u>
Total Assets and Deferred Outflows of Resources	<u>23,281,132</u>

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

	Business-Type Activities <u>Water and Sewer</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 210,648
Accrued Payroll	53,432
Retainage Payable	23,551
Deposits Payable	32,617
Other Payables	108
Compensated Absences Payable	30,769
Total Current Liabilities	<u>351,125</u>
Noncurrent Liabilities	
Compensated Absences Payable	123,078
Net Pension Liability - IMRF	337,861
Total OPEB Liability - RBP	275,300
Total Noncurrent Liabilities	<u>736,239</u>
Total Liabilities	1,087,364
DEFERRED INFLOWS OF RESOURCES	
Deferred Items - IMRF	<u>219,962</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,307,326</u>
NET POSITION	
Investment in Capital Assets	17,923,508
Unrestricted	<u>4,050,298</u>
Total Net Position	<u><u>21,973,806</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, 2020**

	<u>Business-Type Activities</u> <u>Water and Sewer</u>
Operating Revenues	
Charges for Services	\$ 3,275,662
Miscellaneous	5,829
Total Operating Revenues	<u>3,281,491</u>
Operating Expenses Excluding Depreciation Operations	<u>3,471,716</u>
Operating (Loss) Before Depreciation	(190,225)
Depreciation	<u>393,005</u>
Operating (Loss)	<u>(583,230)</u>
Nonoperating Revenues	
Disposal of Capital Asset	47,831
Tap-On Connection Fees	500,010
Investment Income	144,554
Rental Income	383,320
	<u>1,075,715</u>
Change in Net Position	492,485
Net Position - Beginning	<u>21,481,321</u>
Net Position - Ending	<u><u>21,973,806</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, 2020**

	<u>Business-Type Activities</u> <u>Water and Sewer</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 3,470,926
Payments to Employees	(984,134)
Payments to Suppliers	(2,557,728)
	<u>(70,936)</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(815,389)
Disposal of Capital Assets	47,831
	<u>(767,558)</u>
Cash Flows from Investing Activities	
Interest Received	<u>144,554</u>
Net Change in Cash and Cash Equivalents	(693,940)
Cash and Cash Equivalents - Beginning	<u>4,651,336</u>
Cash and Cash Equivalents - Ending	<u><u>3,957,396</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(583,230)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	393,005
Other Income	883,330
Other Expense	41,355
(Increase) Decrease in Current Assets	(693,895)
Increase (Decrease) in Current Liabilities	(111,501)
	<u>(70,936)</u>
Net Cash Provided by Operating Activities	<u><u>(70,936)</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, 2020

	<u>Pension Trust Police Pension</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,894,635
Investments, at Fair Value	
U.S. Treasury Obligations	250,020
U.S. Agency Obligations	4,830,061
State and Local Obligations	560,015
Corporate Bonds	4,881,268
Common Stock	1,355,980
Mutual Funds	8,947,246
Receivables	
Accrued Interest	99,730
Due from Municipality	11,712
Prepays	<u>530</u>
Total Assets	22,831,197
LIABILITIES	
Accounts Payable	<u>5,429</u>
NET POSITION	
Net Position Restricted for Pensions	<u><u>22,825,768</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, 2020**

	<u>Pension Trust Police Pension</u>
Additions	
Contributions - Employer	\$ 949,117
Contributions - Plan Members	306,732
Other Income	129
Total Contributions	<u>1,255,978</u>
Investment Income	
Interest Income	1,141,829
Net Change in Fair Value	<u>(834,102)</u>
	307,727
Less Investment Expenses	<u>(38,441)</u>
Net Investment Income	<u>269,286</u>
Total Additions	<u>1,525,264</u>
Deductions	
Administration	32,261
Benefits and Refunds	<u>1,018,107</u>
Total Deductions	<u>1,050,368</u>
Change in Fiduciary Net Position	474,896
Net Position Restricted for Pensions	
Beginning	<u>22,350,872</u>
Ending	<u><u>22,825,768</u></u>

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

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2020

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
---------------------	---------------------

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, 2020

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, 2020

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, 2020

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 Capital Maintenance and Replacement Fund, the TIF District #3 Fund and the TIF District #4 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. 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 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.

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:

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.

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

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.

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.

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus – Continued

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.

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.

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

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.

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

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.

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

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 acquisition 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.

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 acquisition 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

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements

April 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/reduction 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.

Compensated Absences

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

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

Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements.

Net Position

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

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

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

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

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2020**

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 2020 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 2020, there were three supplemental budget amendments that are reflected in the financial statements.

DEFICIT FUND BALANCE

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

Fund	Deficit
TIF District #3	\$ 3,603,390
TIF District #4	2,147,220

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUND

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

Fund	Excess
Seized Assets	\$ 2,309

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2020

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, 2020

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. The Illinois Funds is not registered with the SEC as an investment company. 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 \$3,596,397 and the bank balances totaled \$3,682,130.

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. Treasuries	\$ 2,200,158	832,175	1,367,983	-	-
U.S. Agencies	7,259,846	4,652,959	2,606,887	-	-
State and Local Obligations	1,667,485	170,849	1,496,636	-	-
Corporate Bonds	250,980	250,980	-	-	-
Illinois Funds	1,101,226	1,101,226	-	-	-
Illinois Metropolitan Investment Fund	532,285	532,285	-	-	-
	13,011,980	7,540,474	5,471,506	-	-

The City has the following recurring fair value measurements as of April 30, 2020:

- U.S. Treasuries of \$2,200,158 are valued using quoted market prices (Level 1 inputs)
- U.S. Agencies of \$7,259,846 are valued using other observable inputs (Level 2 inputs)
- State and Local Obligations of \$1,667,485 are valued using other observable inputs (Level 2 inputs)
- Corporate Bonds of \$250,980 are valued using other observable inputs (Level 2 inputs)
- Illinois Funds of \$1,101,226 are measured at the net asset value per share as determined by the pool
- Illinois Metropolitan Investment Fund of \$532,285 are measured at the net asset value per share as determined by the pool

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2020

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. U.S. Agency and state and local obligation 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, 2020**

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 \$1,894,635 and the bank balances totaled \$1,894,761.

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	\$ 250,020	250,020	-	-	-
U.S. Agencies	4,830,061	1,216,193	1,594,514	2,019,354	-
State and Local Obligations	560,015	328,783	153,473	-	77,759
Corporate Bonds	4,881,268	1,084,831	3,385,357	411,080	-
	10,521,364	2,879,827	5,133,344	2,430,434	77,759

The Fund has the following recurring fair value measurements as of April 30, 2020:

Investments by Fair Value Level	Total	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)
Debt Securities				
U.S. Treasuries	\$ 250,020	250,020	-	-
U.S. Agencies	4,830,061	-	4,830,061	-
State and Local Obligations	560,015	-	560,015	-
Corporate Bonds	4,881,268	-	4,881,268	-
Equity Securities				
Common Stock	1,355,980	1,355,980	-	-
Mutual Funds	8,947,246	8,947,246	-	-
Total Investments by Fair Value Level	20,824,590	10,553,246	10,271,344	-

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements

April 30, 2020

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. In addition to the securities and fair values listed above, the Fund also has \$1,355,980 invested in common stock and \$8,947,246 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, 2020

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:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	10.00% - 35.00%	2.00% - 5.28%
Domestic Equities	10.00% - 55.00%	5.12% - 5.34%
International Equities	15.00%	6.34%
Real Estate	5.00%	5.88%
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 July 2020 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, 2020 are listed in the table above.

Rate of Return

For the year ended April 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.18%. 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, 2020**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Restated Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 10,203,949	-	-	10,203,949
Land - Right of Way	33,511,165	-	-	33,511,165
Construction in Progress	460,325	2,194,527	-	2,654,852
	<u>44,175,439</u>	<u>2,194,527</u>	<u>-</u>	<u>46,369,966</u>
Depreciable Capital Assets				
Buildings	11,489,124	-	-	11,489,124
Streets, Bridges and Sidewalks	23,470,767	1,025,968	2,176,254	22,320,481
Storm Sewers	5,563,579	-	-	5,563,579
Vehicles and Equipment	3,579,040	331,251	-	3,910,291
	<u>44,102,510</u>	<u>1,357,219</u>	<u>2,176,254</u>	<u>43,283,475</u>
Less Accumulated Depreciation				
Buildings	5,231,325	272,123	-	5,503,448
Streets, Bridges and Sidewalks	9,703,640	403,590	387,561	9,719,669
Storm Sewers	1,868,616	72,258	-	1,940,874
Vehicles and Equipment	2,272,432	197,024	-	2,469,456
	<u>19,076,013</u>	<u>944,995</u>	<u>387,561</u>	<u>19,633,447</u>
 Total Net Depreciable Capital Assets	 <u>25,026,497</u>	 <u>412,224</u>	 <u>1,788,693</u>	 <u>23,650,028</u>
 Total Net Capital Assets	 <u>69,201,936</u>	 <u>2,606,751</u>	 <u>1,788,693</u>	 <u>70,019,994</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 119,935
Public Safety	170,430
Public Works	<u>654,630</u>
	<u>944,995</u>

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2020**

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	\$ -	235,513	-	235,513
Depreciable Capital Assets				
Vehicles and Equipment	1,365,094	579,876	67,401	1,877,569
Water and Sewer Infrastructure	24,879,907	-	-	24,879,907
	<u>26,245,001</u>	<u>579,876</u>	<u>67,401</u>	<u>26,757,476</u>
Less Accumulated Depreciation				
Vehicles and Equipment	1,173,547	72,736	67,401	1,178,882
Water and Sewer Infrastructure	7,570,330	320,269	-	7,890,599
	<u>8,743,877</u>	<u>393,005</u>	<u>67,401</u>	<u>9,069,481</u>
Total Net Depreciable Capital Assets	<u>17,501,124</u>	<u>186,871</u>	<u>-</u>	<u>17,687,995</u>
Total Net Capital Assets	<u>17,501,124</u>	<u>422,384</u>	<u>-</u>	<u>17,923,508</u>

Depreciation expense of \$393,005 was charged to the Water and Sewer Fund.

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2020**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

PROPERTY TAXES

Property taxes for 2019 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, 2018. The County collects such taxes and remits them periodically. Those 2019 taxes are intended to finance the 2021 fiscal year and are not considered available for current operations and are, therefore, shown as a deferred inflow at year-end. The 2020 tax levy has not been recorded as a receivable at April 30, 2020. The tax is attached as a lien on property as of January 1, 2020; however, the tax will not be levied until December 2020 and, accordingly, is not measurable at April 30, 2020.

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Transfers

Transfer In	Transfer Out	Amount
General	Nonmajor Governmental	\$ 30,969 (1)
Capital Maintenance and Replacement	General	37,000 (2)
Capital Maintenance and Replacement	Nonmajor Governmental	<u>300,000 (1)</u>
		<u><u>367,969</u></u>

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

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2020**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS – Continued

Interfund Balances

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor Governmental	General	\$ 78,254
Water and Sewer	General	384,648
Police Pension Fund	General	<u>11,712</u>
		<u>474,614</u>

Interfund Advances

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

<u>Advance to</u>	<u>Advance from</u>	<u>Amount</u>
General	TIF District #3	\$ 645,359
General	TIF District #3	2,907,276
General	TIF District #4	1,641,128
Nonmajor Governmental	TIF District #4	673,787
Water and Sewer	TIF District #4	<u>198,034</u>
		<u>6,065,584</u>

Interfund advances represent payments of tax increment financing expenditures on behalf of these funds. These amounts will be paid over several years.

LONG-TERM DEBT

Tax Increment Financing Notes

The City issues tax increment financing notes to provide funds to finance development costs. Tax increment financing notes have been issued for governmental activities.

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2020**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Tax Increment Financing Notes – Continued

Tax increment financing notes currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
2019 Tax Increment Financing Note, \$406,183 original issue, due in annual installments of principal and interest each February 1 through February 1, 2027; interest at 6.80%. Funded by incremental property tax revenues of the Lexington Trace Project. Issued to finance extraordinary development costs.	TIF District #4	\$ -	406,183	-	406,183

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
Governmental Activities					
Compensated Absences	\$ 961,291	150,632	75,316	1,036,607	207,321
Net Pension Liability					
IMRF	1,912,729	-	1,038,944	873,785	-
Police Pension	8,620,522	2,446,504	-	11,067,026	-
Total OPEB Liability - RBP	1,744,488	-	9,208	1,735,280	-
Tax Increment Financing Note	-	406,183	-	406,183	-
	<u>13,239,030</u>	<u>3,003,319</u>	<u>1,123,468</u>	<u>15,118,881</u>	<u>207,321</u>
Business-Type Activities					
Compensated Absences	143,072	21,550	10,775	153,847	30,769
Net Pension Liability					
IMRF	724,171	-	386,310	337,861	-
Total OPEB Liability - RBP	281,984	-	6,684	275,300	-
	<u>1,149,227</u>	<u>21,550</u>	<u>403,769</u>	<u>767,008</u>	<u>30,769</u>

For the governmental activities, the General Fund makes payments on the compensated absences, the net pension liability, and the total OPEB liability. The payments on the tax increment financing note is paid by the TIF District #4 Fund. For the business-type activities, the Water and Sewer Fund makes payments on the compensated absences, the net pension liability, and the total OPEB liability.

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2020**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity – Continued

Debt service requirements to maturity are not available for the tax increment financing note, as it is payable only as incremental taxes are collected. As such, no fixed debt service schedule exists.

NET POSITION/FUND BALANCE

Fund Balance Classifications

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

	Special Revenue		Capital Projects			Nonmajor	Totals
	General	Motor Fuel Tax	Capital Maintenance and Replacement	TIF District #3	TIF District #4		
Fund Balances							
Nonspendable							
Advances	\$ 5,193,763	-	-	-	-	-	5,193,763
Prepays	117,068	-	-	-	-	-	117,068
	<u>5,310,831</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,310,831</u>
Restricted							
Maintenance of Roadways	-	480,165	-	-	-	-	480,165
Seized Assets	-	-	-	-	-	217,149	217,149
	<u>-</u>	<u>480,165</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>217,149</u>	<u>697,314</u>
Committed							
Tourism	-	-	-	-	-	1,630,315	1,630,315
Assigned							
Capital Projects	3,398,890	-	1,323,910	-	-	-	4,722,800
Unassigned	3,524,367	-	-	(3,603,390)	(2,147,220)	-	(2,226,243)
Total Fund Balances	<u>12,234,088</u>	<u>480,165</u>	<u>1,323,910</u>	<u>(3,603,390)</u>	<u>(2,147,220)</u>	<u>1,847,464</u>	<u>10,135,017</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.

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2020**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE – Continued

Fund Balance Classifications – Continued

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the City Council; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Trustees' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the City Council itself or b) a body or official to which the City Council has delegated the authority to assign amounts to be used for specific purposes. The City's highest level of decision-making authority is the City Council, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Net Position Classifications

Net investment in capital assets was comprised of the following as of April 30, 2020:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 70,019,994
Less Capital Related Debt:	
Tax Increment Financing Note of 2019	<u>(406,183)</u>
Net Investment in Capital Assets	<u>69,613,811</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	<u>\$ 17,923,508</u>

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2020**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE – Continued

Net Position Restatement

Beginning net position in the governmental activities was restated to correct an error in capitalization of capital assets. The following is a summary of the net position as originally reported and as restated:

Net Position	As Reported	As Restated	(Decrease)
Governmental Activities	\$ 69,426,439	69,203,816	(222,623)

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 year’s 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.

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES

Litigation

The City is not currently involved in any lawsuits.

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.

Financial Impact from COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the City's operations and financial position cannot be determined.

COMMITMENTS

Developer Agreement

Under a Development/Economic Initiative Agreement entered into in April of 2019, the City agreed to reimburse eligible costs associated with a development located near the intersection of Butterfield Road and Illinois Route 59. The City has agreed to reimburse the Developer up to \$875,462 of eligible project expenditures. In addition, the City has also agreed to wave up to \$578,282 in various permit and inspection fees that would otherwise be due to the City in connection with the project. Through April 30, 2020, the City has reimbursed \$673,787 in construction expenditures and has waved \$489,845 in designated fees. All payments have been recorded as expenditures in the TIF District #4 Fund.

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

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

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2020**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

The aggregate amount of recognized for the two pension plans is:

	Net Pension Liabilities	Deferred Outflows	Deferred Inflows	Pension Expenses
IMRF	\$ 1,211,646	520,530	788,832	471,914
Police Pension	11,067,026	3,104,897	1,612,293	1,744,970
	<u>12,278,672</u>	<u>3,625,427</u>	<u>2,401,125</u>	<u>2,216,884</u>

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, 2020**

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, 2019, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	38
Inactive Plan Members Entitled to but not yet Receiving Benefits	20
Active Plan Members	<u>42</u>
Total	<u><u>100</u></u>

Contributions. As set by statute, the City’s Regular Plan Members are required to contribute 4.50% 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. For the year-ended April 30, 2020, the City’s contribution was 9.72% of covered payroll.

Net Pension Liability. The City’s net pension liability was measured as of December 31, 2019. 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, 2020**

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, 2019, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	3.35% to 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation.

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2020**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Actuarial Assumptions – Continued. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	28.00%	3.25%
Domestic Equities	37.00%	5.75%
International Equities	18.00%	6.50%
Real Estate	9.00%	5.20%
Blended	7.00%	3.60% - 7.60%
Cash and Cash Equivalents	1.00%	1.85%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, 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, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate Sensitivity

The following is a sensitivity 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 (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset) \$	3,583,075	1,211,646	(734,996)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2018	\$ 15,939,489	13,302,589	2,636,900
Changes for the Year:			
Service Cost	372,659	-	372,659
Interest on the Total Pension Liability	1,148,040	-	1,148,040
Difference Between Expected and Actual Experience of the Total Pension Liability	(8,239)	-	(8,239)
Changes of Assumptions	-	-	-
Contributions - Employer	-	317,014	(317,014)
Contributions - Employees	-	163,227	(163,227)
Net Investment Income	-	2,440,800	(2,440,800)
Benefit Payments, including Refunds of Employee Contributions	(581,578)	(581,578)	-
Other (Net Transfer)	-	16,673	(16,673)
Net Changes	930,882	2,356,136	(1,425,254)
Balances at December 31, 2019	16,870,371	15,658,725	1,211,646

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2020**

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, 2020, the City recognized pension expense of \$471,914. At April 30, 2020, 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	\$ 131,967	(6,366)	125,601
Change in Assumptions	271,728	(184,218)	87,510
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	(598,248)	(598,248)
Total Pension Expense to be Recognized in Future Periods	403,695	(788,832)	(385,137)
Pension Contributions Made Subsequent to the Measurement Date	116,835	-	116,835
Total Deferred Amounts Related to IMRF	<u>520,530</u>	<u>(788,832)</u>	<u>(268,302)</u>

\$116,835 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended April 30, 2021.

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 (Inflows) of Resources
2021	\$ (96,646)
2022	(106,879)
2023	115,022
2024	(296,634)
2025	-
Thereafter	-
Total	<u>(385,137)</u>

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2020**

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, 2020, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	14
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	<u>31</u>
Total	<u><u>47</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, 2020

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police 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 proceeding 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, 2020, the City's contribution was 30.74% 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, 2020**

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, 2020, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	6.75%
Salary Increases	4.00% - 8.06%
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates were based on the Pub-2010 adjusted for plan status, demographics, and Illinois Public Pension data.

Discount Rate

The discount rate used to measure the total pension liability was 6.75% in the current and prior year. 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, 2020**

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 (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 17,108,806	11,067,026	6,290,373

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2019	\$ 30,971,394	22,350,872	8,620,522
Changes for the Year:			
Service Cost	725,394	-	725,394
Interest on the Total Pension Liability	2,056,208	-	2,056,208
Changes in Benefit Terms	239,233	-	239,233
Difference Between Expected and Actual Experience of the Total Pension Liability	141,620	-	141,620
Changes of Assumptions	777,052	-	777,052
Contributions - Employer	-	949,117	(949,117)
Contributions - Employees	-	306,732	(306,732)
Contributions - Other	-	129	(129)
Net Investment Income	-	269,286	(269,286)
Benefit Payments, including Refunds of Employee Contributions	(1,018,107)	(1,018,107)	-
Administrative Expense	-	(32,261)	32,261
Net Changes	2,921,400	474,896	2,446,504
Balances at April 30, 2020	33,892,794	22,825,768	11,067,026

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2020**

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, 2020, the City recognized pension expense of \$1,744,970. At April 30, 2020, 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	\$ 670,653	(577,588)	93,065
Change in Assumptions	1,349,296	(985,546)	363,750
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,084,948	(49,159)	1,035,789
Total Deferred Amounts Related to Police Pension	<u>3,104,897</u>	<u>(1,612,293)</u>	<u>1,492,604</u>

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2021	\$ 262,868
2022	312,023
2023	297,495
2024	214,970
2025	(12,678)
Thereafter	<u>417,926</u>
Total	<u>1,492,604</u>

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2020**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. The City’s defined benefit OPEB plan, City of Warrenville Retiree Benefits Plan (RBP), provides OPEB for its eligible retired employees through a single employer defined benefit plan. SWRBP is a single-employer defined benefit OPEB plan administered by the City. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the City Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The plan does not issue a stand-alone financial report.

Benefits Provided. RBP 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.

Plan Membership. As of April 30, 2020, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	4
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>73</u>
Total	<u><u>77</u></u>

Total OPEB Liability

Total OPEB Liability. The City’s total OPEB liability was measured as of April 30, 2020. The total OPEB liability used to calculate the total liability was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the April 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2020

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Total OPEB Liability – Continued

Actuarial assumptions and other inputs – Continued.

Inflation	2.25%
Salary Increases	2.75%
Discount Rate	2.56%
Healthcare Cost Trend Rates	The initial trend rate is based on the 2020 Segal Health Plan Cost Trend Survey. The grading period and ultimate trend rates selected fall within a generally accepted range.
Retirees' Share of Benefit-Related Costs	Same as Healthcare Trend Rates

The discount rate was based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate.

Mortality rates were based on the sex distinct raw rates as developed in the RP-2014 study, with blue collar adjustment. These rates are improved generationally using MP-2016 improvement rates.

Change in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at April 30, 2019	<u>\$ 2,026,472</u>
Changes for the Year:	
Service Cost	48,623
Interest on the Total Pension Liability	58,740
Changes of Benefit Terms	178,700
Difference Between Expected and Actual Experience	(447,679)
Changes of Assumptions or Other Inputs	202,700
Benefit Payments	<u>(56,976)</u>
Net Changes	<u>(15,892)</u>
Balance at April 30, 2020	<u>2,010,580</u>

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2020**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following is a sensitive analysis of the total OPEB liability to changes in the discount rate. The table below presents the OPEB liability of the City calculated using the discount rate as well as what the City’s total OPEB 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 (2.79%)	Current Discount Rate (3.79%)	1% Increase (4.79%)
Total OPEB Liability	\$ 2,331,906	2,010,580	1,750,624

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 1,712,428	2,010,580	2,380,379

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2020**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following is a sensitive analysis of the total OPEB liability to changes in the discount rate. The table below presents the OPEB liability of the City calculated using the discount rate as well as what the City’s total OPEB 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 (2.79%)	Current Discount Rate (3.79%)	1% Increase (4.79%)
Total OPEB Liability	\$ 2,331,906	2,010,580	1,750,624

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

	1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$ 1,712,428	2,010,580	2,380,379

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

For the year ended April 30, 2020, the City recognized OPEB expense of \$79,709. Per GASB Statement No. 75, under the Alternative Measurement Method, changes in Total OPEB Liability are immediately recognized as expense, resulting in no deferred outflows of resources or deferred inflows of resources related to OPEB. At April 30, 2020, the City did not report deferred outflows of resources and deferred inflows of resources related to OPEB.

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 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

- Schedule of Changes in the Employer's Total OPEB Liability
 - Retiree Benefits Plan

- 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

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Employer Contributions
April 30, 2020**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 356,679	\$ 356,679	\$ -	\$ 3,181,800	11.21%
2017	355,980	484,033	128,053	3,106,286	15.58%
2018	366,824	372,725	5,901	3,238,802	11.51%
2019	357,592	357,592	-	3,471,342	10.30%
2020	339,275	339,275	-	3,489,927	9.72%

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	3.35% - 14.25%
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-2017 (base year 2015).

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

CITY OF WARRENVILLE, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
April 30, 2020**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered 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%
2018	926,044	1,132,335	206,291	2,891,665	39.16%
2019	887,304	1,111,844	224,540	3,020,955	36.80%
2020	972,868	949,117	(23,751)	3,087,064	30.74%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	20 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.50%
Salary Increases	3.25%
Investment Rate of Return	6.75%
Retirement Age	50-70
Mortality	RP-2014 adjusted for plan status, collar, and Illinois Public Pension data, as appropriate

Note:

This schedule is intended to show information for ten years. Information for additional years 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, 2020**

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

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

12/31/16	12/31/17	12/31/18	12/31/19
335,061	341,741	321,243	372,659
979,831	1,045,328	1,075,097	1,148,040
164,724	67,703	158,038	(8,239)
(56,048)	(480,229)	497,210	-
(649,632)	(562,534)	(572,208)	(581,578)
773,936	412,009	1,479,380	930,882
13,274,164	14,048,100	14,460,109	15,939,489
14,048,100	14,460,109	15,939,489	16,870,371
484,033	371,152	368,879	317,014
139,783	142,898	154,094	163,227
746,501	2,115,285	(711,225)	2,440,800
(649,632)	(562,534)	(572,208)	(581,578)
325,850	(181,242)	131,060	16,673
1,046,535	1,885,559	(629,400)	2,356,136
10,999,895	12,046,430	13,931,989	13,302,589
12,046,430	13,931,989	13,302,589	15,658,725
2,001,670	528,120	2,636,900	1,211,646
85.75%	96.35%	83.46%	92.82%
3,106,286	3,175,497	3,390,432	3,502,926
64.44%	16.63%	77.77%	34.59%

CITY OF WARRENVILLE, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2020**

	<u>2015</u>
Total Pension Liability	
Service Cost	\$ 715,618
Interest	1,592,450
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(9,602)
Changes in Assumptions	-
Benefit Payments, Including	
Refunds of Member Contributions	<u>(663,425)</u>
Net Change in Total Pension Liability	1,635,041
Total Pension Liability - Beginning	<u>23,080,994</u>
Total Pension Liability - Ending	<u><u>24,716,035</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 966,691
Contributions - Members	273,038
Contributions - Other	-
Net Investment Income	1,134,686
Benefit Payments, Including	
Refunds of Member Contributions	(663,425)
Administrative Expense	<u>(5,797)</u>
Net Change in Plan Fiduciary Net Position	1,705,193
Plan Net Position - Beginning	<u>14,934,906</u>
Plan Net Position - Ending	<u><u>16,640,099</u></u>
Employer's Net Pension Liability	<u>\$ 8,075,936</u>
Plan Fiduciary Net Position as a	
Percentage of the Total Pension Liability	67.33%
Covered Payroll	\$ 2,815,384
Employer's Net Pension Liability as a	
Percentage of Covered Payroll	286.85%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

2016	2017	2018	2019	2020
724,682	712,249	762,106	697,417	725,394
1,700,825	1,880,277	1,957,384	1,911,757	2,056,208
-	-	-	-	239,233
(606,763)	208,073	(495,049)	544,389	141,620
1,581,439	(800,026)	(879,287)	-	777,052
(837,061)	(836,094)	(961,986)	(1,008,973)	(1,018,107)
2,563,122	1,164,479	383,168	2,144,590	2,921,400
24,716,035	27,279,157	28,443,636	28,826,804	30,971,394
27,279,157	28,443,636	28,826,804	30,971,394	33,892,794
1,004,900	1,173,896	1,132,335	1,111,844	949,117
264,105	273,581	285,759	298,954	306,732
-	-	-	-	129
(49,051)	1,454,438	1,225,299	1,309,471	269,286
(837,061)	(836,094)	(961,986)	(1,008,973)	(1,018,107)
(51,206)	(22,534)	(28,596)	(28,308)	(32,261)
331,687	2,043,287	1,652,811	1,682,988	474,896
16,640,099	16,971,786	19,015,073	20,667,884	22,350,872
16,971,786	19,015,073	20,667,884	22,350,872	22,825,768
10,307,371	9,428,563	8,158,920	8,620,522	11,067,026
62.22%	66.85%	71.70%	72.17%	67.35%
2,764,771	2,755,019	2,891,665	3,020,955	3,087,064
372.81%	342.23%	282.15%	285.36%	358.50%

CITY OF WARRENVILLE, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Investment Returns

April 30, 2020

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2015	7.41%
2016	(0.46%)
2017	8.28%
2018	6.28%
2019	6.22%
2020	1.18%

Note:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

CITY OF WARRENVILLE, ILLINOIS

Retiree Benefit Plan

**Required Supplementary Information
Schedule of Changes in the Employer's Total OPEB Liability
April 30, 2020**

	<u>2018</u>
Total OPEB Liability	
Service Cost	\$ 72,502
Interest	71,367
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	-
Change of Assumptions or Other Inputs	-
Benefit Payments	<u>(64,905)</u>
Net Change in Total OPEB Liability	78,964
Total OPEB Liability - Beginning	<u>1,830,093</u>
 Total OPEB Liability - Ending	 <u><u>1,909,057</u></u>
 Covered Payroll	 \$ 6,775,769
 Total OPEB Liability as a Percentage of Covered Payroll	 28.17%

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Changes of Benefit Terms. There was no change in the retirees' share of health insurance premiums.

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate.

2019	2020
75,380	48,623
74,328	58,740
-	178,700
-	(447,679)
41,281	202,700
(73,574)	(56,976)
117,415	(15,892)
1,909,057	2,026,472
2,026,472	2,010,580
6,889,394	6,706,220
29.41%	29.98%

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, 2020**

	Budget		Actual	Variance Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 5,897,347	5,897,347	5,803,692	(93,655)
Intergovernmental	3,964,777	3,964,777	3,919,846	(44,931)
Licenses and Permits	1,250,898	1,250,898	2,418,915	1,168,017
Fines and Forfeits	392,655	392,655	299,081	(93,574)
Investment Income	5,957	5,957	361,109	355,152
Miscellaneous	105,547	105,547	189,220	83,673
Total Revenues	<u>11,617,181</u>	<u>11,617,181</u>	<u>12,991,863</u>	<u>1,374,682</u>
Expenditures				
Current				
General Government	5,678,123	5,756,523	4,982,555	(773,968)
Public Safety	6,607,404	6,607,404	6,090,641	(516,763)
Public Works	2,554,225	2,554,225	2,084,502	(469,723)
Culture and Recreation	92,060	92,060	58,385	(33,675)
Total Expenditures	<u>14,931,812</u>	<u>15,010,212</u>	<u>13,216,083</u>	<u>(1,794,129)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,314,631)</u>	<u>(3,393,031)</u>	<u>(224,220)</u>	<u>3,168,811</u>
Other Financing Sources (Uses)				
Disposal of Capital Assets	6,117	6,117	2,117	(4,000)
Transfers In	21,193	21,193	30,969	9,776
Transfers Out	(37,000)	(37,000)	(37,000)	-
	<u>(9,690)</u>	<u>(9,690)</u>	<u>(3,914)</u>	<u>5,776</u>
Net Change in Fund Balance	<u>(3,324,321)</u>	<u>(3,402,721)</u>	<u>(228,134)</u>	<u>3,174,587</u>
Fund Balance - Beginning			<u>12,462,222</u>	
Fund Balance - Ending			<u>12,234,088</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, 2020**

	Budget		Actual	Variance Over (Under)
	Original	Final		
Revenues				
Intergovernmental				
Motor Fuel Tax	\$ 334,413	334,413	484,888	150,475
Investment Income	3,300	3,300	13,378	10,078
Total Revenues	<u>337,713</u>	<u>337,713</u>	<u>498,266</u>	<u>160,553</u>
Expenditures				
Public Works				
Supplies and Services	81,500	81,500	49,612	(31,888)
Maintenance	218,450	218,450	107,626	(110,824)
Capital Outlay	800,000	800,000	800,150	150
Total Expenditures	<u>1,099,950</u>	<u>1,099,950</u>	<u>957,388</u>	<u>(142,562)</u>
Net Change in Fund Balance	<u>(762,237)</u>	<u>(762,237)</u>	(459,122)	<u>303,115</u>
Fund Balance - Beginning			<u>939,287</u>	
Fund Balance - Ending			<u><u>480,165</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
- Consolidated Year-End Financial Report

INDIVIDUAL FUND SCHEDULES

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

Motor Fuel Tax Fund

The Motor Fuel Tax 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 Tax Fund

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

CAPITAL PROJECTS FUNDS

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.

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.

INDIVIDUAL FUND SCHEDULES – Continued

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.

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.

FIDUCIARY FUND

PENSION TRUST FUND

Police Pension Fund

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

CITY OF WARRENVILLE, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended April 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance Over (Under)
	Original	Final		
Taxes				
Property Tax				
General Corporate	\$ 1,295,120	1,295,120	1,284,778	(10,342)
Police Protection	370,947	370,947	367,794	(3,153)
FICA	285,948	285,948	283,477	(2,471)
Police Pension	982,640	982,640	949,065	(33,575)
IMRF	189,158	189,158	187,650	(1,508)
Audit	17,196	17,196	17,014	(182)
Non Current	1	1	193	192
Tort and Liability	98,755	98,755	97,828	(927)
Workers' Compensation	63,380	63,380	62,800	(580)
Crossing Guards	38,814	38,814	38,531	(283)
Road and Bridge	163,610	163,610	162,130	(1,480)
Township Road and Bridge	51,604	51,604	51,549	(55)
Home Rule Sales	1,661,911	1,661,911	1,690,374	28,463
Food and Beverage	666,999	666,999	599,536	(67,463)
Auto Rental	11,264	11,264	10,973	(291)
Total Taxes	5,897,347	5,897,347	5,803,692	(93,655)
Intergovernmental				
Income Tax	1,294,290	1,294,290	1,292,779	(1,511)
Personal Property Replacement	46,892	46,892	52,321	5,429
State Sales Tax	2,181,940	2,181,940	2,086,252	(95,688)
Local Use Tax	430,335	430,335	469,647	39,312
Grants	11,320	11,320	18,847	7,527
Total Intergovernmental	3,964,777	3,964,777	3,919,846	(44,931)

CITY OF WARRENVILLE, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance Over (Under)
	Original	Final		
Licenses and Permits				
Liquor Licenses	\$ 49,200	49,200	35,685	(13,515)
Business Licenses	4,500	4,500	4,540	40
Refuse Collection Licenses	4,500	4,500	-	(4,500)
Dog Licenses	1,148	1,148	670	(478)
Other Business Licenses	24,423	24,423	23,290	(1,133)
Building Permits	372,483	372,483	1,304,074	931,591
Electric Permits	51,509	51,509	68,126	16,617
Plumbing Permits	26,771	26,771	96,113	69,342
Building Plan Review Fees	236,888	236,888	167,329	(69,559)
Other Permits	15,422	15,422	64,339	48,917
Overweight Permit Fees	6,756	6,756	8,520	1,764
Re-Inspection Fees	500	500	-	(500)
Annexation Fees	500	500	-	(500)
Senior Taxi Coupons	-	-	(15)	(15)
Site Plan Review Fees	2,080	2,080	6,160	4,080
Engineer Review and Inspection Fees	58,500	58,500	234,437	175,937
Public Hearing Fees	8,160	8,160	4,322	(3,838)
Recording Fees	450	450	(291)	(741)
Stormwater Management Fees	56,000	56,000	108,111	52,111
Preliminary Consultative Fees	10,000	10,000	1,643	(8,357)
New Elevator and Inspection Fees	15,000	15,000	13,765	(1,235)
Elevator Re-Inspection	-	-	378	378
Vacant Building Registration	1,000	1,000	975	(25)
Code Enforcement Adjudication	675	675	1,825	1,150
Cable Franchise Fees	210,150	210,150	206,663	(3,487)
False Alarm Calls	8,020	8,020	100	(7,920)
Fingerprinting	4,474	4,474	1,960	(2,514)
Refuse Stickers	81,789	81,789	66,196	(15,593)
Total Licenses and Permits	1,250,898	1,250,898	2,418,915	1,168,017
Fines and Forfeits				
Circuit Court Fines	170,964	170,964	173,653	2,689
Parking Fines and Ordinance Violations	162,648	162,648	71,513	(91,135)
Other Fines and Forfeitures	3,262	3,262	340	(2,922)

CITY OF WARRENVILLE, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance Over (Under)
	Original	Final		
Fines and Forfeitures - Continued				
Administrative Towing Fee	\$ 48,217	48,217	49,780	1,563
Booking Fees	7,239	7,239	3,570	(3,669)
Penalties	325	325	225	(100)
Total Fines and Forfeitures	392,655	392,655	299,081	(93,574)
Investment Income	5,957	5,957	361,109	355,152
Miscellaneous				
Rental Income	35,638	35,638	35,719	81
IPBC Terminal Reserve	-	-	35,785	35,785
Other	69,909	69,909	117,716	47,807
Total Miscellaneous	105,547	105,547	189,220	83,673
Total Revenues	11,617,181	11,617,181	12,991,863	1,374,682

CITY OF WARRENVILLE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance Over (Under)
	Original	Final		
General Government				
Mayor and Council				
Personnel	\$ 81,169	81,169	80,953	(216)
Supplies and Services	49,983	49,983	37,305	(12,678)
Miscellaneous	10,600	10,600	4,444	(6,156)
Total Mayor and Council	<u>141,752</u>	<u>141,752</u>	<u>122,702</u>	<u>(19,050)</u>
Legal				
Supplies and Services	<u>219,900</u>	<u>219,900</u>	<u>277,471</u>	<u>57,571</u>
Finance				
Personnel	311,261	311,261	329,119	17,858
Supplies and Services	141,542	219,942	188,176	(31,766)
Miscellaneous	91,355	91,355	61,446	(29,909)
Capital	4,000	4,000	1,105	(2,895)
Total Finance	<u>548,158</u>	<u>626,558</u>	<u>579,846</u>	<u>(46,712)</u>
Administration				
Personnel	440,419	440,419	394,350	(46,069)
Supplies and Services	86,530	86,530	78,596	(7,934)
Miscellaneous	2,000	2,000	1,954	(46)
Capital	895	895	650	(245)
Total Administration	<u>529,844</u>	<u>529,844</u>	<u>475,550</u>	<u>(54,294)</u>
Central Services				
Personnel	1,045,108	1,045,108	992,135	(52,973)
Supplies and Services	1,255,517	1,255,517	845,060	(410,457)
Maintenance	672,590	672,590	440,946	(231,644)
Total Central Services	<u>2,973,215</u>	<u>2,973,215</u>	<u>2,278,141</u>	<u>(695,074)</u>

CITY OF WARRENVILLE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance Over (Under)
	Original	Final		
General Government - Continued				
Community Development				
Personnel	\$ 909,183	909,183	861,695	(47,488)
Supplies and Services	309,960	309,960	381,909	71,949
Maintenance	3,000	3,000	1,847	(1,153)
Miscellaneous	3,100	3,100	2,351	(749)
Capital	1,000	1,000	3,564	2,564
Total Community Development	1,226,243	1,226,243	1,251,366	25,123
Municipal Van				
Personnel	31,966	31,966	23,004	(8,962)
Supplies and Services	11,685	11,685	9,846	(1,839)
Maintenance	400	400	3,783	3,383
Miscellaneous	35,100	35,100	986	(34,114)
Total Municipal Van	79,151	79,151	37,619	(41,532)
Less: Administrative Costs Charged to Other Departments and Funds				
	(40,140)	(40,140)	(40,140)	-
Total General Government	5,678,123	5,756,523	4,982,555	(773,968)
Public Safety				
Police Protection				
Personnel	5,738,592	5,738,592	5,353,411	(385,181)
Supplies and Services	707,102	707,102	612,397	(94,705)
Maintenance	88,293	88,293	73,078	(15,215)
Miscellaneous	14,250	14,250	11,440	(2,810)
Capital	7,002	7,002	9,566	2,564
Total Police Protection	6,555,239	6,555,239	6,059,892	(495,347)
EMA				
Personnel	2,584	2,584	2,584	-
Supplies and Services	14,400	14,400	7,261	(7,139)
Maintenance	7,401	7,401	6,414	(987)
Miscellaneous	6,500	6,500	718	(5,782)
Capital	8,500	8,500	7,992	(508)
Total EMA	39,385	39,385	24,969	(14,416)

CITY OF WARRENVILLE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance Over (Under)
	Original	Final		
Public Safety - Continued				
Police Commission				
Supplies and Services	\$ 12,780	12,780	5,780	(7,000)
Total Public Safety	6,607,404	6,607,404	6,090,641	(516,763)
Public Works				
Streets				
Personnel	784,979	784,979	766,764	(18,215)
Supplies and Services	632,465	632,465	364,389	(268,076)
Maintenance	660,500	660,500	651,976	(8,524)
Miscellaneous	99,000	99,000	34,631	(64,369)
Capital	7,000	7,000	702	(6,298)
Total Streets	2,183,944	2,183,944	1,818,462	(365,482)
Road and Bridge				
Personnel	84,807	84,807	19,477	(65,330)
Buildings and Grounds				
Personnel	106,449	106,449	93,551	(12,898)
Supplies and Services	7,100	7,100	3,743	(3,357)
Maintenance	171,925	171,925	149,269	(22,656)
Total Buildings and Grounds	285,474	285,474	246,563	(38,911)
Total Public Works	2,554,225	2,554,225	2,084,502	(469,723)
Culture and Recreation				
Parks and Recreation				
Supplies and Services	18,500	18,500	16,897	(1,603)
Maintenance	55,000	55,000	26,951	(28,049)
Miscellaneous	16,060	16,060	14,537	(1,523)
Capital	2,500	2,500	-	(2,500)
Total Culture and Recreation	92,060	92,060	58,385	(33,675)
Total Expenditures	14,931,812	15,010,212	13,216,083	(1,794,129)

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, 2020**

	Budget		Actual	Variance Over (Under)
	Original	Final		
Revenues				
Taxes				
Telecommunications	\$ 396,841	396,841	443,416	46,575
Amusement	335,750	335,750	222,708	(113,042)
Natural Gas	150,749	150,749	144,576	(6,173)
Electric Utility	98,289	98,289	92,931	(5,358)
Local Motor Fuel	436,600	436,600	360,590	(76,010)
Investment Income	1,000	1,000	34,489	33,489
Total Revenues	<u>1,419,229</u>	<u>1,419,229</u>	<u>1,298,710</u>	<u>(120,519)</u>
Expenditures				
Capital Outlay				
Supplies and Services	120,000	120,000	106,450	(13,550)
Maintenance	467,500	467,500	691	(466,809)
Capital Outlay	1,850,176	1,850,176	1,970,852	120,676
Total Expenditures	<u>2,437,676</u>	<u>2,437,676</u>	<u>2,077,993</u>	<u>(359,683)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,018,447)</u>	<u>(1,018,447)</u>	<u>(779,283)</u>	<u>239,164</u>
Other Financing Sources				
Disposal of Capital Assets	20,000	20,000	7,086	(12,914)
Transfers In	337,000	337,000	337,000	-
	<u>357,000</u>	<u>357,000</u>	<u>344,086</u>	<u>(12,914)</u>
Net Change in Fund Balance	<u>(661,447)</u>	<u>(661,447)</u>	<u>(435,197)</u>	<u>226,250</u>
Fund Balance - Beginning			<u>1,759,107</u>	
Fund Balance - Ending			<u>1,323,910</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, 2020**

	Budget		Actual	Variance Over (Under)
	Original	Final		
Revenues				
Taxes				
Property	\$ 61,851	61,851	99,231	37,380
Expenditures				
Economic Development				
Supplies and Services	359,535	359,535	132,885	(226,650)
Capital Outlay				
City Projects	144,060	144,060	65,745	(78,315)
Land Purchases	390,000	390,000	-	(390,000)
Total Expenditures	893,595	893,595	198,630	(694,965)
Net Change in Fund Balance	<u>(831,744)</u>	<u>(831,744)</u>	(99,399)	<u>732,345</u>
Fund Balance - Beginning			<u>(3,503,991)</u>	
Fund Balance - Ending			<u><u>(3,603,390)</u></u>	

CITY OF WARRENVILLE, ILLINOIS

TIF District #4 - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2020**

	Budget		Actual	Variance Over (Under)
	Original	Final		
Revenues				
Taxes				
Property	\$ 97,118	97,118	116,216	19,098
Expenditures				
Economic Development				
Supplies and Services	446,835	446,835	16,619	(430,216)
Capital Outlay				
City Projects	1,231,462	1,231,462	1,707,859	476,397
Land Purchases	240,000	240,000	-	(240,000)
Total Expenditures	1,918,297	1,918,297	1,724,478	(193,819)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,821,179)	(1,821,179)	(1,608,262)	212,917
Other Financing Sources				
Debt Issuance	-	-	406,183	406,183
Net Change in Fund Balance	<u>(1,821,179)</u>	<u>(1,821,179)</u>	(1,202,079)	<u>619,100</u>
Fund Balance - Beginning			<u>(945,141)</u>	
Fund Balance - Ending			<u>(2,147,220)</u>	

CITY OF WARRENVILLE, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2020

	Special Revenue		Totals
	Seized Assets	Hotel Tax	
ASSETS			
Cash and Investments	\$ 140,284	999,624	1,139,908
Receivables - Net of Allowances			
Other Taxes	95	7,906	8,001
Interest	-	2,534	2,534
Due from Other Funds	78,254	-	78,254
Advances to Other Funds	-	673,787	673,787
Total Assets	218,633	1,683,851	1,902,484
LIABILITIES			
Accounts Payable	1,484	53,536	55,020
FUND BALANCES			
Restricted	217,149	-	217,149
Committed	-	1,630,315	1,630,315
Total Fund Balances	217,149	1,630,315	1,847,464
Total Liabilities, Deferred Inflows of Resources and Fund Balance	218,633	1,683,851	1,902,484

CITY OF WARRENVILLE, ILLINOIS

Nonmajor Governmental Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2020**

	Special Revenue		Totals
	Seized Assets	Hotel Tax	
Revenues			
Taxes	\$ -	738,883	738,883
Investment Income	77	12,382	12,459
Miscellaneous	20,655	-	20,655
Total Revenues	20,732	751,265	771,997
Expenditures			
Current			
Public Safety	3,022	-	3,022
Culture and Recreation	-	265,816	265,816
Capital Outlay	-	43,523	43,523
Total Expenditures	3,022	309,339	312,361
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,710	441,926	459,636
Other Financing (Uses)			
Transfers Out	(8,160)	(322,809)	(330,969)
Net Change in Fund Balances	9,550	119,117	128,667
Fund Balances - Beginning	207,599	1,511,198	1,718,797
Fund Balances -Ending	217,149	1,630,315	1,847,464

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, 2020**

	Budget		Actual	Variance Over (Under)
	Original	Final		
Revenues				
Investment Income	\$ 40	40	77	37
Miscellaneous	12,934	12,934	20,655	7,721
Total Revenues	12,974	12,974	20,732	7,758
Expenditures				
Public Safety				
Supplies and Services	-	-	2,309	2,309
Miscellaneous	2,200	2,200	713	(1,487)
Total Expenditures	2,200	2,200	3,022	822
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,774	10,774	17,710	6,936
Other Financing (Uses)				
Transfers Out	(8,160)	(8,160)	(8,160)	-
Net Change in Fund Balance	2,614	2,614	9,550	6,936
Fund Balance - Beginning			207,599	
Fund Balance - Ending			217,149	

CITY OF WARRENVILLE, ILLINOIS

Hotel Tax - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2020**

	Budget		Actual	Variance Over (Under)
	Original	Final		
Revenues				
Taxes				
Hotel/Motel	\$ 886,924	886,924	738,883	(148,041)
Investment Income	100	100	12,382	12,282
Total Revenues	<u>887,024</u>	<u>887,024</u>	<u>751,265</u>	<u>(135,759)</u>
Expenditures				
Culture and Recreation				
Supplies and Services	271,135	276,135	265,816	(10,319)
Capital Outlay				
City Projects	50,500	55,000	43,523	(11,477)
Total Expenditures	<u>321,635</u>	<u>331,135</u>	<u>309,339</u>	<u>(21,796)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	565,389	555,889	441,926	(113,963)
Other Financing (Uses)				
Transfers Out	<u>(300,000)</u>	<u>(300,000)</u>	<u>(322,809)</u>	<u>(22,809)</u>
Net Change in Fund Balance	<u>265,389</u>	<u>255,889</u>	119,117	<u>(136,772)</u>
Fund Balance - Beginning			<u>1,511,198</u>	
Fund Balance - Ending			<u>1,630,315</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, 2020**

	Budget		Actual	Variance Over (Under)
	Original	Final		
Operating Revenues				
Charges for Services				
Water Sales	\$ 1,003,696	1,003,696	1,086,334	82,638
Sewer Sales	2,151,235	2,151,235	2,090,481	(60,754)
Meter Sales	12,830	12,830	70,270	57,440
Penalties	32,365	32,365	28,577	(3,788)
Miscellaneous	9,138	9,138	5,829	(3,309)
Total Operating Revenues	<u>3,209,264</u>	<u>3,209,264</u>	<u>3,281,491</u>	<u>72,227</u>
Operating Expenses				
Operations				
Waterworks	1,925,744	1,934,819	1,370,033	(564,786)
Sewerage	2,785,584	2,794,659	2,101,683	(692,976)
Total Operating Expenses	<u>4,711,328</u>	<u>4,729,478</u>	<u>3,471,716</u>	<u>(1,257,762)</u>
Operating Income (Loss) Before Depreciation	(1,502,064)	(1,520,214)	(190,225)	1,329,989
Depreciation	<u>354,926</u>	<u>354,926</u>	<u>393,005</u>	<u>38,079</u>
Operating Income (Loss)	<u>(1,856,990)</u>	<u>(1,875,140)</u>	<u>(583,230)</u>	<u>1,291,910</u>
Nonoperating Revenues				
Disposal of Capital Assets	-	-	47,831	47,831
Tap-On Connection Fees	172,642	172,642	500,010	327,368
Investment Income	6,530	6,530	144,554	138,024
Rental Income	386,370	386,370	383,320	(3,050)
	<u>565,542</u>	<u>565,542</u>	<u>1,075,715</u>	<u>510,173</u>
Change in Net Position	<u>(1,291,448)</u>	<u>(1,309,598)</u>	492,485	<u>1,802,083</u>
Net Position - Beginning			<u>21,481,321</u>	
Net Position - Ending			<u>21,973,806</u>	

CITY OF WARRENVILLE, ILLINOIS

Water and Sewer - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended April 30, 2020

	Budget		Actual	Variance
	Original	Final		Over (Under)
Operating Expenses				
Waterworks				
Personnel				
Salaries	\$ 563,517	563,517	561,485	(2,032)
FICA/Medicare/IMRF	97,112	97,112	95,021	(2,091)
Employee Insurance	83,103	83,103	90,123	7,020
Accrued Sick/Comp Time/OPEB	19,976	19,976	9,465	(10,511)
Total Personnel	763,708	763,708	756,094	(7,614)
Maintenance				
Building	17,000	17,000	11,061	(5,939)
Equipment	22,000	22,000	11,349	(10,651)
Software	11,703	11,703	12,475	772
Grounds	-	-	3,864	3,864
Utility System	80,000	80,000	76,177	(3,823)
Communications	10,050	10,050	11,044	994
Total Maintenance	140,753	140,753	125,970	(14,783)
Supplies and Services				
General Insurance	47,157	47,157	41,690	(5,467)
Telephone	6,300	6,300	18,190	11,890
Utilities	69,000	69,000	70,426	1,426
Rental	6,350	6,350	6,352	2
Travel	8,375	8,375	6,386	(1,989)
Postage	7,875	7,875	717	(7,158)
Printing/Publishing	8,100	8,100	8,493	393
Liens	160	160	216	56
Legal and Accounting	16,550	16,550	5,506	(11,044)
Annual Audit	2,191	2,191	2,191	-
Engineering	130,970	130,970	36,570	(94,400)
Other Professional Services	25,225	34,300	31,906	(2,394)
J.U.L.I.E.	2,700	2,700	1,035	(1,665)
Dues and Subscriptions	1,190	1,190	1,980	790
Supplies	1,250	1,250	1,052	(198)
Small Tools	1,000	1,000	847	(153)
Uniforms	3,450	3,450	1,958	(1,492)
Gas/Oil	8,340	8,340	1,780	(6,560)

CITY OF WARRENVILLE, ILLINOIS

Water and Sewer - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2020**

	Budget		Actual	Variance Over (Under)
	Original	Final		
Operating Expenses - Continued				
Waterworks - Continued				
Supplies and Services - Continued				
Chlorination	\$ 56,000	56,000	42,654	(13,346)
Administrative	20,070	20,070	20,070	-
Meters	100,000	100,000	126,862	26,862
Miscellaneous	1,000	1,000	2,101	1,101
Total Supplies and Services	<u>523,253</u>	<u>532,328</u>	<u>428,982</u>	<u>(103,346)</u>
Capital				
Water Main Improvements	384,030	384,030	6,544	(377,486)
Building Improvements	2,000	2,000	320	(1,680)
Capital Operating Costs	45,000	45,000	21,252	(23,748)
Equipment Purchase	67,000	67,000	30,871	(36,129)
Total Capital	<u>498,030</u>	<u>498,030</u>	<u>58,987</u>	<u>(439,043)</u>
Total Waterworks	<u>1,925,744</u>	<u>1,934,819</u>	<u>1,370,033</u>	<u>(564,786)</u>
Sewerage				
Personnel				
Salaries	426,534	426,534	422,650	(3,884)
FICA/Medicare/IMRF	73,506	73,506	114,161	40,655
Employee Insurance	59,376	59,376	66,429	7,053
Total Personnel	<u>559,416</u>	<u>559,416</u>	<u>603,240</u>	<u>43,824</u>
Maintenance				
Building	3,500	3,500	7,263	3,763
Equipment	15,500	15,500	7,097	(8,403)
Software	4,469	4,469	5,240	771
Grounds	2,500	2,500	2,943	443
Utility System	25,000	25,000	20,410	(4,590)
Communications	8,790	8,790	8,270	(520)
Total Maintenance	<u>59,759</u>	<u>59,759</u>	<u>51,223</u>	<u>(8,536)</u>
Supplies and Services				
General Insurance	42,221	42,221	36,754	(5,467)
Telephone	4,500	4,500	14,412	9,912

CITY OF WARRENVILLE, ILLINOIS

Water and Sewer - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2020

	Budget		Actual	Variance Over (Under)
	Original	Final		
Operating Expenses - Continued				
Sewerage - Continued				
Supplies and Services - Continued				
Utilities	\$ 25,500	25,500	21,462	(4,038)
Rental	6,190	6,190	6,352	162
Travel	8,325	8,325	6,037	(2,288)
Postage	7,875	7,875	692	(7,183)
Printing/Publishing	6,600	6,600	6,055	(545)
Liens	160	160	216	56
Legal	4,550	4,550	-	(4,550)
Annual Audit	2,191	2,191	2,191	-
Engineering	238,500	238,500	48,297	(190,203)
Other Professional Services	7,725	16,800	6,159	(10,641)
J.U.L.I.E.	2,300	2,300	980	(1,320)
Naperville Sewage Treatment	973,089	973,089	1,040,746	67,657
Dues and Subscriptions	1,715	1,715	1,630	(85)
Office Supplies	550	550	590	40
Small Tools	1,000	1,000	1,817	817
Uniforms	2,500	2,500	2,279	(221)
Gas/Oil	6,098	6,098	1,780	(4,318)
Administrative	20,070	20,070	20,070	-
Meters	100,000	100,000	126,862	26,862
Overhead Sewer Grant	2,000	2,000	-	(2,000)
Infiltration Analysis	16,000	16,000	-	(16,000)
Miscellaneous	250	250	224	(26)
Total Supplies and Services	1,479,909	1,488,984	1,345,605	(143,379)
Capital				
Sewer Main Improvements	145,000	145,000	101,225	(43,775)
Equipment Purchase	541,500	541,500	390	(541,110)
Total Capital	686,500	686,500	101,615	(584,885)
Total Sewerage	2,785,584	2,794,659	2,101,683	(692,976)
Depreciation	354,926	354,926	393,005	38,079
Total Operating Expenses	5,066,254	5,084,404	3,864,721	(1,219,683)

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, 2020**

	Budget		Actual	Variance Over (Under)
	Original	Final		
Additions				
Contributions - Employer	\$ 1,222,686	1,222,686	949,117	(273,569)
Contributions - Plan Members	314,160	314,160	306,732	(7,428)
Other Income	-	-	129	129
Total Contributions	<u>1,536,846</u>	<u>1,536,846</u>	<u>1,255,978</u>	<u>(280,868)</u>
Investment Income				
Interest Income	1,000,000	1,000,000	1,141,829	141,829
Net Change in Fair Value	-	-	(834,102)	(834,102)
	<u>1,000,000</u>	<u>1,000,000</u>	<u>307,727</u>	<u>(692,273)</u>
Less Investment Expenses	-	-	(38,441)	(38,441)
Net Investment Income	<u>1,000,000</u>	<u>1,000,000</u>	<u>269,286</u>	<u>(730,714)</u>
Total Additions	<u>2,536,846</u>	<u>2,536,846</u>	<u>1,525,264</u>	<u>(1,011,582)</u>
Deductions				
Administration	67,795	67,795	32,261	(35,534)
Benefits and Refunds	1,018,077	1,018,077	1,018,107	30
Total Deductions	<u>1,085,872</u>	<u>1,085,872</u>	<u>1,050,368</u>	<u>(35,504)</u>
Change in Fiduciary Net Position	<u>1,450,974</u>	<u>1,450,974</u>	474,896	<u>(976,078)</u>
Net Position Restricted for Pensions				
Beginning			<u>22,350,872</u>	
Ending			<u>22,825,768</u>	

CITY OF WARRENVILLE, ILLINOIS

**Consolidated Year-End Financial Report
April 30, 2020**

CSFA #	Program Name	State	Federal	Other	Totals
494-00-1488	Motor Fuel Tax Program	\$ 957,388	-	-	957,388
	Other Grant Programs and Activities	-	-	-	-
	All Other Costs Not Allocated	-	-	21,552,185	21,552,185
	Totals	957,388	-	21,552,185	22,509,573



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS

September 11, 2020

The Honorable City Mayor
Members of the City Council
City of Warrenville, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 11, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

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, 2020 (Unaudited)**

	2011	2012	2013	2014
Governmental Activities				
Investment in Capital Assets	\$ 70,610,196	70,035,401	69,200,158	68,918,115
Restricted	1,476,156	812,193	705,834	749,557
Unrestricted (Deficit)	12,224,134	13,894,169	14,471,337	15,005,512
Total Governmental Activities Net Position	84,310,486	84,741,763	84,377,329	84,673,184
Business-Type Activities				
Investment in Capital Assets	13,649,811	13,608,173	13,264,609	12,960,880
Restricted	9,590,271	-	-	9,511,461
Unrestricted	-	9,308,978	9,433,113	-
Total Business-Type Activities Net Position	23,240,082	22,917,151	22,697,722	22,472,341
Total Net Position				
Investment in Capital Assets	84,260,007	83,643,574	82,464,767	81,878,995
Restricted	11,066,427	812,193	705,834	10,261,018
Unrestricted	12,224,134	23,203,147	23,904,450	15,005,512
Total Primary Government Net Position	107,550,568	107,658,914	107,075,051	107,145,525

Data Source: Audited Financial Statements

2015	2016	2017	2018	2019	2020
68,626,021	69,762,205	69,581,965	69,590,797	69,424,559	69,613,811
908,091	655,848	847,019	1,031,511	1,146,886	697,314
13,931,459	4,191,620	2,353,176	(152,643)	(1,145,006)	(3,975,878)
83,465,571	74,609,673	72,782,160	70,469,665	69,426,439	66,335,247
13,455,467	14,987,341	15,555,469	17,167,854	17,501,124	17,923,508
-	-	-	-	-	-
9,062,458	8,492,009	6,814,294	4,881,001	3,980,197	4,050,298
22,517,925	23,479,350	22,369,763	22,048,855	21,481,321	21,973,806
82,081,488	84,749,546	85,137,434	86,758,651	86,925,683	87,537,319
908,091	655,848	847,019	1,031,511	1,146,886	697,314
22,993,917	12,683,629	9,167,470	4,728,358	2,835,191	74,420
105,983,496	98,089,023	95,151,923	92,518,520	90,907,760	88,309,053

CITY OF WARRENVILLE, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years
April 30, 2020 (Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities										
General Government	2,399,491	2,368,352	2,378,435	2,548,129	4,195,592	4,510,434	3,560,422	4,037,117	5,748,248	5,326,317
Public Safety	5,555,442	6,398,592	5,676,132	6,022,559	5,622,223	7,194,137	7,695,403	4,746,682	6,498,465	7,430,952
Public Works	2,628,782	2,544,966	4,136,952	3,798,534	4,414,931	2,996,511	3,840,665	5,839,479	2,908,029	5,205,930
Culture and Recreation	297,975	257,500	273,552	257,149	247,069	252,325	366,399	253,619	307,376	367,724
Economic Development	10,031,742	737,277	1,150,690	308,925	92,794	78,592	131,300	91,317	115,241	313,929
Interest	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	20,913,432	12,306,687	13,615,761	12,935,296	14,572,609	15,031,999	15,594,189	14,968,214	15,577,359	18,644,852
Business-Type Activities										
Water and Sewerage	2,939,494	3,056,153	3,277,727	3,305,405	3,265,302	3,388,429	4,547,179	4,056,201	4,424,636	3,864,721
Total Primary Government Expenses	23,852,926	15,362,840	16,893,488	16,240,701	17,837,911	18,420,428	20,141,368	19,024,415	20,001,995	22,509,573
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	484,478	489,298	703,633	589,012	797,333	772,344	752,883	839,452	986,747	2,416,855
Public Safety	626,234	480,071	402,864	411,377	355,654	275,859	255,516	261,706	418,498	301,141
Public Works	162,151	238,082	194,890	199,865	-	-	-	-	-	-
Economic Development	-	9,851	191,333	4,365	9,768	28,467	22,468	-	-	-
Operating Grants/Contributions	444,151	384,594	374,459	405,250	480,006	376,306	381,770	359,312	471,454	503,735
Capital Grants/Contributions	78,031	129,147	375,090	310,962	62,185	310,452	-	136,358	-	-
Total Governmental Activities	1,795,045	1,731,043	2,242,269	1,920,831	1,704,946	1,763,428	1,412,637	1,596,828	1,876,699	3,221,731
Business-Type Activities										
Charges for Services										
Water and Sewerage	2,354,203	2,612,325	2,979,040	3,049,195	3,310,794	3,527,198	3,428,495	3,449,998	3,412,272	4,164,821
Operating Grants/Contributions	-	3,600	7,500	10,875	15,681	14,390	3,079	-	-	-
Capital Grants/Contributions	-	-	-	-	-	821,374	-	434,397	298,286	-
Total Business-Type Activities	2,354,203	2,615,925	2,986,540	3,060,070	3,326,475	4,362,962	3,431,574	3,884,395	3,710,558	4,164,821
Program Revenue	4,149,248	4,346,968	5,228,809	4,980,901	5,031,421	6,126,390	4,844,211	5,481,223	5,587,257	7,386,552

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expenses) Revenues										
Governmental Activities	\$ (19,118,387)	(10,575,644)	(11,373,492)	(11,014,465)	(12,867,663)	(13,268,571)	(14,181,552)	(13,371,386)	(13,700,660)	(15,423,121)
Business-Type Activities	(585,291)	(440,228)	(291,187)	(245,335)	61,173	974,533	(1,115,605)	(171,806)	(714,078)	300,100
Total Net Revenue (Expenses)	(19,703,678)	(11,015,872)	(11,664,679)	(11,259,800)	(12,806,490)	(12,294,038)	(15,297,157)	(13,543,192)	(14,414,738)	(15,123,021)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property and Replacement	12,556,309	4,032,040	3,875,670	3,286,186	3,363,880	3,325,755	3,401,164	3,506,054	3,639,250	3,770,577
Sales, Local Use	3,634,782	3,346,470	3,488,543	3,542,985	3,929,001	4,136,930	2,594,661	2,635,475	4,187,413	4,246,273
Utility	580,875	697,612	775,737	707,047	269,030	217,864	233,846	241,241	710,730	680,923
Income	1,041,899	1,072,510	1,184,222	1,280,442	1,286,861	1,400,362	1,242,056	1,371,776	1,359,403	1,292,779
Other	1,538,809	1,623,602	1,624,970	2,449,677	3,040,967	3,051,225	4,697,399	4,700,295	2,253,426	1,932,690
Investment Earnings	197,502	89,790	18,806	22,275	57,257	14,578	10,093	(23,914)	317,970	421,435
Developer Donations	-	-	-	-	-	-	-	-	-	-
Miscellaneous	49,513	144,897	41,110	21,708	150,107	141,807	174,820	192,810	189,242	209,875
Total Governmental Activities	19,599,689	11,006,921	11,009,058	11,310,320	12,097,103	12,288,521	12,354,039	12,623,737	12,657,434	12,554,552
Business-Type Activities										
Investment Earnings	161,481	117,297	71,758	19,954	57,907	19,683	6,018	(30,779)	146,544	144,554
Miscellaneous	-	-	-	-	-	-	-	-	-	47,831
Total Business-Type Activities	161,481	117,297	71,758	19,954	57,907	19,683	6,018	(30,779)	146,544	192,385
Total Primary Government	19,761,170	11,124,218	11,080,816	11,330,274	12,155,010	12,308,204	12,360,057	12,592,958	12,803,978	12,746,937
Changes in Net Position										
Governmental Activities	481,302	431,277	(364,434)	295,855	(770,560)	(980,050)	(1,827,513)	(747,649)	(1,043,226)	(2,868,569)
Business-Type Activities	(423,810)	(322,931)	(219,429)	(225,381)	119,080	994,216	(1,109,587)	(202,585)	(567,534)	492,485
Total Primary Government	57,492	108,346	(583,863)	70,474	(651,480)	14,166	(2,937,100)	(950,234)	(1,610,760)	(2,376,084)

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, 2020 (Unaudited)**

	2011	2012	2013	2014
General Fund				
Nonspendable	\$ 2,279,945	2,209,995	2,208,938	2,231,448
Assigned	-	-	-	-
Unassigned	4,412,572	5,168,013	5,873,707	6,401,476
Total General Fund	<u>6,692,517</u>	<u>7,378,008</u>	<u>8,082,645</u>	<u>8,632,924</u>
All Other Governmental Funds				
Unreserved/Unassigned:				
Special Revenues Funds	(662,451)	(639,558)	(639,558)	(639,558)
Capital Projects Funds	-	-	(92,625)	(400,237)
Reserved/Restricted, Reported in				
Special Revenue Funds	356,720	508,867	705,834	749,557
Capital Projects Funds	246,449	303,326	-	-
Permanent Funds	411,407	-	-	-
Committed	461,580	593,760	223,545	322,603
Assigned	6,123,086	6,493,380	6,505,423	6,235,623
Nonspendable	662,451	639,558	732,183	1,049,088
Total All Other Governmental Funds	<u>7,599,242</u>	<u>7,899,333</u>	<u>7,434,802</u>	<u>7,317,076</u>
Total Governmental Funds	<u><u>14,291,759</u></u>	<u><u>15,277,341</u></u>	<u><u>15,517,447</u></u>	<u><u>15,950,000</u></u>

Data Source: Audited Financial Statements

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

2015	2016	2017	2018	2019	2020
2,236,098	2,319,323	2,319,140	39,152	4,516,407	5,310,831
-	-	4,144,792	4,144,792	3,819,958	3,398,890
6,746,084	6,947,628	7,239,645	9,343,946	4,125,857	3,524,367
8,982,182	9,266,951	13,703,577	13,527,890	12,462,222	12,234,088
-	-	-	-	-	-
-	-	-	-	-	-
908,091	655,848	847,019	1,031,511	1,146,886	697,314
-	-	-	-	-	-
-	-	-	-	-	-
505,894	680,480	898,392	1,212,688	1,511,198	1,630,315
5,954,672	5,769,181	1,247,506	1,117,685	1,759,107	1,323,910
(1,206,432)	(1,354,135)	(1,602,594)	(3,746,433)	(4,449,132)	(5,750,610)
6,162,225	5,751,374	1,390,323	(384,549)	(31,941)	(2,099,071)
15,144,407	15,018,325	15,093,900	13,143,341	12,430,281	10,135,017

CITY OF WARRENVILLE, ILLINOIS

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
April 30, 2020 (Unaudited)**

	2011	2012	2013	2014
Revenues				
Property Taxes	\$ 12,556,309	4,032,040	3,875,670	3,286,186
Other Taxes	6,796,365	5,669,526	5,904,972	6,725,745
Intergovernmental	502,182	1,566,251	1,913,771	1,976,654
Licenses, Permits, Fees	506,793	562,692	701,021	586,161
Fines and Forfeits	588,523	452,982	549,597	371,920
Investment Income	197,502	89,790	18,806	22,275
Miscellaneous	247,060	364,683	287,490	262,210
Total Revenues	21,394,734	12,737,964	13,251,327	13,231,151
Expenditures				
General Government	2,256,200	2,249,067	2,376,899	2,324,352
Public Safety	5,585,213	5,772,515	5,775,860	6,000,541
Public Works	1,635,169	1,616,731	1,537,076	1,800,634
Culture and Recreation	297,975	257,500	273,552	257,149
Economic Development	10,031,742	737,277	1,150,690	308,925
Capital Outlay	705,922	1,141,344	1,923,672	2,132,236
Total Expenditures	20,512,221	11,774,434	13,037,749	12,823,837
Excess of Revenues Over (Under) Expenditures	882,513	963,530	213,578	407,314
Other Financing Sources (Uses)				
Debt Issuance	-	-	-	-
Disposal of Capital Assets	123,912	22,052	26,528	25,239
Transfers In	451,880	815,493	921,688	538,433
Transfers Out	(451,880)	(815,493)	(921,688)	(538,433)
	123,912	22,052	26,528	25,239
Net Change in Fund Balances	1,006,425	985,582	240,106	432,553
Debt Service as a Percentage of Noncapital Expenditures	0.00%	0.00%	0.00%	0.00%

Data Source: Audited Financial Statements

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

2015	2016	2017	2018	2019	2020
3,319,256	3,280,809	3,353,479	3,467,596	3,600,494	3,718,256
5,492,705	5,472,558	5,189,324	4,979,994	4,655,511	4,303,987
3,812,885	4,269,622	4,218,487	4,366,563	4,365,671	4,404,734
583,533	544,347	523,906	847,917	1,006,347	2,418,915
355,887	294,366	265,464	253,241	398,898	299,081
57,257	14,579	10,093	(23,914)	317,970	421,435
180,526	175,668	205,923	192,810	189,242	209,875
13,802,049	14,051,949	13,766,676	14,084,207	14,534,133	15,776,283
3,596,990	3,804,284	3,573,968	3,665,304	4,508,388	4,982,555
5,680,486	5,643,598	5,698,846	6,044,780	6,191,810	6,093,663
1,592,078	1,495,110	1,458,350	1,790,257	2,211,343	2,241,740
247,069	252,325	366,399	253,619	283,801	324,201
92,794	78,592	131,300	91,317	115,241	149,504
3,419,222	2,925,609	2,486,812	2,373,173	2,004,270	4,695,270
14,628,639	14,199,518	13,715,675	14,218,450	15,314,853	18,486,933
(826,590)	(147,569)	51,001	(134,243)	(780,720)	(2,710,650)
-	-	-	-	-	406,183
20,997	21,487	24,574	(1,816,316)	67,660	9,203
1,250,274	607,638	4,613,747	359,358	365,225	367,969
(1,250,274)	(607,638)	(4,613,747)	(359,358)	(365,225)	(367,969)
20,997	21,487	24,574	(1,816,316)	67,660	415,386
(805,593)	(126,082)	75,575	(1,950,559)	(713,060)	(2,295,264)
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, 2020 (Unaudited)

Tax Levy Year	District	Residential Property	Farm Property	Commercial Property	Industrial Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value Taxable Value	Estimated Actual Taxable Value
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%
2017	General	296,689,771	27,282	156,257,196	14,184,050	467,158,299	0.7282	1,401,474,897	33.33%
	TIF #3	2,772,630	-	4,391,337	830,170	7,994,137		23,982,411	33.33%
	TIF #4	4,790,597	14,739	2,848,760	80,660	7,734,756		23,204,268	33.33%
2018	General	316,358,720	24,546	158,187,839	16,748,940	491,320,045	0.7013	1,473,960,135	33.33%
	TIF #3	2,792,372	-	3,970,257	830,170	7,592,799		22,778,397	33.33%
	TIF #4	4,730,320	10,743	2,855,660	80,660	7,677,383		23,032,149	33.33%
2019	General	334,441,711	15,187	159,866,402	17,203,870	511,527,170	0.6886	1,534,581,510	33.33%
	TIF #3	4,868,940	-	2,932,197	830,170	8,631,307		25,893,921	33.33%
	TIF #4	4,868,940	-	2,842,340	80,660	7,791,940		23,375,820	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, 2020 (Unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
City Direct Rates										
Corporate	\$ 0.2372	0.2575	0.2959	0.3288	0.3400	0.3261	0.3039	0.2908	0.2636	0.2556
IMRF	0.0318	0.0346	0.0396	0.0452	0.0468	0.0449	0.0418	0.0400	0.0385	0.0371
Police Protection	0.0647	0.0703	0.0803	0.0887	0.0918	0.0881	0.0821	0.0786	0.0755	0.0731
Police Pension	0.1739	0.1746	0.1890	0.2061	0.1945	0.2105	0.2114	0.1919	0.2000	0.2030
Audit	0.0031	0.0030	0.0034	0.0038	0.0040	0.0039	0.0037	0.0036	0.0035	0.0032
Tort Judgments/Liability	0.0215	0.0185	0.0212	0.0235	0.0243	0.0234	0.0218	0.0209	0.0201	0.0193
Social Security	0.0488	0.0530	0.0606	0.0682	0.0706	0.0678	0.0632	0.0605	0.0582	0.0563
School Crossing Guards	0.0085	0.0093	0.0103	0.0094	0.0098	0.0091	0.0085	0.0082	0.0079	0.0076
Workers' Compensation	0.0105	0.0118	0.0135	0.0150	0.0156	0.0150	0.0140	0.0134	0.0129	0.0124
Road and Bridge	0.0170	0.0189	0.0218	0.0244	0.0253	0.0219	0.0206	0.0203	0.0211	0.0210
Total Direct Tax Rate	0.6170	0.6515	0.7356	0.8131	0.8227	0.8107	0.7710	0.7282	0.7013	0.6886
Overlapping Rates										
College of DuPage (#502)	0.2349	0.2495	0.2681	0.2956	0.2975	0.2786	0.2626	0.2341	0.2317	0.2112
DuPage Airport Authority	0.0158	0.0169	0.0168	0.0178	0.0196	0.0188	0.0176	0.0166	0.0146	0.0141
DuPage County	0.1659	0.1773	0.1929	0.2040	0.2057	0.1971	0.1848	0.1749	0.1673	0.1655
DuPage County Forest										
Preserve District	0.1321	0.1414	0.1533	0.1657	0.1691	0.1622	0.1514	0.1306	0.1278	0.1242
Unit School District #200	4.0437	4.3812	4.8474	5.2036	5.3915	5.3108	5.1076	4.9916	4.8883	4.8603
Warrenville Fire										
Protection District	0.4199	0.4621	0.5237	0.5745	0.5973	0.5840	0.5572	0.5347	0.5241	0.6161
Warrenville Library	0.2922	0.3224	0.3675	0.4070	0.4247	0.4153	0.3944	0.3777	0.3697	0.3622
Warrenville Park District	0.3984	0.4341	0.4902	0.5393	0.5604	0.5461	0.5131	0.4862	0.4698	0.4577
Winfield Township	0.0924	0.1021	0.1174	0.1318	0.1396	0.1370	0.1275	0.1192	0.1008	0.0939
Winfield Township R&B	0.1215	0.1342	0.1543	0.1730	0.1835	0.1801	0.1676	0.1587	0.1526	0.1483
Total Overlapping Rates	5.9168	6.4212	7.1316	7.7123	7.9889	7.8300	7.4838	7.2243	7.0467	7.0535
Total Tax Rates	6.5338	7.0727	7.8672	8.5254	8.8116	8.6407	8.2548	7.9525	7.7480	7.7421

CITY OF WARRENVILLE, ILLINOIS

**Principal Property Tax Payers - Current Tax Levy Year and Nine Tax Levy Years Ago
April 30, 2020 (Unaudited)**

Taxpayer	Tax Levy Year 2019			Tax Levy Year 2010		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Preserve at Cantera Owner	\$ 12,754,710	1	2.49%			
Northwestern Memorial	10,295,320	2	2.01%	\$ 11,471,960	1	2.18%
Adventus US Realty #5 LP	6,230,690	3	1.22%			
CII Landlord IL LLC	6,033,410	4	1.18%			
MJH Warrenville, LLC	5,814,680	5	1.14%	8,034,990	3	1.52%
R.R. Donnelley & Sons	5,741,960	6	1.12%	5,395,320	6	1.43%
Globe Corporation	5,308,120	7	1.04%	5,851,980	5	1.11%
Liberty/Warrenville LLC	5,182,220	8	1.01%			
CPX Warrenville OPAG LLC	4,882,450	9	0.95%			
Cornerstone Cantera LLC	4,634,640	10	0.91%			
Village Green at Cantera				8,999,680	2	1.71%
CMJ Cantera LLC				6,369,660	4	1.69%
Cantera 30 Theatre LP				4,735,530	7	0.90%
Amoco Properties, Inc				4,570,000	8	0.87%
Burnham Cantera LLC				4,375,680	9	0.83%
Target Corp				4,342,110	10	0.82%
	<u>66,878,200</u>		<u>13.07%</u>	<u>64,146,910</u>		<u>13.06%</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, 2020 (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
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	3,409,278	3,348,222	98.21%	-	3,348,222	98.21%
	TIF #3	15,807	15,722	99.46%	-	15,722	99.46%
	TIF #4	47,729	47,712	99.96%	-	47,712	99.96%
2017	General	3,468,651	3,399,198	98.00%	-	3,399,198	98.00%
	TIF #3	52,975	52,960	99.97%	-	52,960	99.97%
	TIF #4	92,377	92,283	99.90%	-	92,283	99.90%
2018	General	3,505,569	3,502,863	99.92%	-	3,502,863	99.92%
	TIF #3	99,183	99,183	100.00%	-	99,183	100.00%
	TIF #4	117,100	116,210	99.24%	-	116,210	99.24%
2019	General *	3,645,143	-	0.00%	-	-	0.00%
	TIF #3 *	214,091	-	0.00%	-	-	0.00%
	TIF #4 *	204,532	-	0.00%	-	-	0.00%

Data Source: Office of the County Clerk

*The 2019 levy amounts will be collectible during City Fiscal Year 2021, as such none of this levy is collected during fiscal year 2020.

CITY OF WARRENVILLE, ILLINOIS

**Sales Tax Revenue by Category - Last Ten Calendar Years
April 30, 2020 (Unaudited)**

	2010	2011	2012	2013
General Merchandise	\$ 3,211,974	3,219,110	3,331,080	3,399,980
Food	480,153	433,767	423,111	417,704
Drinking and Eating Places	2,781,235	2,759,916	2,815,753	2,853,404
Apparel	81,438	-	-	99,495
Furniture and H.H. and Radio	-	33,211	33,141	-
Lumber, Building Hardware	141,291	135,209	132,506	167,632
Automobile and Filling Stations	2,113,858	2,450,161	2,489,266	2,963,861
Drugs and Miscellaneous Retail	1,205,797	1,378,819	1,600,895	1,534,410
Agriculture and All Others	642,785	735,339	937,574	507,432
Manufacturers	601,490	235,659	26,013	298,802
Totals	11,260,021	11,381,191	11,789,339	12,242,720
City Direct Sales Tax Rate	2.25%	2.25%	2.25%	2.25%

Data Source: City Records, Illinois Department of Revenue

2014	2015	2016	2017	2018	2019
3,402,088	3,530,429	1,475,697	3,388,673	3,322,435	3,418,005
425,396	908,969	960,754	948,194	907,742	836,435
2,895,031	3,295,386	2,975,178	3,067,615	2,911,169	2,927,999
90,200	102,250	93,739	95,769	112,934	-
-	-	-	-	-	129,692
234,540	261,611	493,421	545,890	492,487	1,311,881
3,232,307	2,931,586	3,170,251	3,477,269	3,273,681	3,934,094
1,730,646	472,360	1,782,907	1,942,325	1,638,740	1,652,640
984,820	2,163,503	1,082,070	1,673,848	625,393	913,148
354,254	349,866	191,047	157,741	170,516	155,166
13,349,282	14,015,962	12,225,064	15,297,324	13,455,097	15,279,060
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, 2020 (Unaudited)**

Fiscal Year	City Direct Rate	State Rate	DuPage County Rate	RTA Rate	County Water Commission Rate
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%
2018	2.25%	5.00%	0.25%	0.75%	0.00%
2019	2.25%	5.00%	0.25%	0.75%	0.00%
2020	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, 2020 (Unaudited)**

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income *	Per Capita *
	Installment Contracts Payable	Tax Increment Financing Note			
2011	\$ -	\$ -	\$ -	0.00%	\$ -
2012	-	-	-	0.00%	-
2013	-	-	-	0.00%	-
2014	-	-	-	0.00%	-
2015	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	0.00%	-
2019	-	-	-	0.00%	-
2020	-	406,183	406,183	0.09%	30.9

*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, 2020 (Unaudited)**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Actual Taxable Value of Property*	Per Capita
2011	\$ -	\$ -	\$ -	0.00%	\$ -
2012	-	-	-	0.00%	-
2013	-	-	-	0.00%	-
2014	-	-	-	0.00%	-
2015	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	0.00%	-
2019	-	-	-	0.00%	-
2020	-	-	-	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, 2020 (Unaudited)**

Governmental Unit	Gross Debt	Percentage Debt Applicable to City (1)	City's Share of Debt
City of Warrenville	\$ 406,183	100.00 %	\$ 406,183
DuPage County	136,295,000	1.23 %	1,681,584
DuPage County Forest Preserve District	102,445,805	1.23 %	1,263,958
Warrenville Park District	776,861	91.84 %	713,451
Warrenville Library District	1,550,000	95.42 %	1,479,080
Schools			
Elementary District No. 33	29,575,000	63.33 %	18,729,593
High School District No. 94	32,585,000	42.08 %	13,711,985
Community Unit School District No. 200	109,515,000	15.34 %	16,801,251
Community Unit School District No. 203	13,660,000	11.15 %	1,523,202
Community Unit School District No. 204	149,940,000	14.92 %	22,370,349
College of DuPage No. 502	180,015,000	1.28 %	2,295,762
Total Overlapping Debt	<u>756,357,666</u>		<u>80,570,215</u>
 Total Direct and Overlapping Debt	 <u>756,763,849</u>		 <u>80,976,398</u>

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

CITY OF WARRENVILLE, ILLINOIS

Legal Debt Margin

April 30, 2020 (Unaudited)

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

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

CITY OF WARRENVILLE, ILLINOIS

**Pledged-Revenue Coverage - Last Ten Fiscal Years
April 30, 2020 (Unaudited)**

Fiscal Year	Tax Increment Revenue Bonds				Coverage
	Tax Increment Revenue	Debt Service			
		Principal	Interest		
2011	\$ 10,784,361	\$ -	\$ -	\$ -	
2012	-	-	-	-	
2013	-	-	-	-	
2014	-	-	-	-	
2015	-	-	-	-	
2016	-	-	-	-	
2017	-	-	-	-	
2018	-	-	-	-	
2019	-	-	-	-	
2020	-	-	-	-	

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, 2020 (Unaudited)

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
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%
2018	13,140	471,226,680	35,862	4.48%
2019	13,140	478,282,860	35,493	2.90%
2020	13,140	468,335,880	35,642	12.6%*

Data Source: U.S. Census Data

*DuPage Countywide number as result of the COVID-19 pandemic

CITY OF WARRENVILLE, ILLINOIS

**Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago
April 30, 2020 (Unaudited)**

Employer	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
EN Engineering LLC	413	1	2.57%			
Edward Hospital	400	2	2.49%	155	7	1.36%
RR Donnelley	350	3	2.18%			
LSC Communications	331	4	2.06%			
A&H Management Group	265	5	1.65%			
Target	246	6	1.53%	287	5	2.51%
Lifetime Fitness	240	7	1.49%	261	6	2.28%
Sonova USA Inc (formerly Phon	220	8	1.37%	510	3	4.46%
Performance Health Supply	170	9	1.06%			
Paychex North America Inc	151	10	0.94%			
BP/Amoco (1)				2,189	1	19.14%
Navistar				1,399	2	12.24%
Exelon				445	4	3.89%
First American Title				150	8	1.31%
National Express				117	9	1.02%
Emerson Network Power				90	10	0.79%
	<u>2,786</u>		<u>17.34%</u>	<u>5,603</u>		<u>47.64%</u>

Data Source: City Records

CITY OF WARRENVILLE, ILLINOIS

**Full-Time Equivalent City Government Employees by Function/Program - Last Ten Fiscal Years
April 30, 2020 (Unaudited)**

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Administration	4.5	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Finance	6.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Community Development	10.0	10.0	10.0	10.0	10.0	10.0	10.0	11.0	11.0	11.0
Public Safety										
Police										
Officers	34.0	34.0	34.0	35.5	34.5	34.0	34.0	33.0	33.0	32.0
Civilians	16.0	16.0	16.0	16.0	14.0	14.0	14.0	14.0	14.0	14.0
Public Works										
Administration	4.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0
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, 2020 (Unaudited)**

Function/Program	2011	2012	2013
Public Safety			
Police			
Physical Arrests	1,755	1,144	2,262
Parking Violations	750	723	352
Traffic Violations	5,532	5,260	2,688
Public Works			
Street Resurfacing (Miles)	1.20	5.10	3.90
Potholes Repairs	60	48	52
Water			
New Connections	12	9	15
Water Main Breaks	17	22	28
Number of Meters in Operation	4,484	4,493	4,508
Number of Properties Connected to Sewer System	4,642	4,642	4,657
Average Daily Pumpage (MGD)	1.32	1.26	1.33
Maximum Daily Pumpage (MGD)	2.06	1.97	2.10
Number of Gallons Pumped (000)	481,890	461,000	486,276

Data Source: Various City Departments

*Institution of local adjudication program resulted in reclassification of certain offenses, thereby decreasing the counts of arrests and traffic violations

2014	2015	2016	2017	2018	2019	2020
739	713	554	647	646	470 *	409
997	688	540	574	664	2,284 *	1,229
5,889	4,038	2,838	3,117	2,795	2,078 *	2,561
3.87	3.87	5.36	3.10	1.95	2.03	1.21
35	35	15	30	55	62	57
22	38	20	15	25	40	51
27	41	15	11	18	14	9
4,492	4,530	4,550	4,565	4,590	4,677	4,728
4,674	4,712	4,732	4,747	4,479	4,864	4,916
1.32	1.34	1.20	1.40	1.27	1.17	1.15
1.98	1.89	2.60	2.29	2.48	2.07	2.17
476,525	438,546	453,967	497,662	462,330	445,160	430,672

CITY OF WARRENVILLE, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
April 30, 2020 (Unaudited)**

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	17	17	17	17	17	17	17	17	17	17
Public Works										
Streets (Miles)	54	54	54	54	54	54	54	54.1	54.1	54.1
Streetlights	741	741	741	741	741	741	741	741	780	847
Traffic Signals:	4	4	4	4	4	4	4	4	4	4
Water										
Water Mains (Miles)	64.0	64.0	64.0	64.0	64.0	64.4	64.8	64.7	64.7	65.0
Fire Hydrants	702	702	702	702	702	714	714	718	1,023	1,024
System Capacity (Millions of Gallons)	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.0	2.0
Wastewater										
Sanitary Sewers (Miles)	59.0	59.0	59.0	59.0	59.0	59.2	59.6	60.4	59.6	59.6
Storm Sewers (Miles)	30.4	30.4	30.4	30.4	30.4	30.7	30.7	31.0	31.0	46.0

Data Source: Various City Departments