

**Comprehensive Annual
Financial Report**



**Year Ended
April 30, 2018**

CITY OF WARRENVILLE, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
APRIL 30, 2018

Prepared by: Department of Finance

Kevin Dahlstrand
Director of Finance

CITY OF WARRENVILLE, ILLINOIS

TABLE OF CONTENTS

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

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	MD&A 1 - 15

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements	
Statement of Net Position	3 - 4
Statement of Activities	5 - 6
Fund Financial Statements	
Balance Sheet – Governmental Funds	7 - 8
Reconciliation of Total Governmental Fund Balance to the Statement of Net Position – Governmental Activities	9
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	10 - 11
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities – Governmental Activities.....	12
Statement of Net Position – Proprietary Funds.....	13 - 14
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund.....	15
Statement of Cash Flows – Proprietary Fund	16
Statement of Fiduciary Net Position	17
Statement of Changes in Fiduciary Net Position	18
Notes to the Financial Statements	19 - 56

CITY OF WARRENVILLE, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION – Continued

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Employer Contributions
 Illinois Municipal Retirement Fund57
 Police Pension Fund.....58
Schedule of Changes in the Employer’s Net Pension Liability
 Illinois Municipal Retirement Fund 59 - 60
 Police Pension Fund..... 61 - 62
Schedule of Investment Returns
 Police Pension Fund.....63
Schedule of Funding Progress and Employer Contributions
 Other Post-Employment Benefit Plan.....64
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
 General Fund.....65
 Motor Fuel Tax – Special Revenue Fund66

OTHER SUPPLEMENTARY INFORMATION

Schedule of Revenues – Budget and Actual – General Fund 67 - 69
Schedule of Expenditures – Budget and Actual – General Fund..... 70 - 72
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
 Capital Maintenance and Replacement – Capital Projects Fund73
 TIF District #3 – Capital Projects Fund74
Combining Balance Sheet – Nonmajor Governmental Funds75
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds.....76
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
 Seized Assets – Special Revenue Fund.....77
 Hotel/Motel Tax – Special Revenue Fund.....78
 TIF District #4 – Capital Projects Fund79
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual
 Water and Sewer – Enterprise Fund.....80
Schedule of Operating Expenses – Budget and Actual
 Water and Sewer – Enterprise Fund..... 81 - 83
Schedule of Changes in Fiduciary Net Position – Budget and Actual
 Police Pension – Pension Trust Fund.....84

CITY OF WARRENVILLE, ILLINOIS

TABLE OF CONTENTS

	PAGE
<u>STATISTICAL SECTION (Unaudited)</u>	
Net Position by Component – Last Ten Fiscal Years	85 - 86
Changes in Net Position – Last Ten Fiscal Years	87 - 88
Fund Balances of Governmental Funds – Last Ten Fiscal Years	89 - 90
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	91 - 92
Assessed Value and Actual Value of Taxable Property – Last Ten Fiscal Years.....	93
Direct and Overlapping Property Tax Rates – Last Ten Tax Levy Years	94
Principal Property Tax Payers – Current Tax Levy Year and Nine Tax Levy Years Ago	95
Property Tax Levies and Collections – Last Ten Tax Levy Years	96
Sales Tax Revenue by Category – Last Ten Calendar Years.....	97 - 98
Direct and Overlapping Sales Tax Rates – Last Ten Fiscal Years	99
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years.....	100
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years.....	101
Schedule of Direct and Overlapping Bonded Debt.....	102
Legal Debt Margin Information	103
Pledged-Revenue Coverage – Last Ten Fiscal Years	104
Demographic and Economic Statistics – Last Ten Fiscal Years.....	105
Principal Employers – Current Fiscal Year and Nine Fiscal Years Ago	106
Full-Time Equivalent City Government Employees by Function/Program – Last Ten Fiscal Years	107
Operating Indicators by Function/Program – Last Ten Fiscal Years.....	108 - 109
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years.....	110

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, 2018

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

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

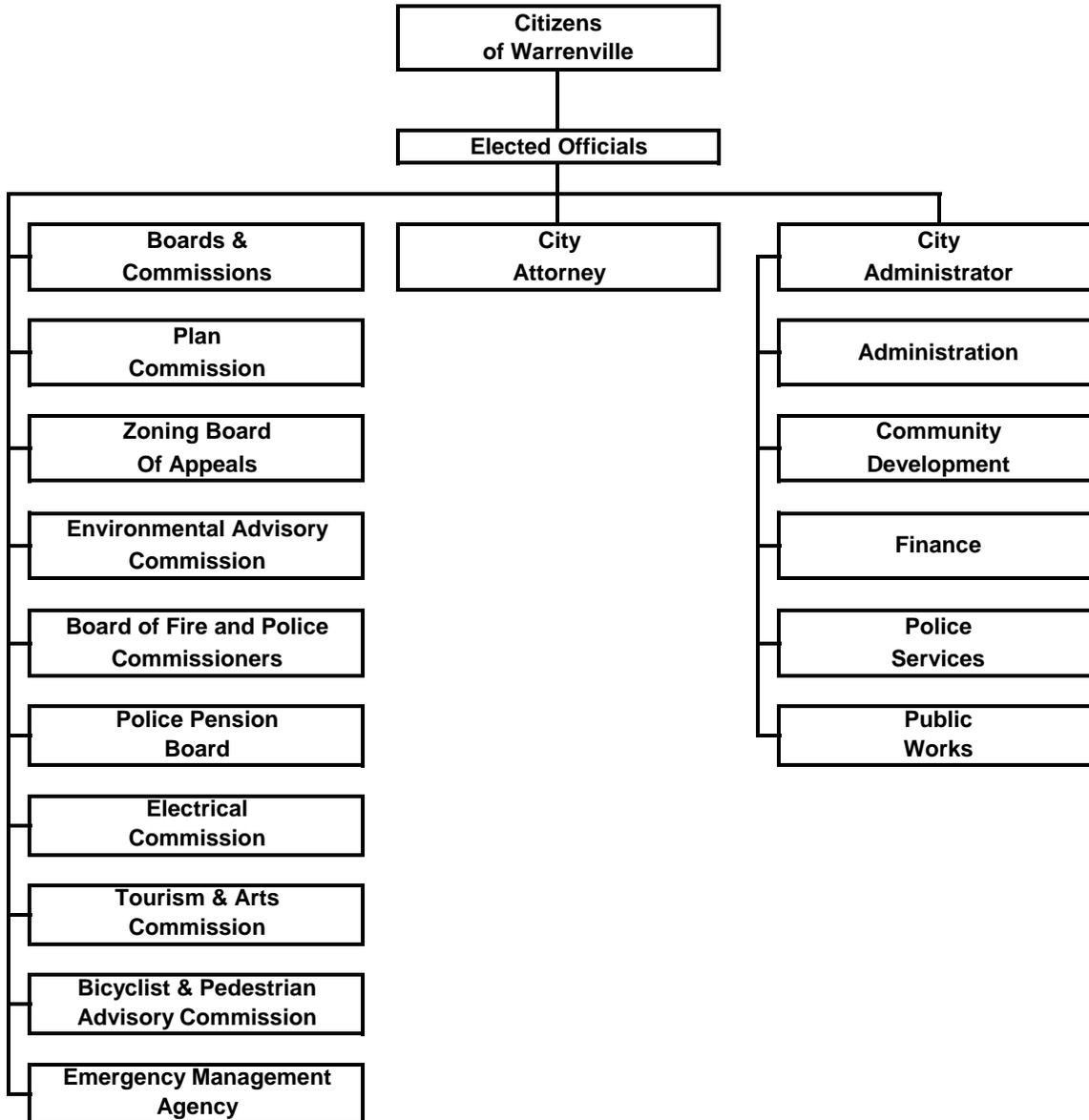
EXECUTIVE

John M. Coakley, City Administrator

Finance Department

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

CITY OF WARRENVILLE Organizational Chart





City of Warrenville (630) 836 3050 tel
3S258 Manning Avenue (630) 393 1531 fax
Warrenville, IL 60555 www.warrenville.il.us

August 30, 2018

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, 2018 (FYE 2018), is hereby submitted. State statutes and local ordinances require that the City annually issue a report on its financial position and activity, presented in conformance with generally accepted accounting principles (GAAP) of the United States of America, and audited in accordance with generally accepted auditing standards (GAAS) by an independent firm of certified public accountants.

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

The City's financial statements have been audited by the licensed certified public accountants of Lauterbach & Amen, LLP. The purpose of the independent audit is to provide reasonable assurance that the City's financial statements for FYE 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and estimates made by management; and evaluating the overall financial statement presentation. Based on the audit. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for FYE 2018, 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 and is located in DuPage County, approximately 28 miles west of the City of Chicago, which encompasses 5.5 square miles and 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 from each ward, elected every two years. The City Clerk and City Treasurer are elected officers of the City, but are not policy makers, nor part of the City Council. The Mayor and Aldermen are responsible, for passing ordinances and resolutions, annual budget adoption, and appointing City board and commission members, the City Administrator, and the Police Chief.

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

The City provides a full range of services, including police protection, construction and maintenance of streets and other infrastructure, operation and administration of water and wastewater 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 of each year. The City Administrator and Finance Director use these requests as the starting point for developing a proposed budget for the coming fiscal year. The City Administrator, in his role as the designated Budget Officer, then presents the proposed budget to the City Council prior to the start of the new fiscal year. By State Statute, the City Council is required to hold a public hearing on the proposed budget and adopt a final budget no later than April 30 of each year; the close of the City's previous fiscal year. The adopted budget is prepared and presented by fund and at the department level. The Budget Officer may authorize transfers of budgeted amounts within a fund. However, budget amendments to increase, or decrease, a fund's total budgeted allocation require a formal City Council approval.

This 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 65, as required supplementary information. The budget-to-actual comparisons for governmental funds, other than the General Fund (pages 65 and 67-72) and Motor Fuel Tax Fund (page 66), are presented in the governmental funds subsection of this report, which starts on page 73.

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 2018. Many of these initiatives span multiple years of planning, negotiations, and allocation of financial resources. These initiatives are part of the City's ongoing efforts to protect the health, safety, and welfare of the community and to enhance and improve the quality of life for its residents. Some of the more significant projects and developments are listed below:

The following are City FY 2018 initiatives and accomplishments, listed by department:

Police:

- National Night-Out-Against Crime had another record attendance of 1,400 participants
- Police Department continued its Neighborhood Roll Call program with increased resident attendance
- NARCAN opioid antidote continues to be used by the patrol officers on overdose calls
- Implemented pro-active fireworks education and enforcement program over the 4th of July holiday
- Implemented an administration adjudication citation program for minor traffic and ordinance violations, allowing more fine revenue to go directly to the City.
- Police Department conducted annual evidence audit, and no discrepancies were found

Public Works

- Completed annual road maintenance and reconstruction program:
 - Buckthorn Court
 - Danbury Drive
 - Grove Lane from Timber Drive to Timber Drive
 - Hampton Drive from Danbury Drive to Wembly Drive
 - Harvard Drive from Continental Drive to Danbury Drive
 - Home Avenue from Meadow Avenue to City Limits
 - Meadow Avenue from Illinois Route 59 to Timber Drive
 - Mulberry Court
 - Oakwood Court
 - Stevens Court
 - Timber Drive from Batavia Road to Meadow Avenue
 - Wembly Drive from Continental Drive to Harvard Drive
- Replaced Water Main on:
 - Harvard Drive from Wembly Drive to Danbury Drive
- Extended Sanitary Sewer on:
 - Calumet Avenue East from Williams Road to Glen Drive North
 - Glen Drive North from Calumet Avenue East to Batavia Road
- Extended Water Main on:
 - Home Avenue, north of Frontage Road

- Extended Sanitary Sewer and Water Main on:
 - Williams Road from Butterfield Road to Batavia Road

Administration:

Operations and Services

- Issued a request for proposals and selected a company to provide janitorial services to City buildings.
- Cataloged and recycled miscellaneous City-owned electronics including computers, printers, mobile data terminals (MDT's), and various accessories.
- Re-established the Administrative Services Coordinator position with City Council authorization.

Information Technology

- Continued City server and network upgrades.
- Improved Wi-Fi signal by installing additional boosters and increasing capacity.
- Replaced computers, printers, MDTs, and squad cameras per the annual replacement schedule.
- Outsourced the City's Information Technology function to a third party consultant.

Human Resource, Collective Bargaining, and Employee Benefits

- Multiple personnel recruitments in police, administration, community development, and public works departments.
- The City continued its efforts, with some success, to diversify its staff with skilled workers and professionals to be more reflective of the community.
- Completed phase four of the Compensation Philosophy and study by surveying the new list of comparable communities and developing new salary ranges.

Transparency and Public Communications

- Continued to improve engagement on the City Facebook page through creative content development. The Facebook page grew to 1,147 "likes" and 1,175 followers as of April 2018.
- Partnered with the Warrenville Historical Society on a variety of events to celebrate the City's 50th Anniversary of Incorporation. A new time capsule was buried in the gazebo to be opened in the year 2068.

Legislative and Fiscal Issues

- Worked with state legislators and the Governor's office, in conjunction with DuPage Mayors and Managers Conference and Illinois Municipal League, to prevent significant City revenue loss and unfunded mandates. The most significant legislative issue was the allowance of small cell wireless facilities in public rights of way.

Interdepartmental and City Commission Support

- Administered 11 hotel tax grants awarded by the City Council through the Tourism and Arts Commission supporting community events to promote tourism in Warrenville.
- Coordinated the purchasing of public art under the City's Aesthetic Enhancement Program.
- Worked with other City departments on the issuance of a request for proposals and selection of an Enterprise Resource Planning (ERP) system.
- Supported the effort to complete a new City Branding initiative, which resulted in the brand "Warrenville Naturally" and a new City logo.

Finance:

- Spent considerable staff time and effort during the fiscal year coordinating, and working with other members of City staff, to finalize contract negotiations for the purchase and implementation of a new Enterprise Resource Planning (ERP) solution. The ERP will replace the City's existing financial management software, with a modern and integrated software solution to be utilized across all departments. The actual implementation of the ERP solution, Microsoft Dynamics 365 (D365), will occur during FY 2019 and early FY 2020.
- Worked extensively with the City's water meter reading software service provider and the City's current utility billing software service provider to overcome compatibility issues with the transmission of reads from one system to the other.

Community Development:

- Recruited and filled vacant Code Enforcement/Building Inspector position.
- Recruited and filled new Civil Engineer position.
- Coordinated with Public Works on Phase II and III of Utility Analysis
- Finalized design, permitting and construction of final phase of Rt. 56 Streetscape Enhancement Improvement Project.
- Advanced preliminary engineering design of Diehl Road Turning Lane Improvement Project.
- Advanced preliminary engineering design for Mack Road Trail Improvement Project.
- Coordinated with Public Works on design and construction of sewer improvements from Landon Avenue to Route 59 corridor.
- Advanced preparation of TIF assistance and redevelopment agreement for Anderson property.
- Worked with Finance department on selection and implementation of new ERP.
- Issued 607 building permits valued at a total of \$15.615 million dollars of private building and construction activity.
- Issued building permits for 25 new homes.

Factors Affecting Financial Condition

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

Local Economy

The City maintains a diversified revenue stream, meaning that no one revenue source, either in decline or on the rise, exacts a dramatic budgetary impact or causes the need for significant budgetary or operational modifications. Local sales tax revenue continues to play an important role in support of the General Fund and is 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, multi-screen movie theater, family entertainment venue, gas stations, medical products distributor, as well as a number of smaller local merchants and retailers.

Warrenville remains in a strong financial position at the conclusion of FY 2018 with actual fiscal year end General Fund revenue exceed fiscal year budgeted revenue by \$33,533. Actual incurred expenditures fell short of budgeted expenditures by almost \$2.0 million dollars, largely due the delay in the acquisition of the City's new ERP system, which will now not occur until FY 2019.

Actual operational revenue fell short of actual operational expenditures by \$173,201, thereby utilizing just 2.4% of the General Fund's unassigned fund balance reserves, while the FY 2018 Budget planned for the use of approximately 10% of those reserves.

Revenue performance had varying results for the fiscal year. For example, State shared income tax, state shared use tax, sales tax, home rule sales, and the local food and beverage tax, all exceeded budget. However, revenues for building and development related permits and review fees fell well short of budget, largely due to the delay in the start of the residential development of Civic Center Redevelopment Site #1 (CCRS #1).

Overall FY 2018 General Fund revenue totaled \$11,201,896, an increase of approximately 2.8% from FY 2017, when General Fund revenue totaled \$10,891,229. Finally, unassigned General Fund reserves remain strong at fiscal year-end, exceeding the 25% minimum level established by City Council policy.

Long-term planning and re-development

The long planned for redevelopment of the city-owned former Musselman Lumber site, Civic Center Redevelopment Site #1 (CCRS #1), located in TIF District #3, reached a critically important point during FY 2018, with the sale of the site to Airhart Construction. Airhart will redevelop the 4.25 acre site, with 27 detached single-family homes. This residential development is projected to have a market value of almost \$12,000,000, annually yielding \$5,400,000 in gross TIF incremental property tax revenue over the next twenty plus years.

A new Amazon Fulfillment Center opened adjacent to the City's new Tax Increment Financing District, TIF #4 and brought 1,000 new jobs to the area, and the extension of Duke Parkway with a newly signalized intersection at Route 59. Duke Realty also extended sanitary sewer and water utilities to its property at Route 59 and Duke Parkway.

Additionally, a number of businesses opened or expanded during FY 2018, including: Chuy's Restaurant, Skippy's Restaurant, Allied Roofing, CR Schmidt, and the Compass Day School.

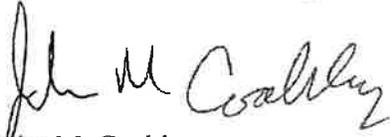
FY 2019 will see the City evaluate a number of private development proposals, including properties located in the Old Town/Civic Center TIF District #3, Southwest/Route 59 Corridor TIF District #4, and Cantera.

Awards and acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended April 30, 2017, the 25th 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 a period of one year. City staff anticipates the 2018 CAFR will again meet the Certificate of Achievement Program's requirements and as such, it will be submitted to the GFOA to determine its eligibility for the award under the GFOA certificate program.

Credit and 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.

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, 2017

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
- Combining and Individual Fund Financial Statements and Schedules

INDEPENDENT AUDITORS' REPORT

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



INDEPENDENT AUDITORS' REPORT

August 30, 2018

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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Warrenville, Illinois, as of April 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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


LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the City of Warrenville, Illinois, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended April 30, 2018. 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 decreased by just \$950,234, or about 1.0%, from the April 30, 2017 restated total of \$93,468,754, to a total of \$92,518,520 at April 30, 2018.
- The City's total assets across all funds were \$110,804,719 as of April 30, 2018, which is a decrease of \$2,213,014, or approximately 2.0% from the April 30, 2017 figure of \$113,017,733.
- The total assets and deferred outflows of the City of Warrenville exceeded its liabilities/deferred inflows at the end of the fiscal year by \$92,518,520 (*net position*). Of this amount, \$4,728,358 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- A total of \$86,758,651 of the total net position is invested in capital assets. \$69,950,797 for Governmental Activities and another \$17,167,854 for Business-Type Activities.
- As of the end of FY 2018, the City of Warrenville's governmental funds reported combined ending fund balances of \$13,143,341, a decrease of 12.9% from April 30, 2017. Of that total amount, \$5,597,513, or 42.5% is *available for spending* at the City's discretion (*unassigned fund balance*), almost unchanged from the FY 2017 of \$5,637,051.
- Less than one-percent, or just \$39,152, is in the form of "non-spendable" fund balances, consisting of pre-paid items.
- Additionally, 7.8% or \$1,031,511 is *restricted* for the specific purposes of roadway maintenance and public safety.
- Another \$1,212,688, or approximately 9.2%, is "*committed*" to funding tourism related activities through the City Hotel Motel Tax Fund.
- Finally, a total of \$5,262,477 or 40% is fund balance designated as "*assigned*" for special projects, which are 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 \$11,594,026, which represents a decrease of approximately \$2,597,570 approximately 18.3% from the prior fiscal year. This figure is comprised of pension liabilities for public safety officers, as well as for general City employees, and other post-employment obligations (OPEB). The largest component of this figure is for the Police Pensions obligations that make up approximately 70% of the total, down from 77% at the end of FY 2017.
- The City continues to have no general obligation debt, as has been the case for many years.

Overview of the Financial Statements

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

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

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

Government-wide financial statements. The *government-wide financial statements* 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).

Both of the 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 can be found on pages 3-6 of this report.

Fund financial statements. A *fund* is a grouping of related accounts, which are used to maintain control over resources that have been segregated for specific activities or objectives. The City of Warrenville, like other state and local governments, utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Warrenville can be divided into three major categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. 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 aggregated into 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 65-79 to demonstrate compliance with these budgets.

Basic financial statements for the governmental funds are found on pages 7-12 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 found on pages 13-16 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement, because the resources of those funds are *not* available to support the City's day-to-day programs and activities. The accounting used for fiduciary funds is much like that used for proprietary funds. The Police Pension Fund is the City's sole fiduciary fund. The basic fiduciary fund financial statements are found on pages 17-18 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 which 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 19-56 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 Warrentville'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 57-66 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 67-84 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 \$92,518,520 at April 30, 2018.

The largest portion, approximately 93.8%, of the City of Warrenville's 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; consequently, these assets are *not* available for future spending. Although the City of Warrenville's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay 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 2018-2017
	Activities		Activities				
	2018	2017	2018	2017	2018	2017	
Current assets:							
Cash and Investments	12,694,282	14,677,490	5,311,169	4,907,911	18,005,451	19,585,401	-8.07%
Advances to/from other funds	-	(2,200,000)	-	2,200,000	-	-	
Receivables - net of allowances	5,440,608	5,362,365	546,977	599,427	5,987,585	5,961,792	0.43%
Other receivables and assets	39,152	119,140	13,880	13,966	53,032	133,106	-60.16%
Land held for resale	-	2,200,000	-	-	-	2,200,000	-100.00%
Total current assets:	18,174,042	20,158,995	5,872,026	7,721,304	24,046,068	27,880,299	-13.75%
Noncurrent assets:							
Capital assets							
Nondepreciable capital assets	43,815,293	43,565,293	-	180,494	43,815,293	43,977,124	-0.37%
Depreciable Capital Assets	44,226,893	43,796,630	25,548,726	23,414,749	69,775,619	67,211,379	3.82%
Accumulated Depreciation	(18,451,389)	(17,779,958)	(8,380,872)	(8,039,774)	(26,832,261)	(25,819,732)	3.92%
Total noncurrent assets	69,590,797	69,581,965	17,167,854	15,555,469	86,758,651	85,137,434	1.90%
Total assets	87,764,839	89,740,960	23,039,880	23,276,773	110,804,719	113,017,733	-1.96%
Deferred outflows of resources							
Deferred items - IMRF	579,513	839,335	216,033	309,068	795,546	1,148,403	-30.73%
Deferred items - Police Pension	1,737,172	208,073	-	-	1,737,172	208,073	734.89%
Total deferred outflows of resources	2,316,685	1,047,408	216,033	309,068	2,532,718	1,356,476	86.71%
Total assets and deferred outflows	90,081,524	90,788,368	23,255,913	23,585,841	113,337,437	114,374,209	-0.91%
Current liabilities:							
Accounts payable and accrued liabilities	1,360,445	1,536,629	446,855	559,144	1,807,300	2,095,773	-13.76%
Other current	178,288	166,922	21,298	19,332	199,586	186,254	7.16%
Total current liabilities	1,538,733	1,703,551	468,153	578,476	2,006,886	2,282,027	-12.06%
Noncurrent liabilities							
Compensated absences payable	713,153	667,689	85,190	77,327	798,343	745,016	7.16%
Net pension liability - IMRF	384,707	1,462,964	143,413	538,706	528,120	2,001,670	-73.62%
Net pension liability - Police Pension	8,158,920	9,428,563	-	-	8,158,920	9,428,563	-13.47%
Total Other Post Employment Benefits	1,775,423	137,140	133,634	9,784	1,909,057	146,924	1199.35%
Total noncurrent liabilities	11,032,203	11,696,356	362,237	625,817	11,394,440	12,322,173	-7.53%
Total liabilities	12,570,936	13,399,907	830,390	1,204,293	13,401,326	14,604,200	-8.24%
Deferred Inflows of Resources							
Unearned property taxes	3,670,256	3,528,466	-	-	3,670,256	3,528,466	4.02%
Deferred items - IMRF	1,010,418	32,005	376,668	11,785	1,387,086	43,790	
Deferred items - Police Pension	2,360,249	1,045,830	-	-	2,360,249	1,045,830	125.68%
Total deferred inflows of resources	7,040,923	4,606,301	376,668	11,785	7,417,591	4,618,086	60.62%
Total liabilities and deferred inflows	19,611,859	18,006,208	1,207,058	1,216,078	20,818,917	19,222,286	8.31%
Net Position:							
Investment in capital assets	69,590,797	69,581,965	17,167,854	15,555,469	86,758,651	85,137,434	1.90%
Restricted	1,031,511	847,019	-	-	1,031,511	847,019	21.78%
Unrestricted	(152,643)	2,353,176	4,881,001	6,814,294	4,728,358	9,167,470	-48.42%
Total Net Position	70,469,665	72,782,160	22,048,855	22,369,763	92,518,520	95,151,923	-2.77%

The *unrestricted net position* as of April 30, 2018, totaled \$4,728,358, and may be used to meet the government's ongoing obligations to citizens and creditors. This represents an almost 50% decrease in unrestricted net position from FY 2017. The decrease is due in part, to the early implementation of the required GASB No. 75 statement,

with the financial reporting of post-employment benefit plans other than pension plans. In addition, reductions in the unrestricted net position in overall governmental activities group, are also due to the sale of land previously held-for-resale to a residential developer, and more specifically due to the “loss” taken on that sale. In the long-term, that loss will be recouped through incremental property tax revenue generated because of the residential redevelopment of the site, which is located within TIF District #3. Finally, the City’s on-going and planned investment within TIF Districts #3 and #4, in advance of incremental revenue generation has affected the availability of unrestricted fund balances.

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

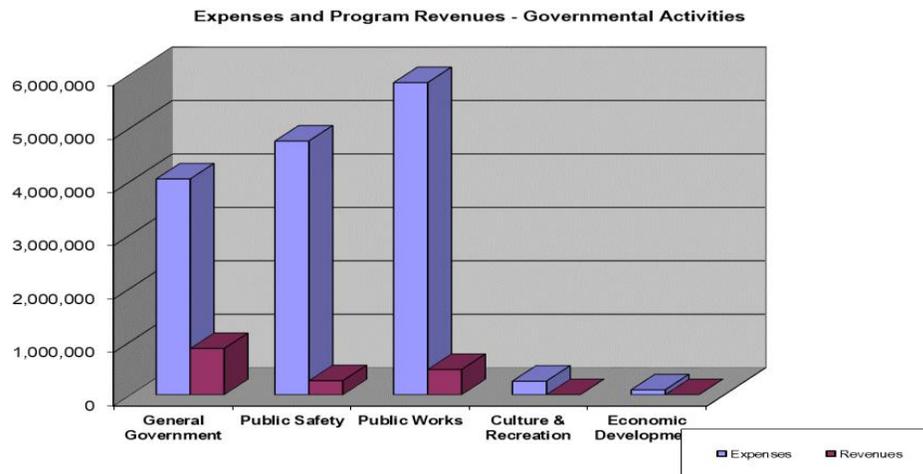
**CITY OF WARRENVILLE
CHANGES IN NET POSITION**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for Services	\$ 1,101,158	\$ 1,030,867	\$ 3,449,998	\$ 3,428,495	\$ 4,551,156	\$ 4,459,362
Operating Grants and Contributions	359,312	381,770	4,371	3,079	363,683	384,849
Capital Grants and Contributions	136,358	-	434,397	-	570,755	-
General revenues:						
Property and Replacement Taxes	3,506,054	3,401,164	-	-	3,506,054	3,401,164
Other Taxes	8,948,787	8,767,962	-	-	8,948,787	8,767,962
Miscellaneous	168,896	184,913	(30,779)	6,018	138,117	190,931
Total Revenue	14,220,565	13,766,676	3,857,987	3,437,592	18,078,552	17,204,268
Expenses:						
General Government	4,037,117	3,560,422	-	-	4,037,117	3,560,422
Public Safety	4,746,682	7,695,403	-	-	4,746,682	7,695,403
Public Works	5,839,479	3,840,665	-	-	5,839,479	3,840,665
Culture & Recreation	253,619	366,399	-	-	253,619	366,399
Economic Development	91,317	131,300	-	-	91,317	131,300
Water	-	-	1,771,966	2,095,070	1,771,966	2,095,070
Sewer	-	-	2,288,607	2,452,109	2,288,607	2,452,109
Total Expenses	14,968,214	15,594,189	4,060,572	4,547,179	19,028,786	20,141,368
Change in Net Position	(747,649)	(1,827,513)	(202,585)	(1,109,587)	(950,234)	(2,937,100)
Net Position - May 1 (restated)	71,217,314	74,609,673	22,251,440	23,479,350	93,468,754	98,089,023
Net Position - April 30	70,469,665	72,782,160	22,048,855	22,369,763	92,518,520	95,151,923

Governmental activities – The net position of the governmental activities decreased \$747,649, or slightly more than 1%, from FY 2017 to FY 2018, beginning the year at restated figure of \$71,217,314 and ending the year at \$70,469,665. Business-type activities experienced a decrease in net position of \$202,585 or about .9%. The City’s overall net position decreased by \$950,234, or just 1.02% from \$93,468,754 at the beginning of the fiscal year, to \$92,518,520 at the end of the fiscal year.

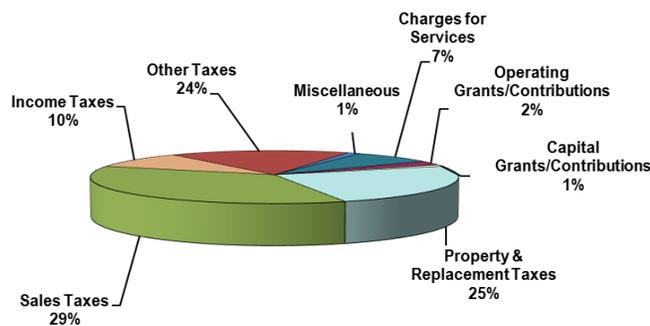
The decrease in the net position for governmental activities is largely attributable to the on-going investment in TIF Districts #3 and #4, in preparing those districts for redevelopment opportunities. Because these are relatively young TIF district, with little development underway at fiscal year’s end, they are generating very little incremental property tax revenue to offset the expenditures being made for activity within the districts. Also, as previously indicated, TIF #3 added a significant liability of about \$1.8 million to cover the “loss” on the sale of land previously held for resale by the General Fund, as allowed by TIF statutes. Without that liability recognition, the remaining governmental funds would have positively added to the overall net position.

Expenses and Program Revenues



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

Revenues By Source - Governmental Activities



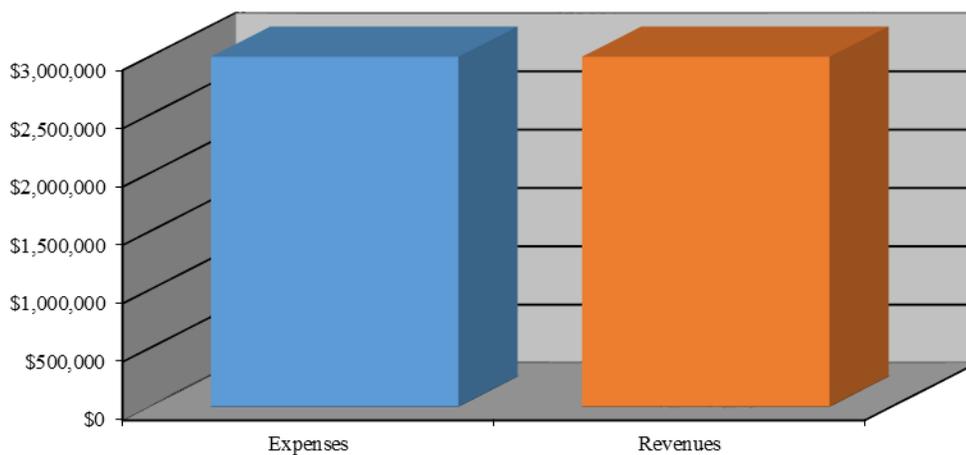
Other Governmental Activities Highlights:

- Expenses totaled \$14,968,214, representing a decrease of 4% from FY 2017, where expenses totaled \$15,594,189.
- Revenue increased by \$453,889, or approximately 3.3% with total revenue of \$14,220,565, compared with FY 2017, when revenue totaled \$13,766,676.

Business-type activities - Business-type activities decreased the City's net position by just \$202,585. The change from FY 2017 to FY 2018 included the following:

- Charges for services for business-type activities showed a slight increase of \$21,503, but was virtually unchanged from FY 2017. No adjustments were made to sewer or water utility rates for FY 2018, but both are being increased for FY 2019, with a 5% sewer rate increase and a 3% water rate increase.
- Regular non-operating revenue decreased by almost 24%, largely due to a 60% decline in tap-on fee revenue, but that is anticipated to turn around as residential economic development progresses in FY 2019 and the upcoming years. Investment income also decreased.
- During FY 2018 developers contributed a total of \$434,397 in water and sewer infrastructure improvements as a result of the aforementioned economic development which is occurring in the Southwest/Route 59 Corridor TIF district.
- Water and Sewer operating expenses for FY 2018, totaled \$3,700,937, again virtually unchanged from FY 2017, where expenditures totaled \$3,695,410. Planned engineering expenses did not occur to the extent originally budgeted coming in almost \$150,00 under budget, and water meter purchase expenses were well under budget, as the City staff struggled with some meter reading software conversion issues, as the City continued the implementation of new meter reading software and hardware interfacing.

Expenses and Program Revenues for Waterworks and Sewerage



Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City of Warrentville's *governmental funds* reporting is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Warrentville's financing requirements. In particular, *unrestricted fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the fiscal year, the combined balance sheets for the City of Warrentville's governmental funds shows ending total fund balances of \$13,143,341, compared to FY 2017 when the figure was \$15,093,900. This represents a decrease of just short of 13%. *Unassigned* fund balance, that portion of fund balance that is available for spending at the City's discretion, remained nearly unchanged from FY 2017, going from \$5,637,051 for FY 2017, to \$5,597,513 for FY 2018. A total of \$1,031,511 of fund balance is *restricted*, meaning that those balances are not available for new spending, but are to be spent as follows: 1) maintenance of roadways with state shared motor fuel taxes (\$838,559), and 2) public safety (\$192,952). An additional \$1,212,688 of total fund balance is *committed* to tourism related activities, while \$5,262,477 is "*assigned*" for special projects (\$4,144,702), and the ongoing maintenance of existing City and capital assets (\$1,247,506). Finally, a total of \$39,152 is categorized as *non-spendable*, meaning that portion of fund balance is in a form that cannot be spent, and in this case, the figure represents prepaid items.

General Fund Highlights

The General Fund is the general day-to-day operating fund of the City of Warrentville. As of the end of FY 2018, the *unassigned* fund balance of the General Fund rose from \$7,239,645 to \$9,343,946, representing an increase of \$2,104,301, or approximately, 19%, which will be addressed later in this document. Overall, the General Fund total fund balances equaled \$13,527,890, decreasing by \$175,687, just short of 1.3%, from the FY 2017 figure of \$13,703,577.

It is important to note that the increase in *unassigned* fund balance is largely attributable to the sale of land, listed in prior years as "*Land Held for Resale*", a "*non-spendable*" part of the overall fund balance. The land had an original purchase price of \$2,200,000. In the later stages of the fiscal year, the City sold the land, now located within a Tax Increment Financing (TIF) District (TIF #3), to a residential developer, at a significant "loss" from the original purchase price. The TIF District will now be responsible for covering that loss, thereby making the General Fund whole, how this works will be detailed later in this document. As a result, the vast majority of that *Non-spendable* fund balance from previous years, has in essence, been converted to *unassigned* fund balance.

A measure of the General Fund's liquidity can be found by comparing *unassigned fund balance* to total General Fund expenditures. The FY 2018 ending *unassigned* fund balance equals approximately 82% of total General Fund expenditures incurred during FY 2018, up from approximately 68% at the end of FY 2017. Most of the increase was discussed in the previous paragraph. However, additional contributing factors for this change included the following:

- Total General Fund revenue showed a slightly positive budget variance of \$33,533, with realized revenue totaling \$11,201,896, compared with fiscal year budgeted revenue of \$11,168,363. Individual revenue sources yielded varying results, and specific factors included:
 - Actual property tax revenue collections were under budget by \$60,765 or about 1.8%
 - State Shared Sales tax revenue exceeded budget by less than one-percent, or just \$9,124, while Home Rule Sales tax revenue exceeded budget by \$92,474, or almost 5.4%, a combined net positive variance to budget of \$101,598

- State Shared Income Tax exceeded budget by \$44,636, or about 3.4%, with total revenue received of \$1,371,776 against budgeted revenue of \$1,327,140. On a cash basis, this was the result of one additional remittance from the State of Illinois, thirteen compared to the usual twelve, as the State was working to play catch-up on their backlog of payments to municipalities. This will occur again one final time for the City during the City's 2019 fiscal year
 - State Shared Use Tax, distributed by the State of Illinois on a per-capita basis, exceeded budget by about \$15,000, or 4.5%, with total revenue received of \$347,483, representing a 7.5% increase over FY 2017, and a per capita figure of \$26.44 compared to the budgeted per capita figure of \$25.30
 - Food and Beverage Tax revenue exceeded budget by \$50,870, or about 8%, with total revenue received of \$687,110. This also represents an increase of 8% over the FY 2017 total of \$636,240. At fiscal year-end, there were fifty active businesses collecting and remitting this sales based tax, and while this is the same number of actual businesses as at the end of FY 2017, the monthly per restaurant remittances have increased by almost \$50 on average.
 - Building, electrical and plumbing permit revenue along with building plan review fees fell short of budget by a combine \$250,684. This is largely due to the sale of City owner land to a residential real estate developer not occurring until very late in the fiscal year, which lead to a delay in the applications for and the issuance of, any related building permits.
 - However, overall License and Permit revenue, including the above mentioned sources, fell short of budget by just \$157,299, with a budgetary figure of \$1,005,216, compared to actual realized revenue of \$847,917. Beyond the aforementioned Building Permits, other smaller revenue permitting revenue sources, such as Other Permits, Site Plan Review Fees, Stormwater management Fees, and Preliminary Consultative Fees outperformed budget by a combined \$116,251.
 - Fines and Forfeit revenue sources finished the fiscal year just \$2,674 short of budget. While Circuit Court Fines, Administrative Towing Fee and Booking Fee revenue fell a combined \$9,764 short, but this was offset by Parking Fines and Other Fines and Forfeitures coming in a combined \$12,358 over budget.
- Total General Fund operating expenditures showed a positive budget variance of \$1,977,612, with total expenditures of \$11,375,097, compared with a budgeted total of \$13,352,709.
 - Positive budget variances, where actual expenditures fell short of budget, occurred in thirteen of fifteen departments or cost centers. Some of the budgetary savings are explained by the following:
 - Administration Department expenditures were short of budget by \$77,883, with the majority of the savings occurring in the area of personnel costs due to a position vacancy
 - Finance Department expenditures fell short of budget by \$193,360, mostly in the area of expenditures for professional services for anticipated temporary contractual staffing needs that did not occur, as the implementation of the City's ERP project was postponed until the beginning of FY 2019.
 - The Central Services cost center was also short of budget by \$1,057,764. 85% of that savings occurring due to the aforementioned delayed implementation of the ERP Project, and more specifically because there were no contractual fees were paid relative to that implementation. Additional savings occurred in the areas of Equipment Maintenance and Software Maintenance

- The Community Development Department was short of budget by \$96,185, with almost all of that savings occurring because of the ERP delayed implementation
- 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 \$259,674. The Police Department alone had personnel related cost savings of \$136,944. Additional savings of \$53,580 occurred with Supplies and Services and with Maintenance costs totaling another \$37,094. Savings also occurred in the Emergency Management Agency (EMA) expenditures of just short of \$52,000, as anticipated and budgeted expenditures were not undertaken.
- Total Public Works expenditures finished the fiscal year \$312,710 under budget.
 - Total Streets Division expenditures had a positive budget variance of \$197,057, with over 80%, or a little over \$160,000 of that savings occurring in Supplies and Services that were budgeted but not utilized during the course for the fiscal year.
 - Additionally, Maintenance expenditures in the Streets Division and Building and Grounds divisions combined for budgetary savings of a little over \$147,000. Much of this savings came in the area of building maintenance related projects that were either delayed or determined to be unnecessary in the end.

Other Areas of Note

TIF #3

The Tax Increment Financing District #3 Fund began the fiscal year with a negative fund balance of \$1,449,920, and finished the fiscal year with “operating” expenditures exceeding revenue by just \$20,117. However, an additional \$1,868,291 cost associated with the disposal of land, lead to a planned fiscal year-end fund balance deficit totaling \$3,338,328. Late in the fiscal year, City-owned vacant land located at 28W715 Mount Street, and held by the City’s General Fund, was sold to a residential developer, to develop a residential subdivision of 27 homes. The land was 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 the land sale.

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 Warrenville. The Tax Increment Financing District #4 Fund began fiscal year 2018 with a deficit fund balance of \$152,674, and finished the fiscal year with a total fund balance deficit of \$408,105. The largest contributor to the increased fund deficit was the purchase of a one-acre site located on Estes Street from the Lang Family.

Currently, very little incremental property tax revenue is being generated within the TIF district. However, a new Amazon Fulfillment Center opened adjacent to TIF District #4 and brought 1,000 new jobs to the area, as well as the extension of Duke Parkway with a newly signalized intersection at Route 59, and sanitary sewer and water utilities extensions to properties at Route 59 and Duke Parkway. FY 2019 will see the City evaluate a number of private development proposals for properties located within TIF District #4.

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

The unrestricted net position of the Water and Sewer Fund at the end of FY 2018 totaled \$4,881,001 compared to \$6,814,294 at the end of FY 2017, a year-to-year decrease of \$1,933,293. This decrease in unrestricted net position is a continued result of the on-going extension of water and sewer utilities into previously unserved areas of the community. Operating revenue for the year exceeded budget by 3.5% with total realized revenue of \$3,034,869, compared to the budget figure of \$2,930,852.

Operating expenses for the year totaled \$4,060,572 versus a budgeted figure of \$8,452,905. This variance occurred due to the capitalization of planned and budgeted utility extensions.

Overall the fund's net position decreased by just \$202,585, as a result of net non-operating revenue which totaled \$388,721, and capital contributions from developers which totaled \$434,397, for the aforementioned utility extensions for the Duke Parkway Route 59 area, off-setting an operating loss of \$1,025,703. As previously indicated, both water and sewer rate increases were authorized for FY 2019, to address increasing operating expenses for water production and wastewater treatment.

Capital Asset and Debt Administration

Capital assets. The City of Warrentville's investment in capital assets for its governmental and business type activities as of April 30, 2018, totals \$86,758,651 (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 just short of two-percent, or \$1,621,217, from FY 2017 to FY 2018.

City's Capital Assets

	Governmental		Business-type		Total		Total Percentage Change <u>2018-2017</u>
	Activities		Activities		Total		
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
Land	\$ 43,815,293	\$ 43,565,293	\$ -	\$ -	\$ 43,815,293	\$ 43,565,293	0.57%
Buildings and improvements	11,489,124	11,489,124	-	-	11,489,124	11,489,124	0.00%
Streets/Bridges/ Sidewalks	23,470,767	23,470,767	-	-	23,470,767	23,470,767	0.00%
Vehicles & Equipment	3,703,423	3,409,518	1,395,094	1,358,748	5,098,517	4,768,266	6.93%
Stormsewers	5,563,579	5,427,221	-	-	5,563,579	5,427,221	2.51%
Waterworks & Sewerage System	-	-	24,153,632	22,236,495	24,153,632	22,236,495	8.62%
Totals at historical cost	<u>88,042,186</u>	<u>87,361,923</u>	<u>25,548,726</u>	<u>23,595,243</u>	<u>113,590,912</u>	<u>110,957,166</u>	2.37%
Total accumulated depreciation	<u>18,451,389</u>	<u>17,779,958</u>	<u>8,380,872</u>	<u>8,039,774</u>	<u>26,832,261</u>	<u>25,819,732</u>	3.92%
Net capital assets	<u><u>69,590,797</u></u>	<u><u>69,581,965</u></u>	<u><u>17,167,854</u></u>	<u><u>15,555,469</u></u>	<u><u>86,758,651</u></u>	<u><u>85,137,434</u></u>	1.90%

Additional information on the City of Warrenville's capital assets are found in Note 3 on pages 35-36 of this report.

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

The 2011 initial analysis of the funding sources for the CMRP, indicated a structural deficit of approximately \$1,000,000 annually. As a result, various steps were undertaken to address that deficit. Among the revised funding sources for the for the CMRP, was an increase in the Simplified Telecommunications Tax rate from 4% to 6%, which went into effect as of July 1, 2012, with the full increase going entirely to fund the CMRP. Additionally, 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 is still outperforming the original CMRP expectation of \$409,116 in annual revenue, but fell short of the FY 2018 budget figure of \$619,003, with actual revenue of \$467,052. The actual revenue received represents a decrease from FY 2017 of about \$97,000 or about 17%. The decrease in this

revenue is the result of apparent decreased demand, a period of remodeling for one of the larger producers of revenue for this source, and the first full year following the closure of one station, albeit a small revenue producer.

The natural gas utility and use tax revenue for FY 2018 barely exceeded budget the expectation of \$145,725, with actual revenue of \$146,149, but did increase approximately \$11,200 or about 8.3% over the FY 2017 figure of \$134,921. Finally, this revenue source is still out performing the original CMRP assumption of \$138,675 in annual revenue.

Electric Utility revenue finished the fiscal year short of budget, with actual revenue of \$95,092, and a budget figure of \$100,929. This revenue source is currently under-performing the initial CMRP assumption of \$104,600 in annual revenue.

Lastly, the two longer-term funding sources for the CMRP, the Amusement and Telecommunications taxes, collectively outperformed budget expectations by a combine total of \$51,382.

Amusement Tax revenue, which until the beginning of FY 2018 was allocated between the General Fund and the CMRP, began going to the CMRP in total, with no more allocation to the General Fund. For the fiscal year, this revenue source exceeded budget by \$62,821, and showed year-to-year improvement of \$46,240 or 17.2%, on improved performance from the City's largest contributors to this revenue stream, a multi-screen movie theater and a family entertainment complex.

Meanwhile, the City's 6% Telecommunication Tax yielded revenue of \$495,405, against fiscal year budgeted revenue of \$506,844. This is also representative of a downward trend in this revenue stream, with a year-to-year decrease of 9.1%, or \$50,061, down from the FY 2017 total received of \$545,466

Long-term debt.

	City's Long Term Debt (In millions of dollars)						Total Percentage Change 2018-2017
	Governmental Activities		Business-type Activities		Total		
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
Compensated Absences	891,441	834,611	106,488	96,659	997,929	931,270	7.16%
Net Pension Liability							
IMRF	384,707	1,462,964	143,413	538,706	528,120	2,001,670	-73.62%
Police Pension	8,158,920	9,428,563	-	-	8,158,920	9,428,563	-13.47%
Net Other Post- Employment Benefit Obligation	1,775,423	1,701,986	133,634	128,107	1,909,057	1,830,093	4.31%
Total Long Term Debt	<u>11,210,491</u>	<u>13,428,124</u>	<u>383,535</u>	<u>763,472</u>	<u>11,594,026</u>	<u>14,191,596</u>	-18.30%

In keeping with long-standing City Council policy, the City of Warrenville had no outstanding bonded or general obligation debt. The City's long-term debt decreased by 18.30% from the restated FY 2017 year-end figures. In the Governmental activities and Business-type activities, the long-term liability for IMRF decreased significantly following the retirement or departure of key long-term employees in 2016. In both governmental and business

type activities, the net IMRF pension liability decrease by a combined 73.6%, due to changes in funding assumptions, employer and employees' contributions, and significant investment returns 6.53%.

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

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

Economic Factors and Next Year's Budget

The long planned for redevelopment of the city-owned former Musselman Lumber site, Civic Center Redevelopment Site #1 (CCRS #1), located in TIF District #3, reached a critically important point during FY 2018, with the sale of the site to Airhart Construction. Airhart will redevelop the 4.25 acre site, with 27 detached single-family homes. This residential development is projected to have a market value of almost \$12,000,000, annually yielding \$5,400,000 in gross TIF incremental property tax revenue over the next twenty plus years.

A new Amazon Fulfillment Center opened adjacent to the City's new Tax Increment Financing District, TIF #4 and brought 1,000 new jobs to the area, and the extension of Duke Parkway with a newly signalized intersection at Route 59. Duke Realty also extended sanitary sewer and water utilities to its property at Route 59 and Duke Parkway.

Additionally, a number of businesses opened or expanded during FY 2018, including: Chuy's Restaurant, Skippy's Restaurant, Allied Roofing, CR Schmidt, and the Compass Day School.

FY 2019 will see the City evaluate a number of private development proposals, including properties located in the Old Town/Civic Center TIF District #3, Southwest/Route 59 Corridor TIF District #4, and Cantera.

Finally, as previously mentioned, during FY 2019, the City will be engaged in 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. The implementation of the ERP will involve a very significant investment of staff time, over the coming 14-16 months. It was originally planned that this project would have gotten underway during FY 2018. However, due to extended contract negotiations and extensive project planning, the implementation was postponed from FY 2018 into FY 2019, and as such, costs budgeted to occur during FY 2018 also did not occur.

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, 2018**

See Following Page

CITY OF WARRENVILLE, ILLINOIS

**Statement of Net Position
April 30, 2018**

	Primary Government		
	Governmental Activities	Business- Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ 12,694,282	5,311,169	18,005,451
Receivables - Net of Allowances	5,440,608	546,977	5,987,585
Prepays	39,152	13,880	53,032
Total Current Assets	<u>18,174,042</u>	<u>5,872,026</u>	<u>24,046,068</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable Capital Assets	43,815,293	-	43,815,293
Depreciable Capital Assets	44,226,893	25,548,726	69,775,619
Accumulated Depreciation	(18,451,389)	(8,380,872)	(26,832,261)
Total Noncurrent Assets	<u>69,590,797</u>	<u>17,167,854</u>	<u>86,758,651</u>
Total Assets	<u>87,764,839</u>	<u>23,039,880</u>	<u>110,804,719</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	579,513	216,033	795,546
Deferred Items - Police Pension	1,737,172	-	1,737,172
Total Deferred Outflows of Resources	<u>2,316,685</u>	<u>216,033</u>	<u>2,532,718</u>
Total Assets and Deferred Outflows of Resources	<u>90,081,524</u>	<u>23,255,913</u>	<u>113,337,437</u>

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	\$ 364,923	295,340	660,263
Retainage Payable	41,880	83,162	125,042
Accrued Payroll	316,632	36,834	353,466
Deposits Payable	482,802	27,644	510,446
Other Payables	154,208	3,875	158,083
Current Portion of Long-Term Debt	178,288	21,298	199,586
Total Current Liabilities	1,538,733	468,153	2,006,886
Noncurrent Liabilities			
Compensated Absences Payable	713,153	85,190	798,343
Net Pension Liability - IMRF	384,707	143,413	528,120
Net Pension Liability - Police Pension	8,158,920	-	8,158,920
Total OPEB Liability	1,775,423	133,634	1,909,057
Total Noncurrent Liabilities	11,032,203	362,237	11,394,440
Total Liabilities	12,570,936	830,390	13,401,326
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	3,670,256	-	3,670,256
Deferred Items - IMRF	1,010,418	376,668	1,387,086
Deferred Items - Police Pension	2,360,249	-	2,360,249
Total Deferred Inflows of Resources	7,040,923	376,668	7,417,591
Total Liabilities and Deferred Inflows of Resources	19,611,859	1,207,058	20,818,917
NET POSITION			
Investment in Capital Assets	69,590,797	17,167,854	86,758,651
Restricted - Maintenance of Roadways	838,559	-	838,559
Restricted - Seized Assets	192,952	-	192,952
Unrestricted	(152,643)	4,881,001	4,728,358
Total Net Position	70,469,665	22,048,855	92,518,520

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, 2018**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 4,037,117	839,452	23,808	-
Public Safety	4,746,682	261,706	-	-
Public Works	5,839,479	-	335,504	136,358
Culture and Recreation	253,619	-	-	-
Economic Development	91,317	-	-	-
Total Governmental Activities	<u>14,968,214</u>	<u>1,101,158</u>	<u>359,312</u>	<u>136,358</u>
Business-Type Activities				
Water and Sewer	4,056,201	3,449,998	-	434,397
Total Primary Government	<u>19,024,415</u>	<u>4,551,156</u>	<u>359,312</u>	<u>570,755</u>

General Revenues

Taxes

Property and Replacement

Home Rule Sales

Telecommunications

Hotel/Motel

Amusement

Food and Beverage

Natural Gas

Electric Utility

Local Motor Fuel

Other

Intergovernmental - Unrestricted

Income Taxes

State Sales Tax

Local Use Tax

Investment Income

Miscellaneous

Change in Net Position

Net Position - Beginning as Restated

Net Position - Ending

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

Net (Expenses)/Revenues		
Primary Government		
Governmental Activities	Business-Type Activities	Totals
(3,173,857)	-	(3,173,857)
(4,484,976)	-	(4,484,976)
(5,367,617)	-	(5,367,617)
(253,619)	-	(253,619)
(91,317)	-	(91,317)
(13,371,386)	-	(13,371,386)
-	(171,806)	(171,806)
(13,371,386)	(171,806)	(13,543,192)
3,506,054	-	3,506,054
1,814,647	-	1,814,647
495,405	-	495,405
912,439	-	912,439
314,821	-	314,821
687,110	-	687,110
146,149	-	146,149
95,092	-	95,092
467,052	-	467,052
8,821	-	8,821
1,371,776	-	1,371,776
2,287,992	-	2,287,992
347,483	-	347,483
(23,914)	(30,779)	(54,693)
192,810	-	192,810
12,623,737	(30,779)	12,592,958
(747,649)	(202,585)	(950,234)
71,217,314	22,251,440	93,468,754
70,469,665	22,048,855	92,518,520

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

CITY OF WARRENVILLE, ILLINOIS

**Balance Sheet - Governmental Funds
April 30, 2018**

	General	Special Revenue Motor Fuel Tax
ASSETS		
Cash and Investments	\$ 9,603,053	834,029
Receivables - Net of Allowances		
Property Taxes	3,524,904	-
Other Taxes	1,339,552	30,081
Interest	106,157	-
Due from Other Funds	3,746,493	-
Prepays	39,152	-
	<u>18,359,311</u>	<u>864,110</u>
LIABILITIES		
Accounts Payable	297,833	14,932
Retainage Payable	-	-
Accrued Payroll	316,632	-
Deposits Payable	482,802	-
Other Payables	154,208	-
Due to Other Funds	55,042	10,619
Total Liabilities	<u>1,306,517</u>	<u>25,551</u>
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	3,524,904	-
Total Liabilities and Deferred Inflows of Resources	<u>4,831,421</u>	<u>25,551</u>
FUND BALANCES		
Nonspendable	39,152	-
Restricted	-	838,559
Committed	-	-
Assigned	4,144,792	-
Unassigned	9,343,946	-
Total Fund Balances	<u>13,527,890</u>	<u>838,559</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>18,359,311</u>	<u>864,110</u>

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

Capital Projects			
Capital Maintenance and Replacement	TIF District #3	Nonmajor	Totals
960,214	-	1,296,986	12,694,282
-	52,975	92,377	3,670,256
207,322	-	75,327	1,652,282
8,766	-	3,147	118,070
-	-	55,042	3,801,535
-	-	-	39,152
1,176,302	52,975	1,522,879	21,975,577
16,737	2,733	32,688	364,923
41,880	-	-	41,880
-	-	-	316,632
-	-	-	482,802
-	-	-	154,208
-	3,335,595	400,279	3,801,535
58,617	3,338,328	432,967	5,161,980
-	52,975	92,377	3,670,256
58,617	3,391,303	525,344	8,832,236
-	-	-	39,152
-	-	192,952	1,031,511
-	-	1,212,688	1,212,688
1,117,685	-	-	5,262,477
-	(3,338,328)	(408,105)	5,597,513
1,117,685	(3,338,328)	997,535	13,143,341
1,176,302	52,975	1,522,879	21,975,577

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, 2018

Total Governmental Fund Balances	\$ 13,143,341
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Amounts reported for governmental activities in the Statement of Net Position
are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	69,590,797
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Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	(430,905)
Deferred Items - Police Pension	(623,077)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(891,441)
Net Pension Liability - IMRF	(384,707)
Net Pension Liability - Police Pension	(8,158,920)
Total OPEB Liability	<u>(1,775,423)</u>

Net Position of Governmental Activities	<u><u>70,469,665</u></u>
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The notes to the financial statements are an integral part of this statement.

CITY OF WARRENVILLE, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2018**

See Following Page

CITY OF WARRENVILLE, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended April 30, 2018**

	General	Special Revenue Motor Fuel Tax
Revenues		
Taxes	\$ 5,953,198	-
Intergovernmental	4,031,059	335,504
Licenses and Permits	847,917	-
Fines and Forfeits	253,241	-
Investment Income	(28,848)	9,073
Miscellaneous	145,329	-
Total Revenues	11,201,896	344,577
Expenditures		
Current		
General Government	3,665,304	-
Public Safety	6,044,343	-
Public Works	1,619,322	170,935
Culture and Recreation	46,128	-
Economic Development	-	-
Capital Outlay	-	-
Total Expenditures	11,375,097	170,935
Excess (Deficiency) of Revenues Over (Under) Expenditures	(173,201)	173,642
Other Financing Sources (Uses)		
Disposal of Capital Assets	12,156	-
Transfers In	22,358	-
Transfers Out	(37,000)	-
	(2,486)	-
Net Change in Fund Balances	(175,687)	173,642
Fund Balances - Beginning	13,703,577	664,917
Fund Balances - Ending	13,527,890	838,559

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

Capital Projects			
Capital Maintenance and Replacement	TIF District #3	Nonmajor	Totals
1,518,519	15,722	960,151	8,447,590
-	-	-	4,366,563
-	-	-	847,917
-	-	-	253,241
(2,053)	(1,390)	(696)	(23,914)
20,576	-	26,905	192,810
1,537,042	14,332	986,360	14,084,207
-	-	-	3,665,304
-	-	437	6,044,780
-	-	-	1,790,257
-	-	207,491	253,619
-	32,449	58,868	91,317
2,043,682	2,000	327,491	2,373,173
2,043,682	34,449	594,287	14,218,450
(506,640)	(20,117)	392,073	(134,243)
39,819	(1,868,291)	-	(1,816,316)
337,000	-	-	359,358
-	-	(322,358)	(359,358)
376,819	(1,868,291)	(322,358)	(1,816,316)
(129,821)	(1,888,408)	69,715	(1,950,559)
1,247,506	(1,449,920)	927,820	15,093,900
1,117,685	(3,338,328)	997,535	13,143,341

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, 2018

Net Change in Fund Balances - Total Governmental Funds \$ (1,950,559)

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	792,524
Capital Contributions	136,358
Depreciation Expense	(920,050)
Disposals - Cost	(248,619)
Disposals - Accumulated Depreciation	248,619

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

Change in Deferred Items - IMRF	(1,238,235)
Change in Deferred Items - Police Pension	214,680

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

Additions to Compensated Absences Payable	(56,830)
Deductions to Net Pension Liability - IMRF	1,078,257
Deductions to Net Pension Liability - Police	1,269,643
Additions to Total OPEB Liability	<u>(73,437)</u>

Changes in Net Position of Governmental Activities (747,649)

CITY OF WARRENVILLE, ILLINOIS

**Statement of Net Position - Proprietary Funds
April 30, 2018**

See Following Page

CITY OF WARRENVILLE, ILLINOIS

**Statement of Net Position - Proprietary Funds
April 30, 2018**

	<u>Business-Type Activities</u> <u>Water and Sewer</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 5,311,169
Receivables - Net of Allowances	
Accounts	510,879
Accrued Interest	36,098
Prepays	13,880
Total Current Assets	<u>5,872,026</u>
Noncurrent Assets	
Capital Assets	
Depreciable Capital Assets	25,548,726
Accumulated Depreciation	<u>(8,380,872)</u>
Total Noncurrent Assets	<u>17,167,854</u>
Total Assets	<u>23,039,880</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	<u>216,033</u>
Total Assets and Deferred Outflows of Resources	<u>23,255,913</u>

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

	<u>Business-Type Activities</u> <u>Water and Sewer</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 295,340
Retainage Payable	83,162
Accrued Payroll	36,834
Deposits Payable	27,644
Other Payables	3,875
Compensated Absences Payable	21,298
Total Current Liabilities	<u>468,153</u>
Noncurrent Liabilities	
Compensated Absences Payable	85,190
Net Pension Liability - IMRF	143,413
Total OPEB Liability	133,634
Total Noncurrent Liabilities	<u>362,237</u>
Total Liabilities	830,390
DEFERRED INFLOWS OF RESOURCES	
Deferred Items - IMRF	376,668
Total Liabilities and Deferred Inflows of Resources	<u>1,207,058</u>
NET POSITION	
Investment in Capital Assets	17,167,854
Unrestricted	4,881,001
Total Net Position	<u><u>22,048,855</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, 2018

	Business-Type Activities
	<u>Water and Sewer</u>
Operating Revenues	
Charges for Services	\$ 2,958,564
Miscellaneous	76,305
Total Operating Revenues	<u>3,034,869</u>
Operating Expenses Excluding Depreciation Operations	<u>3,700,937</u>
Operating Income (Loss) Before Depreciation	(666,068)
Depreciation	<u>359,635</u>
Operating Income (Loss)	<u>(1,025,703)</u>
Nonoperating Revenues (Expenses)	
Tap-On Connection Fees	56,500
Investment Income	(30,779)
Sale of Capital Assets	4,371
Rental Income	<u>358,629</u>
	<u>388,721</u>
Income (Loss) before Contributions	(636,982)
Capital Contribution	<u>434,397</u>
Change in Net Position	(202,585)
Net Position - Beginning as Restated	<u>22,251,440</u>
Net Position - Ending	<u><u>22,048,855</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, 2018**

	Business-Type Activities
	<u>Water and Sewer</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 5,702,534
Payments to Employees	(862,794)
Payments to Suppliers	(2,872,451)
	<u>1,967,289</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(1,537,623)
Disposal of Capital Assets	4,371
	<u>(1,533,252)</u>
Cash Flows from Investing Activities	
Interest Received	<u>(30,779)</u>
Net Change in Cash and Cash Equivalents	403,258
Cash and Cash Equivalents - Beginning	<u>4,907,911</u>
Cash and Cash Equivalents - Ending	<u><u>5,311,169</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(1,025,703)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	359,635
Other Income	415,129
Other Expense	68,152
(Increase) Decrease in Current Assets	2,252,536
Increase (Decrease) in Current Liabilities	(102,460)
	<u>1,967,289</u>
Net Cash Provided by Operating Activities	<u><u>1,967,289</u></u>
Noncash Capital and Related Financing Activities	
Capital Contributions	<u><u>434,397</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, 2018

	<u>Pension Trust Police Pension</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,265,282
Investments, at Fair Value	
U.S. Government Obligations	18,625
U.S. Agency Obligations	4,327,253
Corporate Bonds	4,071,095
State and Local Obligations	784,968
Common Stock	1,147,827
Mutual Funds	8,934,218
Receivables	
Accrued Interest	124,739
Prepays	<u>701</u>
Total Assets	<u>20,674,708</u>
LIABILITIES	
Accounts Payable	<u>6,824</u>
NET POSITION	
Net Position Restricted for Pensions	<u><u>20,667,884</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, 2018**

	<u>Pension Trust Police Pension</u>
Additions	
Contributions - Employer	\$ 1,132,335
Contributions - Plan Members	285,759
Total Contributions	<u>1,418,094</u>
Investment Income	
Interest Income	373,492
Net Change in Fair Value	887,295
	<u>1,260,787</u>
Less Investment Expenses	(35,488)
Net Investment Income	<u>1,225,299</u>
Total Additions	<u>2,643,393</u>
Deductions	
Administration	28,596
Benefits	961,986
Total Deductions	<u>990,582</u>
Change in Fiduciary Net Position	1,652,811
Net Position Restricted for Pensions	
Beginning	<u>19,015,073</u>
Ending	<u><u>20,667,884</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, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

REPORTING ENTITY

The City's financial reporting entity comprises the following:

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

Police Pension Employees Retirement System

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

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements

April 30, 2018

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, 2018

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, 2018

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 two major capital projects funds, the Capital Maintenance and Replacement Fund, and the TIF District #3 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 City also maintains one nonmajor capital projects fund, the TIF District #4 Fund.

Proprietary Funds

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

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, 2018

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, 2018

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, 2018

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, 2018**

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 fair market value on the date donated.

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

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

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements April 30, 2018

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 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:

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

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

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

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

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 2018 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 2018, there were one supplemental budget amendment that is reflected in the financial statements.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

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

Fund	Excess
Seized Assets	\$ 437
Police Pension	31,127

DEFICIT FUND BALANCE

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

Fund	Deficit
TIF District #3	\$ 3,338,328
TIF District #4	408,105

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements

April 30, 2018

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, 2018

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 \$990,138 and the bank balances totaled \$979,100.

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

Investment Instrument	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Agencies	\$ 11,893,075	891,540	11,001,535	-	-
State and Local Obligations	2,926,576	424,818	2,501,758	-	-
Illinois Funds	1,694,336	1,694,336	-	-	-
Illinois Metropolitan Investment Fund	501,326	501,326	-	-	-
	<u>17,015,313</u>	<u>3,512,020</u>	<u>13,503,293</u>	<u>-</u>	<u>-</u>

The City has the following recurring fair value measurements as of April 30, 2018:

- U.S. Agencies of \$11,893,075 are valued using other observable inputs (Level 2 inputs)
- State and Local Obligations of \$2,926,576 are valued using other observable inputs (Level 2 inputs)
- Illinois Funds of \$1,694,336 are measured at the net asset value per share as determined by the pool
- Illinois Metropolitan Investment Fund of \$501,326 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, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. It is the policy of the City to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety of principal, liquidity and yield. In accordance with its investment policy, the City exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market. Any investment with a maturity of greater than five years requires prior approval and a specific purpose for investment.

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

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City’s investment policy requires pledging of collateral, at 110% of the deposits secured, for all bank balances in excess of federal depository insurance, with the collateral held by an independent third party. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance. Custodial credit risk for investment is the risk that in the event of the failure of the counterparty to the investment, the City will not be able to recover the value of its investments that are in possession of an outside party. The City’s investment policy does not address this risk. To limit its exposure, the City requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by an independent third-party custodian and evidenced by safekeeping receipts and a written custodial agreement.

Concentration Risk. This is the risk of loss attributed to the magnitude of the City’s investment in a single issuer. The City’s investment policy requires diversification of investments to minimize potential losses. The City’s investment policy requires that no financial institution shall hold more than 20% of the City’s investment portfolio, exclusive of U.S. Treasury securities and collateralized investments held in safekeeping. Additionally, investments in corporate paper shall not exceed 10% and Illinois Funds shall not exceed 25% of the total portfolio. At year-end, the City does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements

April 30, 2018

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 \$1,265,282 and the bank balances totaled \$1,265,282.

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

Investment Instrument	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasuries	\$ 18,625	18,625	-	-	-
U.S. Agencies	4,327,253	253,163	2,510,175	1,563,915	-
State and Local Obligations	784,968	231,287	476,665	-	77,016
Corporate Bonds	4,071,095	626,688	2,082,885	1,361,522	-
	<u>9,201,941</u>	<u>1,129,763</u>	<u>5,069,725</u>	<u>2,925,437</u>	<u>77,016</u>

The Fund has the following recurring fair value measurements as of April 30, 2018:

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	\$ 18,625	18,625	-	-
U.S. Agencies	4,327,253	-	4,327,253	-
State and Local Obligations	784,968	-	784,968	-
Corporate Bonds	4,071,095	-	4,071,095	-
Equity Securities				
Common Stock	1,147,827	1,147,827	-	-
Mutual Funds	8,934,218	8,934,218	-	-
Total Investments by Fair Value Level	<u>19,283,986</u>	<u>10,100,670</u>	<u>9,183,316</u>	<u>-</u>

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, 2018

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 \$1,147,827 invested in common stock and \$8,934,218 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, 2018

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%	1.80% - 2.00%
Domestic Equities	10.00% - 55.00%	2.50% - 5.30%
International Equities	15.00%	5.30%
Real Estate	5.00%	4.30%
Natural Resources	0.00%	1.30%
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 2018 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, 2018 are listed in the table above.

Rate of Return

For the year ended April 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.28%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 10,054,128	250,000	-	10,304,128
Land - Right of Way	33,511,165	-	-	33,511,165
	<u>43,565,293</u>	<u>250,000</u>	<u>-</u>	<u>43,815,293</u>
Depreciable Capital Assets				
Buildings	11,489,124	-	-	11,489,124
Streets, Bridges and Sidewalks	23,470,767	-	-	23,470,767
Storm Sewers	5,427,221	136,358	-	5,563,579
Vehicles and Equipment	3,409,518	542,524	248,619	3,703,423
	<u>43,796,630</u>	<u>678,882</u>	<u>248,619</u>	<u>44,226,893</u>
Less Accumulated Depreciation				
Buildings	4,687,079	272,123	-	4,959,202
Streets, Bridges and Sidewalks	8,944,316	379,662	-	9,323,978
Storm Sewers	1,724,100	72,258	-	1,796,358
Vehicles and Equipment	2,424,463	196,007	248,619	2,371,851
	<u>17,779,958</u>	<u>920,050</u>	<u>248,619</u>	<u>18,451,389</u>
Total Depreciable Capital Assets	<u>26,016,672</u>	<u>(241,168)</u>	<u>-</u>	<u>25,775,504</u>
Total Capital Assets	<u>69,581,965</u>	<u>8,832</u>	<u>-</u>	<u>69,590,797</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 117,598
Public Safety	149,087
Public Works	<u>653,365</u>
	<u>920,050</u>

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

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

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Construction in Progress	\$ 180,494	-	180,494	-
Depreciable Capital Assets				
Vehicles and Equipment	1,358,748	54,883	18,537	1,395,094
Water and Sewer Infrastructure	22,056,001	2,097,631	-	24,153,632
	<u>23,414,749</u>	<u>2,152,514</u>	<u>18,537</u>	<u>25,548,726</u>
Less Accumulated Depreciation				
Vehicles and Equipment	1,080,347	69,001	18,537	1,130,811
Water and Sewer Infrastructure	6,959,427	290,634	-	7,250,061
	<u>8,039,774</u>	<u>359,635</u>	<u>18,537</u>	<u>8,380,872</u>
Total Depreciable Capital Assets	<u>15,374,975</u>	<u>1,792,879</u>	<u>-</u>	<u>17,167,854</u>
Total Capital Assets	<u>15,555,469</u>	<u>1,792,879</u>	<u>180,494</u>	<u>17,167,854</u>

Depreciation expense of \$359,635 was charged to the Water and Sewer Fund.

PROPERTY TAXES

Property taxes for 2017 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about May 1, 2016. The County collects such taxes and remits them periodically. Those 2017 taxes are intended to finance the 2019 fiscal year and are not considered available for current operations and are, therefore, shown as a deferred inflow at year-end. The 2018 tax levy has not been recorded as a receivable at April 30, 2018. The tax is attached as a lien on property as of January 1, 2018; however, the tax will not be levied until December 2018 and, accordingly, is not measurable at April 30, 2018.

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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>
General	Motor Fuel Tax	\$ 10,619
General	TIF District #3	3,335,595
General	Nonmajor Governmental	400,279
Nonmajor Governmental	General	<u>55,042</u>
		<u><u>3,801,535</u></u>

Interfund Transfers

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 22,358
Capital Maintenance and Replacement	General	37,000
Capital Maintenance and Replacement	Nonmajor Governmental	<u>300,000</u>
		<u><u>359,358</u></u>

Transfers are used to 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 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, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

Long-Term Liability Activity

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

Type of Debt	Restated Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 834,611	113,659	56,829	891,441	178,288
Net Pension Liability					
IMRF	1,462,964	-	1,078,257	384,707	-
Police Pension	9,428,563	-	1,269,643	8,158,920	-
Total OPEB Liability	<u>1,701,986</u>	<u>73,437</u>	<u>-</u>	<u>1,775,423</u>	<u>-</u>
	<u>13,428,124</u>	<u>187,096</u>	<u>2,404,729</u>	<u>11,210,491</u>	<u>178,288</u>
Business-Type Activities					
Compensated Absences	96,659	19,659	9,830	106,488	21,298
Net Pension Liability					
IMRF	538,706	-	395,293	143,413	-
Total OPEB Liability	<u>128,107</u>	<u>5,527</u>	<u>-</u>	<u>133,634</u>	<u>-</u>
	<u>763,472</u>	<u>25,186</u>	<u>405,123</u>	<u>383,535</u>	<u>21,298</u>

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

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS

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

	General	Special Revenue Motor Fuel Tax	Capital Projects Capital Maintenance and Replacement	TIF District #3	Nonmajor	Totals
Fund Balances						
Nonspendable						
Prepays	\$ 39,152	-	-	-	-	39,152
Restricted						
Maintenance of Roadways	-	838,559	-	-	-	838,559
Seized Assets	-	-	-	-	192,952	192,952
	-	838,559	-	-	192,952	1,031,511
Committed						
Tourism	-	-	-	-	1,212,688	1,212,688
Assigned						
Capital Projects	4,144,792	-	1,117,685	-	-	5,262,477
Unassigned	9,343,946	-	-	(3,338,328)	(408,105)	5,597,513
Total Fund Balances	13,527,890	838,559	1,117,685	(3,338,328)	997,535	13,143,341

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.

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.

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS – Continued

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 Restatements

Beginning net position was restated due to the implementation of GASB Statement No. 75. The following is a summary of the net position as originally reported and as restated:

<u>Net Position</u>	<u>As Reported</u>	<u>As Restated</u>	<u>(Decrease)</u>
Governmental Activities	\$ 72,782,160	71,217,314	(1,564,846)
Water and Sewer/Business-Type Activities	22,369,763	22,251,440	(118,323)

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.

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements

April 30, 2018

NOTE 4 – OTHER INFORMATION – Continued

Intergovernmental Personnel Benefit Cooperative (IPBC)

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

CONTINGENT LIABILITIES

Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Grants

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

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, 2018

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

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.

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.

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Plan Descriptions – Continued

Plan Membership. As of December 31, 2017, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	37
Inactive Plan Members Entitled to but not yet Receiving Benefits	19
Active Plan Members	<u>41</u>
Total	<u><u>97</u></u>

Contributions. As set by statute, the City’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended April 30, 2018, the City’s contribution was 11.51% of covered payroll.

Net Pension Liability. The City’s net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2017, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	3.39% to 14.25%
Cost of Living Adjustments	2.50%
Inflation	2.50%

CITY OF WARRENVILLE, ILLINOIS

Notes to the Financial Statements

April 30, 2018

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. 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. 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%	3.00%
Domestic Equities	37.00%	6.85%
International Equities	18.00%	6.75%
Real Estate	9.00%	5.75%
Blended	7.00%	2.65% - 7.35%
Cash and Cash Equivalents	1.00%	2.25%

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.50%, 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.

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 (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 2,538,563	528,120	(1,127,154)

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement Fund (IMRF) – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2016	\$ 14,048,100	12,046,430	2,001,670
Changes for the Year:			
Service Cost	341,741	-	341,741
Interest on the Total Pension Liability	1,045,328	-	1,045,328
Difference Between Expected and Actual Experience of the Total Pension Liability	67,703	-	67,703
Changes of Assumptions	(480,229)	-	(480,229)
Contributions - Employer	-	371,152	(371,152)
Contributions - Employees	-	142,898	(142,898)
Net Investment Income	-	2,115,285	(2,115,285)
Benefit Payments, including Refunds of Employee Contributions	(562,534)	(562,534)	-
Other (Net Transfer)	-	(181,242)	181,242
Net Changes	412,009	1,885,559	(1,473,550)
Balances at December 31, 2017	14,460,109	13,931,989	528,120

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

For the year ended April 30, 2018, the City recognized pension expense of \$595,329. At April 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

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 – Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 216,177	-	216,177
Change in Assumptions	77,841	(410,752)	(332,911)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	390,888	(976,334)	(585,446)
Total Pension Expense to be Recognized in Future Periods	684,906	(1,387,086)	(702,180)
Pension Contributions Made Subsequent to the Measurement Date	110,640	-	110,640
Total Deferred Amounts Related to IMRF	<u>795,546</u>	<u>(1,387,086)</u>	<u>(591,540)</u>

\$110,640 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, 2019.

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
2019	\$ 21,608
2020	(114,951)
2021	(299,302)
2022	(309,535)
2023	-
Thereafter	<u>-</u>
Total	<u>(702,180)</u>

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

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, 2018, the measurement date, membership consisted of the following:

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

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

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

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 preceding calendar year.

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended April 30, 2018, the City's contribution was 39.16% 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, 2018**

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, 2018, 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 independent actuary 2016 Illinois Police Mortality Rates.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%, while the prior year used a discount rate of 7.00%. 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, 2018**

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	\$ 13,222,593	8,158,920	4,134,583

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at April 30, 2017	\$ 28,443,636	19,015,073	9,428,563
Changes for the Year:			
Service Cost	762,106	-	762,106
Interest on the Total Pension Liability	1,957,384	-	1,957,384
Difference Between Expected and Actual Experience of the Total Pension Liability	(495,049)	-	(495,049)
Changes of Assumptions	(879,287)	-	(879,287)
Contributions - Employer	-	1,132,335	(1,132,335)
Contributions - Employees	-	285,759	(285,759)
Net Investment Income	-	1,225,299	(1,225,299)
Benefit Payments, including Refunds of Employee Contributions	(961,986)	(961,986)	-
Administrative Expense	-	(28,596)	28,596
Net Changes	383,168	1,652,811	(1,269,643)
Balances at April 30, 2018	28,826,804	20,667,884	8,158,920

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

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, 2018, the City recognized pension revenue of \$351,988. At April 30, 2018, 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	\$ 156,053	(831,380)	(675,327)
Change in Assumptions	1,020,283	(1,381,388)	(361,105)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	560,836	(147,481)	413,355
Total Deferred Amounts Related to Police Pension	<u>1,737,172</u>	<u>(2,360,249)</u>	<u>(623,077)</u>

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2019	\$ 104,976
2020	104,972
2021	(146,384)
2022	(97,229)
2023	(111,755)
Thereafter	<u>(477,657)</u>
Total	<u>(623,077)</u>

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

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 (CWRBP), 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.

Benefits Provided. CWRBP 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, 2018, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	8
Inactive Plan Members Entitled to but not yet Receiving Benefits	65
Active Plan Members	<u>4</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, 2018. 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, 2018 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, 2018**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Total OPEB Liability – Continued

Actuarial assumptions and other inputs – Continued.

Inflation	2.75%
Salary Increases	2.75%
Discount Rate	3.97%
Healthcare Cost Trend Rates	The initial trend rate is based on the 2018 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, 2017	<u>\$ 1,830,093</u>
Changes for the Year:	
Service Cost	72,502
Interest on the Total Pension Liability	71,367
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes of Assumptions or Other Inputs	-
Benefit Payments	<u>(64,905)</u>
Net Changes	<u>78,964</u>
Balance at April 30, 2018	<u><u>1,909,057</u></u>

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

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 (2.97%)	Current Discount Rate (3.97%)	1% Increase (4.97%)
Total OPEB Liability	\$ 2,158,789	1,909,057	1,701,960

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:

	(6.70% decreasing to 4.00%)	Healthcare Cost Trend Rates (7.70% decreasing to 5.00%)	(8.70% decreasing to 6.00%)
Total OPEB Liability	\$ 1,657,868	1,909,057	2,214,826

CITY OF WARRENVILLE, ILLINOIS

**Notes to the Financial Statements
April 30, 2018**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

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

For the year ended April 30, 2018, the City recognized OPEB expense of \$143,869. At April 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ -	-	-
Change in Assumptions	-	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Total Deferred Amounts Related to OPEB	-	-	-

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

Fiscal Year	Net Deferred Outflows of Resources
2019	\$ -
2020	-
2021	-
2022	-
2023	-
Thereafter	-
Total	-

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
 - Other Post-Employment Benefit 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, 2018**

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%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	26 Years
Asset Valuation Method	5-Year Smoothed Market
Inflation	2.75%
Salary Increases	3.75% - 14.50%
Investment Rate of Return	7.50%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012).

Note:

This schedule is intended to show information for ten years. 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, 2018**

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%

Notes to the Required Supplementary Information:

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

Note:

This schedule is intended to show information for ten years. 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, 2018**

See Following Page

CITY OF WARRENVILLE, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2018**

	<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
335,061	341,741
979,831	1,045,328
164,724	67,703
(56,048)	(480,229)
(649,632)	(562,534)
773,936	412,009
13,274,164	14,048,100
14,048,100	14,460,109
484,033	371,152
139,783	142,898
746,501	2,115,285
(649,632)	(562,534)
325,850	(181,242)
1,046,535	1,885,559
10,999,895	12,046,430
12,046,430	13,931,989
2,001,670	528,120
85.75%	96.35%
3,106,286	3,175,497
64.44%	16.63%

CITY OF WARRENVILLE, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
April 30, 2018**

	<u>2015</u>
Total Pension Liability	
Service Cost	\$ 715,618
Interest	1,592,450
Differences Between Expected and Actual Experience	(9,602)
Changes of 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
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><u>\$ 8,075,936</u></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
724,682	712,249	762,106
1,700,825	1,880,277	1,957,384
(606,763)	208,073	(495,049)
1,581,439	(800,026)	(879,287)
(837,061)	(836,094)	(961,986)
2,563,122	1,164,479	383,168
24,716,035	27,279,157	28,443,636
27,279,157	28,443,636	28,826,804
1,004,900	1,173,896	1,132,335
264,105	273,581	285,759
(49,051)	1,454,438	1,225,299
(837,061)	(836,094)	(961,986)
(51,206)	(22,534)	(28,596)
331,687	2,043,287	1,652,811
16,640,099	16,971,786	19,015,073
16,971,786	19,015,073	20,667,884
10,307,371	9,428,563	8,158,920
62.22%	66.85%	71.70%
2,764,771	2,755,019	2,891,665
372.81%	342.23%	282.15%

CITY OF WARRENVILLE, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Investment Returns
April 30, 2018**

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

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

FOUNTAINDALE PUBLIC LIBRARY DISTRICT, ILLINOIS

Other Post-Employment Benefit Plan

**Required Supplementary Information
Schedule of Changes in the Employer's Total OPEB Liability
June 30, 2018**

	2018
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	(64,905)
Net Change in Total OPEB Liability	78,964
Total OPEB Liability - Beginning	1,830,093
Total OPEB Liability - Ending	1,909,057
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 each period. The following are the discount rates used in each period:

Fiscal Year	PPO	HMO
2019	7.40%	6.69%
2020	7.10%	6.48%
2021	6.80%	6.27%
2022	6.50%	6.06%
2023	6.20%	5.84%
2024	5.90%	5.63%
2025	5.60%	5.42%
2026	5.30%	5.21%
2027	5.00%	5.00%
2028	5.00%	5.00%
Ultimate	5.00%	5.00%

In 2018, there was no change in the healthcare trend rates from the prior year.

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, 2018**

	Budget		Actual	Variance Over (Under)
	Original	Final		
Revenues				
Taxes	\$ 5,870,492	5,871,624	5,953,198	81,574
Intergovernmental	3,954,580	3,954,580	4,031,059	76,479
Licenses and Permits	1,005,216	1,005,216	847,917	(157,299)
Fines and Forfeits	250,567	250,567	253,241	2,674
Investment Income	1,500	1,500	(28,848)	(30,348)
Miscellaneous	84,876	84,876	145,329	60,453
Total Revenues	<u>11,167,231</u>	<u>11,168,363</u>	<u>11,201,896</u>	<u>33,533</u>
Expenditures				
Current				
General Government	5,063,596	5,063,596	3,665,304	(1,398,292)
Public Safety	6,304,017	6,304,017	6,044,343	(259,674)
Public Works	1,932,032	1,932,032	1,619,322	(312,710)
Culture and Recreation	53,064	53,064	46,128	(6,936)
Total Expenditures	<u>13,352,709</u>	<u>13,352,709</u>	<u>11,375,097</u>	<u>(1,977,612)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,185,478)</u>	<u>(2,184,346)</u>	<u>(173,201)</u>	<u>2,011,145</u>
Other Financing Sources (Uses)				
Disposal of Capital Assets	700	700	12,156	11,456
Transfers In	21,556	21,556	22,358	802
Transfers Out	(37,000)	(37,000)	(37,000)	-
	<u>(14,744)</u>	<u>(14,744)</u>	<u>(2,486)</u>	<u>12,258</u>
Net Change in Fund Balance	<u>(2,200,222)</u>	<u>(2,199,090)</u>	<u>(175,687)</u>	<u>2,023,403</u>
Fund Balance - Beginning			<u>13,703,577</u>	
Fund Balance - Ending			<u>13,527,890</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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax	\$ 338,355	338,355	335,504
Investment Income	740	740	9,073
Total Revenues	<u>339,095</u>	<u>339,095</u>	<u>344,577</u>
Expenditures			
Public Works			
Supplies and Services	79,788	79,788	50,085
Maintenance	231,000	215,043	120,850
Total Expenditures	<u>310,788</u>	<u>294,831</u>	<u>170,935</u>
Net Change in Fund Balance	<u>28,307</u>	<u>44,264</u>	173,642
Fund Balance - Beginning			<u>664,917</u>
Fund Balance - Ending			<u><u>838,559</u></u>

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

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/Motel Tax Fund

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

CAPITAL PROJECTS FUNDS

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.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

CAPITAL PROJECTS FUNDS – Continued

TIF District #3 Fund

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

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, 2018**

	Budgeted Amounts		Actual Amounts	Variance Over (Under)
	Original	Final		
Taxes				
Property Tax				
General Corporate	\$ 1,317,329	1,317,329	1,303,029	(14,300)
Police Protection	355,883	355,883	352,143	(3,740)
FICA	273,956	273,956	271,012	(2,944)
Police Pension	916,365	916,365	882,232	(34,133)
IMRF	181,192	181,192	179,277	(1,915)
Audit	16,038	16,038	15,782	(256)
Non Current	-	-	390	390
Tort and Liability	94,497	94,497	93,461	(1,036)
Workers' Compensation	60,686	60,686	59,924	(762)
Crossing Guards	36,845	36,845	36,497	(348)
Road and Bridge	156,484	156,484	154,864	(1,620)
Township Road and Bridge	55,652	55,652	55,551	(101)
Personal Property Replacement	39,463	39,463	38,458	(1,005)
Home Rule Sales	1,722,173	1,722,173	1,814,647	92,474
Food and Beverage	636,240	636,240	687,110	50,870
Auto Rental	7,689	8,821	8,821	-
Total Taxes	5,870,492	5,871,624	5,953,198	81,574
Intergovernmental				
Income Tax	1,327,140	1,327,140	1,371,776	44,636
State Sales Tax	2,278,868	2,278,868	2,287,992	9,124
Local Use Tax	332,442	332,442	347,483	15,041
Grants	16,130	16,130	23,808	7,678
Total Intergovernmental	3,954,580	3,954,580	4,031,059	76,479

CITY OF WARRENVILLE, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance Over (Under)
	Original	Final		
Licenses and Permits				
Liquor Licenses	\$ 53,510	53,510	58,500	4,990
Business Licenses	3,980	3,980	4,915	935
Refuse Collection Licenses	4,500	4,500	6,000	1,500
Dog Licenses	868	868	977	109
Other Business Licenses	27,000	27,000	22,745	(4,255)
Building Permits	228,172	228,172	133,615	(94,557)
Electric Permits	33,463	33,463	14,647	(18,816)
Plumbing Permits	15,885	15,885	11,106	(4,779)
Building Plan Review Fees	145,349	145,349	12,817	(132,532)
Traffic Impact Fees	17,376	17,376	14,379	(2,997)
Other Permits	7,860	7,860	19,224	11,364
Overweight Permit Fees	-	-	5,715	5,715
Re-Inspection Fees	300	300	210	(90)
Annexation Fees	250	250	1,500	1,250
Senior Taxi Coupons	-	-	353	353
Site Plan Review Fees	27,580	27,580	84,960	57,380
Engineer Review and Inspection Fees	42,000	42,000	41,145	(855)
Public Hearing Fees	8,640	8,640	9,931	1,291
Recording Fees	700	700	(460)	(1,160)
Stormwater Management Fees	36,000	36,000	73,442	37,442
Preliminary Consultative Fees	11,500	11,500	21,565	10,065
New Elevator and Inspection Fees	16,400	16,400	11,816	(4,584)
Elevator Re-Inspection	-	-	826	826
Vacant Building Registration	1,500	1,500	1,350	(150)
Code Enforcement Adjudication	750	750	3,200	2,450
False Alarm Calls	5,500	5,500	5,300	(200)
Fingerprinting	4,920	4,920	3,165	(1,755)
Refuse Stickers	99,166	99,166	70,470	(28,696)
Franchise Fees	212,047	212,047	214,504	2,457
Total Licenses and Permits	1,005,216	1,005,216	847,917	(157,299)
Fines and Forfeits				
Circuit Court Fines	175,000	175,000	167,576	(7,424)
Parking Fines	18,967	18,967	24,875	5,908
Other Fines and Forfeitures	500	500	6,950	6,450

CITY OF WARRENVILLE, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance Over (Under)
	Original	Final		
Fines and Forfeitures - Continued				
Administrative Towing Fee	\$ 50,000	50,000	48,720	(1,280)
Booking Fees	6,000	6,000	4,940	(1,060)
Penalties	100	100	180	80
Total Fines and Forfeitures	250,567	250,567	253,241	2,674
Investment Income	1,500	1,500	(28,848)	(30,348)
Miscellaneous				
Rental Income	33,854	33,854	33,854	-
Other	51,022	51,022	111,475	60,453
Total Miscellaneous	84,876	84,876	145,329	60,453
Total Revenues	11,167,231	11,168,363	11,201,896	33,533

CITY OF WARRENVILLE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended April 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance Over (Under)
	Original	Final		
General Government				
Mayor and Council				
Personnel	\$ 69,973	69,973	69,973	-
Supplies and Services	11,726	11,726	8,971	(2,755)
Miscellaneous	10,700	10,700	4,691	(6,009)
Total Mayor and Council	92,399	92,399	83,635	(8,764)
City Clerk				
Personnel	10,765	10,765	10,765	-
Supplies and Services	44,521	44,521	45,243	722
Total City Clerk	55,286	55,286	56,008	722
Legal				
Supplies and Services	177,000	177,000	213,322	36,322
Finance and Information Services				
Personnel	288,042	288,042	284,845	(3,197)
Supplies and Services	213,403	213,403	77,983	(135,420)
Miscellaneous	113,675	113,675	58,932	(54,743)
Total Finance and Information Services	615,120	615,120	421,760	(193,360)
Administration				
Personnel	424,694	424,694	375,909	(48,785)
Supplies and Services	109,014	109,014	90,789	(18,225)
Miscellaneous	14,300	14,300	13,088	(1,212)
Capital	21,100	21,100	11,439	(9,661)
Total Administration	569,108	569,108	491,225	(77,883)
Central Services				
Personnel	921,975	921,975	917,155	(4,820)
Supplies and Services	360,988	360,988	347,040	(13,948)
Maintenance	387,021	387,021	244,683	(142,338)
Capital	896,658	896,658	-	(896,658)
Total Central Services	2,566,642	2,566,642	1,508,878	(1,057,764)

CITY OF WARRENVILLE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance Over (Under)
	Original	Final		
General Government - Continued				
Community Development				
Personnel	\$ 747,619	747,619	744,842	(2,777)
Supplies and Services	136,200	136,200	134,469	(1,731)
Maintenance	2,500	2,500	538	(1,962)
Miscellaneous	3,750	3,750	2,091	(1,659)
Capital	93,335	93,335	5,279	(88,056)
Total Community Development	983,404	983,404	887,219	(96,185)
Municipal Van				
Personnel	32,401	32,401	32,104	(297)
Supplies and Services	11,976	11,976	10,828	(1,148)
Maintenance	300	300	465	165
Miscellaneous	100	100	-	(100)
Total Municipal Van	44,777	44,777	43,397	(1,380)
Less: Administrative Costs Charged to Other Departments and Funds				
	(40,140)	(40,140)	(40,140)	-
Total General Government	5,063,596	5,063,596	3,665,304	(1,398,292)
Public Safety				
Police Protection				
Personnel	5,407,512	5,407,512	5,270,568	(136,944)
Supplies and Services	648,684	648,684	595,104	(53,580)
Maintenance	110,612	110,612	73,518	(37,094)
Miscellaneous	9,325	9,325	7,507	(1,818)
Capital	34,850	34,850	63,823	28,973
Total Police Protection	6,210,983	6,210,983	6,010,520	(200,463)
EMA				
Personnel	6,459	6,459	6,459	-
Supplies and Services	17,385	17,385	4,113	(13,272)
Maintenance	6,500	6,500	1,409	(5,091)
Miscellaneous	5,500	5,500	-	(5,500)
Capital	31,000	31,000	3,216	(27,784)
Total EMA	66,844	66,844	15,197	(51,647)

CITY OF WARRENVILLE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance Over (Under)
	Original	Final		
Public Safety - Continued				
Police Commission				
Supplies and Services	\$ 26,190	26,190	18,626	(7,564)
Total Public Safety	6,304,017	6,304,017	6,044,343	(259,674)
Public Works				
Streets				
Personnel	753,661	753,661	767,883	14,222
Supplies and Services	465,150	465,150	304,262	(160,888)
Maintenance	223,450	223,450	176,828	(46,622)
Miscellaneous	24,500	24,500	30,376	5,876
Capital	28,300	28,300	18,655	(9,645)
Total Streets	1,495,061	1,495,061	1,298,004	(197,057)
Road and Bridge				
Personnel	81,437	81,437	75,636	(5,801)
Buildings and Grounds				
Personnel	100,859	100,859	96,487	(4,372)
Supplies and Services	11,700	11,700	9,955	(1,745)
Maintenance	232,275	232,275	131,674	(100,601)
Capital	10,700	10,700	7,566	(3,134)
Total Buildings and Grounds	355,534	355,534	245,682	(109,852)
Total Public Works	1,932,032	1,932,032	1,619,322	(312,710)
Culture and Recreation				
Parks and Recreation				
Supplies and Services	12,578	12,578	9,315	(3,263)
Maintenance	33,400	33,400	27,986	(5,414)
Miscellaneous	7,086	7,086	5,517	(1,569)
Capital	-	-	3,310	3,310
Total Culture and Recreation	53,064	53,064	46,128	(6,936)
Total Expenditures	13,352,709	13,352,709	11,375,097	(1,977,612)

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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Telecommunications	\$ 506,844	506,844	495,405
Amusement	252,000	252,000	314,821
Natural Gas	145,725	145,725	146,149
Electric Utility	100,929	100,929	95,092
Local Motor Fuel	619,003	619,003	467,052
Investment Income	1,000	1,000	(2,053)
Miscellaneous	-	-	20,576
Total Revenues	<u>1,625,501</u>	<u>1,625,501</u>	<u>1,537,042</u>
Expenditures			
Capital Outlay			
Supplies and Services	100,000	100,000	106,028
Maintenance	15,000	15,000	-
Capital	<u>2,158,275</u>	<u>2,158,275</u>	<u>1,937,654</u>
Total Expenditures	<u>2,273,275</u>	<u>2,273,275</u>	<u>2,043,682</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(647,774)</u>	<u>(647,774)</u>	<u>(506,640)</u>
Other Financing Sources			
Disposal of Capital Assets	13,533	13,533	39,819
Transfers In	<u>337,000</u>	<u>337,000</u>	<u>337,000</u>
	<u>350,533</u>	<u>350,533</u>	<u>376,819</u>
Net Change in Fund Balance	<u>(297,241)</u>	<u>(297,241)</u>	(129,821)
Fund Balance - Beginning			<u>1,247,506</u>
Fund Balance - Ending			<u><u>1,117,685</u></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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property	\$ 4,862	4,862	15,722
Investment Income	-	-	(1,390)
Total Revenues	<u>4,862</u>	<u>4,862</u>	<u>14,332</u>
Expenditures			
Economic Development			
Supplies and Services	120,342	120,342	32,449
Capital Outlay			
City Projects	252,000	252,000	-
Land Purchases	382,000	382,000	2,000
Total Expenditures	<u>754,342</u>	<u>754,342</u>	<u>34,449</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(749,480)	(749,480)	(20,117)
Other Financing Sources			
Disposal of Capital Assets	-	-	(1,868,291)
Net Change in Fund Balance	<u>(749,480)</u>	<u>(749,480)</u>	(1,888,408)
Fund Balance - Beginning			<u>(1,449,920)</u>
Fund Balance - Ending			<u><u>(3,338,328)</u></u>

CITY OF WARRENVILLE, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2018

	Special Revenue		Capital Projects	Totals
	Seized Assets	Hotel/ Motel Tax	TIF District #4	
ASSETS				
Cash and Investments	\$ 136,351	1,160,635	-	1,296,986
Receivables - Net of Allowances				
Property Taxes	-	-	92,377	92,377
Other Taxes	1,559	73,768	-	75,327
Interest	-	3,147	-	3,147
Due from Other Funds	55,042	-	-	55,042
Total Assets	192,952	1,237,550	92,377	1,522,879
LIABILITIES				
Accounts Payable	-	24,862	7,826	32,688
Due to Other Funds	-	-	400,279	400,279
Total Liabilities	-	24,862	408,105	432,967
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	-	-	92,377	92,377
Total Liabilities and Deferred Inflows of Resources	-	24,862	500,482	525,344
FUND BALANCES				
Restricted	192,952	-	-	192,952
Committed	-	1,212,688	-	1,212,688
Unassigned	-	-	(408,105)	(408,105)
Total Fund Balances	192,952	1,212,688	(408,105)	997,535
Total Liabilities, Deferred Inflows of Resources and Fund Balance	192,952	1,237,550	92,377	1,522,879

CITY OF WARRENVILLE, ILLINOIS

Nonmajor Governmental Funds

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended April 30, 2018**

	Special Revenue		Capital Projects	Totals
	Seized Assets	Hotel/ Motel Tax	TIF District #4	
Revenues				
Taxes	\$ -	912,439	47,712	960,151
Investment Income	42	(738)	-	(696)
Miscellaneous	19,405	-	7,500	26,905
Total Revenues	19,447	911,701	55,212	986,360
Expenditures				
Current				
Public Safety	437	-	-	437
Culture and Recreation	-	207,491	-	207,491
Economic Development	-	-	58,868	58,868
Capital Outlay	-	75,716	251,775	327,491
Total Expenditures	437	283,207	310,643	594,287
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,010	628,494	(255,431)	392,073
Other Financing (Uses)				
Transfers Out	(8,160)	(314,198)	-	(322,358)
Net Change in Fund Balances	10,850	314,296	(255,431)	69,715
Fund Balances - Beginning	182,102	898,392	(152,674)	927,820
Fund Balances -Ending	192,952	1,212,688	(408,105)	997,535

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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Investment Income	\$ 35	35	42
Miscellaneous	42,441	42,441	19,405
Total Revenues	42,476	42,476	19,447
Expenditures			
Public Safety			
Supplies and Services	-	-	437
Excess (Deficiency) of Revenues Over (Under) Expenditures	42,476	42,476	19,010
Other Financing (Uses)			
Transfers Out	(8,160)	(8,160)	(8,160)
Net Change in Fund Balance	34,316	34,316	10,850
Fund Balance - Beginning			182,102
Fund Balance - Ending			192,952

CITY OF WARRENVILLE, ILLINOIS

Hotel/Motel - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended April 30, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Hotel/Motel	\$ 902,253	902,253	912,439
Investment Income	1,000	1,000	(738)
Total Revenues	<u>903,253</u>	<u>903,253</u>	<u>911,701</u>
Expenditures			
Culture and Recreation			
Supplies and Services	246,098	246,098	207,491
Capital Outlay			
City Projects	88,000	88,000	75,716
Total Expenditures	<u>334,098</u>	<u>334,098</u>	<u>283,207</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	569,155	569,155	628,494
Other Financing (Uses)			
Transfers Out	<u>(300,000)</u>	<u>(300,000)</u>	<u>(314,198)</u>
Net Change in Fund Balance	<u>269,155</u>	<u>269,155</u>	314,296
Fund Balance - Beginning			<u>898,392</u>
Fund Balance - Ending			<u><u>1,212,688</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, 2018**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property	\$ -	-	47,712
Miscellaneous	-	-	7,500
Total Revenues	-	-	55,212
Expenditures			
Economic Development			
Supplies and Services	305,825	305,825	58,868
Capital Outlay			
City Projects	1,162,060	1,162,060	-
Land Purchases	2,500,000	2,500,000	251,775
Total Expenditures	3,967,885	3,967,885	310,643
Net Change in Fund Balance	<u>(3,967,885)</u>	<u>(3,967,885)</u>	(255,431)
Fund Balance - Beginning			<u>(152,674)</u>
Fund Balance - Ending			<u>(408,105)</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, 2018**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Water Sales	\$ 958,383	958,383	983,654
Sewer Sales	1,890,825	1,890,825	1,928,430
Meter Sales	11,014	11,014	11,022
Penalties	8,353	8,353	35,458
Miscellaneous	62,277	62,277	76,305
Total Operating Revenues	<u>2,930,852</u>	<u>2,930,852</u>	<u>3,034,869</u>
Operating Expenses			
Operations			
Waterworks	3,018,277	3,018,277	1,592,148
Sewerage	5,041,420	5,139,263	2,108,789
Total Operating Expenses	<u>8,059,697</u>	<u>8,157,540</u>	<u>3,700,937</u>
Operating Income (Loss) Before Depreciation	(5,128,845)	(5,226,688)	(666,068)
Depreciation	<u>295,365</u>	<u>295,365</u>	<u>359,635</u>
Operating Income (Loss)	<u>(5,424,210)</u>	<u>(5,522,053)</u>	<u>(1,025,703)</u>
Nonoperating Revenues (Expenses)			
Tap-On Connection Fees	40,609	40,609	56,500
Investment Income	11,800	11,800	(30,779)
Disposal of Capital Assets	-	-	4,371
Rental Income	348,334	348,334	358,629
	<u>400,743</u>	<u>400,743</u>	<u>388,721</u>
Income (Loss) before Contributions	(5,023,467)	(5,121,310)	(636,982)
Capital Contribution	<u>-</u>	<u>-</u>	<u>434,397</u>
Change in Net Position	<u>(5,023,467)</u>	<u>(5,121,310)</u>	(202,585)
Net Position - Beginning as Restated			<u>22,251,440</u>
Net Position - Ending			<u>22,048,855</u>

CITY OF WARRENVILLE, ILLINOIS

Water and Sewer - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended April 30, 2018**

	Budget		Actual
	Original	Final	
Operating Expenses			
Waterworks			
Personnel			
Salaries	\$ 512,294	512,294	507,650
FICA/Medicare/IMRF	98,617	98,617	157,681
Accrued Sick/Com Time/OPEB	83,502	83,502	91,493
Employee Insurance	3,300	3,300	9,829
Total Personnel	697,713	697,713	766,653
Maintenance			
Building	13,000	13,000	11,025
Water Tower	9,200	9,200	4,349
Equipment	12,800	12,800	10,048
Software	5,561	5,561	5,820
Utility System	70,000	70,000	75,085
Communications	5,050	5,050	9,755
Total Maintenance	115,611	115,611	116,082
Supplies and Services			
General Insurance	29,993	29,993	28,954
Telephone	6,000	6,000	18,378
Utilities	84,415	84,415	74,967
Rental	7,140	7,140	6,345
Travel	2,550	2,550	2,938
Postage	8,213	8,213	6,815
Printing/Publishing	9,177	9,177	9,201
Liens	100	100	147
Legal and Accounting	1,000	1,000	-
Annual Audit	2,091	2,091	2,091
Engineering	243,250	243,250	148,817
Other Professional Services	13,500	13,500	11,233
J.U.L.I.E.	3,100	3,100	1,318
Dues and Subscriptions	1,175	1,175	563
Supplies	1,250	1,250	1,327
Small Tools	500	500	973
Uniforms	4,000	4,000	2,791
Gas/Oil	8,250	8,250	7,723

CITY OF WARRENVILLE, ILLINOIS

Water and Sewer - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2018**

	Budget		Actual
	Original	Final	
Operating Expenses - Continued			
Waterworks - Continued			
Supplies and Services - Continued			
Chlorination	\$ 76,800	76,800	40,134
Administrative	20,070	20,070	20,070
Meters	71,000	71,000	2,756
Miscellaneous	1,950	1,950	65,769
Total Supplies and Services	595,524	595,524	453,310
Capital			
Computer Software	58,454	58,454	-
Water Main Improvements	1,447,600	1,447,600	182,688
Building Improvements	1,000	1,000	-
Capital Operating Costs	99,000	99,000	68,489
Equipment Purchase	3,375	3,375	4,926
Total Capital	1,609,429	1,609,429	256,103
Total Waterworks	3,018,277	3,018,277	1,592,148
Sewerage			
Personnel			
Salaries	388,462	388,462	379,708
FICA/Medicare/IMRF	74,814	74,814	71,169
Employee Insurance	59,590	59,590	62,467
Total Personnel	522,866	522,866	513,344
Maintenance			
Building	10,700	10,700	7,236
Equipment	7,000	7,000	9,752
Software	3,708	3,708	3,880
Grounds	300	300	-
Utility System	15,000	15,000	11,434
Communications	2,450	2,450	6,629
Total Maintenance	39,158	39,158	38,931
Supplies and Services			
General Insurance	25,641	24,602	24,602
Telephone	11,318	11,318	12,389

CITY OF WARRENVILLE, ILLINOIS

Water and Sewer - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended April 30, 2018**

	Budget		Actual
	Original	Final	
Operating Expenses - Continued			
Sewerage - Continued			
Supplies and Services - Continued			
Utilities	\$ 21,000	21,000	21,352
Rental	6,858	6,858	6,063
Travel	1,600	1,600	1,985
Postage	8,213	8,213	6,805
Printing/Publishing	7,200	7,200	7,027
Liens	100	100	147
Legal	1,000	1,000	-
Annual Audit	2,091	2,091	2,091
Engineering	276,750	375,632	296,645
Other Professional Services	6,350	6,350	2,280
J.U.L.I.E.	3,100	3,100	879
Naperville Sewage Treatment	1,049,576	1,049,576	992,573
Dues and Subscriptions	1,625	1,625	1,323
Office Supplies	850	850	706
Small Tools	500	500	439
Uniforms	2,500	2,500	1,859
Gas/Oil	8,500	8,500	5,149
Administrative	20,070	20,070	20,070
Meters	71,000	71,000	65,769
Overhead Sewer Grant	2,000	2,000	-
Infiltration Analysis	22,500	22,500	-
Miscellaneous	300	300	4
Total Supplies and Services	1,550,642	1,648,485	1,470,157
Capital			
Computer Software	58,454	58,454	-
Sewer Main Improvements	2,780,000	2,780,000	(70)
Capital Operating Costs	64,900	64,900	47,799
Equipment Purchase	25,400	25,400	38,628
Total Capital	2,928,754	2,928,754	86,357
Total Sewerage	5,041,420	5,139,263	2,108,789
Depreciation	295,365	295,365	359,635
Total Operating Expenses	8,355,062	8,452,905	4,060,572

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, 2018**

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 1,176,044	1,176,044	1,132,335
Contributions - Plan Members	290,984	290,984	285,759
Total Contributions	1,467,028	1,467,028	1,418,094
Investment Income			
Interest Income	734,438	734,438	373,492
Net Change in Fair Value	-	-	887,295
	734,438	734,438	1,260,787
Less Investment Expenses	-	-	(35,488)
Net Investment Income	734,438	734,438	1,225,299
Total Additions	2,201,466	2,201,466	2,643,393
Deductions			
Administration	59,526	59,526	28,596
Benefits and Refunds	899,929	899,929	961,986
Total Deductions	959,455	959,455	990,582
Change in Fiduciary Net Position	1,242,011	1,242,011	1,652,811
Net Position Restricted for Pensions			
Beginning			19,015,073
Ending			20,667,884

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, 2018 (Unaudited)**

	2009	2010	2011	2012
Governmental Activities				
Net Investment in Capital Assets	\$ 68,817,707	71,267,517	70,610,196	70,035,401
Restricted	8,700,509	7,286,830	1,476,156	812,193
Unrestricted	8,433,433	5,274,837	12,224,134	13,894,169
Total Governmental Activities Net Position	85,951,649	83,829,184	84,310,486	84,741,763
Business-Type Activities				
Net Investment in Capital Assets	11,975,287	13,845,927	13,649,811	13,608,173
Restricted	-	-	9,590,271	-
Unrestricted	11,655,158	9,817,965	-	9,308,978
Total Business-Type Activities Net Position	23,630,445	23,663,892	23,240,082	22,917,151
Total Net Position				
Net Investment in Capital Assets	80,792,994	85,113,444	84,260,007	83,643,574
Restricted	8,700,509	7,286,830	11,066,427	812,193
Unrestricted	20,088,591	15,092,802	12,224,134	23,203,147
Total Primary Government Net Position	109,582,094	107,493,076	107,550,568	107,658,914

Data Source: Audited Financial Statements

2013	2014	2015	2016	2017	2018
69,200,158	68,918,115	68,626,021	69,762,205	69,581,965	69,590,797
705,834	749,557	908,091	655,848	847,019	1,031,511
14,471,337	15,005,512	13,931,459	4,191,620	2,353,176	(152,643)
84,377,329	84,673,184	83,465,571	74,609,673	72,782,160	70,469,665
13,264,609	12,960,880	13,455,467	14,987,341	15,555,469	17,167,854
-	9,511,461	-	-	-	-
9,433,113	-	9,062,458	8,492,009	6,814,294	4,881,001
22,697,722	22,472,341	22,517,925	23,479,350	22,369,763	22,048,855
82,464,767	81,878,995	82,081,488	84,749,546	85,137,434	86,758,651
705,834	10,261,018	908,091	655,848	847,019	1,031,511
23,904,450	15,005,512	22,993,917	12,683,629	9,167,470	4,728,358
107,075,051	107,145,525	105,983,496	98,089,023	95,151,923	92,518,520

CITY OF WARRENVILLE, ILLINOIS

**Changes in Net Position - Last Ten Fiscal Years
April 30, 2018 (Unaudited)**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities										
General Government	2,295,589	1,929,578	2,399,491	2,368,352	2,378,435	2,548,129	4,195,592	4,510,434	3,560,422	4,037,117
Public Safety	5,494,858	5,521,381	5,555,442	6,398,592	5,676,132	6,022,559	5,622,223	7,194,137	7,695,403	4,746,682
Public Works	1,096,938	3,204,759	2,628,782	2,544,966	4,136,952	3,798,534	4,414,931	2,996,511	3,840,665	5,839,479
Culture and Recreation	305,409	264,480	297,975	257,500	273,552	257,149	247,069	252,325	366,399	253,619
Economic Development	11,306,234	13,426,691	10,031,742	737,277	1,150,690	308,925	92,794	78,592	131,300	91,317
Interest	169,740	3,230	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	20,668,768	24,350,119	20,913,432	12,306,687	13,615,761	12,935,296	14,572,609	15,031,999	15,594,189	14,968,214
Business-Type Activities										
Water and Sewerage	2,523,413	2,987,371	2,939,494	3,056,153	3,277,727	3,305,405	3,265,302	3,388,429	4,547,179	4,056,201
Total Primary Government Expenses	23,192,181	27,337,490	23,852,926	15,362,840	16,893,488	16,240,701	17,837,911	18,420,428	20,141,368	19,024,415
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	595,145	721,489	484,478	489,298	703,633	589,012	797,333	772,344	752,883	839,452
Public Safety	653,468	799,615	626,234	480,071	402,864	411,377	355,654	275,859	255,516	261,706
Public Works	204,757	208,939	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	455,057	401,498	444,151	384,594	374,459	405,250	480,006	376,306	381,770	359,312
Capital Grants/Contributions	-	142,498	78,031	129,147	375,090	310,962	62,185	310,452	-	136,358
Total Governmental Activities	1,908,427	2,274,039	1,795,045	1,731,043	2,242,269	1,920,831	1,704,946	1,763,428	1,412,637	1,596,828
Program Revenue										
Business-Type Activities										
Charges for Services										
Water and Sewerage	2,428,057	2,472,371	2,354,203	2,612,325	2,979,040	3,049,195	3,310,794	3,527,198	3,428,495	3,449,998
Operating Grants/Contributions	-	-	-	3,600	7,500	10,875	15,681	14,390	3,079	-
Capital Grants/Contributions	-	317,619	-	-	-	-	-	821,374	-	434,397
Total Business-Type Activities	2,428,057	2,789,990	2,354,203	2,615,925	2,986,540	3,060,070	3,326,475	4,362,962	3,431,574	3,884,395
Program Revenue										
Total Primary Government	4,336,484	5,064,029	4,149,248	4,346,968	5,228,809	4,980,901	5,031,421	6,126,390	4,844,211	5,481,223

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (Expenses) Revenues										
Governmental Activities	\$ (22,076,080)	(19,118,387)	(10,575,644)	(11,373,492)	(11,014,465)	(12,867,663)	(12,867,663)	(13,268,571)	(14,181,552)	(13,371,386)
Business-Type Activities	(197,381)	(585,291)	(440,228)	(291,187)	(245,335)	61,173	61,173	974,533	(1,115,605)	(171,806)
Total Net Revenue (Expenses)	(22,273,461)	(19,703,678)	(11,015,872)	(11,664,679)	(11,259,800)	(12,806,490)	(12,806,490)	(12,294,038)	(15,297,157)	(13,543,192)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property and Replacement	12,153,448	12,562,359	12,556,309	4,032,040	3,875,670	3,286,186	3,363,880	3,325,755	3,401,164	3,506,054
Sales, Local Use	4,442,702	3,973,712	3,634,782	3,346,470	3,488,543	3,542,985	3,929,001	4,136,930	2,594,661	2,635,475
Utility	579,961	597,460	580,875	697,612	775,737	707,047	269,030	217,864	233,846	241,241
Income	1,217,567	1,061,272	1,041,899	1,072,510	1,184,222	1,280,442	1,286,861	1,400,362	1,242,056	1,371,776
Other	1,535,971	1,516,642	1,538,809	1,623,602	1,624,970	2,449,677	3,040,967	3,051,225	4,697,399	4,700,295
Investment Earnings	786,135	193,355	197,502	89,790	18,806	22,275	57,257	14,578	10,093	(23,914)
Developer Donations	-	-	-	-	-	-	-	-	-	-
Miscellaneous	45,698	48,815	49,513	144,897	41,110	21,708	150,107	141,807	174,820	192,810
Total Governmental Activities	20,761,482	19,953,615	19,599,689	11,006,921	11,009,058	11,310,320	12,097,103	12,288,521	12,354,039	12,623,737
Business-Type Activities										
Investment Earnings	473,852	230,828	161,481	117,297	71,758	19,954	57,907	19,683	6,018	(30,779)
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	473,852	230,828	161,481	117,297	71,758	19,954	57,907	19,683	6,018	(30,779)
Total Primary Government	21,235,334	20,184,443	19,761,170	11,124,218	11,080,816	11,330,274	12,155,010	12,308,204	12,360,057	12,592,958
Changes in Net Position										
Governmental Activities	(1,314,598)	835,228	9,024,045	(366,571)	(5,407)	(1,557,343)	(770,560)	(980,050)	(1,827,513)	(747,649)
Business-Type Activities	276,471	(354,463)	(278,747)	(173,890)	(173,577)	81,127	119,080	994,216	(1,109,587)	(202,585)
Total Primary Government	(1,038,127)	480,765	8,745,298	(540,461)	(178,984)	(1,476,216)	(651,480)	14,166	(2,937,100)	(950,234)

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, 2018 (Unaudited)**

	2009	2010	2011	2012
General Fund				
Reserved	\$ 138,037	62,769	-	-
Unreserved	7,532,538	7,558,056	-	-
Nonspendable	-	-	2,279,945	2,209,995
Assigned	-	-	-	-
Unassigned	-	-	4,412,572	5,168,013
Total General Fund	7,670,575	7,620,825	6,692,517	7,378,008
All Other Governmental Funds				
Unreserved/Unassigned:				
Special Revenues Funds	-	-	(662,451)	(639,558)
Capital Projects Funds	-	-	-	-
Reserved/Restricted, Reported in				
Special Revenue Funds	939,956	939,956	356,720	508,867
Debt Service Funds	-	-	-	-
Capital Projects Funds	7,709,070	7,709,070	246,449	303,326
Permanent Funds	411,407	411,407	411,407	-
Committed	-	-	461,580	593,760
Assigned	-	-	6,123,086	6,493,380
Nonspendable	-	-	662,451	639,558
Total All Other Governmental Funds	9,060,433	9,060,433	7,599,242	7,899,333
Total Governmental Funds	16,731,008	16,681,258	14,291,759	15,277,341

Data Source: Audited Financial Statements

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

2013	2014	2015	2016	2017	2018
-	-	-	-	-	-
-	-	-	-	-	-
2,208,938	2,231,448	2,236,098	2,319,323	2,319,140	39,152
-	-	-	-	4,144,792	4,144,792
5,873,707	6,401,476	6,746,084	6,947,628	7,239,645	9,343,946
8,082,645	8,632,924	8,982,182	9,266,951	13,703,577	13,527,890
(639,558)	(639,558)	-	-	-	-
(92,625)	(400,237)	-	-	-	-
705,834	749,557	908,091	655,848	847,019	1,031,511
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
223,545	322,603	505,894	680,480	898,392	1,212,688
6,505,423	6,235,623	5,954,672	5,769,181	1,247,506	1,117,685
732,183	1,049,088	(1,206,432)	(1,354,135)	(1,602,594)	(3,746,433)
7,434,802	7,317,076	6,162,225	5,751,374	1,390,323	(384,549)
15,517,447	15,950,000	15,144,407	15,018,325	15,093,900	13,143,341

CITY OF WARRENVILLE, ILLINOIS

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
April 30, 2018 (Unaudited)**

	2009	2010	2011	2012
Revenues				
Property Taxes	\$ 12,096,083	12,372,224	12,556,309	4,032,040
Other Taxes	7,837,759	7,339,223	6,796,365	5,669,526
Intergovernmental	455,056	439,496	502,182	1,566,251
Licenses, Permits, Fees	690,142	800,832	506,793	562,692
Fines and Forfeits	598,056	750,831	588,523	452,982
Investment Income	786,135	193,355	197,502	89,790
Miscellaneous	206,678	331,693	247,060	364,683
Total Revenues	22,669,909	22,227,654	21,394,734	12,737,964
Expenditures				
General Government	2,070,469	1,969,043	2,256,200	2,249,067
Public Safety	5,368,060	5,419,963	5,585,213	5,772,515
Public Works	1,543,883	1,819,645	1,635,169	1,616,731
Culture and Recreation	305,409	264,480	297,975	257,500
Economic Development	11,306,234	13,551,291	10,031,742	737,277
Capital Outlay	1,073,197	1,934,028	705,922	1,141,344
Debt Service				
Principal	3,775,000	760,000	-	-
Interest and Fiscal Charges	192,426	12,920	-	-
Total Expenditures	25,634,678	25,731,370	20,512,221	11,774,434
Excess of Revenues Over (Under) Expenditures	(2,964,769)	(3,503,716)	882,513	963,530
Other Financing Sources (Uses)				
Transfers In	535,532	310,271	451,880	815,493
Transfers Out	(535,532)	(310,271)	(451,880)	(815,493)
Disposal of Capital Assets	304,638	58,042	123,912	22,052
	304,638	58,042	123,912	22,052
Net Change in Fund Balances	(2,660,131)	(3,445,674)	1,006,425	985,582
Debt Service as a Percentage of Noncapital Expenditures	15.48%	3.00%	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.

2013	2014	2015	2016	2017	2018
3,875,670	3,286,186	3,319,256	3,280,809	3,353,479	3,467,596
5,904,972	6,725,745	5,492,705	5,472,558	5,189,324	4,979,994
1,913,771	1,976,654	3,812,885	4,269,622	4,218,487	4,366,563
701,021	586,161	583,533	544,347	523,906	847,917
549,597	371,920	355,887	294,366	265,464	253,241
18,806	22,275	57,257	14,579	10,093	(23,914)
287,490	262,210	180,526	175,668	205,923	192,810
13,251,327	13,231,151	13,802,049	14,051,949	13,766,676	14,084,207
2,376,899	2,324,352	3,596,990	3,804,284	3,573,968	3,665,304
5,775,860	6,000,541	5,680,486	5,643,598	5,698,846	6,044,780
1,537,076	1,800,634	1,592,078	1,495,110	1,458,350	1,790,257
273,552	257,149	247,069	252,325	366,399	253,619
1,150,690	308,925	92,794	78,592	131,300	91,317
1,923,672	2,132,236	3,419,222	2,925,609	2,486,812	2,373,173
-	-	-	-	-	-
-	-	-	-	-	-
13,037,749	12,823,837	14,628,639	14,199,518	13,715,675	14,218,450
213,578	407,314	(826,590)	(147,569)	51,001	(134,243)
921,688	538,433	1,250,274	607,638	4,613,747	359,358
(921,688)	(538,433)	(1,250,274)	(607,638)	(4,613,747)	(359,358)
26,528	25,239	20,997	21,487	24,574	(1,816,316)
26,528	25,239	20,997	21,487	24,574	(1,816,316)
240,106	432,553	(805,593)	(126,082)	75,575	(1,950,559)
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, 2018 (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
2008	General	\$ 327,084,027	\$ 46,550	\$ 46,875,924	\$ 7,870,925	\$ 381,877,426	0.5627	\$ 1,145,632,278	33.33%
	TIF #1	235,383	-	5,238,194	162,825	5,636,402		16,909,206	33.33%
	TIF #2	7,829,160	-	1,478,880	484,820	9,792,860		29,378,580	33.33%
2009	General	325,801,565	47,416	43,994,598	7,973,915	377,817,494	0.5711	1,133,452,482	33.33%
	TIF #1	235,383	-	5,290,398	162,825	5,688,606		17,065,818	33.33%
	TIF #2	7,831,160	-	1,478,880	484,820	9,794,860		29,384,580	33.33%
2010	General	324,664,129	17,154	166,268,173	14,112,640	505,062,096	0.6170	1,515,186,288	33.33%
	TIF #2	7,829,420	-	1,478,880	484,820	9,793,120		29,379,360	33.33%
2011	General	300,370,647	19,381	156,319,940	13,325,490	470,035,458	0.6515	1,410,106,374	33.33%
	TIF #2	7,831,180	-	1,578,910	484,820	9,894,910		29,684,730	33.33%
2012	General	276,576,265	21,477	144,737,529	12,726,100	434,061,371	0.7356	1,302,184,113	33.33%
2013	General	249,584,910	26,145	139,314,296	12,051,260	400,976,611	0.8131	1,202,929,833	33.33%
	TIF #3	2,881,150	-	4,468,587	884,070	8,233,807		24,701,421	33.33%
2014	General	240,786,744	28,761	138,887,324	12,010,200	391,713,029	0.8227	1,175,139,087	33.33%
	TIF #3	2,764,890	-	4,276,727	852,850	7,894,467		23,683,401	33.33%
2015	General	247,203,723	21,639	145,236,122	12,828,513	405,289,997	0.8107	1,215,869,991	33.33%
	TIF #3	2,634,440	-	4,226,467	895,510	7,756,417		23,269,251	33.33%
2016	General	271,442,481	26,450	148,567,811	13,437,920	433,474,662	0.7710	1,300,423,986	33.33%
	TIF #3	2,769,240	-	4,355,797	959,700	8,084,737		24,254,211	33.33%
	TIF #4	4,954,150	15,044	2,848,761	80,660	7,898,615		23,695,845	33.33%
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%

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, 2018 (Unaudited)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
City Direct Rates										
Corporate	\$ 0.2306	0.2205	0.2372	0.2575	0.2959	0.3288	0.3400	0.3261	0.3039	0.2908
IMRF	0.0308	0.0295	0.0318	0.0346	0.0396	0.0452	0.0468	0.0449	0.0418	0.0400
Police Protection	0.0670	0.0642	0.0647	0.0703	0.0803	0.0887	0.0918	0.0881	0.0821	0.0786
Police Pension	0.1243	0.1511	0.1739	0.1746	0.1890	0.2061	0.1945	0.2105	0.2114	0.1919
Audit	0.0031	0.0030	0.0031	0.0030	0.0034	0.0038	0.0040	0.0039	0.0037	0.0036
Tort Judgments/Liability	0.0203	0.0194	0.0215	0.0185	0.0212	0.0235	0.0243	0.0234	0.0218	0.0209
Social Security	0.0473	0.0453	0.0488	0.0530	0.0606	0.0682	0.0706	0.0678	0.0632	0.0605
School Crossing Guards	0.0101	0.0097	0.0085	0.0093	0.0103	0.0094	0.0098	0.0091	0.0085	0.0082
Workers' Compensation	0.0114	0.0110	0.0105	0.0118	0.0135	0.0150	0.0156	0.0150	0.0140	0.0134
Road and Bridge	0.0178	0.0174	0.0170	0.0189	0.0218	0.0244	0.0253	0.0219	0.0206	0.0203
Total Direct Tax Rate	0.5627	0.5711	0.6170	0.6515	0.7356	0.8131	0.8227	0.8107	0.7710	0.7282
Overlapping Rates										
College of DuPage (#502)	0.1858	0.2127	0.2349	0.2495	0.2681	0.2956	0.2975	0.2786	0.2626	0.2341
DuPage Airport Authority	0.0160	0.0148	0.0158	0.0169	0.0168	0.0178	0.0196	0.0188	0.0176	0.0166
DuPage County	0.1157	0.1554	0.1659	0.1773	0.1929	0.2040	0.2057	0.1971	0.1848	0.1749
DuPage County Forest										
Preserve District	0.1206	0.1217	0.1321	0.1414	0.1533	0.1657	0.1691	0.1622	0.1514	0.1306
Unit School District #200	3.7218	3.7697	4.0437	4.3812	4.8474	5.2036	5.3915	5.3108	5.1076	4.9916
Warrenville Fire										
Protection District	0.3834	0.3892	0.4199	0.4621	0.5237	0.5745	0.5973	0.5840	0.5572	0.5347
Warrenville Library	0.2659	0.2701	0.2922	0.3224	0.3675	0.4070	0.4247	0.4153	0.3944	0.3777
Warrenville Park District	0.3425	0.3460	0.3984	0.4341	0.4902	0.5393	0.5604	0.5461	0.5131	0.4862
Winfield Township	0.0845	0.0854	0.0924	0.1021	0.1174	0.1318	0.1396	0.1370	0.1275	0.1192
Winfield Township R&B	0.1112	0.1123	0.1215	0.1342	0.1543	0.1730	0.1835	0.1801	0.1676	0.1587
Total Overlapping Rates	5.3474	5.4773	5.9168	6.4212	7.1316	7.7123	7.9889	7.8300	7.4838	7.2243
Total Tax Rates	5.9101	6.0484	6.5338	7.0727	7.8672	8.5254	8.8116	8.6407	8.2548	7.9525

CITY OF WARRENVILLE, ILLINOIS

**Principal Property Tax Payers - Current Tax Levy Year and Nine Tax Levy Years Ago
April 30, 2018 (Unaudited)**

Taxpayer	Tax Levy Year 2017			Tax Levy Year 2008		
	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	\$ 10,422,900	1	2.23%			
Cadence Health	6,259,870	2	1.34%			
Adventus US Realty #5 LP	5,970,960	3	1.28%			
MJH Warrenville, LLC	5,765,960	4	1.23%			
CII Landlord IL LLC	5,585,830	5	1.20%			
R.R. Donnelley & Sons	5,316,010	6	1.14%			
CPX Warrenville OPAG LLC	5,240,980	7	1.12%			
Globe Corporation	5,212,040	8	1.12%	\$ 2,460,400	7	1.08%
Northwestern Mutual Life	4,974,980	9	1.06%			
Liberty/Warrenville LLC	4,797,790	10	1.03%			
EPT Downreitt, Inc.				8,161,560	1	3.60%
Village Green at Cantera				7,168,850	2	3.16%
Warrenville Development Corp				6,925,390	3	3.05%
Amoco Properties, Inc				6,825,920	4	3.01%
Prime Hospitality Corp				2,907,960	5	1.28%
Orix LaSalle Warrenville				2,549,360	6	1.12%
Northwestern Mutual Life				1,736,990	8	0.77%
McShane Corporation				1,585,760	9	0.70%
AT&T Communications				1,363,930	10	0.60%
	<u>59,547,320</u>		<u>12.75%</u>	<u>41,686,120</u>		<u>18.37%</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, 2018 (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
2008	General	\$ 2,183,575	\$ 2,179,483	99.81%	\$ -	\$ 2,179,483	99.81%
	TIF #1	9,574,426	9,551,628	99.76%	-	9,551,628	99.76%
	TIF #2	791,632	791,131	99.94%	-	791,131	99.94%
2009	General	2,197,764	2,185,282	99.43%	-	2,185,282	99.43%
	TIF #1	9,523,555	9,522,480	99.99%	-	9,522,480	99.99%
	TIF #2	803,505	803,140	99.95%	-	803,140	99.95%
2010	General	3,173,306	3,170,140	99.90%	-	3,170,140	99.90%
	TIF #2	795,780	794,122	99.79%	-	794,122	99.79%
2011	General	3,118,215	3,080,966	98.81%	-	3,080,966	98.81%
	TIF #2	754,935	754,739	99.97%	-	754,739	99.97%
2012	General	3,251,120	3,240,450	99.67%	-	3,240,450	99.67%
2013	General	3,318,834	3,269,775	98.52%	-	3,269,775	98.52%
	TIF #3	3,794	3,794	100.00%	-	3,794	100.00%
2014	General	3,281,728	3,232,584	98.50%	-	3,232,584	98.50%
	TIF #3	3,632	3,632	100.00%	-	3,632	100.00%
2015	General	3,357,021	3,303,980	98.42%	-	3,303,980	98.42%
	TIF #3	4,489	4,489	100.00%	-	4,489	100.00%
2016	General	3,409,278	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	-	0.00%	-	-	0.00%
	TIF #3 *	52,975	-	0.00%	-	-	0.00%
	TIF #4 *	92,377	-	0.00%	-	-	0.00%

Data Source: Office of the County Clerk

*The 2017 levy amounts will be collectible during City Fiscal Year 2019, as such none of this levy is collected during fiscal year 2017.

CITY OF WARRENVILLE, ILLINOIS

**Sales Tax Revenue by Category - Last Ten Calendar Years
April 30, 2018 (Unaudited)**

	2008	2009	2010	2011
General Merchandise	\$ 3,034,049	3,110,309	3,211,974	3,219,110
Food	508,509	212,310	480,153	433,767
Drinking and Eating Places	2,831,363	2,758,943	2,781,235	2,759,916
Apparel	72,507	72,601	81,438	-
Furniture and H.H. and Radio	50,893	-	-	33,211
Lumber, Building Hardware	304,491	151,857	141,291	135,209
Automobile and Filling Stations	1,428,105	1,913,456	2,113,858	2,450,161
Drugs and Miscellaneous Retail	853,477	679,659	1,205,797	1,378,819
Agriculture and All Others	1,728,744	1,496,259	642,785	735,339
Manufacturers	742,446	548,669	601,490	235,659
Totals	11,554,584	10,944,063	11,260,021	11,381,191
City Direct Sales Tax Rate	2.25%	2.25%	2.25%	2.25%

Data Source: City Records, Illinois Department of Revenue

2012	2013	2014	2015	2016	2017
3,331,080	3,399,980	3,402,088	3,530,429	1,475,697	3,388,673
423,111	417,704	425,396	908,969	960,754	948,194
2,815,753	2,853,404	2,895,031	3,295,386	2,975,178	3,067,615
-	99,495	90,200	102,250	93,739	95,769
33,141	-	-	-	-	-
132,506	167,632	234,540	261,611	493,421	545,890
2,489,266	2,963,861	3,232,307	2,931,586	3,170,251	3,477,269
1,600,895	1,534,410	1,730,646	472,360	1,782,907	1,942,325
937,574	507,432	984,820	2,163,503	1,082,070	1,673,848
26,013	298,802	354,254	349,866	191,047	157,741
11,789,339	12,242,720	13,349,282	14,015,962	12,225,064	15,297,324
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, 2018 (Unaudited)**

Fiscal Year	City Direct Rate	State Rate	DuPage County Rate	RTA Rate	County Water Commission Rate
2009	2.25%	5.00%	0.25%	0.75%	0.25%
2010	2.25%	5.00%	0.25%	0.75%	0.25%
2011	2.25%	5.00%	0.25%	0.75%	0.25%
2012	2.25%	5.00%	0.25%	0.75%	0.25%
2013	2.25%	5.00%	0.25%	0.75%	0.25%
2014	2.25%	5.00%	0.25%	0.75%	0.25%
2015	2.25%	5.00%	0.25%	0.75%	0.25%
2016	2.25%	5.00%	0.25%	0.75%	0.00%
2017	2.25%	5.00%	0.25%	0.75%	0.00%
2018	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, 2018 (Unaudited)**

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income *	Per Capita *
	Installment Contracts Payable	Tax Increment Revenue Bonds			
2009	\$ 760,000	\$ 1,765,000	\$ 2,525,000	0.65%	\$ 189
2010	-	-	-	0.00%	-
2011	-	-	-	0.00%	-
2012	-	-	-	0.00%	-
2013	-	-	-	0.00%	-
2014	-	-	-	0.00%	-
2015	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	0.00%	-

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

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

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

CITY OF WARRENVILLE, ILLINOIS

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
April 30, 2018 (Unaudited)**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Actual Taxable Value of Property*	Per Capita
2009	\$ -	\$ -	\$ -	0.00%	\$ -
2010	-	-	-	0.00%	-
2011	-	-	-	0.00%	-
2012	-	-	-	0.00%	-
2013	-	-	-	0.00%	-
2014	-	-	-	0.00%	-
2015	-	-	-	0.00%	-
2016	-	-	-	0.00%	-
2017	-	-	-	0.00%	-
2018	-	-	-	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, 2018 (Unaudited)**

Governmental Unit	Gross Debt	Percentage Debt Applicable to City (1)	City's Share of Debt
City of Warrenville	\$ -	100.000 %	\$ -
DuPage County	186,246,330	1.220 %	2,272,205
DuPage County Forest Preserve District	111,711,750	1.220 %	1,362,883
Warrenville Park District	187,364	95.390 %	178,727
Warrenville Library District	1,820,000	95.560 %	1,739,192
Schools			
Elementary District No. 33	32,275,000	63.890 %	20,620,498
High School District No. 94	8,960,000	42.240 %	3,784,704
Community Unit School District No. 200	135,320,000	15.070 %	20,392,724
Community Unit School District No. 203	17,990,000	10.730 %	1,930,327
College of DuPage No. 502	227,460,000	1.260 %	2,865,996
Total Overlapping Debt	721,970,444		55,147,256
 Total Direct and Overlapping Debt	 721,970,444		 55,147,256

(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, 2018 (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, 2018 (Unaudited)**

Fiscal Year	Tax Increment Revenue Bonds				Coverage
	Tax Increment Revenue	Debt Service			
		Principal	Interest		
2009	\$ 12,150,207	\$ 3,675,000	\$ 186,440	\$ 3.15	
2010	12,012,403	760,000	12,920	15.54	
2011	10,784,361	-	-	-	
2012	-	-	-	-	
2013	-	-	-	-	
2014	-	-	-	-	
2015	-	-	-	-	
2016	-	-	-	-	
2017	-	-	-	-	
2018	-	-	-	-	

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, 2018 (Unaudited)**

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2009	13,363	\$ 386,484,686	\$ 28,992	7.40%
2010	13,363	414,854,335	31,045	8.70%
2011	13,140	425,670,300	32,395	6.90%
2012	13,140	409,416,120	31,158	6.90%
2013	13,140	409,968,000	31,200	7.70%
2014	13,140	414,345,414	31,533	6.30%
2015	13,140	416,498,580	31,697	6.30%
2016	13,140	444,302,820	33,813	5.90%
2017	13,140	467,389,800	35,570	4.30%
2018	13,140	471,226,680	35,862	4.48%

Data Source: U.S. Census Data

CITY OF WARRENVILLE, ILLINOIS

**Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago
April 30, 2018 (Unaudited)**

Employer	2018			2009		
	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%			
RR Donnelley	350	3	2.18%			
LSC Communications	331	4	2.06%			
A&H Management Group	265	5	1.65%			
Target	242	6	1.51%	254	6	1.58%
Lifetime Fitness	240	7	1.49%			
Sonova USA Inc (formerly Phon	220	8	1.37%	500	3	3.11%
Performance Health Supply	170	9	1.06%			
Paychex North America Inc	151	10	0.94%			
BP/Amoco (1)				2,189	1	13.60%
Navistar				1,450	2	9.01%
Exelon				374	4	2.32%
AT&T Data Center				280	5	1.74%
Family Foods				71	7	0.44%
Paragon Global				60	8	0.37%
Ed Hoy's International				50	9	0.31%
Plymouth Tube Inc.				37	10	0.23%
	<u>2,782</u>		<u>17.32%</u>	<u>5,265</u>		<u>32.71%</u>

Data Source: City Records

CITY OF WARRENVILLE, ILLINOIS

**Full-Time Equivalent City Government Employees by Function/Program - Last Ten Fiscal Years
April 30, 2018 (Unaudited)**

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Administration	4.5	4.5	4.5	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Finance	6.0	6.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Community Development	9.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	11.0
Public Safety										
Police										
Officers	32.0	32.0	34.0	34.0	34.0	35.5	34.5	34.0	34.0	33.0
Civilians	13.5	15.0	16.0	16.0	16.0	16.0	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	4.0	4.0	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, 2018 (Unaudited)**

See Following Page

CITY OF WARRENVILLE, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
April 30, 2018 (Unaudited)**

Function/Program	2009	2010	2011
Public Safety			
Police			
Physical Arrests	1,879	2,312	1,755
Parking Violations	1,132	871	750
Traffic Violations	8,102	9,314	5,532
Public Works			
Street Resurfacing (Miles)	1.30	3.05	1.20
Potholes Repairs	48	52	60
Water			
New Connections	28	18	12
Water Main Breaks	14	22	17
Number of Meters in Operation	4,414	4,498	4,484
Number of Properties Connected to Sewer System	4,614	4,662	4,642
Average Daily Pumpage (MGD)	1.41	1.39	1.32
Maximum Daily Pumpage (MGD)	1.95	1.37	2.06
Number of Gallons Pumped (000)	514,285	499,220	481,890

Data Source: Various City Departments

2012	2013	2014	2015	2016	2017	2018
1,144	2,262	739	713	554	647	646
723	352	997	688	540	574	664
5,260	2,688	5,889	4,038	2,838	3,117	2,795
5.10	3.90	3.87	3.87	5.36	3.10	1.95
48	52	35	35	15	30	55
9	15	22	38	20	15	25
22	28	27	41	15	11	18
4,493	4,508	4,492	4,530	4,550	4,565	4,590
4,642	4,657	4,674	4,712	4,732	4,747	4,479
1.26	1.33	1.32	1.34	1.20	1.40	1.27
1.97	2.10	1.98	1.89	2.60	2.29	2.48
461,000	486,276	476,525	438,546	453,967	497,662	462,330

CITY OF WARRENVILLE, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
April 30, 2018 (Unaudited)**

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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)	51	54	54	54	54	54	54	54	54	54.1
Streetlights	735	741	741	741	741	741	741	741	741	741
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	64.0	64.0	64.4	64.8	64.7
Fire Hydrants	702	702	702	702	702	702	702	714	714	718
System Capacity (Millions of Gallons)	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Wastewater										
Sanitary Sewers (Miles)	59.0	59.0	59.0	59.0	59.0	59.0	59.0	59.2	59.6	60.4
Storm Sewers (Miles)	30.2	30.4	30.4	30.4	30.4	30.4	30.4	30.7	30.7	31.0

Data Source: Various City Departments