

**Comprehensive Annual  
Financial Report**

**City of  
Warrenville**

**Illinois**

**Year Ended  
April 30, 2012**

CITY OF WARRENVILLE, ILLINOIS

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

For the Year Ended  
April 30, 2012

Prepared by Department of Finance

Kevin Dahlstrand  
Director of Finance

Debbie Norman  
Finance and Accounting Manager

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## **INTRODUCTORY SECTION**

**CITY OF WARRENVILLE, ILLINOIS**

**OFFICERS AND OFFICIALS**

**APRIL 30, 2012**

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**LEGISLATIVE**

**City Council**

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

<b>Stuart Aschauer</b>	<b>Ward 1</b>	<b>Dan Leonard</b>	<b>Ward 3</b>
<b>Fred Bevier</b>	<b>Ward 1</b>	<b>Matthew Wiesbrock</b>	<b>Ward 3</b>
<b>Bill Weidner</b>	<b>Ward 2</b>	<b>Leah Goodman</b>	<b>Ward 4</b>
<b>Robert Wilson</b>	<b>Ward 2</b>	<b>Clare Barry</b>	<b>Ward 4</b>

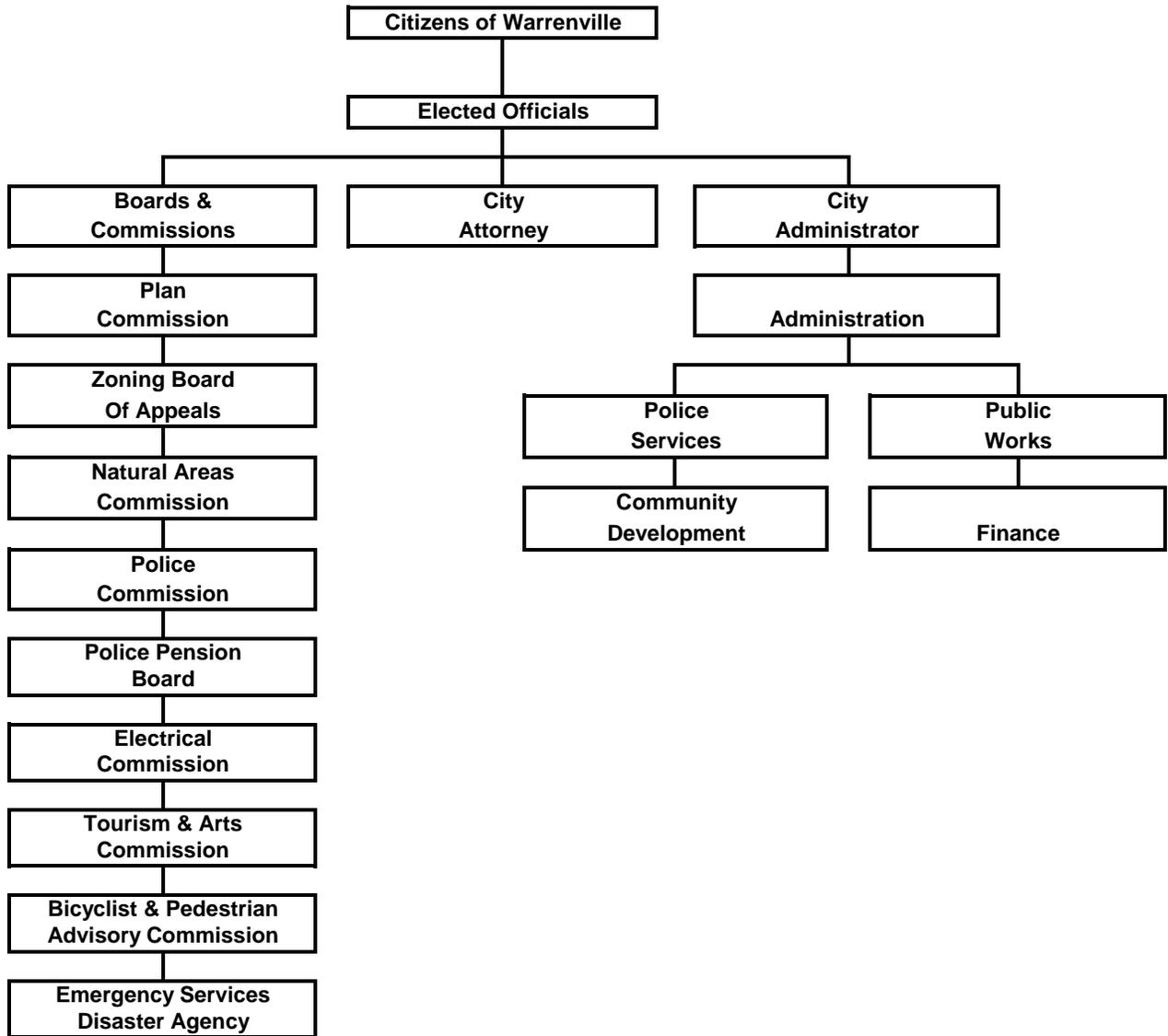
**EXECUTIVE**

**John M. Coakley, City Administrator**

**FINANCE DEPARTMENT**

**Kevin Dahlstrand, Director of Finance  
Debbie Norman, Finance & Accounting Manager  
Tina Drazenovic, Accounting Clerk I  
Mary Llanos, Accounting Clerk II  
Kathy Weiersheuser, Accounting Clerk II**

# CITY OF WARRENVILLE Organizational Chart



# 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, 2011

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



*Linda C. Danison*

President

*Jeffrey R. Emer*

Executive Director



3S258 Manning Avenue • Warrenville, IL 60555  
630/393-9427 • FAX 630/393-5053

September 1, 2012

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, 2012, is hereby submitted in accordance with both local ordinances and state statutes. These ordinances and statutes require that the City annually issue a report on its financial position and activity presented in conformance with generally accepted accounting principles (GAAP) in the United States of America, and audited in accordance with generally accepted auditing standards (GAAS) by an independent firm of certified public accountants.

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

The City's financial statements have been audited by the licensed certified public accountants of Sikich LLP. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Warrenville for the Fiscal Year ended April 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended April 30, 2012, 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 to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

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

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

The City operates under a Mayor/City 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, among other things, for passing ordinances and resolutions, adopting the annual budget, appointing City board and commission members and hiring the City Administrator, Police Chief and City Attorney.

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

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

The City operates under the State Budget Officer Act (65 ILCS 5/10), with the City Administrator having been appointed by the City Council, 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 uses these requests as the starting point for developing a budget proposal for the coming fiscal year. The City Administrator then presents this proposed budget to the City Council in early March of each year. By State Statute, the City Council is required to hold a public hearing on the proposed budget and to adopt a final budget no later than April 30 of each

year; the close of the City's previous fiscal year. The adopted budget is prepared and presented by fund and at the department (e.g. police) level. The Budget Officer may authorize transfers of budgeted amounts within a fund. Budget amendments to increase, or decrease, a fund's total budgeted allocation requires a formal City Council approved amendment to the approved budget.

Budget-to-actual comparisons are provided for each individual governmental fund, for which an annual budget has been adopted. For the General Fund, this comparison is presented beginning on page 49, as required supplementary information. For governmental funds, other than the General Fund, this comparison is presented in the non-major governmental fund subsection of this report, which starts on page 58.

### **Major Initiatives and Developments**

As directed by the City Council, the City staff accomplished a number of major initiatives during Fiscal 2012. Many of these initiatives span multiple years of planning, negotiations, and allocation of financial resources to accomplish. These initiatives are part of the City's ongoing efforts to enhance and improve the quality of life for its residents. Some of the more significant projects and developments are listed below but is not meant to be an all inclusive listing:

#### Route 56 Reconstruction and Expansion

Since the spring of 2011 the Illinois Department of Transportation (IDOT) has been working on the long anticipated reconstruction and expansion of Route 56 (Butterfield Rd), a significant portion of which runs through Warrenville. The City's Community Development Department and Streetscape Workgroup worked to identify landscape design and other streetscape enhancements which were successfully negotiated with IDOT to adjust the final design of this road project so as to be more sensitive to the character of the City of Warrenville and incorporate numerous non-standard accommodations for pedestrians and bicyclists. This project which has been a major disruption to traffic patterns in and around Warrenville, and has taken the investment of a great deal of City staff time to make sure the City desires for this reconstruction are met in the final product.

#### Capital Maintenance and Replacement Plan (CMRP)

During FY 2012, the City Council adopted the City's first multi-year comprehensive capital improvement plan, referred to locally as the Capital Maintenance and Replacement Plan (CMRP). This plan successfully quantified the financial commitment needed to maintain existing City capital assets on an annualized basis, as well as verifying and quantifying an anticipated structural deficit in the funding mechanisms for the CMRP. As a result of that process the City Council and staff engaged the citizens of Warrenville in an extensive community involvement effort, to garner their input into how best to address that identified structural deficit.

As a result of those meetings, the City Council recommended the phased implementation of a series of new utility taxes, a local motor fuel tax, and an increase in the existing telecommunication tax to close that deficit. In order to lessen the immediate impact of these new taxes for Warrenville residents, the City Council delayed the implementation of most of these new taxes until May 1, 2013, with the exception of the increase in the telecommunications tax rate, which went into effect July 1, 2012. Finally, to financially allow for the delay in implementation of these taxes, the City Council directed increased usage of existing Hotel Motel Tax fund balances and the closing of the Working Cash Fund, with all of the funds directed to

fund the CMRP. The CMRP is to be reviewed and updated annually, and will be a “living document” that will be used for years to come to guide the maintenance of City capital assets.

### Neighborhood Dialogue Meetings

In 2005, the City of Warrenville conducted a Community Survey regarding what the citizens of Warrenville want from their City government. The results of that survey have been relied upon ever since, as a guide for how and what City services are provided. During FY 2012, under the leadership of Assistant City Administrator Jennifer McMahon, City Staff, at the City Council’s directive, engaged the residents in a series of Neighborhood Dialogue Meetings. These meetings were conducted to get resident input about the City services currently being offered, the services that residents would like to be offered in the future, and to seek input into the overall community direction going forward. That effort will be followed up by a revised Community Survey during FY 2013, the results of which will assist the City staff in programming services to be offered to the Community in the coming years.

The following are specific departmental accomplishments:

### Public Safety initiatives:

- Initiated a Comprehensive Accident Reduction Effort (C.A.R.E.) program to reduce traffic accidents
- Instituted an on-going program involving the mentoring of Sergeants and Corporals
- Instituted consistent proactive traffic enforcement initiatives through directed patrols, and Patrol Officer and other City employee observations of known problem areas
- Continued the annual National Night Out Against Crime event

### Public Works/Capital projects Initiatives

- Completed the eleventh year of a fifteen-year road maintenance and reconstruction program
- Completed sanitary sewer and water main extension on Williams Court
- Converted the Emerald Green Lift Station to a wet well system
- Completed reconstruction of Gates Place , including curbs, storm sewers, and sidewalk
- Completed phase I engineering for the Williams Road Bridge replacement
- Continued with a multi-year water meter exchange program

### Administration Initiatives

- Executed a lobbying effort to preserve the Local Government Distributive Fund (LGDF)
- Successfully administered the conclusion of phase I and the beginning of phase II of the CN (Canadian National) Sound Mitigation Program
- Completed a successful upgrade of the City computer network infrastructure with the replacement of City Hall, Police Department, and Geographic Information System servers
- Worked with City Council representatives to perform a Strategic Plan review and update
- Procured a City-owned Tree Inventory Grant through the Illinois Department of Natural Resources (IDNR)
- Continued to provide public information dissemination and oversight coordination regarding the ongoing Thorium cleanup efforts in the West branch of the DuPage River, including the effects of the bankruptcy filing by Tronox

### Community Development and Planning Initiatives

- Coordination of local improvements, and City utility relocations, and attended more than 25 construction coordination meetings with the Illinois Department of Transportation for the on-going re-construction and expansion of Route 56, a large part of which is in Warrenville
- Negotiated contract, oversaw, and managed construction of Rockwell Street south of Route 56.
- Worked with consultant to develop, market, and implement the City's first Electronic/On-line Business Directory "Shop Warrenville"
- Coordinated preparation and City Council's unanimous approval of Warrenville Fawell Dam Workgroup Final Report on Fawell Dam's impact on flooding in Warrenville
- Permitted and inspected \$14,000,000 worth of construction activity in the City
- Participated in Countywide Stormwater Management Ordinance revision effort
- Prepared detailed recommendation and received City Council authorization to implement the process to close TIF#2 at the end of calendar 2012, and establish a new TIF in early FY 2014.
- Finalized regulatory and administrative infrastructure to support the adoption and implementation of a new Vacant Building Registration program

### Finance Department Initiatives

- Achieved the nineteenth consecutive Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting Award
- Finance Director worked closely with the City Council appointed Capital Improvement Plan Committee to formulate and implement the City's first comprehensive, multi-year, capital improvement plan (locally called the CMRP), an objective of the 2007 Strategic Plan. The plan was adopted by the City Council, and is currently being implemented, as planned, beginning in fiscal year 2013, and continuing into fiscal year 2014.
- Assisted Administration and Community Development departments with the completion of the first phase and beginning of the second phase of the CN Sound Mitigation reimbursement program.

### **Local economy**

The City's revenue stream has remained diversified; therefore, a decrease in any single revenue source does not necessarily correspond to dramatic overall budgetary impacts. Local sales taxes play a significant role in support of the General Fund. A number of larger chain restaurants, a large chain retailer, and a larger entertainment venue within the Cantera development contribute significantly to the sales tax base. Those combined with smaller local merchants and retailers continues to provide a well diversified and generally stable sales tax base.

As FY 2012 ended, Warrenville continued to be in a better financial position than many other communities, and has continued to avoid many of the significant effects of the national economic situation. While many of the City's revenue sources have experienced some degree of reduction, those reductions have not been deep in all areas. One of the areas of significant concern is the revenue derived from the City's five-percent Amusement Tax. This revenue source dropped by 29.35% for FY 11 from FY 2010 and an additional 13.55% for FY 12 from FY 11. The major contributor to this revenue stream is a multi-screen movie theater complex, the owners of which have experienced many challenges since taking over the complex from the prior owner in late

June of 2010. The owners are moving towards re-commissioning a large portion of the facility into a restaurant and state-of-the-art entertainment venue, Latitude 42 is currently slated to open in the late fall of 2012. This new entertainment venue would likely add to the City's Amusement Tax revenue base, as well as the sales tax base, including the City's 1.5% locally administered Food and Beverage Tax.

### **Long-term financial planning**

The City's 2007 Strategic Plan identified "long-term financial stability" as a major component of the plan. To that end, in October 2010, the City Council established the Capital Improvement Plan Committee charged with establishing a multi-year capital improvement plan. The plan was presented to the City Council and to the residents of Warrenville during multiple public input meetings. The Capital Maintenance and Replacement Plan (CMRP) included all capital repair and replacement of *existing* City assets, such as: roadways, curbs, gutters and sidewalks, storm sewers, vehicles, and equipment located in and around public facilities. The results of that committee's work, was the verification of a previously identified structural deficit in the long-term funding for the CMRP. Approval of the CMRP by the City Council authorized a multi-faceted revenue stream of new user taxes, and the re-allocation of internal fund balances and transfers, as well as significant reduction in the City's Hotel Motel Tax grant program funding. The first step in the implementation of the new funding mechanisms was an increase in the City's Simplified Telecommunications Tax rate from 4% to 6%, which took effect on July 1, 2012. The remaining implemented taxes will take effect May 1, 2013.

The City continues to move towards the creation and development of a third tax increment financing (TIF) district. It is now planned that the existing Old Town Civic Center TIF District (TIF #2) will be closed at the end of December 2012, approximately six fiscal years prior to its statutory end, during the City's 2019 fiscal year. The new third TIF district is slated to begin during early calendar year 2013, and will likely include properties previously included with closing TIF #2.

**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, 2011. This was the nineteenth consecutive year that the City has received this prestigious award for financial reporting excellence. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. City staff believes that the 2012 CAFR will also meet the Certificate of Achievement Program's requirements and it will be submitted to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the dedicated services of the entire staff of the Finance Department. Appreciation is extended to all members of the department who assisted and contributed to the preparation of this report. Finance and Accounting Manager Debbie Norman, is to be commended for her lead role in preparing the many schedules and statements needed for the auditors to conduct the actual audit. Her professionalism and dedicated attention to detail throughout the fiscal year allows for a timely, well organized and efficiently conducted audit process.

Credit continues to be given to the Mayor and City Council for their continuing expectation of, and support for, maintaining the highest standards of professionalism in the financial management of the City of Warrenville.

Respectfully submitted,



John M. Coakley  
City Administrator



Kevin Dahlstrand  
Finance Director

**INDEPENDENT AUDITOR'S REPORT**



1415 W. Diehl Road, Suite 400 • Naperville, IL 60563

INDEPENDENT AUDITOR'S REPORT

The Honorable 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 (the City), as of and for the year ended April 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the City of Warrenville, Illinois' management. 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the 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, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 schedules and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City of Warrenville, Illinois. The combining and individual fund financial statements and 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. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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 auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion thereon.

A handwritten signature in black ink, appearing to read "S. K. H. T.", is positioned to the right of the main text block.

Naperville, Illinois  
September 6, 2012

GENERAL PURPOSE  
EXTERNAL FINANCIAL STATEMENTS

## Management's Discussion and Analysis

As management of the City of Warrenville, Illinois, we offer readers of the City of Warrenville's financial statements this narrative overview and analysis of the financial activities of the City of Warrenville for the fiscal year ended April 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can also be found in this report.

### **Financial Highlights**

- The government's total assets were \$114,159,923 on April 30, 2012.
- The assets of the City of Warrenville exceeded its liabilities at the close of the fiscal year by \$107,658,914 (*net assets*). Of this amount, \$23,203,147 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- \$83,643,574 of net assets is invested in capital assets, net of related debt.
- As of the close of the current fiscal year, the City of Warrenville's governmental funds reported combined ending fund balances of \$15,277,341. Approximately 29.6% of this total amount, \$4,528,455 is *available for spending* at the government's discretion (*unassigned fund balance*). This represents a 20.75% increase in unassigned fund balance over last fiscal year.
- Another 18.6%, or \$2,849,553, is in the form of "non-spendable" fund balances, consisting of pre-paid items, advances to other funds, and \$2,200,000 in land held for re-sale by the General Fund.
- Additionally, 5.3% or \$812,193 is restricted for specific purposes including: public safety, economic development, and maintenance of roadways.
- Another \$593,760 or approximately 4% is "*committed*" to funding tourism related activities.
- And finally, a total of \$6,493,380, or 42.5% is fund balance designated as "*assigned*" for special projects, which are generally identified as larger one-time capital expenditures or large one-time non-budgeted one-time expenditures for outside professional services for one-time projects.
- During the year, the City's governmental activity expenses were \$431,277 *less* than the \$11,006,921 generated in program revenues, taxes and other revenues for governmental activities.
- The City of Warrenville's total long-term obligations decreased by \$34,026 (approximately five percent) during the fiscal year. The City has no general obligation debt. The City's remaining obligations are mainly in the form of compensated absences, pension obligations, and a contingent liability, which has been revised upward from \$100,000 to \$200,000, for the environmental clean-up necessary at the former Musselman Lumber site, referred to locally as Civic Center Redevelopment Site #1.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Warrentville's basic financial statements. The City of Warrentville's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net assets* presents information on all of the City of Warrentville's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Warrentville is improving or deteriorating.

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

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

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

The government-wide financial statements can be found on pages 3-5 of this report.

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

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

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

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

The City of Warrentville adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund on page 44 to demonstrate compliance with this budget.

The basic financial statements for the governmental funds can be found on pages 6-9 of this report.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 10-13 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 of Warrentville's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 14-15 of this report.

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16-43 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. Required supplementary information can be found on pages 44-48 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 49-68 of this report.

### Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Warrentville, assets exceeded liabilities by \$107,658,914 at April 30, 2012.

By far the largest portion of the City of Warrentville's net assets, approximately 77%, is invested in capital assets (e.g., land, buildings, machinery, and equipment) less any related outstanding debt used to acquire those assets. The City of Warrentville uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Warrentville's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental		Business-type		Total		Percentage
	Activities		Activities				Change
	2012	2011	2012	2011	2012	2011	2012-2011
Current and other assets	20,939,666	19,869,556	7,376,684	7,654,181	28,316,350	27,523,737	2.88%
Capital Assets	70,035,401	70,610,196	15,808,172	15,849,811	85,843,573	86,460,007	-0.71%
Total assets	<u>90,975,067</u>	<u>90,479,752</u>	<u>23,184,856</u>	<u>23,503,992</u>	<u>114,159,923</u>	<u>113,983,744</u>	0.15%
Long-term liabilities outstanding	693,604	591,469	72,339	85,875	765,943	677,344	13.08%
Other Liabilities	5,539,700	5,577,797	195,366	178,035	5,735,066	5,755,832	-0.36%
Total liabilities	<u>6,233,304</u>	<u>6,169,266</u>	<u>267,705</u>	<u>263,910</u>	<u>6,501,009</u>	<u>6,433,176</u>	1.05%
Net Assets:							
Invested in capital assets,							
net of related debt	70,035,401	70,610,196	13,608,173	13,649,811	83,643,574	84,260,007	-0.73%
Restricted	812,193	1,476,156	-	-	812,193	1,476,156	-44.98%
Unrestricted	13,894,169	12,224,134	9,308,978	9,590,271	23,203,147	21,814,405	6.37%
Total Net Assets	<u>84,741,763</u>	<u>84,310,486</u>	<u>22,917,151</u>	<u>23,240,082</u>	<u>107,658,914</u>	<u>107,550,568</u>	0.10%

The *unrestricted net assets* of April 30, 2012, totaling \$23,203,147 may be used to meet the government's ongoing obligations to citizens and creditors. This represents a 6.37% increase in unrestricted net assets over FY 2012.

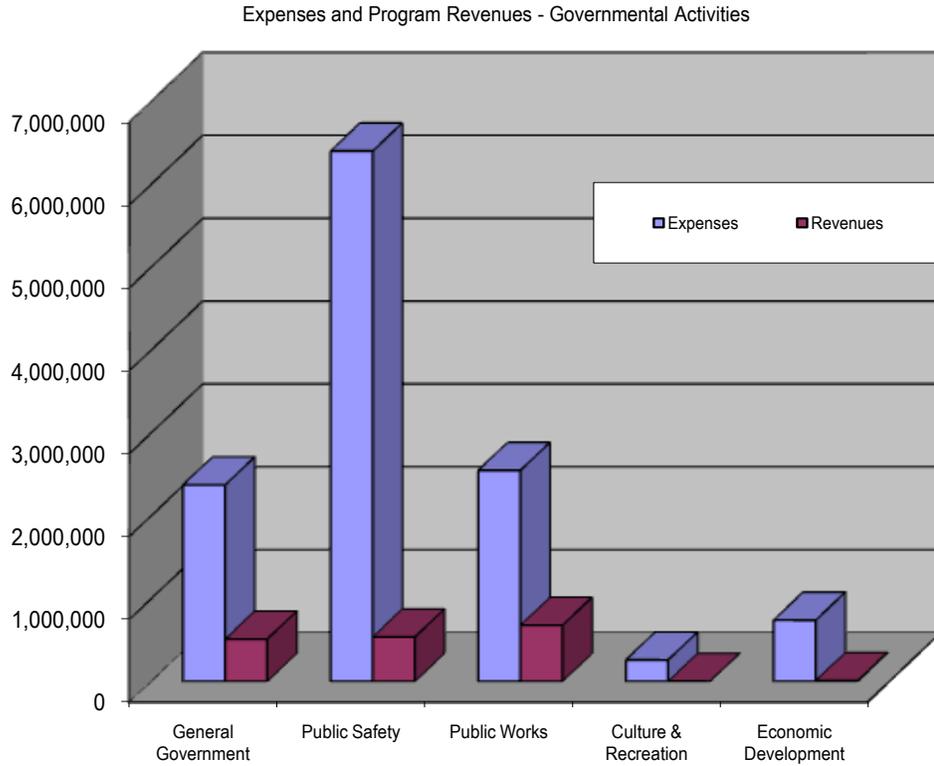
At the end of the current fiscal year, the City of Warrentville is able to report positive balances in all three categories of net assets, for the government as a whole.

**CITY OF WARRENVILLE  
CHANGES IN NET ASSETS**

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Revenues:</b>						
Program revenues:						
Charges for Services	\$ 1,217,302	\$ 1,272,863	\$ 2,612,325	\$ 2,354,203	\$ 3,829,627	\$ 3,627,066
Operating Grants and Contributions	384,594	444,151	3,600		388,194	444,151
Capital Grants and Contributions	129,147	78,031		-	129,147	78,031
General revenues:						
Property and Replacement Taxes	4,032,040	12,556,309			4,032,040	12,556,309
Other Taxes	6,740,194	6,796,365			6,740,194	6,796,365
Miscellaneous	234,687	247,015	117,297	161,481	351,984	408,496
Total Revenue	<u>12,737,964</u>	<u>21,394,734</u>	<u>2,733,222</u>	<u>2,515,684</u>	<u>15,471,186</u>	<u>23,910,418</u>
<b>Expenses:</b>						
General Government	2,218,779	2,399,491			2,218,779	2,399,491
Public Safety	6,548,165	5,555,442			6,548,165	5,555,442
Public Works	2,544,966	2,628,782			2,544,966	2,628,782
Culture & Recreation	257,500	297,975			257,500	297,975
Economic Development	737,277	10,031,742			737,277	10,031,742
Interest Expense					-	-
Water			1,232,882	1,138,098	1,232,882	1,138,098
Sewer			1,823,272	1,801,397	1,823,272	1,801,397
Total Expenses	<u>12,306,687</u>	<u>20,913,432</u>	<u>3,056,153</u>	<u>2,939,494</u>	<u>15,362,840</u>	<u>23,852,926</u>
Change in Net Assets	431,277	481,302	(322,931)	(423,810)	108,346	57,492
Net Assets - May 1	<u>84,310,486</u>	<u>83,829,184</u>	<u>23,240,082</u>	<u>23,663,892</u>	<u>107,550,568</u>	<u>107,493,076</u>
Net Assets - April 30	<u>84,741,763</u>	<u>84,310,486</u>	<u>22,917,151</u>	<u>23,240,082</u>	<u>107,658,914</u>	<u>107,550,568</u>

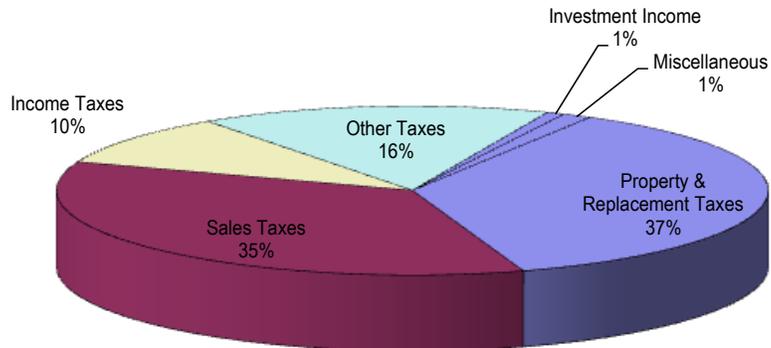
**Governmental activities** - Governmental Activities increased the City of Warrentville's net assets by \$431,277, while business-type activities decreased net assets by \$322,931, for net overall increase in net assets of \$108,346.

## Expenses and Program Revenues



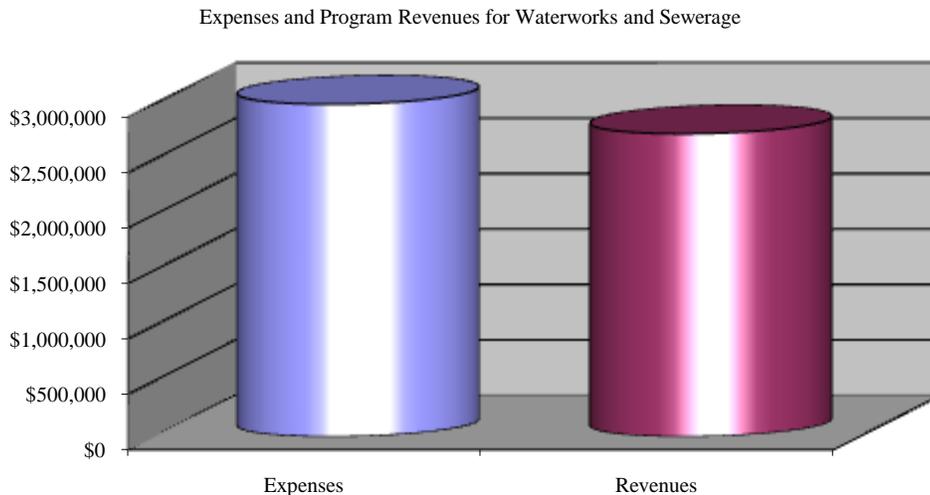
As the above graph shows, all Governmental Activities are tax subsidized. There are not sufficient sources, nor ability, to price these activities in such a manner as to recoup their cost on a program fee basis.

Revenues By Source - Governmental Activities



Other Governmental Funds Highlights:

- A decrease of approximately 41% in total expenditures when compared to FY 2011. \$12,306,687 for FY 2012 vs. \$20,913,432 for FY 2011. This is mainly due to FY 2012 being the first full fiscal year without the Cantera Tax Increment Financing (TIF) District #1 activity which concluded during FY 2011.
- Operational revenues were down approximately 40% as well, with \$12,737,964 for FY 2012 vs. \$21,394,734 for FY 2011. This again is due largely to the FY 11 closure of TIF District #1.
- **Business-type activities** - Business-type activities decreased the City of Warrenville’s net assets by \$322,931. Key elements of this change from FY 2011 to FY 2012 are as follows.
- Charges for services for business-type activities showed an increase of almost 11%. The Water and Sewer rates are comprised of two facets – consumption charges and base charges. Rates were increased for FY 2012, and will be increased for FY 2013 and 2014 as well, for both water and sewer services, to cover increasing costs.
- Water and Sewer expenses increased by \$116,659 or about 4%.



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

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

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

As of the end of the current fiscal year, the City of Warrenville's governmental funds reported combined ending fund balances of \$15,277,341 an increase of \$985,582, or about 6.9%, over the prior fiscal year. Approximately 29.6% of fund balance or \$4,528,455 is classified as *unassigned* fund balance, which is available for spending at the government's discretion. This represents an increase in unassigned fund balance of slightly more than 20% over FY 2011. A total of \$812,193 of fund balance is *restricted*, to indicate that it is not available for new spending, and is to be spent as follows: 1) for economic development (\$303,326), 2) maintenance of roadways (\$390,974), and 3) public safety (\$117,893). An additional \$593,760 of total fund balances is *committed* to tourism related activities, while \$6,493,380 is *assigned* for special projects, and will be discussed later in this document. Finally, a total of \$2,849,553 is categorized as *non-spendable*, meaning that this portion of fund balance is in a form that cannot be spent. For example \$2,200,000 of this total is in the form of land held for re-sale, and an additional \$639,558 is in the form of an advance to another City fund.

The General Fund is the general day-to-day operating fund of the City of Warrenville. As of the end of fiscal 2012, the *unassigned* fund balance of the General Fund was \$5,168,013, while total fund balance was \$7,378,008. The General Fund's liquidity can be measured by comparing *unassigned fund balance* to total fund expenditures. *Unassigned* fund balance represents approximately 55% of total General Fund expenditures. This percentage represents a 17% increase in "spendable" fund balance over FY 2011.

Overall, the fund balance of the General Fund increased by \$685,491, or 10.2% during the fiscal year.

Key factors in this change were as follows:

- Total General Fund revenue showed a positive variance of \$107,923 on actual revenue of \$9,870,087 compared with budgeted revenue of \$9,762,164.
- Total operating expenditures showed a positive budget variance of \$961,183, with \$9,400,672 in total expenditures compared with budget expenditures of \$10,361,855.
- Revenue exceeded expenditures by \$469,415.
- Transfers in and proceeds from sales of capital assets contributed a total of \$216,076 to the change in the fund balance

The Tax Allocation Fund has a negative (deficit) final total fund balance of \$639,558, which will ultimately be closed out with a transfer-in from the Special Projects Fund.

The Special Projects Fund has a total fund balance of \$5,574,059, most of which is designated as "*assigned* for special projects". While special projects have been identified by City staff, the City Council has yet to authorize the projects for final expenditure. This fund is limited in practice to "special projects" that are outside of operations, and are more of a "capital" nature. Revenue within this fund is limited to one-time sources of revenue, such as: sales of City held land including rights-of-way, and the sale of traffic impact fee credits.

***Proprietary funds.*** The City of Warrenville's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Water and Sewer Fund at the end of the year totaled \$9,308,978. The total unrestricted net assets decreased by \$281,293 from the prior fiscal year. Other factors concerning the finances of this fund have already been addressed in the discussion of the City of Warrenville's business-type activities.

## General Fund Budgetary Highlights

The City initially budgeted for the use of \$355,230 in fund balance for the fiscal year. However, realized revenues exceeded budget by \$107,923, or about 1%, and expenditures also fell short of budgetary estimates by \$961,183, or 9.3%, thereby eliminating the need draw upon existing fund balance to fund operations, but instead adding to fund balances. The following are some of the budgetary highlights for the fiscal year:

- All but two City budgetary departments, operated below budget for fiscal year 2012. The two over-budget departments were over budget by a combined \$4,828, while thirteen under-budget departments were under budget by a combined \$966,011. Further information on these under budget departments will be discussed later in this document.
- State Shared Sales Tax receipts totaled \$1,621,115, exceeded budget by \$11,279, and increased by 3.64% or \$56,926 over FY 2011
- Home Rule Sales Tax receipts totaled \$1,533,654, exceeded budget by \$9,521, and increased by 3.72%, or \$54,953 over FY 2011
- State Shared Income Tax revenue increased by 2.93% or approximately \$30,600 over FY 2011, and exceeded budget by \$113,290. The total revenue received of \$1,072,510 represents a per-capita figure of \$81.62, based upon the City's population of 13,140.
- The Restaurant Food and Beverage Tax totaled \$564,488, but fell short of budget by 1.3%, while still showing a very slight improvement over FY 2011, of .94%.
- Property Tax revenue fell \$54,154 short of budget.
- Investment Income continues to be a difficult proposition and fell by 19.9% from FY 2011 to FY 2012, with total General Fund earnings of approximately \$90,000, down from a total of \$112,111 for FY 2011.
- Fines and Forfeit revenue sources finished the year \$3,890 under budget. Circuit Court Fines fell short of budget by \$12,005, or approximately 4.2%, parking fines also fell short of budget by \$11,815. However, unbudgeted photo enforcement fine revenue of \$10,575 was received prior to the removal of the camera site installations due to the Route 56 reconstruction.
- License and Permit revenue sources exceeded budget by \$52,311. Electric permits exceeded budget by \$11,903, storm water management fees exceeded budget by \$29,663, and new elevator and inspection fees also exceeded budget, by \$19,160, while building plan review fees fell short of budget by \$12,819.
- Amusement Tax saw an overall decrease of approximately 13.55%, or \$47,680 of which \$19,072 is allocated to the General Fund
- Telecommunications Tax increased by just over 20%, with receipts totaling \$697,612 for FY 2012 and \$580,875 for FY 2011. However, this increase is mainly due to a large one-time receipt of approximately \$140,000 received from the State of Illinois, representing reporting corrections for major telecom providers that were pursued by the Illinois Department of Revenue. Without this one-time allocation, the recurring telecommunications revenue actually fell by 4% or \$23,263

when compared to FY 2011, and would have been short of budget by a total of \$76,233.

On the expenditure side:

- As previously mentioned, thirteen of fifteen departments were under budget by a combined total of \$966,011
- Police Department overtime for the fiscal year totaled \$243,249, finishing the fiscal year \$106,751 under budget. While overall police salaries finished the fiscal year approximately \$175,000 under budget.
- Legal expenditures finished the fiscal year \$55,118 under budget. Savings were realized in the area of labor relations expenditures through the use of interest based bargaining, which allows for decreased reliance upon lawyers at the negotiating table. Additional savings was realized in decreased expenditures for CN Railroad related issues.
- Community Development department expenditures for Supplies and Services were under budget by a total of \$39,829, due to planned expenditures for Other Professional Services for Planning assistance and consultation services not being necessary, as well as, savings in the area of storm water management fees, and building permit review and inspection services, which were ultimately done with in-house staff instead.
- Public Works, Streets Division overtime was approximately \$33,000 under budget, mostly due to the extremely mild winter, and minimal snow removal over-time expenditures. Additionally, minimal expenditures for the maintenance of City-owned trees which was under budget by about \$41,000,
- Police Commission expenditures were down \$18,400 in the area of testing services which were not undertaken in the end
- Across all departments, savings of \$75,000 was realized due to an unanticipated *decrease* in employee health insurance premiums of approximately 10%.

### **Capital Asset and Debt Administration**

**Capital assets.** The City of Warrenville's investment in capital assets for its governmental and business type activities as of April 30, 2012, totals \$83,643,574 (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 Right of Way), roads, highways, and bridges. The City's total investment in capital assets decreased by less than one-percent for the fiscal 2012.

**City's Capital Assets**

	Governmental		Business-type		Total	Total	Percentage	
	Activities		Activities					Change
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>				
Land	\$ 43,140,424	\$ 42,825,793			\$ 43,140,424	\$ 42,825,793	0.73%	
Buildings and improvements	11,284,914	11,284,914			11,284,914	11,284,914	0.00%	
Streets/Bridges/ Sidewalks	21,120,962	21,167,327			21,120,962	21,167,327	-0.22%	
Vehicles & Equipment	3,007,806	2,974,247	1,235,265	1,112,265	4,243,071	4,086,512	3.83%	
Stormsewers	5,163,766	5,163,766			5,163,766	5,163,766	0.00%	
Waterworks & Sewerage System			18,763,155	18,567,030	18,763,155	18,567,030	1.06%	
Totals at historical cost	<u>83,717,872</u>	<u>83,416,047</u>	<u>19,998,420</u>	<u>19,679,295</u>	<u>103,716,292</u>	<u>103,095,342</u>	0.60%	
Total accumulated depreciation	<u>13,682,471</u>	<u>12,805,851</u>	<u>6,390,247</u>	<u>6,029,484</u>	<u>20,072,718</u>	<u>18,835,335</u>	6.57%	
Net capital assets	<u><u>70,035,401</u></u>	<u><u>70,610,196</u></u>	<u><u>13,608,173</u></u>	<u><u>13,649,811</u></u>	<u><u>83,643,574</u></u>	<u><u>84,260,007</u></u>	-0.73%	

Additional information on the City of Warrenville's capital assets can be found in Note 5 on pages 30 - 31 of this report.

**Capital Improvement Planning**

Funding for the long-term maintenance of existing City capital assets, including: roadways, curbs, gutters and sidewalks, as well as storm sewers, and vehicles, has been a significant long-term financial concern for the City Council and City staff. During fiscal 2012, the City Council and staff completed formulation of the City's first multi-year, long-range comprehensive capital improvement plan, locally referred to as the Capital Maintenance and Replacement Plan (CMRP). This plan was needed to resolve a structural deficit in the funding of costs needed for maintenance of *existing* City assets.

Analysis of the Capital Maintenance and Replacement Fund, the main funding source for the CMRP, showed the fund with a short-fall (structural deficit) of approximately \$1,000,000 annually. The City Council adopted the CMRP in September 2011. The new funding for the CMRP involved an increase in the Simplified Telecommunications Tax from the previous 4% rates, to the statutory maximum of 6% beginning July 1, 2012, with the full resulting funding increase going to fund the CMRP. Additionally,

the City Council authorized the institution of a number of new taxes, all of which will go to fund the CMRP. These new taxes will become effective May 1, 2013, the beginning of the City's 2014 fiscal year. The new taxes are the following: 1) 4 cent per gallon local motor fuel tax, 2) one-percent equivalent electric utility tax, 3) three-percent natural gas utility tax, and 4) equivalent natural gas use tax. Finally, the long-held City Working Cash fund was closed at the end of FY 2012, with all of the proceeds directed to fund the CMRP.

**Long-term debt.** At the end of the current fiscal year, the City of Warrentville had no bonded or general obligation debt outstanding. The City's long-term debt has decreased by approximately 5%. This decrease is largely due to a significant decrease in net pension obligations, as well as a small decrease in compensated absences.

Additionally, pursuant to GASB Statement 49, an obligation continues to be carried, regarding the mitigation of environmental hazards located on the former Musselman Lumber site, referred to locally as Civic Center Redevelopment Site #1 (CCRS #1). CCRS #1 is located at 28W715 Mount Street.

The original building located on the site has since been raised, and there is some additional site preparation to be performed at the site before it is ready for re-sale, at some future date. However, based upon an Engineers Estimate, there is approximately \$200,000 worth of "environmental remediation" work to be done on the site to clean-up underground contamination left by a previous owner.

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2012-2011
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	
Compensated Absences	471,747	448,164	70,345	84,383	542,092	532,547	1.79%
Net Other Postemployment Benefit Obligation	21,857	16,357	1,994	1,492	23,851	17,849	33.63%
Net Pension Obligation/(Asset)	(122,625)	26,948	-	-	(122,625)	26,948	-555.04%
Contingent Liability	<u>200,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>100,000</u>	100.00%
Total Long Term Debt	<u>570,979</u>	<u>591,469</u>	<u>72,339</u>	<u>85,875</u>	<u>643,318</u>	<u>677,344</u>	-5.02%

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. The City became home-rule in Fiscal Year 2004, therefore, this statute no longer applies. As previously indicated, the City has no outstanding general obligation debt.

Additional information on the City of Warrentville's long-term debt can be found in Note 6 on page 32 this report.

## **Economic Factors and Next Year's Budget**

Overall, the fiscal performance of the City for FY 2012 was guardedly encouraging. The City financial performance remains relatively strong, despite the effects of the global fiscal recession, and slow recovery which may or may not be underway. The total General Fund balance increased by about 10.2%, or \$685,491 which is a significant improvement from the budgeted 5.3%, or \$355,230 decrease in fund balance planned for FY 12. While the City has not needed to "layoff" any employees for economic reasons, some positions have been eliminated mainly through attrition.

Preparation of the FY 2013 budget took into consideration the planned early closure of the Old Town Center TIF district #2 at the end of calendar year 2012. Looking past FY 2013, the City is preparing to enact a new tax increment district, to be designated as TIF #3, beginning in calendar year 2013.

The City's General Fund budget for FY 2013 does not rely upon the use of fund balance, but projects an addition to fund balance of approximately \$38,000, which is considerably less than 1%. Overall General Fund revenue was anticipated to be relatively flat, while General Fund expenditures were budgeted with a 3.7% increase over prior year, but is now anticipated to be approximately 5.5% on a budgetary basis, not taking into account the City's propensity to finish most given fiscal years with expenditures under budget.

## **Requests for Information**

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

CITY OF WARRENVILLE, ILLINOIS

STATEMENT OF NET ASSETS

April 30, 2012

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,762,055	\$ 19,943	\$ 3,781,998
Investments	11,326,294	6,894,052	18,220,346
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	3,967,261	-	3,967,261
Intergovernmental taxes	1,474,950	-	1,474,950
Other taxes	142,345	-	142,345
Accounts	68,558	435,248	503,806
Interest	59,020	34,003	93,023
Due from/to other funds	6,563	(6,563)	-
Prepaid expenses	9,995	-	9,995
Land held for resale	2,200,000	-	2,200,000
Advances to/from other funds	(2,200,000)	2,200,000	-
Net pension asset	122,625	-	122,625
Capital assets not being depreciated	43,140,424	-	43,140,424
Capital assets being depreciated	26,894,977	13,608,173	40,503,150
<b>Total assets</b>	<b>90,975,067</b>	<b>23,184,856</b>	<b>114,159,923</b>
<b>LIABILITIES</b>			
Accounts payable	514,553	110,553	625,106
Accrued payroll	211,226	42,069	253,295
Unearned property tax revenue	3,967,261	-	3,967,261
Unearned revenue	128,504	4,583	133,087
Deposits payable	718,156	38,161	756,317
Noncurrent liabilities			
Due within one year	117,937	17,586	135,523
Due in more than one year	575,667	54,753	630,420
<b>Total liabilities</b>	<b>6,233,304</b>	<b>267,705</b>	<b>6,501,009</b>
<b>NET ASSETS</b>			
Invested in capital assets	70,035,401	13,608,173	83,643,574
Restricted for			
Maintenance of roadways	390,974	-	390,974
Public safety	117,893	-	117,893
Economic development	303,326	-	303,326
Unrestricted	13,894,169	9,308,978	23,203,147
<b>TOTAL NET ASSETS</b>	<b>\$ 84,741,763</b>	<b>\$ 22,917,151</b>	<b>\$ 107,658,914</b>

See accompanying notes to financial statements.

CITY OF WARRENVILLE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2012

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants	Capital Grants
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 2,368,352	\$ 489,298	\$ -	\$ 20,000
Public safety	6,398,592	480,071	55,153	-
Public works	2,544,966	238,082	329,441	109,147
Culture and recreation	257,500	-	-	-
Economic development	737,277	9,851	-	-
Total governmental activities	12,306,687	1,217,302	384,594	129,147
Business-Type Activities				
Waterworks and sewerage	3,056,153	2,612,325	3,600	-
Total business-type activities	3,056,153	2,612,325	3,600	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 15,362,840</b>	<b>\$ 3,829,627</b>	<b>\$ 388,194</b>	<b>\$ 129,147</b>

	Net (Expense) Revenue and Change in Net Assets		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (1,859,054)	\$ -	\$ (1,859,054)
	(5,863,368)	-	(5,863,368)
	(1,868,296)	-	(1,868,296)
	(257,500)	-	(257,500)
	(727,426)	-	(727,426)
	(10,575,644)	-	(10,575,644)
	-	(440,228)	(440,228)
	-	(440,228)	(440,228)
	(10,575,644)	(440,228)	(11,015,872)
General Revenues			
Taxes			
Property and replacement	4,032,040	-	4,032,040
Sales	1,621,115	-	1,621,115
Home rule sales	1,533,654	-	1,533,654
Use	191,701	-	191,701
Telecommunications	697,612	-	697,612
Hotel/motel	748,883	-	748,883
Amusement	304,213	-	304,213
Food and beverage	564,488	-	564,488
Other taxes	6,018	-	6,018
Intergovernmental income tax	1,072,510	-	1,072,510
Investment income	89,790	117,297	207,087
Miscellaneous	144,897	-	144,897
Total	11,006,921	117,297	11,124,218
CHANGE IN NET ASSETS	431,277	(322,931)	108,346
NET ASSETS, MAY 1	84,310,486	23,240,082	107,550,568
NET ASSETS, APRIL 30	\$ 84,741,763	\$ 22,917,151	\$ 107,658,914

See accompanying notes to financial statements.

CITY OF WARRENVILLE, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

April 30, 2012

	General	Tax Allocation	Special Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,047,743	\$ -	\$ -	\$ 1,714,312	\$ 3,762,055
Investments	5,042,140	-	5,020,168	1,263,986	11,326,294
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	3,212,326	-	-	754,935	3,967,261
Intergovernmental taxes	1,246,055	-	-	228,895	1,474,950
Other taxes	63,150	-	-	79,195	142,345
Accounts	68,558	-	-	-	68,558
Interest	24,770	-	27,988	6,262	59,020
Due from other funds	195,382	-	9,851	35,406	240,639
Prepaid items	9,995	-	-	-	9,995
Advances to other funds	-	-	639,558	-	639,558
Land held for resale	2,200,000	-	-	-	2,200,000
<b>TOTAL ASSETS</b>	<b>\$ 14,110,119</b>	<b>\$ -</b>	<b>\$ 5,697,565</b>	<b>\$ 4,082,991</b>	<b>\$ 23,890,675</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 219,928	\$ -	\$ 123,506	\$ 171,119	\$ 514,553
Accrued payroll	207,940	-	-	3,286	211,226
Deferred property tax revenue	3,212,326	-	-	754,935	3,967,261
Other deferred revenue	128,504	-	-	-	128,504
Due to other funds	45,257	-	-	188,819	234,076
Deposits payable	718,156	-	-	-	718,156
Advances from other funds	2,200,000	639,558	-	-	2,839,558
<b>Total liabilities</b>	<b>6,732,111</b>	<b>639,558</b>	<b>123,506</b>	<b>1,118,159</b>	<b>8,613,334</b>
<b>FUND BALANCES</b>					
Nonspendable - prepaid items	9,995	-	-	-	9,995
Nonspendable - advance to other fund	-	-	639,558	-	639,558
Nonspendable - land held for resale	2,200,000	-	-	-	2,200,000
Restricted for maintenance of roadways	-	-	-	390,974	390,974
Restricted for public safety	-	-	-	117,893	117,893
Restricted for economic development	-	-	-	303,326	303,326
Unrestricted					
Committed for tourism and conventions	-	-	-	593,760	593,760
Assigned for special projects	-	-	4,934,501	1,558,879	6,493,380
Unassigned					
Deficit - Capital Projects Fund	-	(639,558)	-	-	(639,558)
General Fund	5,168,013	-	-	-	5,168,013
<b>Total fund balances (deficit)</b>	<b>7,378,008</b>	<b>(639,558)</b>	<b>5,574,059</b>	<b>2,964,832</b>	<b>15,277,341</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 14,110,119</b>	<b>\$ -</b>	<b>\$ 5,697,565</b>	<b>\$ 4,082,991</b>	<b>\$ 23,890,675</b>

See accompanying notes to financial statements.

CITY OF WARRENVILLE, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS

April 30, 2012

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FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 15,277,341
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	70,035,401
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Compensated absences	(471,747)
Net other postemployment benefit obligation	(21,857)
Net pension asset	122,625
Contingent liability	<u>(200,000)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 84,741,763</u>

See accompanying notes to financial statements.

CITY OF WARRENVILLE, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

For the Year Ended April 30, 2012

	General	Tax Allocation	Special Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 7,591,187	\$ 22,893	\$ -	\$ 2,248,774	\$ 9,862,854
Licenses and permits	401,404	-	-	-	401,404
Intergovernmental	1,127,663	-	51,116	387,472	1,566,251
Fines and forfeits	421,660	-	9,851	21,471	452,982
Investment income	22,194	-	54,771	12,825	89,790
Miscellaneous	305,979	-	20,000	38,704	364,683
<b>Total revenues</b>	<b>9,870,087</b>	<b>22,893</b>	<b>135,738</b>	<b>2,709,246</b>	<b>12,737,964</b>
<b>EXPENDITURES</b>					
<b>Current</b>					
General government	2,249,067	-	-	-	2,249,067
Public safety	5,767,863	-	-	4,652	5,772,515
Public works	1,346,912	-	-	269,819	1,616,731
Culture and recreation	36,830	-	-	220,670	257,500
Economic development	-	-	-	737,277	737,277
Capital outlay	-	-	246,331	895,013	1,141,344
<b>Total expenditures</b>	<b>9,400,672</b>	<b>-</b>	<b>246,331</b>	<b>2,127,431</b>	<b>11,774,434</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>469,415</b>	<b>22,893</b>	<b>(110,593)</b>	<b>581,815</b>	<b>963,530</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	200,000	-	-	615,493	815,493
Transfers (out)	-	-	-	(815,493)	(815,493)
Proceeds from sale of capital assets	16,076	-	-	5,976	22,052
<b>Total other financing sources (uses)</b>	<b>216,076</b>	<b>-</b>	<b>-</b>	<b>(194,024)</b>	<b>22,052</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>685,491</b>	<b>22,893</b>	<b>(110,593)</b>	<b>387,791</b>	<b>985,582</b>
<b>FUND BALANCES (DEFICIT), MAY 1</b>	<b>6,692,517</b>	<b>(662,451)</b>	<b>5,684,652</b>	<b>2,577,041</b>	<b>14,291,759</b>
<b>FUND BALANCES (DEFICIT), APRIL 30</b>	<b>\$ 7,378,008</b>	<b>\$ (639,558)</b>	<b>\$ 5,574,059</b>	<b>\$ 2,964,832</b>	<b>\$ 15,277,341</b>

See accompanying notes to financial statements.

CITY OF WARRENVILLE, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2012

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NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 985,582
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	
Assets capitalized	408,136
Depreciation expense	(924,357)
Disposal of capital assets do not provide current financial resources and, therefore, are not reported in governmental funds but are reported as a gain (loss) from the sale on the statement of activities	
	(58,574)
The change in certain liabilities are reported as expenses on the statement of activities	
Compensated absences	(23,583)
Contingent liability	(100,000)
Net other postemployment benefit asset	(5,500)
Net pension obligation	149,573
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 431,277</u>

See accompanying notes to financial statements.



CITY OF WARRENVILLE, ILLINOIS

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS

For the Year Ended April 30, 2012

	Business-Type Activities
	<u>Water and Sewer</u>
OPERATING REVENUES	
Charges for services	\$ 2,381,103
Total operating revenues	<u>2,381,103</u>
OPERATING EXPENSES EXCLUDING DEPRECIATION	
Costs of sales and services	<u>2,712,590</u>
Total operating expenses excluding depreciation	<u>2,712,590</u>
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(331,487)
DEPRECIATION	<u>343,563</u>
OPERATING INCOME (LOSS)	<u>(675,050)</u>
NONOPERATING REVENUES (EXPENSES)	
Tap-on connection fees	71,248
Investment income	117,297
Grants	3,600
Rental income	<u>159,974</u>
Total nonoperating revenues (expenses)	<u>352,119</u>
CHANGE IN NET ASSETS	(322,931)
NET ASSETS, MAY 1	<u>23,240,082</u>
NET ASSETS, APRIL 30	<u><u>\$ 22,917,151</u></u>

See accompanying notes to financial statements.

CITY OF WARRENVILLE, ILLINOIS

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS

For the Year Ended April 30, 2012

	Business-Type Activities
	<u>Water and Sewer</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 2,592,275
Payments to suppliers	(1,607,912)
Payments to employees	<u>(1,102,378)</u>
Net cash from operating activities	<u>(118,015)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Grants received	<u>3,600</u>
Net cash from noncapital financing activities	<u>3,600</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital assets purchased	<u>(301,925)</u>
Net cash from capital and related financing activities	<u>(301,925)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sale of investments	343,964
Purchase of investments	(565,561)
Interest received	<u>255,505</u>
Net cash from investing activities	<u>33,908</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(382,432)
<b>CASH AND CASH EQUIVALENTS, MAY 1</b>	<u>402,375</u>
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	<u><u>\$ 19,943</u></u>

(This statement is continued on the following page.)

CITY OF WARRENVILLE, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)  
 PROPRIETARY FUNDS

For the Year Ended April 30, 2012

	Business-Type Activities
	<u>Water and Sewer</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating income (loss)	\$ (675,050)
Adjustments to reconcile operating income (loss) to net cash from operating activities	
Depreciation	343,563
Connection fees	71,248
Rental income	159,974
(Increase) decrease in	
Accounts receivable	(26,937)
Prepaid expenses	446
Increase (decrease) in	
Accounts payable	(15,524)
Accrued expenses	25,968
Due to other funds	4,946
Deposits payable	5,416
Unearned revenue	1,471
Compensated absences payable	(14,038)
Net other postemployment benefit payable	<u>502</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u><u>\$ (118,015)</u></u>
<b>NONCASH TRANSACTIONS</b>	
Unrealized gain (loss) on investments	<u><u>\$ (107,489)</u></u>

See accompanying notes to financial statements.

CITY OF WARRENVILLE, ILLINOIS  
STATEMENT OF FIDUCIARY NET ASSETS  
PENSION TRUST FUND

April 30, 2012

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	<u>Police Pension Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 363,940
Investments, at fair value	
U.S. Treasury securities	364,173
U.S. agency securities	3,076,614
Municipal bonds	523,963
Corporate bonds	1,654,147
Equities	335,712
Mutual funds	5,079,818
Receivables	
Contributions	-
Accrued interest	61,914
	<hr/>
Total assets	11,460,281
	<hr/>
<b>LIABILITIES</b>	
None	-
	<hr/>
Total liabilities	-
	<hr/>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	<u><u>\$ 11,460,281</u></u>

See accompanying notes to financial statements.

CITY OF WARRENVILLE, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
PENSION TRUST FUND

For the Year Ended April 30, 2012

	<u>Police Pension Fund</u>
<b>ADDITIONS</b>	
Contributions	
Employer	\$ 877,705
Employee	<u>248,665</u>
Total contributions	<u>1,126,370</u>
Investment income	
Net appreciation in fair value of investments	208,922
Interest	<u>324,089</u>
Total investment income	533,011
Less investment expense	<u>(21,960)</u>
Net investment income	<u>511,051</u>
Total additions	<u>1,637,421</u>
<b>DEDUCTIONS</b>	
Administration	7,215
Benefits and refunds	
Retirement benefits	399,390
Refunds	<u>-</u>
Total deductions	<u>406,605</u>
NET INCREASE	1,230,816
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	
May 1	<u>10,229,465</u>
April 30	<u><u>\$ 11,460,281</u></u>

See accompanying notes to financial statements.

CITY OF WARRENVILLE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS

April 30, 2012

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity

The City was incorporated 1967. The City is a home-rule municipality under the 1970 Illinois Constitution. The City 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.

As required by GAAP, these financial statements present the City (the primary government) and its component units. The component units are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- 2) Fiscal dependency on the primary government.

Based upon the application criteria, no component units have been included within the reporting entity.

b. Fund Accounting

The City uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

A fund is a separate accounting entity with a self-balancing set of accounts. The minimum number of funds maintained is consistent with legal and managerial requirements.

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

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds), the funds committed, restricted or assigned for the servicing of long-term debt (debt service funds) and the resources legally restricted to the extent that only earnings, and not principal, may be spent (permanent funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

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

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

c. Government-Wide and Fund Financial Statements

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the City, except those accounted for in another fund. The services which are administered by the City and accounted for in the General Fund include general government, public safety and public works.

The Tax Allocation Fund accounts for the proceeds of the \$500,000 Series 1991A and the \$8,615,000 Series 2000 Tax Increment Financing Bonds and the incremental property tax revenues, previously received from the City's designated TIF District that are to be used for the development of the 650 acre site adjacent to the Illinois 88 tollway for multi-purpose use. The City has elected to report this fund as major.

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

The City reports the following major proprietary funds:

The Water and Sewer Fund accounts 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 billing and collection.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The City reports a pension trust fund as a fiduciary fund to account for the Police Pension Fund.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing enterprise fund services. Incidental revenues/expenses are reported as nonoperating.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for sales taxes and telecommunications taxes which use a 90-day period and income taxes which use a 120-day period. The City recognizes property taxes when they become both measurable and available and for the period intended to finance. Taxpayer assessed tax revenues are recognized as revenue when owed to the intermediary collecting agent for sales taxes and telecommunications taxes and when owed to the City for utility taxes. Expenditures generally are recorded when a fund liability is incurred.

Those revenues susceptible to accrual are property taxes, utility taxes, sales taxes, franchise taxes, licenses, interest revenue and charges for services. Permit revenues are not susceptible to accrual because generally they are not measurable until received in cash.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

e. Cash and Investments

Cash and Cash Equivalents

Cash and cash equivalents are defined as cash on hand, in demand deposits and highly liquid investments with a maturity of three months or less when purchased.

Investments

Investments with a maturity of one year or less when purchased and nonnegotiable certificates of deposit are stated at amortized cost. Investments with a maturity greater than one year when purchased are reported at fair value. Investments in the pension trust funds are stated at fair value. Fair value is based on quoted market prices at April 30 for debt securities, equity securities and mutual funds and contract values for insurance contracts.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Prepaid Items/Expenses

Certain payments to vendors reflect costs applicable to future accounting periods based on the consumption method, and are recorded as prepaid expenses/items. Such amounts are offset by nonspendable fund balance for prepaid items in the fund financial statements.

g. Capital Assets

Capital assets, which include property, plant, equipment, intangible assets and infrastructure assets (e.g., roads, bridges, storm sewers and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost in excess of \$20,000 and an estimated useful life in excess of one year; with the exception of vehicles which are considered capital assets regardless of initial cost.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the City values these capital assets at the estimated fair value of the item at the date of its donation.

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

CITY OF WARRENVILLE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Capital Assets (Continued)

Assets	Years
Buildings	40
Bridges	40
Streets	60
Sidewalks	3-23
Storm sewers	75
Water and sewer mains	75
Vehicles, equipment and software	5-10

h. Land Held for Resale

The City purchased property that is not used in the operations of providing city services and is reported as a fund asset held at its historical cost until sold.

i. 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 governmental fund that will pay it in the fund financial statements. Vested or accumulated sick leave and compensatory time off of proprietary funds at both levels and governmental activities at the government-wide level is recorded as an expense and liability as the benefits accrue to employees.

j. 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.

k. Interfund Transactions

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

All other interfund transactions, except interfund services transactions and reimbursements, are reported as transfers.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

m. Net Assets/Fund Balances

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not spendable in form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the City. Committed fund balance is constrained by formal actions of the City Council, which is considered the City’s highest level of decision making authority. Formal actions include resolutions and ordinances approved by the City Council. The City has committed fund balance through an ordinance establishing the use of the funds. Assigned fund balance represents amounts constrained by the City’s intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the City Finance Director by the City Council. Any residual fund balance in the General Fund is reported as unassigned.

The City’s flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the City considers committed funds to be expended first followed by assigned and then unassigned funds.

The City has established fund balance reserve policies for its general fund. The General Fund targets 6 months of operating expenditures as unassigned fund balance. The Special Revenue, Capital Projects and Debt Service Funds do not have established fund balance limits due to the nature of the transactions accounted for in these funds.

In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. Net assets have not been restricted by enabling legislation adopted by the City. Invested in capital assets, net of related debt, represents the book value of capital assets less any long-term debt principal outstanding issued to construct capital assets.

CITY OF WARRENVILLE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. RECEIVABLES

The following receivables are included in intergovernmental taxes receivable on the statement of net assets at April 30, 2012:

GOVERNMENTAL ACTIVITIES	
Sales tax	\$ 382,917
Home rule sales tax	355,363
Income tax	391,933
Motor fuel tax	25,510
Simplified telecommunications tax	271,180
Local use tax	46,700
Auto rental tax	<u>1,347</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 1,474,950</u></b>

The following receivables are included in other taxes receivable on the statement of net assets at April 30, 2012:

GOVERNMENTAL ACTIVITIES	
Food and beverage tax	\$ 51,577
Hotel/motel tax	62,753
Cable franchise fees	612
Amusement tax	<u>27,403</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 142,345</u></b>

3. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds, except the pension trust fund. Each fund's portion of this pool is displayed on the financial statements as cash and cash equivalents or 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.

a. City Deposits and Investments

The City's investment policy authorizes the City to invest in all investments allowed by Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value) and the Illinois Metropolitan Investment Fund (IMET), a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and 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 IMET's share price, the price for which the investment could be sold. The City's investment policy does limit its deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

It is the policy of the City to invest its funds in a manner which will provide the highest investment return with the maximum security 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.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of 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.

CITY OF WARRENVILLE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS AND INVESTMENTS (Continued)

a. City Deposits and Investments (Continued)

Investments

The following table presents the investments and maturities of the City's debt securities as of April 30, 2012:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury notes	\$ 10,067,969	\$ 675,997	\$ 9,391,972	\$ -	\$ -
FHLMC	692,743	-	692,743	-	-
FHLB	-	-	-	-	-
FNMA	6,623,494	887,715	5,735,779	-	-
FFCB	1,253,553	1,253,553	-	-	-
<b>TOTAL</b>	<b>\$ 18,637,759</b>	<b>\$ 2,817,265</b>	<b>\$ 15,820,494</b>	<b>\$ -</b>	<b>\$ -</b>

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market. Any investment with a maturity of greater than five years requires prior approval and a specific purpose for investment.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. 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 U.S. Government. The FHLMC, FHLB, FNMA, FFCB, Illinois Funds and money market mutual funds are rated AA+.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the City will not be able to recover the value of its investments that are in possession of an outside party. 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.

3. DEPOSITS AND INVESTMENTS (Continued)

a. City Deposits and Investments (Continued)

Investments (Continued)

Concentration of credit risk is the risk that the City has a high percentage of its investments invested in one type of investment. 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. The City does have greater than 5% of their investments in one FNMA and one FFCB securities, maturing November 20, 2014 and February 21, 2013, respectively, as of April 30, 2012. This is in compliance with the City's investment policy.

b. Police Pension Deposits and Investments

The Police Pension Fund's investment policy authorizes the Police Pension Fund to invest in all investments allowed by Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, interest-bearing obligations of the U.S. Treasury and U.S. agencies, interest-bearing bonds of the State of Illinois or any county, township or municipal corporation of the State of Illinois, direct obligations of the State of Israel, money market mutual funds whose investments consist of obligations of the U.S. Treasury or U.S. agencies, separate accounts managed by life insurance companies, mutual funds, common and preferred stock, Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value) and IMET, a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and 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 IMET's share price, the price for which the investment could be sold.

It is the policy of the Police Pension Fund to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the cash flow demands of the Police Pension Fund, 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.

CITY OF WARRENVILLE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Deposits and Investments (Continued)

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Police Pension Fund's deposits may not be returned to it. The Police Pension Fund's investment policy 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.

Investments

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of April 30, 2012:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury notes	\$ 364,173	\$ -	\$ 196,564	\$ 167,609	\$ -
FHLMC	235,260	101,371	133,889	-	-
FFCB	463,227	-	55,065	408,162	-
FHLB	1,496,781	10,226	809,280	487,140	190,135
FNMA	849,045	-	456,581	392,464	-
GNMA	32,301	-	-	32,301	-
Municipal bonds	523,963	-	139,900	330,010	54,053
Corporate Bonds	1,654,147	77,908	686,702	889,537	-
<b>TOTAL</b>	<b>\$ 5,618,897</b>	<b>\$ 189,505</b>	<b>\$ 2,477,981</b>	<b>\$ 2,707,223</b>	<b>\$ 244,188</b>

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Police Pension 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 is the risk that the issuer of a debt security will not pay its par value upon maturity. The Police Pension 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 U.S. Government. The FHLMC, FFCB, FHLB, FNMA and money market mutual funds are rated AA+. The ratings on the Municipal Bonds range from A to AA+. The Corporate bonds are rated ranging between BBB+ to AAA.

3. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Deposits and Investments (Continued)

Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Police Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. The Police Pension Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by an independent third-party custodian and evidenced by safekeeping receipts and a written custodial agreement.

Concentration of credit risk is the risk that the Police Pension Fund has a high percentage of its investments invested in one type of investment. The Police Pension Fund's investment policy requires diversification of investments to minimize risk. The Police Pension Fund does not have greater than 5% of their investments in one security as of April 30, 2012. This is in compliance with the Police Pension Fund's investment policy.

4. PROPERTY TAXES

Property taxes for 2011 attach as an enforceable lien on January 1, 2011 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, 2012 and are payable in two installments, on or about June 1, 2012 and September 1, 2012. The County collects such taxes and remits them periodically. Those 2011 taxes are intended to finance the 2012 fiscal year and are not considered available for current operations and are, therefore, shown as unearned/deferred revenue. The 2012 tax levy has not been recorded as a receivable at April 30, 2012. The tax is attached as a lien on property as of January 1, 2012; however, the tax will not be levied until December 2012 and, accordingly, is not measurable at April 30, 2012.

CITY OF WARRENVILLE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2012 was as follows:

	Beginning Balance May 1	Additions	Retirements	Ending Balance April 30
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 9,262,593	\$ -	\$ -	\$ 9,262,593
Land - right of way	33,563,200	-	-	33,563,200
Construction in Progress	-	314,631	-	314,631
Total capital assets not being depreciated	42,825,793	314,631	-	43,140,424
Capital assets being depreciated				
Buildings	11,284,914	-	-	11,284,914
Streets, bridges and sidewalks	21,167,327	-	46,365	21,120,962
Storm sewers	5,163,766	-	-	5,163,766
Vehicles and equipment	2,974,247	93,505	59,946	3,007,806
Total capital assets being depreciated	40,590,254	93,505	106,311	40,577,448
Less accumulated depreciation for				
Buildings	3,054,341	272,123	-	3,326,464
Streets, bridges and sidewalks	6,765,251	339,518	12,364	7,092,405
Storm sewers	1,303,105	68,592	-	1,371,697
Vehicles and equipment	1,683,154	244,124	35,373	1,891,905
Total accumulated depreciation	12,805,851	924,357	47,737	13,682,471
Total capital assets being depreciated, net	27,784,403	(830,852)	58,574	26,894,977
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 70,610,196</b>	<b>\$ (516,221)</b>	<b>\$ 58,574</b>	<b>\$ 70,035,401</b>

CITY OF WARRENVILLE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS (Continued)

	Beginning Balance May 1	Additions	Retirements	Ending Balance April 30
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	-	-	-	-
Capital assets being depreciated				
Vehicle and equipment	1,179,465	55,800	-	1,235,265
Underground waterworks and sewerage system	18,567,030	246,125	50,000	18,763,155
Total capital assets being depreciated	19,746,495	301,925	50,000	19,998,420
Less accumulated depreciation for				
Vehicle and equipment	655,877	86,274	-	742,151
Underground waterworks and sewerage system	5,440,807	257,289	50,000	5,648,096
Total accumulated depreciation	6,096,684	343,563	50,000	6,390,247
Total capital assets being depreciated, net	13,649,811	(41,638)	-	13,608,173
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<u>\$ 13,649,811</u>	<u>\$ (41,638)</u>	<u>\$ -</u>	<u>\$ 13,608,173</u>

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

<b>GOVERNMENTAL ACTIVITIES</b>	
General government	\$ 108,038
Public safety	78,883
Public works	<u>737,436</u>
<b>TOTAL</b>	<u>\$ 924,357</u>

CITY OF WARRENVILLE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT

a. Governmental Activities

The following is a summary of long-term obligation activity for the City associated with governmental activities for the year ended April 30, 2012.

Issue	Balances May 1	Issuances	Retirements	Balances April 30	Due Within One Year
Compensated absences	\$ 448,164	\$ 275,175	\$ 251,592	\$ 471,747	\$ 117,937
Net other postemployment benefit obligation	16,357	5,500	-	21,857	-
Net pension obligation (asset)	26,948	-	149,573	(122,625)	-
Contingent liability	100,000	100,000	-	200,000	-
TOTAL	\$ 591,469	\$ 380,675	\$ 401,165	\$ 570,979	\$ 117,937

Compensated absences, net other postemployment benefit obligation, net pension obligation liabilities and the contingent liability are primarily retired by the General Fund.

b. Business-Type Activities

The following is a summary of long-term obligation activities for the City associated with business-type activities for the year.

Issue	Balances May 1	Issuances	Retirements	Balances April 30	Due Within One Year
Compensated absences	\$ 84,383	\$ 7,058	\$ 21,096	\$ 70,345	\$ 17,586
Net other postemployment benefit obligation	1,492	502	-	1,994	-
TOTAL	\$ 85,875	\$ 7,560	\$ 21,096	\$ 72,339	\$ 17,586

7. 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. Additionally the City purchases third party coverage for general liability coverage from a private insurance company. Premiums have been displayed as expenditures/expenses in appropriate funds.

CITY OF WARRENVILLE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

7. RISK MANAGEMENT (Continued)

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

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.

8. INTERFUND ASSETS/LIABILITIES

Due From/To Other Funds

Individual fund interfund receivables/payables are as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental Water and Sewer	\$ 188,819 6,563
Special Projects	General	9,851
Nonmajor Governmental	General	<u>35,406</u>
TOTAL		<u>\$ 240,639</u>

The purpose of the significant due from/to other funds is as follows:

- \$188,819 is due to the General Fund from Nonmajor Funds and \$6,563 due to the General Fund from the Water and Sewer Fund are for accounts payable and payroll amounts paid from the General Fund to be reimbursed from other funds. The amount will be repaid within one year.

Advances To/From Other Funds

Individual fund interfund advances are as follows:

Receivable Fund	Payable Fund	Amount
Special Projects	Tax Allocation	\$ 639,558
Water and Sewer	General	<u>2,200,000</u>
TOTAL		<u>\$ 2,839,558</u>

CITY OF WARRENVILLE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

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8. INTERFUND ASSETS/LIABILITIES (Continued)

The purpose of the significant advances to/from other funds is as follows:

- \$2,200,000 is due to the Water and Sewer Fund from the General Fund related to funds loaned to the General Fund to purchase land, which is held for resale by the City.
- \$639,558 is due to the Special Projects Fund from the Tax Allocation Fund related to cash shortfall due to the closing of the Tax allocation District.

Interfund Transfers

Interfund transfers between funds for the year ended April 30, 2012 were as follows:

	Transfers In	Transfers Out
General	\$ 200,000	\$ -
Nonmajor Governmental	615,493	815,493
TOTAL	<u>\$ 815,493</u>	<u>\$ 815,493</u>

The purposes of the significant interfund transfers are as follows:

- \$200,000 was transferred to the General Fund from the Hotel/Motel Tax Fund for a capital subsidy to fund general improvements. This transfer will not be repaid.
- \$200,000 was transferred to the Capital Maintenance and Replacement Fund from the Hotel/Motel Tax Fund for a capital subsidy to fund general improvements. This transfer will not be repaid.
- \$415,493 was transferred to the Capital Maintenance and Replacement Fund from the Working Cash Fund to transfer the residual equity in the Working Cash Fund at year end.

9. CONTINGENT LIABILITIES

a. Litigation

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

9. CONTINGENT LIABILITIES (Continued)

b. Grants

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

c. Environmental Remediation

The City owns a parcel of property that has been estimated to have contamination in the soil, left by a previous owner of the property that will require environmental remediation in order to sell. The City intends to sell the property and is solely responsible for the cleanup costs. The City has conducted an engineering estimate, based on soil tests of the property, resulting in a remediation liability of \$200,000 based on expected future cash flows. No contamination has been detected on adjacent properties. This liability has been accrued as a liability as part of the governmental activities on the statement of net assets.

10. EMPLOYEE RETIREMENT SYSTEMS

a. Plan Descriptions and Provisions

Illinois Municipal Retirement Fund

The City contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois.

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. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Illinois Municipal Retirement Fund (Continued)

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The City is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for 2012 was 11.06% of covered payroll.

IMRF issues a separate financial report that provides information on the plan as a whole, which may be obtained on-line at [www.imrf.org](http://www.imrf.org).

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes (Chapter 40 - Article 5/3) and may be amended only by the Illinois legislature. The City accounts for the Police Pension Plan as a pension trust fund. The Police Pension Plan does not issue separate financial statements. At April 30, 2011, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	7
Terminated employees entitled to benefits but not yet receiving them	-
Current employees	
Vested	18
Nonvested	12
	<hr/>
TOTAL	<u>37</u>

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions and Provisions (Continued)

Police Pension Plan (Continued)

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten 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 officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or ½ of the change in the Consumer Price Index for the preceding calendar year.

Employees are required by ILCS 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. Effective January 1, 2011, the City has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. For the year ended April 30, 2012, the City's contribution was 26.32% of covered payroll.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Summary of Significant Accounting Policies and Plan Asset Matters

Significant Investments

There were no investments (other than U.S. Government and U.S. Government - guaranteed obligations) in any one organization that represents 5% or more of net assets available for benefits.

c. Annual Pension Cost

	Illinois Municipal Retirement	Police Pension
Actuarial valuation date	December 31, 2009	May 1, 2011
Actuarial cost method	Entry-age Normal	Entry-age Normal
Asset valuation method	5 Year Smoothed Market	Market
Amortization method	Level Percentage of Payroll	Level Percentage of Payroll
Amortization period	30 Years, Open	22 Years, Closed
Significant actuarial assumptions		
a) Rate of return on present and future assets	7.50% Compounded Annually	7.00% Compounded Annually
b) Projected salary increase - attributable to inflation	4.00% Compounded Annually	5.00% Compounded Annually
c) Additional projected - salary increases - seniority/merit	.40% to 10.00%	Not Available
d) Postretirement benefit increases	3.00%	3.00%

CITY OF WARRENVILLE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Cost (Continued)

	Fiscal Year	Illinois Municipal Retirement	Police Pension
Annual pension cost (APC)	2010	\$ 271,652	\$ 613,547
	2011	318,028	613,508
	2012	316,271	728,132
Actual contribution	2010	\$ 271,652	\$ 504,408
	2011	318,028	613,086
	2012	316,271	877,705
Percentage of APC contributed	2010	100.00%	99.91%
	2011	100.00%	99.93%
	2012	100.00%	120.54%
Net pension obligation (asset)	2010	\$ -	\$ 26,526
	2011	-	26,948
	2012	-	(122,625)

The funded status and funding progress of the plans as of December 31, 2011 and May 1, 2011, the most recent actuarial information available, were as follows:

	Illinois Municipal Retirement	Police Pension
Actuarial accrued liability (AAL)	\$ 6,748,524	\$ 16,096,691
Actuarial value of plan assets	5,179,035	10,229,466
Unfunded actuarial accrued liability (UAAL)	1,569,489	5,867,225
Funded ratio (actuarial value of plan assets/AAL)	76.74%	63.55%
Covered payroll (active plan members)	\$ 2,817,888	\$ 2,329,319
UAAL as a percentage of covered payroll	55.70%	251.89%

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

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Cost (Continued)

The net pension obligation (asset) as of April 30, 2012 has been calculated as follows:

	<u>Police Pension</u>
Annual required contribution	\$ 727,704
Interest on net pension obligation	1,886
Adjustment to annual required contribution	<u>(1,458)</u>
Annual pension cost	728,132
Contributions made	<u>877,705</u>
Increase in net pension obligation	(149,573)
Net pension obligation (asset), beginning of year	<u>26,948</u>
 NET PENSION OBLIGATION (ASSET), END OF YEAR	 <u>\$ (122,625)</u>

11. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

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

b. Benefits Provided

The City provides pre and post-Medicare postretirement health insurance to retirees, their spouses and dependents (enrolled at time of 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.

CITY OF WARRENVILLE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Membership

At April 30, 2012, membership consisted of:

Retirees and beneficiaries currently receiving benefits	4
Terminated employees entitled to benefits but not yet receiving them	-
Active employees - vested	43
Active employees - nonvested	<u>29</u>
 TOTAL	 <u><u>76</u></u>
 Participating employers	 <u><u>1</u></u>

d. Funding Policy

The City is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the Plan until retirement.

e. Annual OPEB Costs and Net OPEB Obligation

The City first had an actuarial valuation performed for the Plan as of May 1, 2009 to determine the funded status of the Plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended April 30, 2010. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for 2012 and two previous years was as follows.

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2010	\$ 22,784	\$ 16,977	74.51%	\$ 11,945
April 30, 2011	22,881	16,977	74.20%	17,849
April 30, 2012	22,979	16,977	73.88%	23,851

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

The net OPEB obligation as of April 30, 2012, was calculated as follows:

Annual required contribution	\$ 22,682
Interest on net OPEB obligation	892
Adjustment to annual required contribution	<u>(595)</u>
Annual OPEB cost	22,979
Contributions made	<u>16,977</u>
Increase in net OPEB obligation	6,002
Net OPEB obligation, beginning of year	<u>17,849</u>
<b>NET OPEB OBLIGATION, END OF YEAR</b>	<u><u>\$ 23,851</u></u>

Funded Status and Funding Progress: The funded status of the Plan as of April 30, 2012 was as follows (most recent information available):

Actuarial accrued liability (AAL)	\$ 473,459
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	473,459
Funded ratio (actuarial value of plan assets/AAL)	-%
Covered payroll (active plan members)	\$ 5,607,940
UAAL as a percentage of covered payroll	8.44%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

Actuarial methods and assumptions - projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2012 actuarial valuation, the entry-age normal actuarial cost method was used. The actuarial assumptions included an investment rate of return of 5.0%, projected salary increases of 5.0% and an initial healthcare cost trend rate of 8.0% with an ultimate healthcare inflation rate of 6.0%. Both rates include a 3.0% inflation assumption. The actuarial value of assets was not determined as the City has not advance funded its obligation. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2012 was 30 years.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WARRENVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended April 30, 2012

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>				
Taxes	\$ 7,645,336	\$ 7,645,336	\$ 7,591,187	\$ (54,149)
Licenses and permits	349,093	349,093	401,404	52,311
Intergovernmental	1,016,864	1,016,864	1,127,663	110,799
Fines and forfeits	425,550	425,550	421,660	(3,890)
Investment income	120,000	120,000	22,194	(97,806)
Miscellaneous	205,321	205,321	305,979	100,658
<b>Total revenues</b>	<b>9,762,164</b>	<b>9,762,164</b>	<b>9,870,087</b>	<b>107,923</b>
<b>EXPENDITURES</b>				
General government	2,541,633	2,541,633	2,249,067	(292,566)
Public safety	6,274,519	6,274,519	5,767,863	(506,656)
Public works	1,498,723	1,498,723	1,346,912	(151,811)
Culture and recreation	46,980	46,980	36,830	(10,150)
<b>Total expenditures</b>	<b>10,361,855</b>	<b>10,361,855</b>	<b>9,400,672</b>	<b>(961,183)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(599,691)</b>	<b>(599,691)</b>	<b>469,415</b>	<b>1,069,106</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	225,660	225,660	200,000	(25,660)
Proceeds from sale of capital assets	20,300	20,300	16,076	(4,224)
<b>Total other financing sources (uses)</b>	<b>245,960</b>	<b>245,960</b>	<b>216,076</b>	<b>(29,884)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (353,731)</b>	<b>\$ (353,731)</b>	<b>685,491</b>	<b>\$ 1,039,222</b>
<b>FUND BALANCE, MAY 1</b>			<b>6,692,517</b>	
<b>FUND BALANCE, APRIL 30</b>			<b>\$ 7,378,008</b>	

(See independent auditor's report.)

CITY OF WARRENVILLE, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2012

Schedule of Funding Progress

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2006	\$ 3,585,419	\$ 4,044,776	88.64%	\$ 459,357	\$ 2,080,084	22.08%
2007	4,163,027	4,627,358	89.97%	464,331	2,261,626	20.53%
2008	3,576,897	4,924,632	72.63%	1,347,735	2,587,259	52.09%
2009	4,010,939	5,402,044	74.25%	1,391,105	2,651,241	52.47%
2010	4,659,958	6,141,283	75.88%	1,481,325	2,824,727	52.44%
2011	5,179,035	6,748,524	76.74%	1,569,489	2,817,888	55.70%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions (ARC)	Percentage Contributed
2007	\$ 218,699	\$ 218,699	100.00%
2008	229,910	247,859	100.00%
2009	250,051	250,051	100.00%
2010	271,652	271,652	100.00%
2011	318,028	318,028	100.00%
2012	316,271	316,271	100.00%

(See independent auditor's report.)

CITY OF WARRENVILLE, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 POLICE PENSION FUND

April 30, 2012

Schedule of Funding Progress

Actuarial Valuation Date May 1,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2006	\$ 5,584,012	\$ 9,847,493	56.70%	\$ 4,263,481	\$ 1,998,808	213.30%
2007	6,585,251	10,754,231	61.23%	4,168,980	1,971,780	211.43%
2008	7,221,375	12,463,356	57.94%	5,241,981	2,242,451	233.76%
2009	6,906,516	13,852,598	49.86%	6,946,082	2,309,615	300.75%
2010	8,675,472	14,629,224	59.30%	5,953,752	2,369,392	251.28%
2011	10,229,466	16,096,691	63.55%	5,867,225	2,329,319	251.89%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions (ARC)	Percentage Contributed
2007	\$ 402,936	\$ 402,936	100.00%
2008	437,680	437,680	100.00%
2009	613,057	613,057	100.00%
2010	504,408	504,402	100.00%
2011	613,086	613,086	100.00%
2012	877,705	727,704	120.61%

(See independent auditor's report.)

CITY OF WARRENVILLE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POSTEMPLOYMENT BENEFIT PLAN

April 30, 2012

Schedule of Funding Progress

Actuarial Valuation Date May 1,	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Percentage Funded (1) / (2)	(4) Unfunded Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Underfunded Actuarial Accrued Liability as a Percentage of Covered Payroll (4) / (5)
2008	\$ -	\$ 415,451	0.00%	\$ 415,441	\$ 4,960,856	8.37%
2009	N/A	N/A	N/A	N/A	N/A	N/A
2010	N/A	N/A	N/A	N/A	N/A	N/A
2011	-	473,459	0.00%	473,459	5,607,940	8.44%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	\$ 16,977	\$ 23,115	73.45%
2010	16,977	22,682	74.85%
2011	16,977	22,682	74.85%
2012	16,977	22,682	74.85%

N/A - Information is not available as an actuarial valuation was not performed as of the date.

Information for prior years is not available as the City's first actuarial valuation was performed May 1, 2008.

(See independent auditor's report.)

CITY OF WARRENVILLE, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2012

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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, 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 2012 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 the fund. 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 2012, there were several supplemental budget amendments that are reflected in the financial statements.

COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES

## MAJOR GOVERNMENTAL FUNDS

### GENERAL FUND

General Fund - to account for resources traditionally associated with governments which are not accounted for in another fund.

### CAPITAL PROJECTS FUND

Tax Allocation Fund - to account for proceeds of the \$500,000 Series 1991A and the \$8,615,000 Series 2000 Tax Increment Financing Bonds and the incremental property tax revenues, previously received from the City's designated TIF district that are to be used for the development of the 650 acre site adjacent to the Illinois 88 tollway for multi-purpose use.

Special Projects Fund - accounts for the proceeds of significant one-time revenues to be used for future major capital improvements and other projects.

## CITY OF WARRENVILLE, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended April 30, 2012

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>TAXES</b>				
Property tax				
General corporate	\$ 1,122,248	\$ 1,122,248	\$ 1,186,524	\$ 64,276
Police protection	326,775	326,775	323,680	(3,095)
FICA	230,813	230,813	244,124	13,311
Police pension	980,326	980,326	846,533	(133,793)
IMRF	150,509	150,509	159,112	8,603
Audit	15,657	15,657	15,457	(200)
Noncurrent	-	-	3,244	3,244
Tort and liability	101,517	101,517	107,515	5,998
Workers' compensation	53,032	53,032	52,507	(525)
Crossing guards	49,496	49,496	42,506	(6,990)
Road and bridge	142,932	142,932	141,693	(1,239)
Township road and bridge	55,533	55,533	51,789	(3,744)
State sales tax	1,609,836	1,609,836	1,621,115	11,279
Home rule sales tax	1,524,133	1,524,133	1,533,654	9,521
Local use tax	181,332	181,332	191,701	10,369
Personal property replacement tax	41,979	41,979	40,310	(1,669)
Telecommunications tax	158,461	158,461	174,403	15,942
Amusement tax	154,446	154,446	121,685	(32,761)
Food and beverage tax	571,779	571,779	564,488	(7,291)
Auto rental tax	5,750	5,750	6,018	268
Franchise fees	168,782	168,782	163,129	(5,653)
<b>Total taxes</b>	<b>7,645,336</b>	<b>7,645,336</b>	<b>7,591,187</b>	<b>(54,149)</b>
<b>LICENSES AND PERMITS</b>				
Liquor licenses	43,800	43,800	45,900	2,100
Business licenses	4,520	4,520	5,125	605
Refuse collection license	5,250	5,250	4,500	(750)
Dog license	1,500	1,500	1,676	176
Other business licenses	16,000	16,000	15,425	(575)
Building permits	70,372	70,372	66,374	(3,998)
Electric permits	9,073	9,073	20,976	11,903
Plumbing permits	4,108	4,108	8,030	3,922
Building plan review fees	43,604	43,604	30,785	(12,819)
Other permits	4,157	4,157	7,509	3,352
Printing charges	2,800	2,800	2,533	(267)
Re-inspection fees	1,000	1,000	70	(930)
Annexation fees	1,000	1,000	-	(1,000)
Senior taxi coupons	1,000	1,000	1,155	155
Site plan review fees	10,464	10,464	12,520	2,056

(This schedule is continued on the following page.)

## CITY OF WARRENVILLE, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended April 30, 2012

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>LICENSES AND PERMITS (Continued)</b>				
Public hearing fees	\$ 5,400	\$ 5,400	\$ 8,397	\$ 2,997
Stormwater management fees	49,825	49,825	79,488	29,663
Preliminary consultative fees	1,000	1,000	1,500	500
New elevator and inspection fees	300	300	19,460	19,160
Vacant building registration	-	-	175	175
False alarm calls	6,000	6,000	2,600	(3,400)
Fingerprinting	5,000	5,000	5,560	560
Recycle bins	-	-	15	15
Refuse stickers	62,920	62,920	61,631	(1,289)
<b>Total licenses and permits</b>	<b>349,093</b>	<b>349,093</b>	<b>401,404</b>	<b>52,311</b>
<b>INTERGOVERNMENTAL</b>				
Income tax	959,220	959,220	1,072,510	113,290
Reimbursements - Federal	52,704	52,704	52,756	52
Grants	4,940	4,940	2,397	(2,543)
<b>Total intergovernmental</b>	<b>1,016,864</b>	<b>1,016,864</b>	<b>1,127,663</b>	<b>110,799</b>
<b>FINES AND FORFEITS</b>				
Circuit court fines	284,800	284,800	272,795	(12,005)
Parking fines	40,371	40,371	28,556	(11,815)
Photo enforcement fines	-	-	10,575	10,575
Other fines and forfeitures	2,645	2,645	739	(1,906)
Administrative towing fee	91,028	91,028	95,020	3,992
Booking fees	6,631	6,631	12,225	5,594
Penalty income	75	75	1,750	1,675
<b>Total fines and forfeits</b>	<b>425,550</b>	<b>425,550</b>	<b>421,660</b>	<b>(3,890)</b>
<b>INVESTMENT INCOME</b>	<b>120,000</b>	<b>120,000</b>	<b>22,194</b>	<b>(97,806)</b>
<b>MISCELLANEOUS</b>				
Rental income	170,291	170,291	170,978	687
Administrative charges	30	30	-	(30)
Other	35,000	35,000	135,001	100,001
<b>Total miscellaneous</b>	<b>205,321</b>	<b>205,321</b>	<b>305,979</b>	<b>100,658</b>
<b>TOTAL REVENUES</b>	<b>\$ 9,762,164</b>	<b>\$ 9,762,164</b>	<b>\$ 9,870,087</b>	<b>\$ 107,923</b>

(See independent auditor's report.)

CITY OF WARRENVILLE, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended April 30, 2012

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>GENERAL GOVERNMENT</b>				
Mayor and council				
Personnel	\$ 69,758	\$ 69,758	\$ 69,725	\$ (33)
Supplies and services	22,360	22,360	15,727	(6,633)
Total mayor and council	92,118	92,118	85,452	(6,666)
City clerk				
Personnel	10,765	10,765	10,765	-
Supplies and services	31,501	31,501	20,568	(10,933)
Capital	4,765	4,765	4,722	(43)
Total city clerk	47,031	47,031	36,055	(10,976)
Legal				
Supplies and services	220,500	220,500	165,382	(55,118)
Total legal	220,500	220,500	165,382	(55,118)
Finance and information services				
Personnel	270,275	270,275	256,192	(14,083)
Supplies and services	34,807	34,807	21,982	(12,825)
Capital	64,108	64,108	65,780	1,672
Total finance and information services	369,190	369,190	343,954	(25,236)
Administration				
Personnel	352,179	352,179	336,218	(15,961)
Supplies and services	163,808	163,808	102,755	(61,053)
Capital	62,796	62,796	62,166	(630)
Total administration	578,783	578,783	501,139	(77,644)
Central services				
Personnel	199,148	199,148	178,441	(20,707)
Supplies and services	206,935	206,935	170,616	(36,319)
Maintenance	103,860	103,860	88,564	(15,296)
Total central services	509,943	509,943	437,621	(72,322)
Community development				
Personnel	619,816	619,816	612,791	(7,025)
Supplies and services	99,595	99,595	59,766	(39,829)
Maintenance	1,700	1,700	780	(920)
Capital	3,361	3,361	2,695	(666)
Total community development	724,472	724,472	676,032	(48,440)
Municipal van				
Personnel	30,336	30,336	32,897	2,561
Supplies and services	6,400	6,400	9,182	2,782
Maintenance	3,000	3,000	1,493	(1,507)
Total municipal van	39,736	39,736	43,572	3,836

(This schedule is continued on the following pages.)

CITY OF WARRENVILLE, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended April 30, 2012

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>GENERAL GOVERNMENT (Continued)</b>				
Less administrative costs charged to other departments and funds	\$ (40,140)	\$ (40,140)	\$ (40,140)	\$ -
Total general government	2,541,633	2,541,633	2,249,067	(292,566)
<b>PUBLIC SAFETY</b>				
Police protection				
Personnel	5,250,895	5,250,895	4,868,223	(382,672)
Supplies and services	778,409	778,409	701,317	(77,092)
Maintenance	66,368	66,368	61,826	(4,542)
Capital	118,328	118,328	113,165	(5,163)
Total police protection	6,214,000	6,214,000	5,744,531	(469,469)
ESDA				
Personnel	6,459	6,459	6,459	-
Supplies and services	8,700	8,700	2,319	(6,381)
Maintenance	5,075	5,075	1,468	(3,607)
Capital	2,000	2,000	-	(2,000)
Total ESDA	22,234	22,234	10,246	(11,988)
Police commission				
Supplies and services	38,285	38,285	13,086	(25,199)
Total police commission	38,285	38,285	13,086	(25,199)
Total public safety	6,274,519	6,274,519	5,767,863	(506,656)
<b>PUBLIC WORKS</b>				
Streets				
Personnel	815,906	815,906	766,859	(49,047)
Supplies and services	124,455	124,455	106,717	(17,738)
Maintenance	208,900	208,900	144,592	(64,308)
Capital	19,000	19,000	18,563	(437)
Total streets	1,168,261	1,168,261	1,036,731	(131,530)
Road and bridge				
Personnel	67,850	67,850	68,842	992
Capital	37,000	37,000	37,000	-
Total road and bridge	104,850	104,850	105,842	992
Buildings and grounds				
Personnel	85,662	85,662	81,754	(3,908)
Supplies and services	4,850	4,850	4,933	83
Maintenance	135,100	135,100	117,652	(17,448)
Total buildings and grounds	225,612	225,612	204,339	(21,273)
Total public works	1,498,723	1,498,723	1,346,912	(151,811)

(This schedule is continued on the following page.)

CITY OF WARRENVILLE, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended April 30, 2012

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	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>CULTURE AND RECREATION</b>				
Parks and recreation				
Supplies and services	\$ 18,438	\$ 18,438	\$ 17,121	\$ (1,317)
Maintenance	28,542	28,542	19,709	(8,833)
	<hr/>			
Total culture and recreation	46,980	46,980	36,830	(10,150)
	<hr/>			
<b>TOTAL EXPENDITURES</b>	<b>\$ 10,361,855</b>	<b>\$ 10,361,855</b>	<b>\$ 9,400,672</b>	<b>\$ (961,183)</b>

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(See independent auditor's report.)

CITY OF WARRENVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
TAX ALLOCATION FUND

For the Year Ended April 30, 2012

	Original and Final Budget	Actual
<b>REVENUES</b>		
Taxes		
Property	\$ -	\$ 22,893
Total revenues	-	22,893
<b>EXPENDITURES</b>		
Current		
None	-	-
Total expenditures	-	-
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ -</u></u>	22,893
<b>FUND BALANCE (DEFICIT), MAY 1</b>		<u>(662,451)</u>
<b>FUND BALANCE (DEFICIT), APRIL 30</b>		<u><u>\$ (639,558)</u></u>

(See independent auditor's report.)

CITY OF WARRENVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
SPECIAL PROJECTS FUND

For the Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ -	\$ 51,116
Traffic impact fees	-	-	9,851
Investment income	115,000	115,000	54,771
Miscellaneous	20,000	20,000	20,000
	<hr/>		
Total revenues	135,000	135,000	135,738
<hr/>			
<b>EXPENDITURES</b>			
Capital outlay	1,036,000	1,115,000	246,331
	<hr/>		
Total expenditures	1,036,000	1,115,000	246,331
<hr/>			
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (901,000)</u>	<u>\$ (980,000)</u>	(110,593)
<b>FUND BALANCE, MAY 1</b>			<u>5,684,652</u>
<b>FUND BALANCE, APRIL 30</b>			<u><u>\$ 5,574,059</u></u>

(See independent auditor's report.)

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Motor Fuel Tax Fund - to account for the revenue received from the State of Illinois restricted for the local share of the Motor Fuel Tax collections.

Seized Assets Fund - to account for money and physical assets seized during drug-related arrests.

Hotel/Motel Tax Fund - 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 FUND

Capital Maintenance and Replacement Fund - to accumulate funds for the maintenance and replacement of major capital equipment.

TIF District #2 Fund - to account for the incremental property tax revenues received from the City's designated Old Town TIF district that are to be used for the development of the designated site.

### PERMANENT FUND

Working Cash Fund - to account for revenues from an annual levy to provide sufficient funds to enable the City to meet demands for ordinary and necessary corporate liabilities in the event revenues are inadequate. Monies expended from this fund must be reimbursed first from any general corporate levy tax proceeds received in the future.

CITY OF WARRENVILLE, ILLINOIS

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2012

	Special Revenue			Capital Projects		Permanent	Total Nonmajor Governmental Funds
	Motor Fuel Tax	Seized Assets	Hotel/Motel Tax	Capital Maintenance and Replacement	TIF District #2	Working Cash	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 646,193	\$ 101,890	\$ 135,529	\$ 528,748	\$ 301,952	\$ -	\$ 1,714,312
Investments	-	-	406,642	857,344	-	-	1,263,986
Receivables (net, where applicable, of allowances for uncollectibles)							
Property taxes	-	-	-	-	754,935	-	754,935
Intergovernmental taxes	25,510	-	-	203,385	-	-	228,895
Other taxes	-	-	62,753	16,442	-	-	79,195
Accounts	-	-	-	-	-	-	-
Interest	-	-	2,006	4,256	-	-	6,262
Due from other funds	-	16,003	-	-	19,403	-	35,406
<b>TOTAL ASSETS</b>	<b>\$ 671,703</b>	<b>\$ 117,893</b>	<b>\$ 606,930</b>	<b>\$ 1,610,175</b>	<b>\$ 1,076,290</b>	<b>\$ -</b>	<b>\$ 4,082,991</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 91,910	\$ -	\$ 13,170	\$ 51,296	\$ 14,743	\$ -	\$ 171,119
Accrued payroll	-	-	-	-	3,286	-	3,286
Deferred property taxes	-	-	-	-	754,935	-	754,935
Due to other funds	188,819	-	-	-	-	-	188,819
<b>Total liabilities</b>	<b>280,729</b>	<b>-</b>	<b>13,170</b>	<b>51,296</b>	<b>772,964</b>	<b>-</b>	<b>1,118,159</b>
<b>FUND BALANCES</b>							
Nonspendable working cash	-	-	-	-	-	-	-
Restricted for maintenance of roadways	390,974	-	-	-	-	-	390,974
Restricted for public safety	-	117,893	-	-	-	-	117,893
Restricted for economic development	-	-	-	-	303,326	-	303,326
Committed for tourism and conventions	-	-	593,760	-	-	-	593,760
Assigned for special projects	-	-	-	1,558,879	-	-	1,558,879
<b>Total fund balances</b>	<b>390,974</b>	<b>117,893</b>	<b>593,760</b>	<b>1,558,879</b>	<b>303,326</b>	<b>-</b>	<b>2,964,832</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 671,703</b>	<b>\$ 117,893</b>	<b>\$ 606,930</b>	<b>\$ 1,610,175</b>	<b>\$ 1,076,290</b>	<b>\$ -</b>	<b>\$ 4,082,991</b>

See accompanying notes to financial statements.

CITY OF WARRENVILLE, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2012

	Special Revenue			Capital Projects		Permanent	Total Nonmajor Governmental Funds
	Motor Fuel Tax	Seized Assets	Hotel/Motel Tax	Capital Maintenance and Replacement	TIF District #2	Working Cash	
REVENUES							
Taxes	\$ -	\$ -	\$ 748,883	\$ 705,737	\$ 794,154	\$ -	\$ 2,248,774
Intergovernmental	387,472	-	-	-	-	-	387,472
Fines and forfeits	-	-	-	21,471	-	-	21,471
Investment income	328	114	3,967	4,330	-	4,086	12,825
Miscellaneous	9,925	28,779	-	-	-	-	38,704
Total revenues	397,725	28,893	752,850	731,538	794,154	4,086	2,709,246
EXPENDITURES							
Current							
Public safety	-	4,652	-	-	-	-	4,652
Public works	269,819	-	-	-	-	-	269,819
Culture and recreation	-	-	220,670	-	-	-	220,670
Economic development	-	-	-	-	737,277	-	737,277
Capital outlay	-	-	-	895,013	-	-	895,013
Total expenditures	269,819	4,652	220,670	895,013	737,277	-	2,127,431
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	127,906	24,241	532,180	(163,475)	56,877	4,086	581,815
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	615,493	-	-	615,493
Transfers (out)	-	-	(400,000)	-	-	(415,493)	(815,493)
Proceeds from the sale of capital assets	-	-	-	5,976	-	-	5,976
Total other financing sources (uses)	-	-	(400,000)	621,469	-	(415,493)	(194,024)
NET CHANGE IN FUND BALANCES	127,906	24,241	132,180	457,994	56,877	(411,407)	387,791
FUND BALANCES, MAY 1	263,068	93,652	461,580	1,100,885	246,449	411,407	2,577,041
FUND BALANCES, APRIL 30	\$ 390,974	\$ 117,893	\$ 593,760	\$ 1,558,879	\$ 303,326	\$ -	\$ 2,964,832

See accompanying notes to financial statements.

CITY OF WARRENVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
MOTOR FUEL TAX FUND

For the Year Ended April 30, 2012

	Original and Final Budget	Actual
<b>REVENUES</b>		
Intergovernmental		
Motor fuel tax	\$ 319,635	\$ 387,472
Investment income	500	328
Miscellaneous income	-	9,925
	<u>320,135</u>	<u>397,725</u>
Total revenues		
<b>EXPENDITURES</b>		
Public works		
Supplies and services	102,000	60,758
Maintenance	214,800	209,061
	<u>316,800</u>	<u>269,819</u>
Total expenditures		
NET CHANGE IN FUND BALANCE	<u>\$ 3,335</u>	127,906
FUND BALANCE, MAY 1		<u>263,068</u>
FUND BALANCE, APRIL 30		<u>\$ 390,974</u>

(See independent auditor's report.)

CITY OF WARRENVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
SEIZED ASSETS FUND

For the Year Ended April 30, 2012

	Original and Final Budget	Actual
<b>REVENUES</b>		
Investment income	\$ 388	\$ 114
Miscellaneous income	21,800	28,779
Total revenues	<u>22,188</u>	<u>28,893</u>
<b>EXPENDITURES</b>		
Public safety		
Supplies and services	29,660	4,652
Capital	9,132	-
Total expenditures	<u>38,792</u>	<u>4,652</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ (16,604)</u></u>	24,241
<b>FUND BALANCE, MAY 1</b>		<u>93,652</u>
<b>FUND BALANCE, APRIL 30</b>		<u><u>\$ 117,893</u></u>

(See independent auditor's report.)

CITY OF WARRENVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
HOTEL/MOTEL TAX FUND

For the Year Ended April 30, 2012

	Original and Final Budget	Actual
<b>REVENUES</b>		
Taxes		
Hotel/motel tax	\$ 628,580	\$ 748,883
Investment income	1,000	3,967
	<u>629,580</u>	<u>752,850</u>
Total revenues		
<b>EXPENDITURES</b>		
Culture and recreation		
Supplies and services	271,500	220,670
	<u>271,500</u>	<u>220,670</u>
Total expenditures		
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	358,080	532,180
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers (out)	(400,000)	(400,000)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (41,920)</u>	132,180
<b>FUND BALANCE, MAY 1</b>		<u>461,580</u>
<b>FUND BALANCE, APRIL 30</b>		<u>\$ 593,760</u>

(See independent auditor's report.)

CITY OF WARRENVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL MAINTENANCE AND REPLACEMENT FUND

For the Year Ended April 30, 2012

	Original and Final Budget	Actual
<b>REVENUES</b>		
Taxes		
Telecommunications	\$ 475,384	\$ 523,209
Amusement	231,670	182,528
Fines and forfeits	-	21,471
Investment income	3,989	4,330
	<u>711,043</u>	<u>731,538</u>
Total revenues		
<b>EXPENDITURES</b>		
Capital outlay		
Supplies and services	242,820	88,770
Maintenance	52,826	31,929
Capital	1,184,850	774,314
	<u>1,480,496</u>	<u>895,013</u>
Total expenditures		
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(769,453)	(163,475)
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	200,000	615,493
Proceeds from sale of capital assets	-	5,976
	<u>200,000</u>	<u>621,469</u>
Total other financing sources (uses)		
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (569,453)</u>	457,994
<b>FUND BALANCE, MAY 1</b>		<u>1,100,885</u>
<b>FUND BALANCE, APRIL 30</b>		<u>\$ 1,558,879</u>

(See independent auditor's report.)

CITY OF WARRENVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
TIF DISTRICT #2 FUND

For the Year Ended April 30, 2012

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Property taxes	\$ 824,859	\$ 824,859	\$ 794,154
Total revenues	824,859	824,859	794,154
<b>EXPENDITURES</b>			
Economic development			
Personnel	150,502	150,502	150,502
Supplies and services	378,021	378,021	161,162
Capital	150,000	524,207	425,613
Total expenditures	678,523	1,052,730	737,277
NET CHANGE IN FUND BALANCE	<u>\$ 146,336</u>	<u>\$ (227,871)</u>	56,877
FUND BALANCE, MAY 1			<u>246,449</u>
FUND BALANCE, APRIL 30			<u>\$ 303,326</u>

(See independent auditor's report.)

CITY OF WARRENVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
WORKING CASH FUND

For the Year Ended April 30, 2012

	Original and Final Budget	Actual
<b>REVENUES</b>		
Investment income	\$ 5,000	\$ 4,086
Total revenues	5,000	4,086
<b>EXPENDITURES</b>		
None	-	-
Total expenditures	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	5,000	4,086
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers (out)	(5,000)	(415,493)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	(411,407)
FUND BALANCE, MAY 1		<u>411,407</u>
FUND BALANCE, APRIL 30		<u>\$ -</u>

(See independent auditor's report.)

## ENTERPRISE FUND

Water and Sewer Fund - 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 collection.

CITY OF WARRENVILLE, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS - BUDGET AND ACTUAL  
WATER AND SEWER FUND

For the Year Ended April 30, 2012

	Original and Final Budget	Actual
<b>OPERATING REVENUES</b>		
Charges for services		
Water sales	\$ 811,586	\$ 841,806
Sewer sales	1,435,937	1,464,393
Meter sales	12,627	12,153
Penalties	28,749	33,831
Miscellaneous	31,256	28,920
	<u>2,320,155</u>	<u>2,381,103</u>
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>		
Operating expenses		
Waterworks	1,704,499	1,061,100
Sewerage	2,708,020	1,651,490
	<u>4,412,519</u>	<u>2,712,590</u>
<b>OPERATING INCOME (LOSS) BEFORE DEPRECIATION</b>	(2,092,364)	(331,487)
<b>DEPRECIATION</b>	<u>293,234</u>	<u>343,563</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(2,385,598)</u>	<u>(675,050)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Tap-on connection fees	78,588	71,248
Investment income	185,500	117,297
Grants	-	3,600
Rental income	159,287	159,974
	<u>423,375</u>	<u>352,119</u>
<b>CHANGE IN NET ASSETS</b>	<u>\$ (1,962,223)</u>	(322,931)
<b>NET ASSETS, MAY 1</b>		<u>23,240,082</u>
<b>NET ASSETS, APRIL 30</b>		<u>\$ 22,917,151</u>

(See independent auditor's report.)

CITY OF WARRENVILLE, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL  
WATER AND SEWER FUND

For the Year Ended April 30, 2012

	Original and Final Budget	Actual
<b>OPERATING EXPENSES</b>		
Waterworks		
Personnel		
Salaries	\$ 478,765	\$ 456,133
FICA/Medicare/IMRF	90,049	86,552
Employee insurance	123,291	97,176
Total personnel	692,105	639,861
Supplies and services		
General insurance	7,966	7,966
Telephone	14,500	12,180
Utilities	80,000	62,681
Rental	5,987	6,108
Travel	700	507
Postage	7,600	6,522
Printing/publishing	9,250	7,126
Liens	400	24
Legal and accounting	1,000	-
Annual audit	3,467	3,467
Engineering	80,500	1,669
Other professional services	14,000	3,924
J.U.L.I.E.	1,000	698
Education reimbursement	1,000	-
Dues and subscriptions	200	197
Supplies	2,200	2,361
Small tools	1,080	1,574
Uniforms	3,600	3,679
Gas/oil	11,300	13,309
Chlorination	32,000	22,975
Administrative	20,070	20,070
Collection agency fees	-	197
Meters	30,000	20,070
Miscellaneous	3,000	-
Total supplies and services	330,820	197,304
Maintenance		
Building	7,600	3,584
Equipment	7,000	6,851
Water tower	9,000	3,500
Ground	500	-
Utility system	93,000	45,134
Software	5,900	4,171
Communication	4,000	3,377
Total maintenance	127,000	66,617

(This schedule is continued on the following pages.)

CITY OF WARRENVILLE, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL (Continued)  
 WATER AND SEWER FUND

For the Year Ended April 30, 2012

	Original and Final Budget	Actual
OPERATING EXPENSES (Continued)		
Waterworks (Continued)		
Capital		
City network	\$ 500	\$ -
Computer software	1,000	-
Building improvements	1,000	-
Equipment purchase	8,200	9,382
Water main improvements	646,000	250,362
Other improvements	300	-
Total capital	<u>657,000</u>	<u>259,744</u>
Subtotal	1,806,925	1,163,526
Less capital assets capitalized	<u>(102,426)</u>	<u>(102,426)</u>
Total waterworks	<u>1,704,499</u>	<u>1,061,100</u>
Sewerage		
Personnel		
Salaries	346,368	343,714
FICA/Medicare/IMRF	66,011	63,327
Employee insurance	<u>86,480</u>	<u>67,909</u>
Total personnel	<u>498,859</u>	<u>474,950</u>
Supplies and services		
General insurance	4,377	4,377
Telephone	9,000	6,273
Utilities	15,000	17,770
Rental	5,289	5,906
Travel	100	-
Postage	6,500	6,522
Printing/publishing	7,000	7,126
Liens	100	18
Legal and accounting	1,000	-
Annual audit	3,467	3,467
Engineering	198,500	21,035
J.U.L.I.E.	700	466
Dues and subscriptions	76	132
Overhead sewage grant	5,000	-
Infiltration analysis	7,000	13,195
Naperville sewage treatment	1,000,000	958,327
Office supplies	1,600	1,574
Small tools	720	949
Uniforms	2,400	2,453

(This schedule is continued on the following page.)

CITY OF WARRENVILLE, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL (Continued)  
 WATER AND SEWER FUND

For the Year Ended April 30, 2012

	Original and Final Budget	Actual
OPERATING EXPENSES (Continued)		
Sewerage (Continued)		
Supplies and services (Continued)		
Gas/oil	\$ 7,000	\$ 8,971
Administrative	20,070	20,070
Miscellaneous	100	-
Meters	30,000	20,020
	<u>1,324,999</u>	<u>1,098,651</u>
Total supplies and services		
Maintenance		
Building	2,400	2,386
Equipment	11,000	7,855
Ground	300	-
Utility system	25,000	13,045
Software	2,711	2,781
Communication	1,000	790
	<u>42,411</u>	<u>26,857</u>
Total maintenance		
Capital		
City network	300	-
Computer software	300	-
Equipment purchase	3,500	4,120
Sewer main improvements	1,037,000	246,411
Other improvements	150	-
	<u>1,041,250</u>	<u>250,531</u>
Total capital		
	2,907,519	1,850,989
Subtotal		
	(199,499)	(199,499)
Less capital assets capitalized		
	<u>2,708,020</u>	<u>1,651,490</u>
Total sewerage		
	293,234	343,563
Depreciation		
TOTAL OPERATING EXPENSES	<u>\$ 4,705,753</u>	<u>\$ 3,056,153</u>

(See independent auditor's report.)

## FIDUCIARY FUND

Police Pension Fund - 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

SCHEDULE OF CHANGES IN FIDUCIARY NET ASSETS -  
BUDGET AND ACTUAL  
POLICE PENSION FUND

For the Year Ended April 30, 2012

	Original and Final Budget	Actual
<b>ADDITIONS</b>		
Contributions		
Employer	\$ 877,704	\$ 877,705
Employee	256,627	248,665
Total contributions	<u>1,134,331</u>	<u>1,126,370</u>
Investment income		
Net appreciation in fair value of investments	-	208,922
Interest	1,000,000	324,089
Total investment income	1,000,000	533,011
Less investment expense	(18,500)	(21,960)
Net investment income	<u>981,500</u>	<u>511,051</u>
Total additions	<u>2,115,831</u>	<u>1,637,421</u>
<b>DEDUCTIONS</b>		
Administration	8,900	7,215
Benefits and refunds		
Retirement benefits	322,322	399,390
Refunds	31,574	-
Total deductions	<u>362,796</u>	<u>406,605</u>
<b>NET INCREASE</b>	<u><u>\$ 1,753,035</u></u>	1,230,816
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>		
May 1		<u>10,229,465</u>
April 30		<u><u>\$ 11,460,281</u></u>

(See independent auditor's report.)

## STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information displays about the City's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have been changed over time.	69-77
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	78-83
<b>Debt Capacity</b> The schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	84-88
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	89-90
<b>Operating Information</b> 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.	91-93

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement No. 34 in 2004; schedules presenting government-wide information include information beginning in that year.

CITY OF WARRENVILLE, ILLINOIS

NET ASSETS BY COMPONENT

Last Nine Fiscal Years

Fiscal Year	2004	2005	2006
<b>GOVERNMENTAL ACTIVITIES</b>			
Invested in capital assets			
net of related debt	\$ 69,533,148	\$ 61,782,699	\$ 62,012,798
Restricted	-	8,780,022	9,160,697
Unrestricted	(3,031,059)	(5,179,931)	(2,380,655)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 66,502,089</b>	<b>\$ 65,382,790</b>	<b>\$ 68,792,840</b>
<b>BUSINESS-TYPE ACTIVITIES</b>			
Invested in capital assets			
net of related debt	\$ 10,749,432	\$ 10,798,552	\$ 10,773,078
Restricted	-	-	-
Unrestricted	6,977,344	7,558,973	8,055,730
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 17,726,776</b>	<b>\$ 18,357,525</b>	<b>\$ 18,828,808</b>
<b>PRIMARY GOVERNMENT</b>			
Invested in capital assets			
net of related debt	\$ 80,282,580	\$ 72,581,251	\$ 72,785,876
Restricted	-	8,780,022	9,160,697
Unrestricted	3,946,285	2,379,042	5,675,075
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 84,228,865</b>	<b>\$ 83,740,315</b>	<b>\$ 87,621,648</b>

Data Source

Audited Financial Statements

2007	2008	2009	2010	2011	2012
\$ 62,431,353	\$ 64,760,369	\$ 68,817,707	\$ 71,267,517	\$ 70,610,196	\$ 70,035,401
11,159,947	11,805,957	8,700,509	7,286,830	1,476,156	812,193
2,893,035	5,993,439	8,433,433	5,274,837	12,224,134	13,894,169
<u>\$ 76,484,335</u>	<u>\$ 82,559,765</u>	<u>\$ 85,951,649</u>	<u>\$ 83,829,184</u>	<u>\$ 84,310,486</u>	<u>\$ 84,741,763</u>
\$ 10,553,454	\$ 11,041,507	\$ 11,975,287	\$ 13,845,927	\$ 13,649,811	\$ 13,608,173
-	-	-	-	-	-
11,893,286	12,210,442	11,655,158	9,817,965	9,590,271	9,308,978
<u>\$ 22,446,740</u>	<u>\$ 23,251,949</u>	<u>\$ 23,630,445</u>	<u>\$ 23,663,892</u>	<u>\$ 23,240,082</u>	<u>\$ 22,917,151</u>
\$ 72,984,807	\$ 75,801,876	\$ 80,792,994	\$ 85,113,444	\$ 84,260,007	\$ 83,643,574
11,159,947	11,805,957	8,700,509	7,286,830	1,476,156	812,193
14,786,321	18,203,881	20,088,591	15,092,802	21,814,405	23,203,147
<u>\$ 98,931,075</u>	<u>\$ 105,811,714</u>	<u>\$ 109,582,094</u>	<u>\$ 107,493,076</u>	<u>\$ 107,550,568</u>	<u>\$ 107,658,914</u>

CITY OF WARRENVILLE, ILLINOIS

CHANGE IN NET ASSETS

Last Nine Fiscal Years

Fiscal Year	2004	2005	2006
<b>EXPENSES</b>			
Governmental activities			
General government	\$ 3,861,855	\$ 1,300,245	\$ 1,869,534
Public safety	2,690,976	3,806,441	4,161,238
Public works	2,090,097	2,028,824	2,883,948
Culture and recreation	43,268	176,061	182,914
Economic development	4,441,457	5,351,397	5,243,554
Interest	383,062	767,034	569,441
Total governmental activities expenses	13,510,715	13,430,002	14,910,629
Business-type activities			
Water and sewerage	1,795,993	1,908,684	1,973,653
Total business-type activities expenses	1,795,993	1,908,684	1,973,653
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>\$ 15,306,708</b>	<b>\$ 15,338,686</b>	<b>\$ 16,884,282</b>
<b>PROGRAM REVENUES</b>			
Governmental activities			
Charges for services			
General government	\$ 910,130	\$ 620,208	\$ 525,811
Public safety	170,526	218,059	248,207
Public works	-	85,506	178,078
Economic development	-	-	-
Operating grants and contributions	11,399	400,312	394,420
Capital grants and contributions	-	45,145	137
Total governmental activities program revenues	1,092,055	1,369,230	1,346,653
Business-type activities			
Charges for services			
Water and sewerage	2,072,213	2,128,009	2,279,524
Operating grants	-	-	-
Capital grants and contributions	-	-	-
Total business-type activities program revenues	2,072,213	2,128,009	2,279,524
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 3,164,268</b>	<b>\$ 3,497,239</b>	<b>\$ 3,626,177</b>
<b>NET (EXPENSE) REVENUE</b>			
Governmental activities	\$ (12,418,660)	\$ (12,060,772)	\$ (13,563,976)
Business-type activities	276,220	219,325	305,871
<b>TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE</b>	<b>\$ (12,142,440)</b>	<b>\$ (11,841,447)</b>	<b>\$ (13,258,105)</b>

	2007	2008	2009	2010	2011	2012
\$	1,837,542	\$ 1,998,199	\$ 2,295,589	\$ 1,929,578	\$ 2,399,491	\$ 2,368,352
	4,328,404	4,859,157	5,494,858	5,521,381	5,555,442	6,398,592
	2,896,189	2,422,501	1,096,938	3,204,759	2,628,782	2,544,966
	176,346	238,320	305,409	264,480	297,975	257,500
	6,490,980	6,874,700	11,306,234	13,426,691	10,031,742	737,277
	478,614	334,821	169,740	3,230	-	-
	16,208,075	16,727,698	20,668,768	24,350,119	20,913,432	12,306,687
	2,359,740	2,370,839	2,523,413	2,987,371	2,939,494	3,056,153
	2,359,740	2,370,839	2,523,413	2,987,371	2,939,494	3,056,153
\$	18,567,815	\$ 19,098,537	\$ 23,192,181	\$ 27,337,490	\$ 23,852,926	\$ 15,362,840
\$	625,800	\$ 675,593	\$ 595,145	\$ 721,489	\$ 484,478	\$ 489,298
	271,354	304,632	653,468	799,615	626,234	480,071
	206,471	173,553	204,757	208,939	162,151	238,082
	158,372	34,975	-	-	-	9,851
	397,276	421,182	455,057	401,498	444,151	384,594
	-	-	-	142,498	78,031	129,147
	1,659,273	1,609,935	1,908,427	2,274,039	1,795,045	1,731,043
	2,540,251	2,515,129	2,428,057	2,472,371	235,420	2,612,325
	-	-	-	-	-	3,600
	-	-	-	317,619	-	-
	2,540,251	2,515,129	2,428,057	2,789,990	2,354,203	2,615,925
\$	4,199,524	\$ 4,125,064	\$ 4,336,484	\$ 5,064,029	\$ 4,149,248	\$ 4,346,968
\$	(14,548,802)	\$ (15,117,763)	\$ (18,760,341)	\$ (22,076,080)	\$ (19,118,387)	\$ (10,575,644)
	180,511	144,290	(95,356)	(197,381)	(585,291)	(440,228)
\$	(14,368,291)	\$ (14,973,473)	\$ (18,855,697)	\$ (22,273,461)	\$ (19,703,678)	\$ (11,015,872)

CITY OF WARRENVILLE, ILLINOIS

CHANGE IN NET ASSETS (Continued)

Last Nine Fiscal Years

Fiscal Year	2004	2005	2006
<b>GENERAL REVENUES AND OTHER</b>			
<b>CHANGES IN NET ASSETS</b>			
Governmental activities			
Taxes			
Property and replacement	\$ 9,511,627	\$ 9,954,887	\$ 11,119,235
Sales	1,052,852	2,288,149	1,971,959
Home rule sales	188,782	170,393	1,014,329
Use	129,973	142,944	161,018
Telecommunications	664,834	651,059	585,167
Income	866,241	904,670	1,021,095
Hotel/motel	219,088	307,539	374,303
Amusement	580,782	566,720	542,719
Food and beverage	-	-	-
Other taxes	-	-	-
Investment earnings	115,302	304,184	438,610
Developer donations	-	-	-
Miscellaneous	637,775	210,414	174,959
Special item	-	(4,450,000)	-
Transfers	(311,786)	(288,271)	-
Total governmental activities	13,655,470	10,762,688	17,403,394
Business-type activities			
Investment earnings	46,334	123,153	165,412
Miscellaneous	-	-	-
Transfers	311,786	288,271	-
Total business-type activities	358,120	411,424	165,412
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 14,013,590</b>	<b>\$ 11,174,112</b>	<b>\$ 17,568,806</b>
<b>CHANGE IN NET ASSETS</b>			
Governmental activities	\$ 1,236,810	\$ (1,298,084)	\$ 3,839,418
Business-type activities	634,340	630,749	471,283
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 1,871,150</b>	<b>\$ (667,335)</b>	<b>\$ 4,310,701</b>
<b>CHANGE IN NET ASSETS</b>			

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

Data Source

Audited Financial Statements

	2007	2008	2009	2010	2011	2012
\$	10,727,100	\$ 11,731,097	\$ 12,153,448	\$ 12,562,359	\$ 12,556,309	\$ 4,032,040
	2,051,725	2,901,674	2,707,159	2,320,109	1,963,550	1,621,115
	1,521,865	1,641,473	1,546,972	1,494,688	1,478,701	1,533,654
	171,943	188,997	188,571	158,915	192,531	191,701
	564,871	583,625	579,961	597,460	580,875	697,612
	1,126,280	1,230,376	1,217,567	1,061,272	1,041,899	1,072,510
	417,337	387,393	416,913	440,088	621,221	748,883
	495,096	468,806	469,662	498,108	351,884	304,213
	527,302	611,378	643,102	572,904	559,231	564,488
	-	2,801	6,294	5,542	6,473	6,018
	1,064,359	1,297,753	786,135	193,355	197,502	89,790
	4,000,000	-	-	-	-	-
	124,689	147,820	45,698	48,815	49,513	144,897
	-	-	-	-	-	-
	-	-	-	-	-	-
	22,792,567	21,193,193	20,761,482	19,953,615	19,599,689	11,006,921
	445,151	660,919	473,852	230,828	161,481	117,297
	2,440,000	-	-	-	-	-
	-	-	-	-	-	-
	2,885,151	660,919	473,852	230,828	161,481	117,297
\$	25,677,718	\$ 21,854,112	\$ 21,235,334	\$ 20,184,443	\$ 19,761,170	\$ 11,124,218
\$	8,243,765	\$ 6,075,430	\$ 2,001,141	\$ (2,122,465)	\$ 481,302	\$ 431,277
	3,065,662	805,209	378,496	33,447	(423,810)	(322,931)
\$	11,309,427	\$ 6,880,639	\$ 2,379,637	\$ (2,089,018)	\$ 57,492	\$ 108,346

CITY OF WARRENVILLE, ILLINOIS  
FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011*	2012
<b>GENERAL FUND</b>										
Reserved	\$ 408,006	\$ 360,577	\$ 108,012	\$ 107,364	\$ 116,027	\$ 71,592	\$ 138,037	\$ 62,769	\$ -	\$ -
Unreserved	2,468,361	2,661,673	4,656,070	4,370,519	6,338,743	7,568,274	7,532,538	7,558,056	-	-
Nonspendable	-	-	-	-	-	-	-	-	2,279,945	2,209,995
Unassigned	-	-	-	-	-	-	-	-	4,412,572	5,168,013
<b>TOTAL GENERAL FUND</b>	<b>\$ 2,876,367</b>	<b>\$ 3,022,250</b>	<b>\$ 4,764,082</b>	<b>\$ 4,477,883</b>	<b>\$ 6,454,770</b>	<b>\$ 7,639,866</b>	<b>\$ 7,670,575</b>	<b>\$ 7,620,825</b>	<b>\$ 6,692,517</b>	<b>\$ 7,378,008</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Unreserved/unassigned										
Special Revenue Funds	\$ 150,544	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (662,451)	\$ (639,558)
Capital Project Funds	5,886,857	-	-	-	-	-	-	-	-	-
Debt Service Funds	-	-	-	-	-	-	-	-	-	-
Reserved/restricted, reported in										
Special Revenue Funds	-	307,570	585,379	1,081,023	976,923	1,267,597	939,956	939,956	356,720	508,867
Debt Service Funds	177,890	175,874	174,782	175,947	118,395	114,970	-	-	-	-
Capital Project Funds	961,500	7,184,209	7,559,275	7,443,141	9,598,538	9,957,299	7,709,070	7,709,070	246,449	303,326
Permanent Funds	-	438,002	405,902	405,902	411,407	411,407	411,407	411,407	411,407	-
Committed	-	-	-	-	-	-	-	-	461,580	593,760
Assigned	-	-	-	-	-	-	-	-	6,123,086	6,493,380
Nonspendable	-	-	-	-	-	-	-	-	662,451	639,558
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 7,176,791</b>	<b>\$ 8,105,655</b>	<b>\$ 8,725,338</b>	<b>\$ 9,106,013</b>	<b>\$ 11,105,263</b>	<b>\$ 11,751,273</b>	<b>\$ 9,060,433</b>	<b>\$ 9,060,433</b>	<b>\$ 7,599,242</b>	<b>\$ 7,899,333</b>

Data Source

Audited Financial Statements

\* The City implemented GASB Statement 54 for the year ended April 30, 2011.

CITY OF WARRENVILLE, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2003	2004	2005
<b>REVENUES</b>			
Property taxes	\$ 8,685,922	\$ 9,484,125	\$ 10,417,577
Other taxes	3,885,853	3,884,022	4,568,784
Intergovernmental	-	-	463,550
Licenses, permits, fees	605,455	512,711	495,672
Fines and forfeitures	159,172	402,651	181,351
Franchise fees	220,451	236,654	121,397
Investment income	561,000	115,302	304,184
Miscellaneous	411,741	423,846	317,674
Total revenues	14,529,594	15,059,311	16,870,189
<b>EXPENDITURES</b>			
General government	1,582,991	2,197,219	1,444,240
Public safety	2,563,673	2,614,401	3,629,801
Thoroughfares	1,231,928	641,035	-
Physical environment	449,673	476,087	-
Public works	-	-	971,132
Culture and recreation	242,753	43,268	176,061
Economic development	-	-	5,351,397
Capital outlay	5,571,246	6,616,417	580,139
Debt service			
Principal	1,205,500	1,435,597	2,285,139
Interest	547,748	383,062	734,661
Other charges	-	-	-
Total expenditures	13,395,512	14,407,086	15,172,570
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,134,082</b>	<b>652,225</b>	<b>1,697,619</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	942,475	864,661	688,500
Transfers (out)	(1,182,599)	(1,176,447)	(976,771)
Proceeds of installment contracts	854,754	300,000	-
Bonds issued	-	-	-
Sale of capital assets	-	-	879,632
Total other financing sources (uses)	614,630	(11,786)	591,361
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 1,748,712</b>	<b>\$ 640,439</b>	<b>\$ 2,288,980</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<b>22.41%</b>	<b>23.34%</b>	<b>20.69%</b>

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

Data Source

Audited Financial Statements

	2006	2007	2008	2009	2010	2011	2012
\$	11,078,509	\$ 10,685,132	\$ 11,679,789	\$ 12,096,083	\$ 12,372,224	\$ 12,556,309	\$ 4,032,040
	5,711,314	6,918,391	8,067,831	7,837,759	7,339,223	6,796,365	5,669,526
	394,557	397,276	421,182	455,056	439,496	502,182	1,566,251
	472,361	575,677	597,142	540,525	650,793	346,021	401,404
	224,917	392,364	260,832	598,056	750,831	588,523	452,982
	129,075	139,209	149,617	149,617	150,039	160,772	161,288
	438,610	1,064,359	1,297,753	786,135	193,355	197,502	89,790
	300,704	4,279,432	294,007	206,678	331,693	247,060	364,683
	18,750,047	24,451,840	22,768,153	22,669,909	22,227,654	21,394,734	12,737,964
	1,738,701	1,718,228	1,856,094	2,070,469	1,969,043	2,256,200	2,249,067
	3,933,874	4,228,037	4,741,482	5,368,060	5,419,963	5,585,213	5,772,515
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	1,133,327	1,350,697	1,352,330	1,543,883	1,819,645	1,635,169	1,616,731
	182,914	176,346	238,320	305,409	264,480	297,975	257,500
	5,243,554	6,490,980	8,088,574	11,306,234	13,551,291	10,031,742	737,277
	1,596,084	1,211,733	831,786	1,073,197	1,934,028	705,922	1,141,344
	4,246,092	4,283,756	3,530,500	3,775,000	760,000	-	-
	581,025	495,497	353,851	192,426	12,920	-	-
	-	-	-	-	-	-	-
	18,655,571	19,955,274	20,992,937	25,634,678	25,731,370	20,512,221	11,774,434
	94,476	4,496,566	1,775,216	(2,964,769)	(3,503,716)	882,513	963,530
	836,665	473,851	100,000	535,532	310,271	451,880	815,493
	(836,665)	(473,851)	(100,000)	(535,532)	(310,271)	(451,880)	(815,493)
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	31,841	20,915	304,638	58,042	123,912	22,052
	-	31,841	20,915	304,638	58,042	123,912	22,052
\$	94,476	\$ 4,528,407	\$ 1,796,131	\$ (2,660,131)	\$ (3,445,674)	\$ 1,006,425	\$ 985,582
	28.30%	25.50%	20.08%	17.13%	3.05%	0.00%	0.00%

CITY OF WARRENVILLE, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	District	Residential Property	Farm Property	Commercial Property	Industrial Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
2002	General	\$ 218,672,577	\$ 23,213	\$ 30,506,803	\$ 6,875,705	\$ 256,078,298	0.6503	\$ 768,234,894	33.333%
	TIF #1	1,092,397	-	1,595,653	175,365	2,863,415		8,590,245	33.333%
	TIF #2	7,946,926	-	1,501,050	820,910	10,268,886		30,806,658	33.333%
2003	General	237,731,737	20,362	32,632,356	6,666,745	277,051,200	0.6195	831,153,600	33.333%
	TIF #1	748,870	-	1,940,346	175,365	2,864,581		8,593,743	33.333%
	TIF #2	7,871,980	-	1,494,540	819,940	10,186,460		30,559,380	33.333%
2004	General	251,386,641	51,510	34,714,885	6,959,175	293,112,211	0.6011	879,336,633	33.333%
	TIF #1	721,791	-	1,982,915	162,825	2,867,531		8,602,593	33.333%
	TIF #2	7,875,010	-	1,494,540	811,680	10,181,230		30,543,690	33.333%
2005	General	270,545,791	46,534	38,952,709	7,285,035	316,830,069	0.5888	950,490,207	33.333%
	TIF #1	687,347	-	2,017,869	162,825	2,868,041		8,604,123	33.333%
	TIF #2	7,875,740	-	1,494,540	812,740	10,183,020		30,549,060	33.333%
2006	General	289,300,561	49,137	42,982,771	7,674,825	340,007,294	0.5804	1,020,021,882	33.333%
	TIF #1	611,296	-	4,877,131	162,825	5,651,252		16,953,756	33.333%
	TIF #2	7,869,554	-	1,482,410	811,680	10,163,644		30,490,932	33.333%
2007	General	307,714,004	45,353	45,491,996	7,430,985	360,682,338	0.5685	1,082,047,014	33.333%
	TIF #1	334,461	-	5,180,916	162,825	5,678,202		17,034,606	33.333%
	TIF #2	7,865,870	-	1,479,080	502,960	9,847,910		29,543,730	33.333%
2008	General	327,084,027	46,550	46,875,924	7,870,925	381,877,426	0.5627	1,145,632,278	33.333%
	TIF #1	235,383	-	5,238,194	162,825	5,636,402		16,909,206	33.333%
	TIF #2	7,829,160	-	1,478,880	484,820	9,792,860		29,378,580	33.333%
2009	General	325,801,565	47,416	43,994,598	7,973,915	377,817,494	0.5817	1,133,452,482	33.333%
	TIF #1	235,383	-	5,290,398	162,825	5,688,606		17,065,818	33.333%
	TIF #2	7,831,160	-	1,478,880	484,820	9,794,860		29,384,580	33.333%
2010	General	324,664,129	17,154	166,268,173	14,112,640	505,062,096	0.6170	1,515,186,288	33.333%
	TIF #2	7,829,420	-	1,478,880	484,820	9,793,120		29,379,360	33.333%
2011	General	300,370,647	19,381	156,319,940	13,325,490	470,035,458	0.6515	1,410,106,374	33.333%
	TIF #2	7,831,180	-	1,578,910	484,820	9,894,910		29,684,730	33.333%

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

Data Source

Office of the County Clerk

CITY OF WARRENVILLE, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Tax Levy Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>CITY DIRECT RATES</b>										
Corporate	0.2596	0.2660	0.2354	0.2378	0.2377	0.2262	0.2306	0.2205	0.2372	0.2575
Bond and interest	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
IMRF	0.0390	0.0235	0.0439	0.0372	0.0342	0.0329	0.0308	0.0295	0.0318	0.0346
Police protection	0.0549	0.0750	0.0694	0.0671	0.0671	0.0638	0.0670	0.0642	0.0647	0.0703
Police pension	0.0897	0.0919	0.0834	0.1186	0.1165	0.1240	0.1243	0.1511	0.1739	0.1746
Audit	0.0075	0.0077	0.0059	0.0050	0.0050	0.0047	0.0031	0.0030	0.0031	0.0030
Tort judgments/liability	0.0337	0.0237	0.0271	0.0229	0.0229	0.0218	0.0203	0.0194	0.0215	0.0185
Social security	0.0702	0.0573	0.0673	0.0569	0.0539	0.0520	0.0473	0.0453	0.0488	0.0530
School crossing guards	0.0109	0.0117	0.0158	0.0134	0.0117	0.0113	0.0101	0.0097	0.0085	0.0093
Workers' compensation	0.0209	0.0204	0.0164	0.0139	0.0127	0.0123	0.0114	0.0110	0.0105	0.0118
Road and bridge	0.0639	0.0423	0.0365	0.0160	0.0187	0.0195	0.0178	0.0174	0.0170	0.0189
Rec for handicapped	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Total direct rate	0.6503	0.6195	0.6011	0.5888	0.5804	0.5685	0.5627	0.5711	0.6170	0.6515
<b>OVERLAPPING RATES</b>										
College of DuPage (#528)	0.2179	0.2097	0.1972	0.1874	0.1929	0.1888	0.1858	0.2127	0.2349	0.2495
DuPage Airport Authority	0.0248	0.0230	0.0213	0.0198	0.0183	0.0170	0.0160	0.0148	0.0158	0.0169
DuPage County	0.2154	0.1999	0.1850	0.1797	0.1713	0.1651	0.1157	0.1554	0.1659	0.1773
DuPage County Forest Preserve	0.1534	0.1419	0.1358	0.1271	0.1303	0.1187	0.1206	0.1217	0.1321	0.1414
Unit School District #200	4.3589	4.3124	4.1367	4.0035	3.8783	3.7274	3.7218	3.7697	4.0437	4.3812
Warrenville Fire Protection District	0.4176	0.4085	0.4069	0.3991	0.3937	0.3863	0.3834	0.3892	0.4199	0.4621
Warrenville Library	0.3083	0.2962	0.2899	0.2816	0.2750	0.2691	0.2659	0.2701	0.2922	0.3224
Warrenville Park District	0.1463	0.3103	0.3317	0.3250	0.3312	0.3489	0.3425	0.3460	0.3984	0.4341
Winfield Township	0.0983	0.0945	0.0924	0.0901	0.0869	0.0855	0.0845	0.0854	0.0924	0.1021
Winfield Township R&B	0.1280	0.1230	0.1203	0.1178	0.1143	0.1125	0.1112	0.1123	0.1215	0.1342
Total overlapping rates	6.0689	6.1194	5.9172	5.7311	5.5922	5.4193	5.3874	5.4773	5.9168	6.4212
<b>TOTAL DIRECT AND OVERLAPPING RATES</b>	6.7192	6.7389	6.5183	6.3199	6.1726	5.9878	5.9501	6.0484	6.5338	7.0727

Data Source

Based upon Property Being Located in Winfield Township  
Office of the County Clerk

CITY OF WARRENVILLE, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	Levy Year 2011			Levy Year 2002		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation
Northwestern Mutual Life	\$ 11,309,870	1	2.31%	\$ 12,130,040	2	3.11%
Village Green at Cantera	8,549,700	2	1.74%	8,397,380	5	2.15%
MJH Warrenville, LLC	7,552,890	3	1.54%	10,665,610	4	2.73%
Central DuPage Health	5,923,380	4	1.21%			
Globe Corporation	5,392,980	5	1.10%			
CPX Warrenville OPAG LLC	4,942,650	6	1.01%			
R.R. Donnelley & Sons	4,837,180	7	0.99%			
Cantera 30 Theatre LP	4,668,620	8	0.95%			
Amoco Properties, Inc.	4,306,920	9	0.88%	18,242,930	1	4.68%
LFT USA Real Estate LLC	3,834,650	10	0.78%	3,706,020	9	0.95%
EPT Downreit, Inc.				9,753,410	5	2.50%
Four Woodfield Lake, LLC				5,289,340	6	1.36%
Burnham Cantera LLC				4,565,740	7	1.17%
Warrenville Development Corp				4,158,600	8	1.07%
McShane Corporation				2,999,050	10	0.77%
	<u>\$ 61,318,840</u>		<u>12.51%</u>	<u>\$ 79,908,120</u>		<u>20.49%</u>

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.

Data Source

Office of the County Clerk

CITY OF WARRENVILLE, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Levy	Tax Levied	Collected within the		Collections in Subsequent Years	Total Collections to Date	
			Fiscal Year of the Levy	Percentage of Levy		Amount	Percentage of Levy
2002	General	\$ 1,648,277	\$ 1,647,630	99.96%	-	\$ 1,647,630	99.96%
	TIF #1	7,575,846	7,371,712	97.31%		7,371,712	97.31%
	TIF #2	420,978	461,771	109.69%		461,771	109.69%
2003	General	1,717,163	1,766,177	102.85%	-	1,766,177	102.85%
	TIF #1	7,874,335	7,645,259	97.06%		7,645,259	97.09%
	TIF #2	514,584	512,923	99.68%		512,923	99.68%
2004	General	1,763,674	1,763,236	99.98%	-	1,763,236	99.98%
	TIF #1	8,646,926	8,649,469	100.03%		8,649,469	100.03%
	TIF #2	561,292	561,486	100.03%		561,486	100.03%
2005	General	1,922,208	1,920,210	99.90%	-	1,920,210	99.90%
	TIF #1	8,984,292	8,047,863	89.43%		8,034,958	89.43%
	TIF #2	624,905	624,932	100.00%		624,932	100.00%
2006	General	2,015,563	2,011,278	99.79%	-	2,011,278	99.79%
	TIF #1	9,011,355	9,019,349	100.09%		9,019,349	100.09%
	TIF #2	648,978	645,509	99.47%		645,509	99.47%
2007	General	2,088,711	2,050,060	98.15%	-	2,050,060	98.15%
	TIF #1	9,329,518	9,318,098	99.88%		9,318,098	99.88%
	TIF #2	691,896	690,292	99.77%		690,292	99.77%
2008	General	2,183,575	2,179,483	99.81%	-	2,179,483	99.81%
	TIF #1	9,574,426	9,551,628	99.76%		9,551,628	99.76%
	TIF #2	791,632	791,131	99.94%		791,131	99.94%
2009	General	2,197,764	2,185,282	99.43%	-	2,185,282	99.43%
	TIF #1	9,523,555	9,522,480	99.99%	-	9,522,480	99.99%
	TIF #2	803,505	803,140	99.95%	-	803,140	99.95%
2010	General	3,173,306	3,170,140	99.90%	-	3,170,140	0.00%
	TIF #2	795,780	794,122	99.79%	-	794,122	0.00%
2011	General	3,173,306	-	0.00%	-	-	0.00% (1)
	TIF #2	795,780	-	0.00%	-	-	0.00%

(1) - The 2011 levy amounts will be collectible during City Fiscal Year 2013, as such none of this levy is collected during Fiscal 2012.

Data Source

Office of the County Clerk

CITY OF WARRENVILLE, ILLINOIS  
SALES TAX REVENUE BY CATEGORY

Last Ten Calendar Years

Calendar Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General merchandise	\$ 1,327	\$ 1,403	\$ 1,085,363	\$ 2,256,635	\$ 2,644,172	\$ 2,950,986	\$ 3,034,049	\$ 3,110,309	\$ 3,211,974	\$ 3,219,110
Food	305,379	485,009	453,859	471,478	490,343	502,493	508,509	212,310	480,153	433,767
Drinking and eating places	1,197,421	1,185,313	1,687,385	2,426,495	2,730,753	2,804,804	2,831,363	2,758,943	2,781,235	2,759,916
Apparel	-	-	-	-	62,581.00	62,336	72,507	72,601	81,438	-
Furniture and H.H. and radio	161,712	149,090	156,451	142,588	39,180	33,380	50,893	-	-	33,211.00
Lumber, building hardware	540,155	538,406	470,950	492,921	597,492	439,378	304,491	151,857	141,291	135,209
Automobile and filling stations	1,043,999	943,373	1,176,065	1,241,131	1,313,023	1,344,656	1,428,105	1,913,456	2,113,858	2,450,161
Drugs and miscellaneous retail	620,169	533,404	583,268	616,599	625,925	737,292	853,477	679,659	1,205,797	1,378,819
Agriculture and all others	2,656,896	2,383,296	2,252,658	2,494,109	2,166,542	1,942,559	1,728,744	1,496,259	642,785	735,339
Manufacturers	185,690	155,797	508,670	658,944	648,898	718,354	742,446	548,669	601,490	235,659
<b>TOTAL</b>	<b>\$ 6,712,748</b>	<b>\$ 6,375,091</b>	<b>\$ 8,374,669</b>	<b>\$ 10,800,900</b>	<b>\$ 11,318,909</b>	<b>\$ 11,536,238</b>	<b>\$ 11,554,584</b>	<b>\$ 10,944,063</b>	<b>\$ 11,260,021</b>	<b>\$ 11,381,191</b>
City direct sales tax rate	1.00%	1.00%	1.75%	1.75%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%

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

Data Source

City Records, Illinois Department of Revenue

CITY OF WARRENVILLE, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Fiscal Years

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Fiscal Year	City Direct Rate	State Rate	DuPage County Rate	RTA Rate	County Water Commission Rate
2003	1.00%	5.00%	0.25%	0.25%	0.25%
2004	1.75%	5.00%	0.25%	0.25%	0.25%
2005	1.75%	5.00%	0.25%	0.25%	0.25%
2006	2.25%	5.00%	0.25%	0.25%	0.25%
2007	2.25%	5.00%	0.25%	0.25%	0.25%
2008	2.25%	5.00%	0.25%	0.75%	0.25%
2009	2.25%	5.00%	0.25%	0.75%	0.25%
2010	2.25%	5.00%	0.25%	0.75%	0.25%
2011	2.25%	5.00%	0.25%	0.75%	0.25%
2012	2.25%	5.00%	0.25%	0.75%	0.25%

Data Source

City and County Records

CITY OF WARRENVILLE, ILLINOIS  
RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Installment Contracts Payable	Tax Increment Revenue Bonds	Water Revenue Bonds				
2003	\$ -	\$ 8,747,787	\$ 9,165,500	\$ -	\$ -	\$ 17,913,287	4.63%	\$ 1,340.51
2004	-	7,159,393	6,795,000	-	-	13,954,393	3.61%	1,044.26
2005	-	10,134,254	6,795,000	-	-	16,929,254	4.38%	1,266.88
2006	-	7,199,256	6,085,000	-	-	13,284,256	3.44%	994.11
2007	-	4,485,500	5,150,000	-	-	9,635,500	2.49%	721.06
2008	-	2,670,000	3,580,000	-	-	6,250,000	1.62%	467.71
2009	-	760,000	1,765,000	-	-	2,525,000	0.65%	188.95
2010	-	-	-	-	-	-	0.00%	-
2011	-	-	-	-	-	-	0.00%	-
2012	-	-	-	-	-	-	0.00%	-

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

\* See the schedule of Demographic and Economic Information on page 89 for personal income and population data.

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita
2003	\$ -	\$ -	\$ -	0.00%	\$ -
2004	-	-	-	0.00%	-
2005	-	-	-	0.00%	-
2006	-	-	-	0.00%	-
2007	-	-	-	0.00%	-
2008	-	-	-	0.00%	-
2009	-	-	-	0.00%	-
2010	-	-	-	0.00%	-
2011	-	-	-	0.00%	-
2012	-	-	-	0.00%	-

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

\* See the schedule of Assessed Value and Actual Value of Taxable Property on page 78 for property value data.

CITY OF WARRENVILLE, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

April 30, 2012

Governmental unit	Gross Debt	Percentage Debt Applicable to the City of Warrenville (1)	City of Warrenville Share of Debt
City of Warrenville	\$ -	100.00%	\$ -
DuPage County	297,895,000	1.25%	3,723,688
DuPage County Forest Preserve District	199,537,210	1.25%	2,494,215
Warrenville Park District	364,000	100.00%	364,000
Warrenville Library District	-	0.00%	-
Schools			
Elementary			
District No. 33	40,190,000	60.29%	24,230,551
High School			
District No. 94	14,650,000	40.10%	5,874,650
Community Unit School Districts			
District No. 200	193,850,000	15.59%	30,221,215
District No. 203	39,500,000	1.29%	509,550
College			
College of DuPage No. 502	<u>271,090,000</u>	11.26%	<u>30,524,734</u>
	<u>1,057,076,210</u>		<u>97,942,603</u>
	<u>\$ 1,057,076,210</u>		<u>\$ 97,942,603</u>

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

CITY OF WARRENVILLE, ILLINOIS  
SCHEDULE OF LEGAL DEBT MARGIN

April 30, 2012

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Under the 1970 Illinois Constitution, there is no legal limit for home rule municipalities except as set by the General Assembly.

CITY OF WARRENVILLE, ILLINOIS

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year	Water Revenue Bonds						Tax Increment Revenue Bonds				
	Water Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Tax Increment Revenue	Debt Service		Coverage	
				Principal	Interest			Principal	Interest		
2003	n/a	n/a	n/a	\$ -	\$ -	\$ -	\$ 7,659,620	\$ 7,430,000	\$ 1,735,500	0.84	
2004	n/a	n/a	n/a	-	-	-	8,311,682	6,795,000	1,369,001	1.02	
2005	n/a	n/a	n/a	-	-	-	8,910,197	6,795,000	965,950	1.15	
2006	n/a	n/a	n/a	-	-	-	9,928,795	6,085,000	636,425	1.48	
2007	n/a	n/a	n/a	-	-	-	9,666,771	5,150,000	407,925	1.74	
2008	n/a	n/a	n/a	-	-	-	11,901,885	3,530,500	346,421	3.07	
2009	n/a	n/a	n/a	-	-	-	12,150,207	3,675,000	186,440	3.15	
2010	n/a	n/a	n/a	-	-	-	12,012,403	760,000	12,920	15.54	
2011	n/a	n/a	n/a	-	-	-	10,784,361	-	-	-	
2012	n/a	n/a	n/a	-	-	-	-	-	-	-	

n/a - Information is not applicable as there was no outstanding debt, and therefore, no pledged revenue for these years

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

Water Charges and Other includes investment earnings but not tap on fees.

Operating expenses do not include interest or depreciation.

CITY OF WARRENVILLE, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

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Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2003	13,363	\$ 386,484,686	\$ 28,922	3.20
2004	13,363	386,484,686	28,922	2.70
2005	13,363	386,484,686	28,922	2.90
2006	13,363	386,484,686	28,922	2.80
2007	13,363	386,484,686	28,922	2.00
2008	13,363	386,484,686	28,922	3.60
2009	13,363	386,484,686	28,922	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

Data Source

U.S. Census

CITY OF WARRENVILLE, ILLINOIS

PRINCIPAL EMPLOYERS

Current and Four Years Previous

Employer	2012			2007		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Phonak	510	1	2.04%	500	3	2.00%
Target	287	2	1.15%	254	6	1.02%
Lifetime Fitness	240	3	0.96%			
Edward Hospital	220	4	0.88%			
First American Title Insurance	150	5	0.60%			
National Express	140	6	0.56%			
Emerson Network Power	100	7	0.40%			
BMK Services	84	8	0.34%			
KSM Electronics	82	9	0.33%			
Eddie Merlots	75	10	0.30%			
Rock Bottom Brewery	75	10	0.30%			
Navistar				1,450	1	5.80%
BP/Amoco (1)				1,270	2	5.08%
Exelon (1)				375	4	1.50%
AT & T Data Center				280	5	1.12%
Family Foods				71	7	0.28%
Paragon Global				60	8	0.24%
Ed Hoy's International				50	9	0.20%
Plymouth Tube, Inc				37	10	0.15%
TOTAL	<u>1,963</u>		<u>7.86%</u>	<u>4,347</u>		<u>17.39%</u>

Data Source:

City records

Note: Due to new mechanisms put in place to collect this data from the various employers for the 2007 data, the first year this data was collected, is not believed to be a true representation of actual employment, but at the time was the most accurate information provided by employers.

(1) Figures were not provided by the employers and could not be verified. The figures used here are estimated based upon figures from prior years. The City is aware of workforce reduction/reallocation plans by these companies.

The City is aware of several large employers moving into buildings that had served as the corporate headquarters of some of the City's then largest employers. Employment figures for those new employers will likely be reported new fiscal year.

CITY OF WARRENVILLE, ILLINOIS  
 FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

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Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>GENERAL GOVERNMENT</b>										
Administration	3	3.5	3.5	3.5	3.5	4.5	4.5	4.5	4.5	4
Finance	7	7	7	7	7	6	6	6	6	5
Community development	7	7	7	7	8	8	9	10	10	10
<b>PUBLIC SAFETY</b>										
Police										
Officers	27	29	27	30	31	35	32	32	34	34
Civilians	17.5	17.5	17.5	17.5	17.5	17.5	13.5	15.0	16.0	16.0
<b>PUBLIC WORKS</b>										
Administration	3.5	3.5	3.5	3.5	3	3	4	4	4	4
Street maintenance	6	6	5	7	7	7	7	7	7	7
Utility maintenance	4	4	4	4	6	6	6	6	6	6

Data Source

City Finance Department, budget documents and authorized strength ordinance

CITY OF WARRENVILLE, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>PUBLIC SAFETY</b>										
Police										
Physical arrests	2,325	3,143	3,745	4,022	1,711	1,288	1,879	2,312	1,755	1,144
Parking violations	1,699	1,692	1,688	1,332	998	1,461	1,132	871	750	723
Traffic violations	2,058	2,880	3,458	3,727	1,562	5,818	8,102	9,314	5,532	5,260
<b>PUBLIC WORKS</b>										
Streeting resurfacing (miles)	2.58	4.05	1.26	2.07	3.01	1.45	1.30	3.05	1.20	5.10
Pothole repairs	56	56	35	57	58	25	48	52	60	48
<b>WATER</b>										
New connections	54	27	89	(13)	4	24	28	18	12	9
Water main breaks	19	22	18	21	15	16	14	22	17	22
Number of meters in operation	4,307	4,334	4,423	4,410	4,414	4,414	4,414	4,498	4,484	4,493
Number of properties										
connected to sewer system	4,321	4,349	4,228	4,405	4,399	4,614	4,614	4,662	4,642	4,642
Average daily pumpage (MGD)	1.35	1.00	1.30	1.51	1.46	1.53	1.41	1.39	1.32	1.26
Maximum daily pumpage (MGD)	2.10	2.10	2.25	1.90	1.95	2.10	1.95	1.37	2.063	1.970
Number of gallons pumped (000)	492,000	491,093	482,000	550,000	532,900	563,962	514,285	499,220	481,890	461,000

Data Source

Various City departments

CITY OF WARRENVILLE, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

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Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>PUBLIC SAFETY</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	12	15	19	15	17	17	17	17	17	17
<b>PUBLIC WORKS</b>										
Streets (miles)	48	48	48	48	51	51	51	54	54	54
Streetlights	703	703	703	703	706	726	735	741	741	741
Traffic signals	4	4	4	4	4	4	4	4	4	4
<b>WATER</b>										
Water mains (miles)	60	61	61	63	64	64	64	64	64	64
Fire hydrants	700	700	700	700	702	702	702	702	702	702
Storage capacity (M Gals)	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
<b>WASTERWATER</b>										
Sanitary sewers (miles)	49	49	49	51	58	58	59	59	59	59
Storm sewers (miles)	20	20	20	21	29.7	30.0	30.2	30.4	30.4	30.4

Data Source

Various City departments