
Comprehensive Annual Financial Report



City of Elmhurst, Illinois
For the Year Ended
December 31, 2017

CITY OF ELMHURST, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
December 31, 2017

Prepared by Department of Finance

Thomas W. Trosien
Director of Finance

CITY OF ELMHURST, ILLINOIS
TABLE OF CONTENTS

Page(s)

INTRODUCTORY SECTION

Principal Officials	i
Organization Chart.....	ii
Certificate of Achievement for Excellence in Financial Reporting.....	iii
Letter of Transmittal	iv-x

FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT	1-3
------------------------------------	-----

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

Management’s Discussion and Analysis.....	MD&A 1-13
---	-----------

Basic Financial Statements

Government-Wide Financial Statements

Statement of Net Position	4-5
Statement of Activities	6-7

Fund Financial Statements

Governmental Funds

Balance Sheet.....	8-9
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position.....	10
Statement of Revenues, Expenditures, and Changes in Fund Balances	11-12
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Governmental Activities in the Statement of Activities	13

CITY OF ELMHURST, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)

Basic Financial Statements (Continued)

Fund Financial Statements (Continued)

Proprietary Funds

Statement of Net Position	14-15
Statement of Revenues, Expenses, and Changes in Net Position.....	16
Statement of Cash Flows	17-18

Fiduciary Funds

Statement of Fiduciary Net Position.....	19
Statement of Changes in Fiduciary Net Position.....	20

Notes to Financial Statements	21-81
-------------------------------------	-------

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund.....	82-83
Schedule of Funding Progress and Employer Contributions Other Postemployment Benefits.....	84
Schedule of Employer Contributions Illinois Municipal Retirement Fund	85
Sheriff's Law Enforcement Personnel Fund	86
Police Pension Fund	87
Firefighters' Pension Fund	88
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios Illinois Municipal Retirement.....	89
Sheriff's Law Enforcement Personnel Fund	90
Police Pension Fund	91
Firefighters' Pension Fund	92

CITY OF ELMHURST, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)

Required Supplementary Information (Continued)

Schedule of Investment Returns	
Police Pension Fund	93
Firefighters' Pension Fund	94
Notes to Required Supplementary Information	95-96

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

MAJOR GOVERNMENTAL FUNDS

Schedule of Detailed Revenues - Budget and Actual - General Fund	97-99
Schedule of Detailed Expenditures - Budget and Actual - General Fund	100-105
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Stormwater Detention Project Fund	106
Redevelopment Projects Fund	107
Route 83 Commercial Development Projects Fund	108
Industrial Development Projects Fund	109

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet	110-111
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	112-113
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Motor Fuel Tax Fund	114
Church Road/Lake Street TIF Fund	115
North York Redevelopment Fund	116
Sales Tax Revenue Bonds - 2006 Fund	117
Debt Service General Obligation Bonds Fund	118

ENTERPRISE FUNDS

Municipal Utility Fund	
Schedule of Revenues, Expenses, and Changes in Net Position	119
Schedule of Detailed Revenues	120
Schedule of Detailed Expenses	121-122

CITY OF ELMHURST, ILLINOIS
TABLE OF CONTENTS (Continued)

	<u>Page(s)</u>
FINANCIAL SECTION (Continued)	
COMBINING AND INDIVIDUAL FUND	
FINANCIAL STATEMENTS AND SCHEDULES (Continued)	
ENTERPRISE FUNDS (Continued)	
Parking System Revenue Fund	
Schedule of Revenues, Expenses, and Changes in Net Position	123
FIDUCIARY FUNDS	
Pension Trust Funds	
Combining Statement of Plan Net Position	124
Combining Statement of Changes in Plan Net Position	125
Agency Funds	
Combining Statement of Changes in Assets and Liabilities	126
COMPONENT UNIT - PUBLIC LIBRARY	
All Governmental Funds	
Combining Balance Sheet/Statement of Net Position	127-128
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities.....	129-130
Major Governmental Funds	
General Fund	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	131
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Library Debt Service G.O. Bonds Fund	132
Nonmajor Governmental Funds	
Combining Balance Sheet	133
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	134
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Capital Replacement Fund.....	135
Employee Appreciation Fund	136

CITY OF ELMHURST, ILLINOIS
TABLE OF CONTENTS (Continued)

	<u>Page(s)</u>
STATISTICAL SECTION	
Financial Trends	
Net Position by Component	137
Changes in Net Position	138-140
Fund Balances of Governmental Funds	141
Changes in Fund Balances of Governmental Funds	142-143
Revenue Capacity	
Assessed Value and Actual Value of Taxable Property	144
Property Tax Rates - Direct and Overlapping Governments	145
Principal Property Taxpayers	146
Property Tax Levies and Collections	147
Sales Tax Rates - Direct and Overlapping Governments	148
Sales Tax by Category	149
Debt Capacity	
Direct and Overlapping Governmental Activities Debt	150
Legal Debt Margin	151
Demographic and Economic Information	
Demographic and Economic Information	152
Principal Employers	153
Property Value and Construction	154
Operating Information	
Full-Time Equivalent Employees by Function	155
Operating Indicators	156
Capital Assets Statistics	157
COMPLIANCE SECTION	
INDEPENDENT ACCOUNTANT’S REPORT	158

INTRODUCTORY SECTION

CITY OF ELMHURST, ILLINOIS

Principal Officials

December 31, 2017

LEGISLATIVE

Steven M. Morley, Mayor

Mark P. Sabatino	Alderman – 1 st Ward
Marti Deuter	Alderman – 1 st Ward
Bob Dunn	Alderman – 2 nd Ward
Norman Leader	Alderman – 2 nd Ward
Dannee Polomsky	Alderman – 3 rd Ward
Michael J. Bram	Alderman – 3 rd Ward
Noel P. Talluto	Alderman – 4 th Ward
Kevin L. York	Alderman – 4 th Ward
Scott M. Levin	Alderman – 5 th Ward
Tina Park	Alderman – 5 th Ward
Michael Honquest	Alderman – 6 th Ward
Jim Kennedy	Alderman – 6 th Ward
Mark A. Mulliner	Alderman – 7 th Ward
Mike Brennan	Alderman – 7 th Ward

Patty Spencer, City Clerk

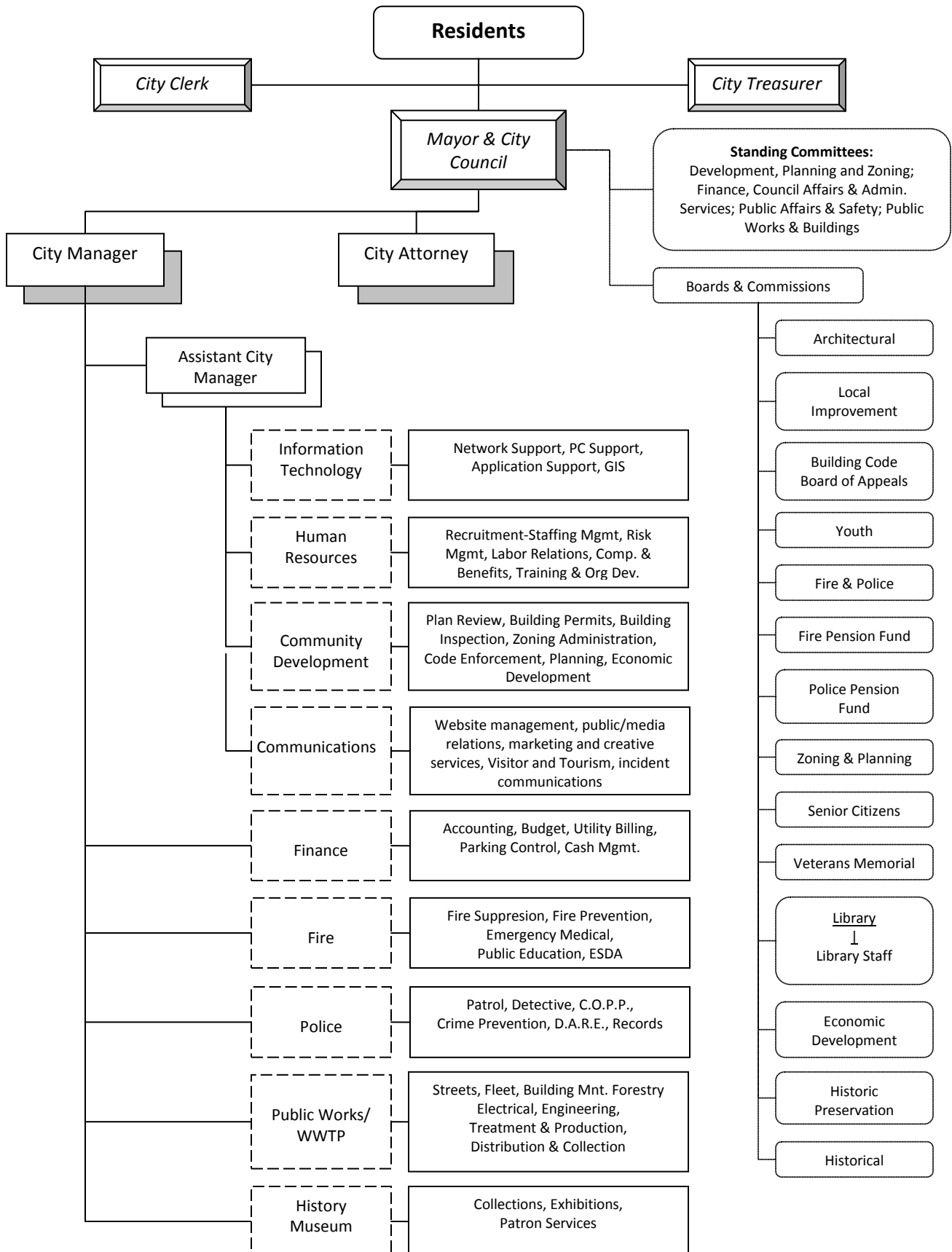
Elaine Libovicz, City Treasurer

ADMINISTRATIVE

James A. Grabowski, City Manager/Budget Officer

Director of Finance Thomas W. Trosien	Director of Public Works Howard Killian
Fire Chief Thomas K. Freeman	History Museum Director David M. Oberg
Police Chief Michael R. Ruth	Building Commissioner Bruce Dubiel
Zoning Administrator Nathaniel Werner	Library Director Mary Beth Harper
Assistant City Manager Mike Kopp	City Attorney Donald J. Storino

City of Elmhurst, Illinois





Government Finance Officers Association

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

Presented to

**City of Elmhurst
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO



CITY OF ELMHURST
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ELMHURST, ILLINOIS 60126-2759
(630) 530-3000
www.elmhurst.org

STEVEN M. MORLEY
MAYOR
PATTY SPENCER
CITY CLERK
ELAINE LIBOVICZ
CITY TREASURER
JAMES A. GRABOWSKI
CITY MANAGER

July 25, 2018

To the Citizens of the City of Elmhurst

The comprehensive annual financial report of the City of Elmhurst, Illinois for the fiscal year ended December 31, 2017, is hereby submitted. The City is required to issue annually a report on its financial position and activity presented in conformance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by an independent firm of certified public accountants within six months of the close of the fiscal year.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City.

Providing a reasonable basis to make this representation is an internal control system established by the City's management. The internal control system is designed to safeguard the assets of the City against loss, theft, or misuse. The internal control system also assures that the accounting system compiles reliable financial data for the preparation of financial statements in conformity with generally accepted accounting principles. Internal accounting controls are designed to provide reasonable, but not absolute, assurance that these objectives will be met. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits require estimates and judgments by management. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City's financial statements have been audited by Sikich LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Elmhurst for the fiscal year ended December 31, 2017 are free from 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 significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Elmhurst's financial statements for the fiscal year ended December 31, 2017 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of the City of Elmhurst

The City is ideally located approximately 16 miles west of downtown Chicago on the eastern border of prestigious DuPage County. The City has a land area of approximately ten square miles and a population of 44,454 based on the 2015 special census. Founded in 1836 by German settlers, it was incorporated as a village in 1881 and as a city in 1910. Elmhurst was the 14th community in the state to be named as an Illinois Certified City and the first in DuPage County. Elmhurst has been named a 'Tree City, U.S.A.' every year since 1981.

The City operates under the council-manager form of government. Policy making and legislative authority are vested in the governing City Council, which consists of a mayor and a fourteen-member council. The City Council is responsible, among other things, for passing ordinances, adopting the budget, and establishing policy. The City Manager is responsible for carrying out the policies and ordinances of the City Council, and for overseeing the day-to-day operations of the City. Council members are elected to four-year staggered terms with seven council members elected every two years. The Mayor, Treasurer, and City Clerk are elected for concurrent four-year terms. Two council members are elected from each of seven wards; the Mayor, Treasurer, and City Clerk are elected at large.

The financial reporting entity (the City) includes all the funds of the primary government (i.e., the City of Elmhurst as legally defined), as well as its component unit. Component units are legally separate entities for which the primary government is financially accountable. The City provides a full range of services. These services include police and fire protection; storage and distribution of potable water; sewerage collection and treatment; sanitation services; construction and maintenance of highways, streets, and infrastructure; code enforcement;

planning and zoning; and the parking system. The City owns and operates its' own water and sewerage facilities with water supplied from Lake Michigan through the DuPage Water Commission, a separate unit of government.

The discretely presented component unit is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the primary government and to differentiate its financial position and results of operations from those of the primary government. The Elmhurst Public Library is reported as a discretely presented component unit.

The functions of education, recreation, township, and county government, as well as special service districts such as the DuPage Water Commission and the DuPage Airport Authority are performed by separate governmental entities and, accordingly, are excluded from this report.

Budgeting Controls

The annual budget serves as the foundation for the City of Elmhurst's financial planning and control. The City's bi-annual citizen's survey results are taken into consideration as the City prepares the budget. Beginning in May of each year the City prepares a five-year capital improvement plan. The department heads are required to submit proposed capital improvements for the next five years to the City Manager. The City Manager, along with the department heads and the budget review team, review the requests and develop a proposed five-year capital improvement plan. The proposed five-year capital improvement plan is submitted to the City Council before the first meeting in August. The City Council reviews the five-year Capital Improvement Plan by the second council meeting in August of each year. The annual budget process starts in August when the department heads are required to submit to the City Manager a proposed budget for the next fiscal year. The City Manager uses these requests and the five-year capital expenditure plan as a starting point for developing a proposed budget. After reviewing the department budget requests with each department head and the budget review team, the City Manager presents the proposed budget to the City Council in October. The City Council is required to hold a public hearing on the proposed budget and to adopt the final Budget no later than December 31st of each year.

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the City Council. Activities of the General, Special Revenue, Debt Service, Capital Projects, Enterprise, and Police and Firefighter's Pension Trust Funds are included in the annual budget. Interim financial statements are distributed to management and elected officials monthly to provide information on the status of actual revenues and expenditures as compared to the

budgeted amounts. The level of budgetary control (that is, the level at which expenditures cannot exceed the budgeted amount) is established at the individual fund level. The City also maintains an encumbrance system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. However, encumbrances generally are reappropriated as part of the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Factors Affecting Financial Condition

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

Local economy

The City of Elmhurst's overall economic outlook is bright. Although primarily residential, the City's close proximity to O'Hare International Airport has contributed to the development of several national and even international corporate headquarters within the City's boundaries. The 2012 - 2016 American Community Survey 5-year estimate figures indicate that ninety percent of the City's work force are employed in either professional, managerial, sales, or technical positions. The City's current unemployment rate, provided by the Illinois Department of Employment Security - Economic Information Division, (not adjusted for seasonal employment) of 2.6% compares favorably with the statewide rate of 3.5% and a national average of 3.6%. Following statewide and national trends, the City's net assessed value decreased from 2011 - 2014 before leveling off in 2015. The City's net assessed value increased 12.1% in 2016 followed by an increase of 8.6% during 2017. In the last five years, the net assessed valuation has increased 2.5% to today's figure of \$2,208,173,134. Although significant infrastructure improvements have been completed recently, general obligation debt remains a modest 3.9% of 2016 assessed valuation.

Always strong in retail sales, Elmhurst ranked fifth in DuPage County and twenty-fourth in the State for Retailers' and Service Occupation Tax collections.

Long-term Financial Planning

Examples of projects that are currently part of the City's five-year capital improvement plan include the following:

- In response to widespread flooding experienced throughout the City in the summer of 2010, a comprehensive flood plan has been developed by Christopher B. Burke Engineering Ltd. and RJN Group, Inc., which has been used by City staff and the City Council to assist in determining storm water improvement projects. Additional study areas and improvement projects were added after the 2013 storm event. Several projects have been approved, started and/or completed and additional projects are under consideration. The five-year capital plan provides for \$29.7 million for stormwater infrastructure/flood mitigation projects, with approximately \$7.7 million budgeted in 2018 and 2019. It is projected that general obligation bonds will be issued to fund these projects.
- The five-year capital plan provides for many major replacement projects at the Wastewater Treatment Plant. A significant portion of the existing equipment has been in service over twenty years, in a harsh 24/7 environment, and must be replaced. The earlier projects include the effluent sampling station (2018), the grit removal system replacement (2018 and 2019), building #2 and #3 HVAC modifications (2018 and 2019), effluent pump improvements (2018-2021), three (10 million gallons per day) influent enclosed screw pumps (2018-2020), north digester cover (2018-2020), the extension of the sludge storage pad (2018), improvements to the electrical distribution system and underground infrastructure (2018-2020) and the north and center belt presses (2018-2020). It is projected that Illinois EPA loans will be issued to fund a significant portion of these projects.
- The City began a two-year water meter replacement program in 2017. The current meters are reaching the end of life cycle. Since water meters lose accuracy with age and under-register usage, it is important that the meters are replaced to maintain billing accuracy. All meters in the City will be replaced by the end of 2018. The new meter system will also allow for remote reading of meters.
- The five-year capital plan provides for significant funding for storm sewer repairs and maintenance (\$3.3 million) and rehabilitation of the storm stations and storm station pumps (\$5.2 million).
- The five-year capital plan provides for a significant increase in funding for the sanitary sewer lining and repair program from \$1,500,000 annually prior to 2017 to \$2,700,000 annually in 2018-2022.
- The five-year capital plan also provides for a significant increase in funding for water main improvements and replacement. A comprehensive water and sewer rate study was conducted in 2014. A recommendation of that study was an increase in the annual replacement of water mains due to the age of the water mains and the higher than average incidence of water main breaks. The capital plan provides for an increase from \$900,000 annually prior to 2015 to \$2,100,000 in 2018 and \$2,300,000 in 2019-2022.

Major Initiatives

The most significant of these projects are discussed below:

- Several major roadway improvements are in progress as part of the City's street resurfacing program. Significant federal grant funds (70% of construction costs) have been approved to benefit the rehabilitation projects on Poplar Avenue (from Park Avenue to Vallette Street), York Street (from First Street to just south of North Avenue), West Avenue (from the UP Railroad to St. Charles), and Spring Road (from St. Charles to Vallette Street). The rehabilitation of these roadways will consist of patching failed pavement, curb and gutter, and resurfacing the roadway with asphalt. Both the York Street and Poplar Avenue projects are scheduled for 2018 construction and the West Avenue and Spring Road projects are scheduled for 2019 construction. Also, a federal grant application will be submitted for funds for the rehabilitation of Brush Hill Road (from Euclid Avenue to Commonwealth Lane) and are budgeted for 2019 construction. Also included in the 2018 budget is the rehabilitation of feeder streets off Industrial Drive including Diversey, Wrightwood, Spangler and Larch. These streets will be rehabilitated under the City's annual Contract Paving Program.
- During 2017, the City entered into two separate agreements for the development of property in the Central Business District located at 100 N. Addison Avenue and property at 138-142 N. Addison Avenue. The Elmhurst City Council approved funding certain project costs including utility relocation and environmental remediation for the two projects. The City also entered into an agreement for the redevelopment of 466 Lake Street located in the Church Road/Lake Street District. Reimbursement for certain land acquisition and land improvement costs were approved by the City. Tax Increment Financing funds are the primary funding source for these three projects.
- Four major sanitary lift stations projects were started in 2017 and will be completed by 2019. Two of the lift stations will be completely rebuilt, land improvements and a flood wall will be added to the third lift station to prevent flooding and improvements to the fourth lift station include electrical upgrades and the addition of a permanent generator. Illinois EPA low interest loans will fund the construction costs of these projects.
- Eight major storm water projects have been completed and include the following: Walnut/Myrtle/Evergreen detention; Crescent/Cambridge (York Commons Park) detention; York/I-290 detention; Madison School detention; Harrison Street detention; Geneva Avenue detention; Washington Street detention and the Pine/Avon (Golden Meadows Park) detention project. The SW Elmhurst Stormwater Mitigation Project-Phase II is anticipated to be completed in 2018 and projects anticipated for 2019-2020 include Collegeview and the Jackson/Swain area.

Awards

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 for the fiscal year ended December 31, 2016. This was the twenty eighth year the City received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine eligibility for another certificate.


In addition, the City of Elmhurst received the GFOA's Distinguished Budget Presentation Award for its annual budget for the fiscal year ended December 31, 2017. This was the eleventh year that the government achieved this award. In order to qualify for the Distinguished Budget Presentation Award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

Acknowledgements

The preparation of this report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Particular credit should be given to Laurie Hayes, Ryan Bruns and Jolanta Moryl, for their outstanding efforts in coordinating and completing this report. I would also like to express my appreciation to the accounting firm of Sikich LLP for their expertise, professionalism, and their assistance in the preparation of this report.

Finally, I would like to thank the members of the City Council for their support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Thomas W. Trosien
Director of Finance

FINANCIAL SECTION

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630.566.8400

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Elmhurst, Illinois (the City) as of and for the year ended December 31, 2017, and the related notes to financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Elmhurst Public Library were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing

an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Elmhurst, Illinois, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We have previously audited the basic financial statements of the City of Elmhurst as of and for the year ended December 31, 2016 and our report dated June 28, 2017, expressed unmodified opinions on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other required supplementary 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.

Other Information

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City of Elmhurst's basic financial statements for the year ended December 31, 2016, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund,

and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The combining and individual nonmajor fund financial statements, related to the 2016 financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the major and combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the City's financial statements as a whole. 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.

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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Governmental Auditing Standards*, we have also issued our report dated July 25, 2018 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sikich LLP

Naperville, Illinois
July 25, 2018

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

City of Elmhurst, Illinois
Management's Discussion and Analysis
July 25, 2018

As the management of the City of Elmhurst, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2017. 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 be found on pages iv - x of this report.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT

In accordance with generally accepted accounting principles, the City presents two kinds of statements, each with a different snapshot of the City's finances. The government-wide financial statements present financial information on the City as a whole. The focus of the fund statements is on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the City's accountability.

Government-Wide Financial Statements

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

The Statement of Net Position presents information on all of the City's assets, deferred outflow of resources, liabilities and deferred inflows of resources with the aggregate difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the 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. earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City 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 include general governmental, public safety, streets, rubbish disposal, public health and welfare, culture, and

redevelopment. The business-type activities of the City include a water and sewer system and a parking system.

The government-wide financial statements include not only the City itself (known as the primary government), but also the Elmhurst Public Library (the Library). The City is financially accountable for the Library, but the Library has a separate governing board. Because the Library is a component unit, its financial information is reported separately from the financial information of the City.

The government-wide financial statements can be found on pages 4 through 7 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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City 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 maintains twelve 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, the Stormwater Detention Project Fund, the Redevelopment Projects Fund, the Route 83 Commercial Development Projects Fund, and the Industrial Development Projects Fund, all of which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The City did not adopt any budget amendments for the fiscal year ended December 31, 2017.

The basic governmental fund financial statements can be found on pages 8 - 13 of this report.

Proprietary Funds. The City maintains only one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer systems and its parking system.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Municipal Utility Fund and the Parking System Revenue Fund, which are considered to be major funds.

The basic proprietary fund financial statements can be found on pages 14 - 18 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City maintains four fiduciary funds: the Police and the Firefighters' Pension Funds, the Trust and Deposit Fund and the Special Assessment Fund.

The basic fiduciary fund financial statements can be found on pages 19 - 20 of this report.

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 21 - 81 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's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees. Required supplementary information can be found on pages 82 - 96 of this report.

Schedules for the other major funds are presented immediately following the required supplementary information on pensions. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the schedules for the other major funds. Combining and individual fund statements and schedules can be found on pages 97 - 118 of this report.

Financial Analysis of the City as a Whole

The City is presenting current and prior year comparative information in the Management's Discussion and Analysis to provide a means of analyzing its' financial condition and position as of December 31, 2017.

GOVERNMENT-WIDE STATEMENTS

Net Position

The following table reflects the condensed Statement of Net Position.

Table 1
Statement of Net Position
As of December 31, 2017

	Governmental Activities		Business-Type Activities		Total Primary Government	
	Dec-2017	Dec-2016	Dec-2017	Dec-2016	Dec-2017	Dec-2016
Current and other assets	\$ 70,847,738	\$ 88,891,466	\$ 11,261,073	\$ 5,547,215	\$ 82,108,811	\$ 94,438,681
Capital Assets	135,957,159	130,948,903	106,429,968	103,652,595	242,387,127	234,601,498
Deferred Outflows of Resources	8,403,135	14,097,633	2,346,279	3,043,522	10,749,414	17,141,155
Total Assets and Deferred Outflows	\$ 215,208,032	\$ 233,938,002	\$ 120,037,320	\$ 112,243,332	\$ 335,245,352	\$ 346,181,334
Long-term liabilities	\$ 120,440,080	\$ 128,771,389	\$ 53,456,696	\$ 44,163,167	\$ 173,896,776	\$ 172,934,556
Other Liabilities	7,586,656	10,399,103	5,061,017	4,474,329	12,647,673	14,873,432
Deferred Inflows of Resources	16,806,278	14,227,627	233,804	231,241	17,040,082	14,458,868
Total Liabilities and Deferred Inflows	\$ 144,833,014	\$ 153,398,119	\$ 58,751,517	\$ 48,868,737	\$ 203,584,531	\$ 202,266,856
Net Position:						
Net investment in capital assets	\$ 94,137,897	\$ 96,493,396	\$ 62,784,279	\$ 65,027,387	\$ 156,922,176	\$ 161,520,783
Restricted	17,588,496	24,506,359	-	-	17,588,496	24,506,359
Unrestricted	(41,351,375)	(40,459,872)	(1,498,476)	(1,652,792)	(42,849,851)	(42,112,664)
Total Net Position	\$ 70,375,018	\$ 80,539,883	\$ 61,285,803	\$ 63,374,595	\$ 131,660,821	\$ 143,914,478

The City's combined net position decreased by \$12,253,657 which reflects decreased cash and investments (\$12,475,010) and increased capital assets (\$7,785,629), offset by an increase in long-term liabilities after savings from the refunding of G.O. Bond Series 2009 (\$900,408) and issuance of G.O. Bond Series 2017B (\$9,615,000). For the City of Elmhurst, assets exceeded liabilities by \$131,660,821 at December 31, 2017.

For more detailed information, see the Statement of Net Position on pages 4 and 5.

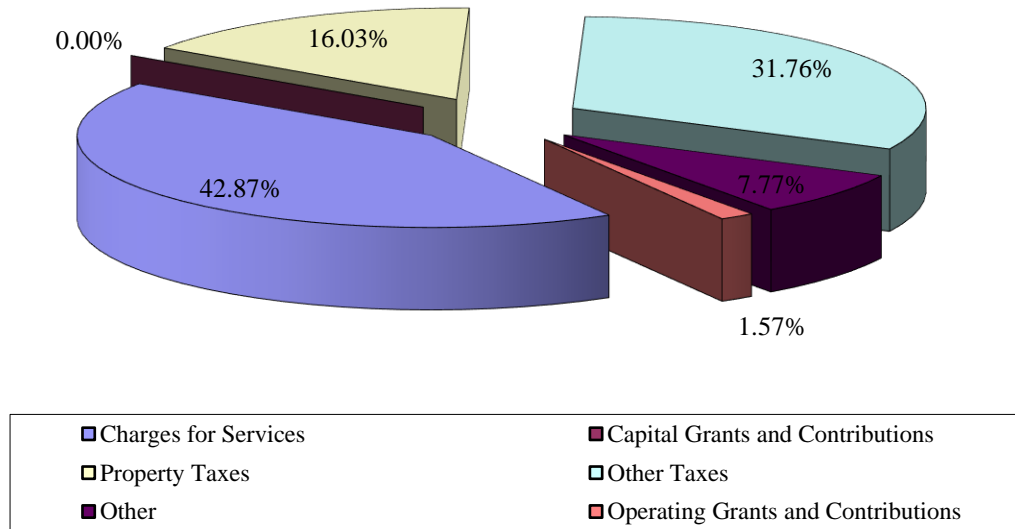
Governmental Activities

The following table summarizes the revenues and expenses of the City's activities.

Table 2
Changes in Net Position
As of December 31, 2017

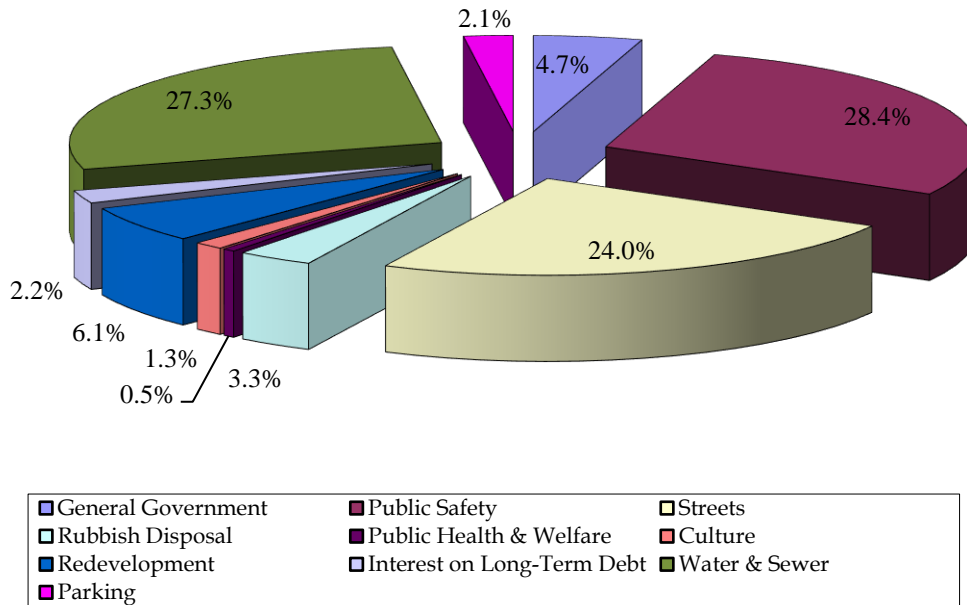
	Governmental Activities		Business-Type Activities		Total Primary Government	
	Dec-2017	Dec-2016	Dec-2017	Dec-2016	Dec-2017	Dec-2016
REVENUES						
Program Revenues:						
Charges for Services	\$ 11,488,891	\$ 11,251,837	\$ 25,339,632	\$ 22,341,890	\$ 36,828,523	\$ 33,593,727
Operating Grants and Contributions	1,347,389	1,375,975	-	-	1,347,389	1,375,975
Capital Grants and Contributions	-	-	-	813,469	-	813,469
General Revenues:						
Property Taxes	13,770,823	14,119,500	-	-	13,770,823	14,119,500
Other Taxes	27,282,496	26,013,658	-	-	27,282,496	26,013,658
Other	6,621,689	6,951,400	53,552	24,940	6,675,241	6,976,340
Total Revenues	60,511,288	59,712,370	25,393,184	23,180,299	85,904,472	82,892,669
EXPENSES						
General Government	4,640,843	6,078,145	-	-	4,640,843	6,078,145
Public Safety	27,905,484	32,219,464	-	-	27,905,484	32,219,464
Streets	23,546,667	24,377,726	-	-	23,546,667	24,377,726
Rubbish Disposal	3,247,534	3,190,287	-	-	3,247,534	3,190,287
Public Health & Welfare	512,514	569,805	-	-	512,514	569,805
Culture	1,272,541	1,452,013	-	-	1,272,541	1,452,013
Redevelopment	5,981,172	1,490,808	-	-	5,981,172	1,490,808
Interest on Long-Term Debt	2,112,154	1,907,528	-	-	2,112,154	1,907,528
Water & Sewer	-	-	26,837,060	22,340,486	26,837,060	22,340,486
Parking	-	-	2,102,160	2,262,033	2,102,160	2,262,033
Total Expenses	69,218,909	71,285,776	28,939,220	24,602,519	98,158,129	95,888,295
Increase/(decrease) in net position before transfers	(8,707,621)	(11,573,406)	(3,546,036)	(1,422,220)	(12,253,657)	(12,995,626)
Transfers	(1,457,244)	(688,063)	1,457,244	688,063	-	-
Change in Net Position	\$ (10,164,865)	\$ (12,261,469)	\$ (2,088,792)	\$ (734,157)	\$ (12,253,657)	\$ (12,995,626)

REVENUES



Charges for services are primarily comprised of fees for water and sewer services. Water and sewer revenue was \$24,114,108 for the fiscal year ended December 31, 2017 compared with \$21,244,945 for the period ending December 31, 2016. Water and sewerage treatment rates are reviewed annually and were increased in January 2017. Governmental activities charges for services increased \$237,054 from fiscal year 2016. Property taxes of \$13,770,823 decreased \$348,677 during fiscal year 2017 from fiscal year 2016 with the City Council's decision to fully abate the G.O. Bond Debt Service reducing the City's property tax levy. Other taxes are primarily comprised of sales taxes, which are the largest revenue source in the General Fund, and utility taxes. Sales taxes of \$20,646,244 increased \$1,470,547. Utility taxes of \$3,782,827 continued to trend downward, decreasing \$228,483 during the fiscal year 2017 when compared to fiscal year 2016.

EXPENSES



The City's expenses totaled \$98,158,129 for fiscal year 2017, up \$2,269,834 from fiscal year 2016. Public safety expenses related to the operations of the Police Department and Fire Department accounted for the largest share (28.4%) of the total and water/sewer expenses accounted for 27.3% of the total. The City realizes the importance of attracting and retaining a talented workforce in order to meet its mission of providing responsive and superior governmental services in an environment of respect, and does so by providing competitive compensation levels for all employees. Salary expenses totaled \$26,249,910 for the fiscal year ended December 31, 2017 as compared to \$25,708,011 for the fiscal year ended December 31, 2016. These salary expenses include increases of 2% - 4% for general cost of living salary adjustments.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

For the fiscal year ended December 31, 2017, the governmental funds had a combined fund balance of \$48,982,174. This reflects a \$16,094,020 decrease from the prior year fund balance.

The General Fund, which is the main operating fund of the City of Elmhurst, reported a current year decrease of \$783,544 in fund balance. Revenues of \$53,400,857 were \$2,425,163 lower than budget. Property taxes of \$10,253,795 were \$99,695 greater than budget, but \$497,768 lower than the previous year. Sales tax revenues of \$18,846,203 were \$259,303 higher than budget and \$556,342 greater than the previous year, due in part to collecting a full year of a 0.25% increase to the City's Home Rules Sales Tax rate implemented in July 2016. Utility taxes of \$3,782,827 were \$276,823 lower than budget with lower electric tax receipts due to lower electric utility rates and declining telecommunication tax revenues due to a reduction in cell phone plan pricing and fewer telephone land lines. Intergovernmental revenues of \$4,547,604 were \$2,742,346 lower than budget primarily due to lower than anticipated grant revenues with projects not being completed during this fiscal year. Intergovernmental revenues were also \$487,213 lower than in fiscal year 2016 due to reduced Illinois State Income Tax receipts. The State's FY 2018 (7/1/17 - 6/30/18) Budget included a 10% reduction in Local Government Distributive Fund (LGDF) payments, which resulted in a 5% drop in the City's 2017 receipts compared to 2016. Charges for services of \$5,133,217 were \$314,117 greater than budget resulting from payment received from the Elmhurst Park District for their share in construction of a new Salt Dome completed in 2017 at the City's Public Works Facility.

Operating expenditures of \$47,135,191 were \$2,026,033 less than budget. The City has continued its efforts to reduce expenditures whenever possible throughout the year. Contractual services of \$9,737,551 were \$1,331,318 less than budget with many departments spending less than the budgeted amount. Commodities of \$1,602,952 were \$341,403 under budget primarily due to lower costs for gasoline and diesel fuels and reduced salt purchases due to the mild winter. Capital outlay expenditures of \$6,209,959 were \$6,193,441 less than budget due to projects not completed during the fiscal year. Other financing uses of \$877,004 were \$3,181,866 lower than budget with only \$274,193 in transfers to the Stormwater Detention Project Fund, of a budgeted \$1,600,000 for property acquisition, taking place during the year.

Table 3
General Fund Budgetary Highlights
For the Fiscal Year Ended December 31, 2017

General Fund	Original and Final Budget	Actual
Revenues		
Taxes	\$ 35,709,650	\$ 35,736,250
Intergovernmental	7,289,950	4,547,604
Licenses and permits	5,063,450	4,875,429
Fines and penalties	823,500	804,616
Charges for services	4,819,100	5,133,217
Other	2,120,370	2,303,741
Total	55,826,020	53,400,857
Expenditures		
Expenditures - Current	49,161,224	47,135,191
Expenditures - Capital outlay	12,279,130	6,172,206
Total	61,440,354	53,307,397
Other financing sources / (uses)	(4,058,870)	(877,004)
Change in fund balance	\$ (9,673,204)	\$ (783,544)

The City uses tax increment financing (TIF) as a tool for redevelopment and community improvement projects. A TIF district captures the future tax benefits of real estate improvements to fund the cost of the improvement projects. The City has five TIF districts represented by the Redevelopment Fund (TIF I), the Route 83 Commercial Development Fund (TIF III), the Industrial Development Projects Fund (TIF II) (major funds), along with the North York Redevelopment Fund (TIF IV) (nonmajor fund) and the Church Road/Lake Street Redevelopment (TIF V) (nonmajor funds).

The fund balance for the Redevelopment Fund increased \$116,102 to a balance of \$5,662,185 for the fiscal year ended December 31, 2017. This is \$3,893,574 greater than budget with lower than budgeted other expenses in fiscal 2017. The TIF I fund balance has been set aside for future capital improvements and debt service payments. TIF I is expected to be closed in 2021.

The Route 83 Commercial Development Fund had an increase in fund balance of \$435,762 to a balance of \$1,271,789 for the fiscal year ended December 31, 2017, which is \$1,235,625 greater than budget, due to capital improvements that were budgeted and not completed. This fund balance has

been set aside for future capital improvements and debt service payments. TIF III is expected to be closed in 2019.

The Industrial Development Projects Fund was closed in 2017, with the remaining funds being transferred to the Church Road/Lake Street Redevelopment Fund (TIF V).

The North York Redevelopment Fund, established in August 2012, has a deficit fund balance of \$3,979 due to costs associated with establishing the TIF district. A taxable G.O. Note of \$5,000,000 is being used to fund capital improvements within TIF IV and will be repaid with future TIF IV funds. TIF IV is expected to be closed in 2035.

The Church Road/Lake Street Redevelopment Fund was established in September 2016 and has a deficit fund balance of \$645,009 as of December 31, 2017 due to redevelopment costs within the TIF. TIF V is expected to be closed in 2040.

Capital Assets

At the end of December 2017, the City's Governmental activities had invested \$135,957,159 and the City's Business-Type activities had invested \$106,429,968 in a variety of capital assets and infrastructure as reflected in the following schedule.

Table 4
Capital Assets
As of December 31, 2017

	Governmental Activities		Business-Type Activities		Total	
	Dec-2017	Dec-2016	Dec-2017	Dec-2016	Dec-2017	Dec-2016
Non-Depreciable Assets						
Land	\$ 70,113,114	\$ 66,685,979	\$ 4,503,463	\$ 4,503,463	\$ 74,616,577	\$ 71,189,442
Construction in progress	211,561	1,071,357	1,536,122	3,379,960	1,747,683	4,451,317
Other Capital Assets						
Buildings and land improvements	36,482,167	35,523,472	88,042,667	82,338,655	124,524,834	117,862,127
Improvements other than buildings	145,727	145,727	-	-	145,727	145,727
Machinery & equipment	13,851,719	12,453,882	3,335,865	3,254,321	17,187,584	15,708,203
Infrastructure	88,181,109	85,760,391	76,278,416	73,531,586	164,459,525	159,291,977
Less:						
Accumulated Depreciation	(73,028,238)	(70,691,905)	(67,267,065)	(63,355,390)	(140,295,303)	(134,047,295)
Total	\$ 135,957,159	\$ 130,948,903	\$ 106,429,468	\$ 103,652,595	\$ 242,386,627	\$ 234,601,498

Additional information on the City's capital assets can be found in note 4 of this report.

Long-Term Debt

As of December 31, 2017, the City had a total of \$173,973,299 of long-term obligations outstanding. Of this amount, \$77,190,000 is in the form of general obligation bonds that are backed by the full faith and credit of the City government. Normally, the debt service on the general obligation bonds is paid with a special property tax levy. The City abated its entire 2016 property tax levy (which is received in calendar year 2017) for debt service and used other sources, especially state income tax revenues and home rule sales taxes, to pay general obligation debt service. During 2017 the City paid off \$2,778,000 of general obligation bonds, excluding debt service of the component unit and a refunding of Series 2009. As noted earlier, the City issued G.O. Bond Series 2017A which refunded G.O. Bond Series 2009. The refunding resulted in nominal debt service savings of \$900,408, with a present value of \$785,691. The City also issued G.O. Bond Series 2017B which will be used for capital projects in the Municipal Utility Fund.

Included in long-term debt outstanding at the end of 2017 was \$6,460,000 of revenue bonds. The proceeds of this bond issue were used to pay the cost of issuance of the bonds and to provide funds for the refinancing of a construction loan of Federal Construction, Inc. (the Developer). The proceeds of the Developer's construction loan were used to pay the cost of reconstructing retail property owned by the Developer that is located in the Tax Incremental Financing Redevelopment Area located at the corner of St. Charles Rd. and Route 83. Loan payments from the Developer will be used to fund the debt service on the bonds. General Fund sales tax revenues secure the bonds.

The City has five Illinois Environmental Protection Agency (IEPA) low interest loans outstanding totaling \$14,442,911. IEPA loan #5 has been authorized in the amount of \$9,000,000 of which the City has drawn \$8,571,404 (recorded in the Municipal Utility Fund) from the IEPA loan as of December 31, 2017. Proceeds of this loan are being used to fund the Southwest Elmhurst Wet-Weather Control Facility.

The net pension obligation is the amount of the total pension liability less the pension assets that have been accumulated to pay the pension liability as of December 31, 2017 for the Illinois Municipal Retirement Fund, the City of Elmhurst Police Pension Fund and the City of Elmhurst Firefighters' Pension Fund according to generally accepted accounting principles. The City has paid all of the actuarially determined contributions to the pension funds in fiscal year 2017. Additional information on the City's pension obligations may be found in note 10 and in the required supplementary information of this report.

Table 5
Bonded and Similar Indebtedness
As of December 31, 2017

	Governmental Activities		Business-Type Activities		Total	
	Dec-2017	Dec-2016	Dec-2017	Dec-2016	Dec-2017	Dec-2016
General obligation bonds	\$ 44,366,238	\$ 46,558,520	\$ 32,823,762	\$ 24,359,480	\$ 77,190,000	\$ 70,918,000
General obligation note	5,000,000	3,748,000	-	-	5,000,000	3,748,000
Revenue bonds	6,460,000	7,840,000	-	-	6,460,000	7,840,000
Illinois EPA loans	-	-	14,442,911	13,753,564	14,442,911	13,753,564
Self insurance claims	662,347	745,987	231,888	199,574	894,235	945,561
Compensated absences	2,865,660	3,134,357	768,916	708,891	3,634,576	3,843,248
Net pension obligation	59,717,021	65,579,511	4,059,787	4,214,261	63,776,808	69,793,772
Unamortized bond discount	(35,044)	(56,936)	-	(18,500)	(35,044)	(75,436)
Unamortized bond premium	1,403,858	1,221,950	1,205,955	1,011,756	2,609,813	2,233,706
Total	\$ 120,440,080	\$ 128,771,389	\$ 53,533,219	\$ 44,229,026	\$ 173,973,299	\$ 173,000,415

As an Illinois home-rule community, the City is not subject to any debt limitation. However, the City has a self-imposed debt limit of 5% of the assessed value of taxable property in the City (currently \$110,408,657 based on the 2016 EAV). Per the City's revenue policy, long term debt will only be used to finance long-lived capital and operating assets. In July 2017, Standard & Poor's assigned its AAA long-term rating (considered the highest quality grade bonds with extremely strong capacity to meet financial commitments) to Series 2017B and reaffirmed the City's AAA rating on the City's existing general obligation bonds. In the rating, Standard and Poor's cited Elmhurst's:

- Very strong economy, which benefits from participation in the diverse Chicago metropolitan area economy;
- Very strong budgetary flexibility
- Strong budgetary performance
- Very strong liquidity providing very strong cash levels relative to debt service and expenditures
- Strong management, with good financial policies and practices

Additional information on the City's long term debt can be found in note 6 of this report.

Economic Factors

The City's composition is primarily residential with smaller commercial and industrial components. According to the U.S. Census, the median value of owner-occupied, non-condominium units in the City was \$211,100 in 2000 and the estimated 5-year (2012 - 2016 American Community Survey) median value was \$381,500; a 80.7% increase. The City's 2016 median value of \$381,500 compares favorably to \$283,500 for DuPage County and \$174,800 for the State. Property taxes imposed on property within the City provide a stable revenue source. The property of the City's ten largest taxpayers during 2016 accounted for only 3.8% of the City's total EAV.

According to the US Census Bureau 5-year survey (2012 – 2016) estimated values, the City had a median household income of \$100,671 as compared to \$81,521 for DuPage County and \$59,196 for the State. DuPage County, in which the City is located, has the highest per capita personal income in the State.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Thomas W. Trosien, Director of Finance, City of Elmhurst, 209 N. York St, Elmhurst, IL 60126.

CITY OF ELMHURST, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2017

	Primary Government			Component Unit
	Governmental	Business-Type		Elmhurst
	Activities	Activities	Total	Public Library
ASSETS				
Cash	\$ 24,551,942	\$ 5,027,626	\$ 29,579,568	\$ 2,002,860
Investments				
Negotiable certificates of deposit	14,240,881	-	14,240,881	4,631,500
Receivables				
Taxes				
Property	14,543,501	-	14,543,501	7,571,421
Sales	5,387,500	-	5,387,500	-
Illinois income	-	-	-	-
Utility	582,570	-	582,570	-
Motor fuel tax (local)	28,609	-	28,609	-
Food and beverage	147,959	-	147,959	-
Motor fuel tax allotments	98,228	-	98,228	-
Loans	5,605,603	-	5,605,603	-
Accounts	394,502	4,864,725	5,259,227	-
Accrued interest	74,164	-	74,164	22,003
Miscellaneous	2,022,244	-	2,022,244	34,257
Prepaid items	934,830	68,678	1,003,508	40,079
Due from other governments	111,783	1,300,044	1,411,827	-
Internal balances	-	-	-	-
Restricted assets				
Cash	4,017	-	4,017	-
Investments	1,893,700	-	1,893,700	-
Accrued interest	-	-	-	-
Net other postemployment benefit asset	225,705	-	225,705	-
Capital assets				
Capital assets not being depreciated				
Land	70,113,114	4,503,464	74,616,578	621,421
Improvements other than buildings	-	-	-	35,000
Construction in progress	211,561	1,536,122	1,747,683	415,577
Capital assets being depreciated, net				
Buildings	22,791,118	24,685,379	47,476,497	16,682,892
Improvements other than buildings	90,721	-	90,721	-
Machinery and equipment	6,266,848	792,794	7,059,642	12,374
Infrastructure	36,483,797	-	36,483,797	-
Sewerage treatment plant	-	32,169,879	32,169,879	-
Water and sanitary sewer systems	-	42,742,330	42,742,330	-
 Total assets	 206,804,897	 117,691,041	 324,495,938	 32,069,384
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized loss on refunding	700,368	50,563	750,931	368,832
Pension items - IMRF and SLEP	4,224,818	2,295,716	6,520,534	1,019,482
Pension items - Pension Trust Funds	3,477,949	-	3,477,949	-
 Total deferred outflows of resources	 8,403,135	 2,346,279	 10,749,414	 1,388,314
 Total assets and deferred outflows of resources	 215,208,032	 120,037,320	 335,245,352	 33,457,698

(This statement is continued on the following page.)

CITY OF ELMHURST, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2017

	Primary Government			Component Unit
	Governmental	Business-Type		Elmhurst
	Activities	Activities	Total	Public Library
LIABILITIES				
Accounts payable	\$ 3,599,456	\$ 3,591,872	\$ 7,191,328	\$ 79,132
Accrued payroll	1,135,951	245,747	1,381,698	149,204
Accrued interest payable	490,297	480,467	970,764	80,071
Deposits payable	-	497,992	497,992	-
Due to other governments	-	-	-	-
Unearned revenue	1,782,240	168,416	1,950,656	-
Self-insurance claims payable	578,712	76,523	655,235	-
Noncurrent liabilities				
Due within one year	9,838,599	2,291,197	12,129,796	1,360,000
Due in more than one year	110,601,481	51,165,499	161,766,980	9,166,338
 Total liabilities	 128,026,736	 58,517,713	 186,544,449	 10,834,745
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - property taxes	14,543,501	-	14,543,501	7,571,421
Pension items - IMRF and SLEP	437,064	233,804	670,868	103,828
Pension items - Pension Trust Funds	1,825,713	-	1,825,713	-
 Total deferred inflows of resources	 16,806,278	 233,804	 17,040,082	 7,675,249
 Total liabilities and deferred inflows of resources	 144,833,014	 58,751,517	 203,584,531	 18,509,994
NET POSITION				
Net investment in capital assets	94,137,897	62,784,279	156,922,176	9,412,629
Restricted for				
Streets	573,623	-	573,623	-
Public safety	744,068	-	744,068	-
Culture	35,458	-	35,458	24,405
Working cash	1,015,562	-	1,015,562	-
Redevelopment	6,933,974	-	6,933,974	-
Capital projects	1,795,696	-	1,795,696	-
Debt service	6,490,115	-	6,490,115	-
Unrestricted (deficit)	(41,351,375)	(1,498,476)	(42,849,851)	5,510,670
 TOTAL NET POSITION	 \$ 70,375,018	 \$ 61,285,803	 \$ 131,660,821	 \$ 14,947,704

See accompanying notes to financial statements.

CITY OF ELMHURST, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2017

FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants	Capital Grants
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 4,640,843	\$ 3,989,249	\$ -	\$ -
Public safety	27,905,484	2,030,949	193,243	-
Streets	23,546,667	2,035,604	1,133,870	-
Rubbish disposal	3,247,534	3,400,339	-	-
Public health and welfare	512,514	-	-	-
Culture	1,272,541	21,750	20,276	-
Redevelopment	5,981,172	11,000	-	-
Interest on long-term debt	2,112,154	-	-	-
Total governmental activities	69,218,909	11,488,891	1,347,389	-
Business-Type Activities				
Water and sewer	26,837,060	24,114,108	-	-
Parking	2,102,160	1,225,524	-	-
Total business-type activities	28,939,220	25,339,632	-	-
TOTAL PRIMARY GOVERNMENT	\$ 98,158,129	\$ 36,828,523	\$ 1,347,389	\$ -
COMPONENT UNIT				
Elmhurst Public Library	\$ 7,286,469	\$ 126,614	\$ 34,257	\$ -
TOTAL COMPONENT UNIT	\$ 7,286,469	\$ 126,614	\$ 34,257	\$ -

Net (Expense) Revenue and Change in Net Position				
Primary Government			Component Unit	
Governmental Activities	Business-Type Activities	Total	Elmhurst Public Library	
\$ (651,594)	\$ -	\$ (651,594)	\$ -	
(25,681,292)	-	(25,681,292)	-	
(20,377,193)	-	(20,377,193)	-	
152,805	-	152,805	-	
(512,514)	-	(512,514)	-	
(1,230,515)	-	(1,230,515)	-	
(5,970,172)	-	(5,970,172)	-	
(2,112,154)	-	(2,112,154)	-	
(56,382,629)	-	(56,382,629)	-	
-	(2,722,952)	(2,722,952)	-	
-	(876,636)	(876,636)	-	
-	(3,599,588)	(3,599,588)	-	
(56,382,629)	(3,599,588)	(59,982,217)	-	
-	-	-	(7,125,598)	
-	-	-	(7,125,598)	
General Revenues				
Taxes				
Property	13,770,823	-	13,770,823	7,490,957
Sales	20,646,244	-	20,646,244	-
Utility	3,782,827	-	3,782,827	-
Real estate transfer	673,038	-	673,038	-
Food and beverage	1,328,793	-	1,328,793	-
Other	851,594	-	851,594	-
Intergovernmental				
Unrestricted	4,463,653	-	4,463,653	265,300
Investment income	869,906	53,552	923,458	62,459
Miscellaneous	1,288,130	-	1,288,130	121,223
Transfers	(1,457,244)	1,457,244	-	-
Total	46,217,764	1,510,796	47,728,560	7,939,939
CHANGE IN NET POSITION	(10,164,865)	(2,088,792)	(12,253,657)	814,341
NET POSITION, JANUARY 1	80,539,883	63,374,595	143,914,478	14,133,363
NET POSITION, DECEMBER 31	\$ 70,375,018	\$ 61,285,803	\$ 131,660,821	\$ 14,947,704

See accompanying notes to financial statements.

CITY OF ELMHURST, ILLINOIS

**BALANCE SHEET
GOVERNMENTAL FUNDS**

December 31, 2017
(With Comparative Totals for 2016)

	General	Stormwater Detention Project	Redevelopment Projects	Route 83 Commercial Development Projects	Industrial Development Projects	Nonmajor Governmental Funds	Total	
							2017	2016
ASSETS								
Cash	\$ 12,395,787	\$ 4,357,925	\$ 4,541,292	\$ 1,572,489	\$ -	\$ 1,684,449	\$ 24,551,942	\$ 44,991,804
Investments								
Negotiable certificates of deposit	11,231,381	992,800	1,238,000	-	-	778,700	14,240,881	10,304,350
Receivables								
Taxes								
Property	10,721,426	-	2,221,177	506,993	-	1,093,905	14,543,501	13,803,142
Sales	4,931,768	455,732	-	-	-	-	5,387,500	5,332,151
Illinois income tax	-	-	-	-	-	-	-	497,388
Utility	582,570	-	-	-	-	-	582,570	629,469
Motor fuel tax (local)	28,609	-	-	-	-	-	28,609	35,308
Food and beverage	147,959	-	-	-	-	-	147,959	132,928
Motor fuel tax allotments	-	-	-	-	-	98,228	98,228	105,457
Loans	6,514	-	-	-	-	5,599,089	5,605,603	7,038,632
Accounts	394,502	-	-	-	-	-	394,502	315,613
Accrued interest	62,737	1,795	6,724	-	-	2,908	74,164	27,284
Miscellaneous	851,844	1,170,400	-	-	-	-	2,022,244	2,567,838
Prepaid items	934,830	-	-	-	-	-	934,830	180,659
Due from other governments	111,783	-	-	-	-	-	111,783	308,000
Due from other funds	650,441	-	-	-	-	-	650,441	2,159,910
Restricted assets								
Cash	4,017	-	-	-	-	-	4,017	3,547
Investments	1,893,700	-	-	-	-	-	1,893,700	1,769,480
Interest receivable	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 44,949,868	\$ 6,978,652	\$ 8,007,193	\$ 2,079,482	\$ -	\$ 9,257,279	\$ 71,272,474	\$ 90,202,960

		Stormwater		Route 83					
	General	Detention	Redevelopment	Commercial	Industrial	Nonmajor	Total		
		Project	Projects	Development	Development	Governmental	2017	2016	
				Projects	Projects	Funds			
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
LIABILITIES									
Accounts payable	\$ 2,372,451	\$ 797,134	\$ 123,831	\$ 300,700	\$ -	\$ 5,339	\$ 3,599,455	\$ 6,230,901	
Accrued payroll	1,094,127	-	-	-	-	41,824	1,135,951	999,778	
Due to other governments	-	-	-	-	-	-	-	18,690	
Due to other funds	-	-	-	-	-	650,441	650,441	1,483,935	
Unearned revenue	611,840	1,170,400	-	-	-	-	1,782,240	1,717,343	
Self-insurance claims payable	578,712	-	-	-	-	-	578,712	872,977	
Total liabilities	4,657,130	1,967,534	123,831	300,700	-	697,604	7,746,799	11,323,624	
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue - property taxes	10,721,426	-	2,221,177	506,993	-	1,093,905	14,543,501	13,803,142	
Total deferred inflows of resources	10,721,426	-	2,221,177	506,993	-	1,093,905	14,543,501	13,803,142	
Total liabilities and deferred inflows of resources	15,378,556	1,967,534	2,345,008	807,693	-	1,791,509	22,290,300	25,126,766	
FUND BALANCES									
Nonspendable									
Long-term loans	6,514	-	-	-	-	-	6,514	7,152	
Prepaid items	934,830	-	-	-	-	-	934,830	180,659	
Restricted									
Working cash	-	-	-	-	-	1,015,562	1,015,562	1,000,000	
Public safety	744,068	-	-	-	-	-	744,068	837,108	
Streets	-	-	-	-	-	573,623	573,623	614,122	
Culture	-	-	-	-	-	35,458	35,458	35,083	
Redevelopment	-	-	5,662,185	1,271,789	-	-	6,933,974	9,409,768	
Capital projects	-	5,011,118	-	-	-	-	5,011,118	16,256,788	
Debt service	-	-	-	-	-	6,490,115	6,490,115	8,814,080	
Assigned									
Capital improvements	6,986,011	-	-	-	-	-	6,986,011	7,974,147	
Veteran's memorial	1,598	-	-	-	-	-	1,598	1,574	
Subsequent budget	9,673,204	-	-	-	-	-	9,673,204	9,673,204	
Unassigned									
Unassigned for General Fund	11,225,087	-	-	-	-	-	11,225,087	11,681,012	
Unassigned (deficit)	-	-	-	-	-	(648,988)	(648,988)	(1,408,503)	
Total fund balances	29,571,312	5,011,118	5,662,185	1,271,789	-	7,465,770	48,982,174	65,076,194	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 44,949,868	\$ 6,978,652	\$ 8,007,193	\$ 2,079,482	\$ -	\$ 9,257,279	\$ 71,272,474	\$ 90,202,960	

See accompanying notes to financial statements.

CITY OF ELMHURST, ILLINOIS

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

December 31, 2017

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 48,982,174
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	135,957,159
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Other long-term assets (deferred loss on refunding) are not available to pay for current period expenditures and, therefore, are deferred in governmental funds	700,368
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Net OPEB assets are not a current financial resource and, therefore, are not reported in the government funds	225,705
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Net pension liability is shown as a liability on the statement of net position	
Illinois Municipal Retirement Fund	(7,452,486)
Sheriff's Law Enforcement Personnel Fund	(51,422)
Police Pension Fund	(33,575,888)
Firefighters' Pension Fund	(18,637,225)

Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings are recognized as deferred outflows and inflows of resources on the statement of net position	
Illinois Municipal Retirement Fund	3,785,016
Sheriff's Law Enforcement Personnel Fund	2,738
Police Pension Fund	1,179,933
Firefighters' Pension Fund	472,303

Interest payable is not due and payable in the current period and, therefore, not reported in the governmental funds	(490,298)
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Unamortized discount on G.O. Bonds is reported as a reduction of liabilities on the statement of net position	35,044
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Unamortized premium on G.O. Bonds is reported as a liability on the statement of net position	(1,403,858)
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	
General obligation bonds	(44,366,238)
Sales tax revenue bonds	(6,460,000)
Notes payable	(5,000,000)
Workers' compensation claims payable	(662,347)
Compensated absences	(2,865,660)

NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 70,375,018
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Capital assets	\$ 135,957,159
General obligation bonds net of premiums and discounts	(45,735,052)
Deferred loss on refundings	700,368
Unspent bond proceeds	3,215,422

NET INVESTMENT IN CAPITAL ASSETS	\$ 94,137,897
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See accompanying notes to financial statements.

CITY OF ELMHURST, ILLINOIS

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

For the Year Ended December 31, 2017
(With Comparative Totals for 2016)

	General	Stormwater Detention Project	Redevelopment Projects	Route 83 Commercial Development Projects	Industrial Development Projects	Nonmajor Governmental Funds	Total	
							2017	2016
REVENUES								
Taxes								
Property	\$ 10,253,795	\$ -	\$ 2,131,652	\$ 488,870	\$ 414,737	\$ 481,770	\$ 13,770,824	\$ 14,119,500
Sales	18,846,203	1,800,041	-	-	-	-	20,646,244	19,175,696
Utility	3,782,827	-	-	-	-	-	3,782,827	4,011,310
Real estate transfer	673,038	-	-	-	-	-	673,038	630,657
Food and beverage	1,328,793	-	-	-	-	-	1,328,793	1,340,713
Other	851,594	-	-	-	-	-	851,594	855,281
Intergovernmental	4,547,604	-	-	-	-	1,133,870	5,681,474	6,166,644
Licenses and permits	4,875,429	-	-	-	-	-	4,875,429	4,973,368
Fines and penalties	804,616	-	-	-	-	-	804,616	777,851
Charges for services	5,133,217	-	-	11,000	-	-	5,144,217	4,771,963
Investment income	221,415	91,981	50,875	11,964	1,839	491,832	869,906	761,902
Revenue replacement	58,760	-	-	-	-	-	58,760	57,932
Miscellaneous	2,023,566	-	-	-	-	-	2,023,566	2,069,553
Total revenues	53,400,857	1,892,022	2,182,527	511,834	416,576	2,107,472	60,511,288	59,712,370
EXPENDITURES								
Current								
General government	5,274,679	-	-	-	-	-	5,274,679	5,526,342
Public safety	28,033,401	-	-	-	-	-	28,033,401	26,550,023
Streets	8,631,906	-	-	-	-	1,179,922	9,811,828	9,896,051
Rubbish disposal	3,247,534	-	-	-	-	-	3,247,534	3,190,287
Public health and welfare	512,514	-	-	-	-	-	512,514	544,055
Culture	1,435,157	-	-	-	-	-	1,435,157	1,364,389
Redevelopment	-	-	533,358	4,709	1,963	59,934	599,964	584,445
Capital outlay	6,172,206	12,208,273	1,055,195	-	-	4,326,012	23,761,686	22,372,333
Debt service								
Principal	-	-	-	-	-	6,957,282	6,957,282	3,292,927
Interest, fiscal charges, and other	-	-	-	-	-	2,059,756	2,059,756	1,728,664
Total expenditures	53,307,397	12,208,273	1,588,553	4,709	1,963	14,582,906	81,693,801	75,049,516
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	93,460	(10,316,251)	593,974	507,125	414,613	(12,475,434)	(21,182,513)	(15,337,146)

				Route 83					
		Stormwater	Redevelopment	Commercial	Industrial	Nonmajor	Total		
	General	Detention Project	Projects	Development Projects	Development Projects	Governmental Funds	2017	2016	
OTHER FINANCING SOURCES (USES)									
Bonds issued	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,385,000	\$ 3,385,000	\$ 25,000,000	
Premium (discount) on bonds issued	-	-	-	-	-	189,354	189,354	902,021	
Notes issued	-	-	-	-	-	1,252,000	1,252,000	750,000	
Sale of capital assets	1,719,383	-	-	-	-	-	1,719,383	-	
Transfers in	-	274,193	-	-	-	3,083,943	3,358,136	5,676,973	
Transfers (out)	(2,596,387)	(1,203,612)	(477,872)	(71,363)	(466,146)	-	(4,815,380)	(6,365,036)	
Total other financing sources (uses)	(877,004)	(929,419)	(477,872)	(71,363)	(466,146)	7,910,297	5,088,493	25,963,958	
NET CHANGE IN FUND BALANCES	(783,544)	(11,245,670)	116,102	435,762	(51,533)	(4,565,137)	(16,094,020)	10,626,812	
FUND BALANCES, JANUARY 1	30,354,856	16,256,788	5,546,083	836,027	51,533	12,030,907	65,076,194	54,449,382	
FUND BALANCES, DECEMBER 31	\$ 29,571,312	\$ 5,011,118	\$ 5,662,185	\$ 1,271,789	\$ -	\$ 7,465,770	\$ 48,982,174	\$ 65,076,194	

See accompanying notes to financial statements.

CITY OF ELMHURST, ILLINOIS

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

For the Year Ended December 31, 2017

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (16,094,020)
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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	10,025,846
Some expenses in the statement of net position (e.g., depreciation) do not required the use of current financial resources and, therefore, are not reported as expenditures reported as expenditures in governmental funds	
Depreciation	(4,890,001)
Loss on disposal of capital assets	(127,589)
The issuance of long-term debt is reported as an other financing source in governmental funds, but as an increase of principal outstanding in the statement of activities	
Bonds issued	(3,385,000)
Premium	(189,354)
The issuance of G.O. note payable is reported as an other financing source in governmental funds, but as an increase of principal outstanding in the statement of activities	(1,252,000)
Changes in net other postemployment benefits obligation/asset are reported only in the statement of activities	53,264
The change in the net pension liability is reported only in the statement of activities	
Illinois Municipal Retirement Fund	283,605
Sheriff's Law Enforcement Personnel Fund	7,687
Police Pension Fund	3,058,717
Firefighters' Pension Fund	2,512,480
The change in deferred inflows and outflows of resources is reported only in the statement of activities	
Illinois Municipal Retirement Fund	(1,307,882)
Sheriff's Law Enforcement Personnel Fund	(32,740)
Police Pension Fund	(3,319,687)
Firefighters' Pension Fund	(2,765,412)
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities:	
(Increase) decrease in compensated absences payable	268,697
(Increase) decrease in claims payable	83,640
(Increase) decrease in deferred charges (charge on refundings)	(107,069)
(Increase) decrease in interest accrual	69,117
(Increase) decrease in discount/premium on long-term debt	(14,446)
Principal payments	<u>6,957,282</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (10,164,865)</u>
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See accompanying notes to financial statements.

CITY OF ELMHURST, ILLINOIS

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

December 31, 2017
(With Comparative Totals for 2016)

	Municipal Utility	Parking System Revenue	Total	
			2017	2016
CURRENT ASSETS				
Cash and cash equivalents	\$ 4,306,133	\$ 721,493	\$ 5,027,626	\$ 999,305
Receivables				
Accounts - water and sewerage charges				
Billed	1,312,916	127,761	1,440,677	1,482,136
Unbilled	2,727,450	-	2,727,450	1,817,369
Other	696,598	-	696,598	324,698
Prepaid items	68,678	-	68,678	17,000
Due from other governments	1,300,044	-	1,300,044	1,582,682
	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	10,411,819	849,254	11,261,073	6,223,190
	<hr/>	<hr/>	<hr/>	<hr/>
NONCURRENT ASSETS				
Capital assets				
Property, plant, and equipment				
Capital assets not being depreciated				
Land	649,473	3,853,991	4,503,464	4,503,463
Construction in progress	1,536,122	-	1,536,122	3,379,960
Capital assets being depreciated				
Buildings and land improvements	1,312,139	596,198	1,908,337	1,465,156
Parking decks	-	30,303,930	30,303,930	30,303,930
Wells and reservoirs	5,806,192	-	5,806,192	5,806,192
Sewerage treatment plant	55,830,400	-	55,830,400	50,569,569
Watermains	24,436,587	-	24,436,587	22,411,368
Pumping stations, sewer, and mains	46,035,637	-	46,035,637	45,314,026
Equipment	3,186,926	148,939	3,335,865	3,254,321
Less accumulated depreciation	(60,251,821)	(7,014,745)	(67,266,566)	(63,355,390)
	<hr/>	<hr/>	<hr/>	<hr/>
Total noncurrent assets	78,541,655	27,888,313	106,429,968	103,652,595
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	88,953,474	28,737,567	117,691,041	109,875,785
	<hr/>	<hr/>	<hr/>	<hr/>
DEFERRED OUTFLOWS OF RESOURCES				
Pension - IMRF	2,220,422	75,294	2,295,716	3,005,627
Unamortized loss on refunding	33,605	16,958	50,563	37,895
	<hr/>	<hr/>	<hr/>	<hr/>
Total deferred outflows of resources	2,254,027	92,252	2,346,279	3,043,522
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets and deferred outflows of resources	91,207,501	28,829,819	120,037,320	112,919,307
	<hr/>	<hr/>	<hr/>	<hr/>

(This statement is continued on the following page.)

CITY OF ELMHURST, ILLINOIS

STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS

December 31, 2017
 (With Comparative Totals for 2016)

	Municipal Utility	Parking System Revenue	Total	
			2017	2016
CURRENT LIABILITIES				
Accounts payable	\$ 3,559,248	\$ 32,624	\$ 3,591,872	\$ 3,125,114
Accrued payroll	237,986	7,761	245,747	254,257
Compensated absences payable	345,181	8,905	354,086	439,735
Interest payable	262,105	218,362	480,467	378,051
Deposits payable	497,992	-	497,992	486,135
Due to other funds	-	-	-	675,975
Current portion of loans payable	770,443	-	770,443	708,972
Current portion of general obligation bonds payable	402,918	763,750	1,166,668	1,088,218
Unearned revenue	-	168,416	168,416	164,913
Self-insurance claims payable	76,523	-	76,523	65,859
Total current liabilities	6,152,396	1,199,818	7,352,214	7,387,229
NONCURRENT LIABILITIES				
Loans payable	13,672,468	-	13,672,468	13,044,592
General obligation bonds payable	15,997,309	16,865,740	32,863,049	24,264,518
Net pension liability	3,926,636	133,151	4,059,787	4,214,261
Self-insurance claims payable	155,365	-	155,365	133,715
Compensated absences payable	414,830	-	414,830	269,156
Total noncurrent liabilities	34,166,608	16,998,891	51,165,499	41,926,242
Total liabilities	40,319,004	18,198,709	58,517,713	49,313,471
DEFERRED INFLOWS OF RESOURCES				
Pension - IMRF	226,136	7,668	233,804	231,241
Total liabilities and deferred inflows of resources	40,545,140	18,206,377	58,751,517	49,544,712
NET POSITION				
Net investment in capital assets	52,451,135	10,333,144	62,784,279	65,027,387
Unrestricted	(1,788,774)	290,298	(1,498,476)	(1,652,792)
TOTAL NET POSITION	\$ 50,662,361	\$ 10,623,442	\$ 61,285,803	\$ 63,374,595

See accompanying notes to financial statements.

CITY OF ELMHURST, ILLINOIS

**STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS**

For the Year Ended December 31, 2017
(With Comparative Totals for 2016)

	Municipal Utility	Parking System Revenue	Total	
			2017	2016
OPERATING REVENUES				
Charges for services	\$ 24,114,108	\$ 1,225,524	\$ 25,339,632	\$ 22,341,890
OPERATING EXPENSES				
Cost of sales and service				
Personal services	4,737,788	165,508	4,903,296	4,757,535
Employee benefits	2,314,428	93,279	2,407,707	2,472,888
Contractual services	10,786,413	370,289	11,156,702	10,474,160
Commodities	4,223,606	4,717	4,228,323	746,494
Other charges	178,470	-	178,470	102,981
Repairs and maintenance	466,079	194,258	660,337	1,190,390
Insurance	72,247	-	72,247	65,156
Depreciation	3,328,638	640,863	3,969,501	3,753,004
Total operating expenses	26,107,669	1,468,914	27,576,583	23,562,608
OPERATING INCOME (LOSS)	(1,993,561)	(243,390)	(2,236,951)	(1,220,718)
NON-OPERATING REVENUES (EXPENSES)				
State grants	-	-	-	813,469
Investment income	49,687	3,865	53,552	24,440
Gain on sale of capital assets	-	-	-	500
Interest expense and fiscal charges	(729,391)	(633,246)	(1,362,637)	(1,039,911)
Total non-operating revenues (expenses)	(679,704)	(629,381)	(1,309,085)	(201,502)
INCOME (LOSS) BEFORE TRANSFERS	(2,673,265)	(872,771)	(3,546,036)	(1,422,220)
TRANSFERS				
Transfers in	469,931	987,313	1,457,244	688,063
Total transfers	469,931	987,313	1,457,244	688,063
CHANGE IN NET POSITION	(2,203,334)	114,542	(2,088,792)	(734,157)
NET POSITION, JANUARY 1	52,865,695	10,508,900	63,374,595	62,888,273
Change in accounting principle	-	-	-	1,220,479
NET POSITION, JANUARY 1, AS RESTATED	52,865,695	10,508,900	63,374,595	64,108,752
NET POSITION, DECEMBER 31	\$ 50,662,361	\$ 10,623,442	\$ 61,285,803	\$ 63,374,595

See accompanying notes to financial statements.

CITY OF ELMHURST, ILLINOIS

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended December 31, 2017
(With Comparative Totals for 2016)

	Municipal Utility	Parking System Revenue	Total	
			2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 22,898,303	\$ 1,216,164	\$ 24,114,467	\$ 22,140,823
Payments to employees	(6,464,681)	(236,800)	(6,701,481)	(6,673,568)
Payments to suppliers	(15,129,636)	(573,884)	(15,703,520)	(14,076,056)
Net cash from operating activities	1,303,986	405,480	1,709,466	1,391,199
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES				
Grant proceeds	813,469	-	813,469	-
Interfund loans	(675,975)	-	(675,975)	(499,025)
Transfer from General Fund	469,931	987,313	1,457,244	688,063
Net cash from noncapital and related financing activities	607,425	987,313	1,594,738	189,038
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(6,892,039)	-	(6,892,039)	(11,544,999)
Proceeds from sale of capital assets	-	-	-	500
Loan proceeds	867,488	-	867,488	7,756,571
Bond proceeds	9,615,000	3,385,000	13,000,000	-
Payment of principal	(1,094,376)	(4,150,313)	(5,244,689)	(982,235)
Interest paid	(543,188)	(517,005)	(1,060,193)	(1,081,338)
Net cash from capital and related financing activities	1,952,885	(1,282,318)	670,567	(5,851,501)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	49,685	3,865	53,550	24,440
Sales of investments	-	-	-	-
Net cash from investing activities	49,685	3,865	53,550	24,440
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,913,981	114,340	4,028,321	(4,246,824)
CASH AND CASH EQUIVALENTS, JANUARY 1	392,152	607,153	999,305	5,246,129
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 4,306,133</u>	<u>\$ 721,493</u>	<u>\$ 5,027,626</u>	<u>\$ 999,305</u>

(This statement is continued on the following page.)

CITY OF ELMHURST, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS

For the Year Ended December 31, 2017
(With Comparative Totals for 2016)

	Municipal Utility	Parking System Revenue	Total	
			2017	2016
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (1,993,561)	\$ (243,390)	\$ (2,236,951)	\$ (1,220,718)
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation	3,328,638	640,863	3,969,501	3,753,004
Changes in assets and liabilities				
Receivables	(1,227,661)	(12,862)	(1,240,523)	(218,537)
Prepaid items	(51,678)		(51,678)	38,748
Accounts payable	616,543	(4,620)	611,923	(1,507,083)
Accrued payroll	(8,741)	238	(8,503)	50,983
Compensated absences payable - current	16,154	3,449	19,603	(4,413)
Deposits payable	11,856		11,856	10,568
Claims payable	32,314		32,314	(28,540)
Unearned revenue	-	3,502	3,502	6,902
Pension items - IMRF	689,107	23,367	712,474	(849,886)
Net pension liability	(149,407)	(5,067)	(154,474)	1,442,720
Compensated absences payable	40,422		40,422	(82,549)
NET CASH FROM OPERATING ACTIVITIES	\$ 1,303,986	\$ 405,480	\$ 1,709,466	\$ 1,391,199

See accompanying notes to financial statements.

CITY OF ELMHURST, ILLINOIS

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

December 31, 2017

	Pension Trusts	Agency
<hr/>		
ASSETS		
Investments at fair value		
Cash and cash equivalents	\$ 1,276,650	\$ 476,761
U.S. Treasury obligations	4,095,119	-
U.S. agency obligations	29,547,711	-
Municipal bonds	6,508,593	-
Corporate bonds	7,482,219	-
Equity mutual funds	57,157,242	-
Receivables		
Accrued interest	303,246	-
	<hr/>	<hr/>
Total assets	106,370,780	\$ 476,761
	<hr/>	<hr/>
LIABILITIES		
Accounts payable	\$ 604	\$ -
Deposits payable	-	476,761
	<hr/>	<hr/>
Total liabilities	604	\$ 476,761
	<hr/>	<hr/>
NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 106,370,176</u>	

See accompanying notes to financial statements.

CITY OF ELMHURST, ILLINOIS

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS**

For the Year Ended December 31, 2017
(with comparative totals for 2016)

	2017	2016
ADDITIONS		
Contributions		
Employer	\$ 5,502,118	\$ 4,846,129
Plan members	997,866	982,651
Other	-	2,894
Total contributions	6,499,984	5,831,674
Investment income		
Net appreciation (depreciation) in fair value of investments	7,913,185	2,690,385
Interest on investments	4,247,826	3,100,800
Less investment expenses	(109,813)	(102,903)
Total investment income	12,051,198	5,688,282
Total additions	18,551,182	11,519,956
DEDUCTIONS		
Administration	33,884	41,685
Benefit payments	7,965,297	7,489,189
Total deductions	7,999,181	7,530,874
NET INCREASE	10,552,001	3,989,082
NET POSITION RESTRICTED FOR PENSIONS		
January 1	95,818,175	91,829,093
December 31	\$ 106,370,176	\$ 95,818,175

See accompanying notes to financial statements.

CITY OF ELMHURST, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Elmhurst, 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 July 13, 1910. The City is a municipal corporation operating under a Mayor-Council-City Manager form of government. As required by GAAP, these financial statements present the City (the primary government) and its component unit. The component unit discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City.

The City's financial statements include pension trust funds:

Police Pension Employees Retirement System

The City's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board, which consists of two members appointed by the City's Mayor, one pension beneficiary elected by the membership, and two police employees elected by the membership. The City and PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the City's police employees and because of the fiduciary nature of such activities. PPERS is reported as a pension trust fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Firefighters' Pension Employees Retirement System

The City's firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board, which consists of two members appointed by the City's Mayor, one pension beneficiary elected by the membership, and two fire employees elected by the membership. The City and FPERS participants are obligated to fund all FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, FPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the City's firefighters and because of the fiduciary nature of such activities. FPERS is reported as a pension trust fund.

Discretely Presented Component Unit

The component unit column in the basic financial statements includes the financial data of the City's component unit. It is reported in a separate column to emphasize that it is legally separate from the City.

Elmhurst Public Library

The City operates and maintains the Elmhurst Public Library (the Public Library) within the City. The Public Library's Board is appointed by the Mayor of the City. The Public Library may not issue debt without the City's approval and its annual property tax levy request is subject to the City Council's approval.

Separate financial statements are disclosed in the component unit portion of this report. The Public Library does not issue separate financial statements.

Elmhurst Heritage Foundation

The Elmhurst Heritage Foundation (formerly known as the Elmhurst Historical Museum Foundation) (the Foundation) is a not-for-profit corporation, established in July 1992. The funds and resources of the Foundation are devoted exclusively to developing and augmenting the resources and services of the Elmhurst History Museum, a department of the City, that are not otherwise provided for through other means of funding. The Foundation is not significant to the City and, therefore, not included in this report.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting

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

A fund is a separate accounting entity with a self-balancing set of accounts.

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), and the funds committed, restricted, or assigned for the servicing of long-term debt (debt service 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 to sound financial administration. Goods or services from such activities are provided to outside parties (enterprise funds).

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City maintains four fiduciary funds: the Police Pension Fund, the Firefighters' Pension Fund, the Trust and Deposit Fund, and the Special Assessment Fund.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position 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. Interfund services provided and used are not eliminated on 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 and (2) grants and shared revenues that are restricted to meeting the operational or capital requirements of a particular function. 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. Major individual governmental 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.

Stormwater Detention Project Fund - to account for the proceeds of fees paid in lieu of meeting stormwater detention requirements and are restricted for new public and private infrastructure improvements. Capital outlays for stormwater related improvements are the primary expenditures of the fund.

The Redevelopment Projects Fund is used to account for the tax increment revenues used for the redevelopment of the City's downtown tax increment financing district. The City has chosen to report this fund as a major fund.

The Route 83 Commercial Development Projects Fund is used to account for tax increment revenues used for the development of the City's Route 83 tax increment financing district. The City has chosen to report this fund as a major fund.

The Industrial Development Projects Fund is used to account for the tax increment revenues used for the development of the City's Lake Street tax increment financing district. The City has chosen to report this fund as a major fund.

The City reports the following major proprietary funds:

The Municipal Utility Fund accounts for the provision of water and wastewater treatment to the residents of the City. The Parking System Revenue Fund accounts for the provision of parking in the City. All activities necessary to provide such services are accounted for in these funds, including administration, operations, maintenance, financing, and billing and collection.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The City reports pension trust funds as fiduciary funds to account for the Police Pension Fund, the Firefighters' Pension Fund, and Agency Funds for noncommitment debt for the Special Assessments Fund and for deposits held for others.

d. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable, available, and earned). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period. The City recognizes property taxes when they become both measurable and available in the year intended to finance. A 60-day (except for sales and telecommunication taxes which are 90 days) availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations. Incidental revenues/expenses are reported as non-operating.

Those revenues susceptible to accrual are property taxes, franchise taxes, licenses, interest revenue, and charges for services. Sales owed to and taxes and fines collected and held by the state/county at year end on behalf of the City also are recognized as revenue. 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. Basis of Accounting (Continued)

The accrual basis of accounting is utilized by proprietary funds, pension trust funds, and agency funds. Under this method, revenues/additions are recorded when earned and expenses/deductions are recorded at the time liabilities are incurred.

The City reports unavailable/deferred and unearned revenue on its financial statements. Unavailable/deferred revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned revenues 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 or deferred inflow of resources for unavailable/deferred and unearned revenue is removed from the financial statements and revenue is recognized. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred.

e. Cash and Investments

Cash and Cash Equivalents

For purposes of the statement of cash flows, the City's proprietary funds consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

Investments with a maturity of one year or less when purchased and non-negotiable 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 the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

f. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans, if any, are classified as "interfund receivables/payables."

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses using the consumption method.

h. Restricted Assets

Certain resources set aside for the repayment of the sales tax revenue bonds are classified as restricted assets on the balance sheet because their use is limited by applicable escrow agreements. See the note on long-term debt for additional disclosures.

i. Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets, 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 as follows, with the exception of land and vehicles which are capitalized regardless of cost and an estimated useful life in excess of one year:

Assets	Capitalization Threshold
Buildings	\$ 25,000
Infrastructure	25,000
Mobile equipment	15,000
Furniture and fixtures	25,000
Computer equipment	15,000

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by city 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 acquisition value of the item at the date of its donation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Capital Assets (Continued)

Property, plant, and equipment is depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	45
Public domain infrastructure	20-80
System infrastructure	40-50
Vehicles	3-20
Mobile equipment	10-30
Furniture and fixtures	10
Computer equipment	5

j. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows for deferred charges on refundings and for pension items. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows for unavailable revenues from property taxes levied but supporting the subsequent years' budget. These deferred inflows are reported on both the government-wide and governmental fund financial statements. These amounts are recognized as an inflow of resources in the period that the amounts become available in the period intended to finance.

Pension items represent the changes in total pension liability related to the difference in actual and expected experience, or changes in assumptions regarding future events recognized over the expected remaining service life of all employees and differences in projected and actual earnings over the measurement period recognized over a five-year period.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Compensated Absences

The City accrues a liability for vacation and sick leave benefits as these benefits are earned. At December 31, 2017, the liabilities for these accumulated unpaid benefits are accounted for in the enterprise funds at all levels and in the governmental activities column in the government-wide financial statements. In the governmental fund financial statements, a liability has been accrued for amounts owed to employees who have retired or terminated employment by the end of the fiscal year.

l. 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. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

m. Fund Balances/Net Position

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, if any, is constrained by formal actions of the City Council, which is considered the City's highest level of decision-making authority. Formal actions include ordinances approved by the City Council. Assigned fund balance represents amounts constrained by the City's intent to use them for a specific purpose. The authority to assign fund balance, as authorized in R-14-2012 establishing the fund balance policy for the City, has been delegated to the City Finance Director by the City Council. Any residual fund balance in the General Fund is reported as unassigned. Any deficit fund balances in governmental funds are reported as unassigned.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Fund Balances/Net Position (Continued)

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 three to four 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. The City has formally adopted a revenue policy pursuant to resolution R-17-95. The revenue policy states, in part, that the General Fund balance will be maintained at a level between 25% to 33% (three to four months) of current projected operating expenditures as unassigned fund balance.

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

n. Interfund Transactions

Transactions for interfund services provided and used 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 are reported as transfers.

o. Use of 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. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the City's funds. The deposits and investments of the pension trust funds are held separately from those of other funds. The investments are governed by three separate investment policies; one policy for the City and the Public Library adopted by the City Council and one policy each for the Police Pension Fund and Firefighters' Pension Fund approved by their respective boards.

In accordance with the City's investment policy (Resolution No. R-85-2015), the City's monetary assets may be placed in all instruments permitted by the Illinois Public Funds Investment Act. This act permits deposits and investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, repurchase agreements of government securities, short-term commercial paper rated within the three highest classifications by at least two standard rating services, interest-bearing bonds of any local government within the State of Illinois, Illinois Funds money market 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).

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 objective of the policy is safety (preservation of capital and protection of investment principal), liquidity, and yield.

a. City Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires pledging of collateral with a fair value of 102% of all bank balances in excess of federal depository insurance with the collateral held by an independent third party depository or the Federal Reserve Bank of Chicago, designated by the City and evidenced by a safekeeping agreement in the City's name.

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

2. DEPOSITS AND INVESTMENTS (Continued)

b. City Investments

The following table presents the investments and maturities of the City's debt securities as of December 31, 2017:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Negotiable certificates of deposit	\$ 16,134,581	\$ 16,134,581	\$ -	\$ -	\$ -
TOTAL	\$ 16,134,581	\$ 16,134,581	\$ -	\$ -	\$ -

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, investments of longer maturities are more sensitive to changes in market interest rates. In accordance with its investment policy, the City limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and investing operating funds primarily in short-term securities. Unless matched to a specific cash flow, the City will not invest operating funds in securities maturing more than two years from the date of purchase. In addition, the policy requires the City to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. Additionally, the City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principals. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of December 31, 2017. The negotiable certificates of deposit are valued using quoted matrix pricing models (Level 2 inputs).

The City limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. agency obligations, U.S. Treasury obligations, insured or collateralized (102%) certificates of deposits, and Illinois Funds money market funds. The City also invests in short-term commercial paper investments rated at the time of purchase at the highest classification established by at least two standard rating services. Illinois Funds is rated AAA by Standard & Poor's. As of December 31, 2017, the City only invested in negotiable certificates of deposits.

2. DEPOSITS AND INVESTMENTS (Continued)

b. City Investments (Continued)

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the state to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Funds' share price, the price for which the investment could be sold. The fund issues a publicly available financial report. That report may be obtained by writing to the Office of the State Treasurer, Illinois Funds Administrative Office, 300 W Jefferson St., Springfield, Illinois 62702.

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. To limit its exposure, the City'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 a third party acting as the City's agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the City's name. Illinois Funds and IMET are not subject to custodial credit risk.

Concentration of credit risk - The City's investment policy limits the amount of the portfolio that can be invested in any one investment vehicle as follows:

Diversification by Instrument	Percent of Portfolio
U.S. Treasury obligations (bills, notes, and bonds)	100%
U.S. Government agency securities and instrumentalities of government sponsored corporations	100%
Illinois Funds	75%
Non-Public Investment Pools	50%
Commercial paper (CP)	33%
Banker's acceptances (BAs)	33%
Repurchase agreements (REPOs) (monies in the public funds or other money market funds are not to be included in this limitation)	25%
State and local government securities	25%
Certificates of deposit (CDs) commercial banks	100%
Certificates of deposit (CDs) savings and loans	5%

2. DEPOSITS AND INVESTMENTS (Continued)

b. City Investments (Continued)

Diversification by Instrument

Banker's acceptances

No more than 25% of the total portfolio with any one institution.

Repurchase agreements

No more than 10% of the total portfolio with any one institution.

Commercial paper

No more than 10% with any one corporate entity.

The combination of certificates of deposit, banker's acceptances, and commercial paper

No more than 33% of the total portfolio with any one institution.

Monies deposited at a financial institution

No more than 50% of the capital stock and surplus of that institution.

The City's investment policy specifically prohibits the use of or the investment in derivatives unless specifically authorized by the City Council.

3. RECEIVABLES

a. Property Taxes

The City's property tax becomes a lien on real property on January 1 of the year it is levied. The 2017 levy was adopted December 18, 2017 and attached as an enforceable lien as of January 1, 2017. The City is a home rule unit and, as such, has no statutory tax rate or legal debt margin limitations. Property taxes are deposited with the County Treasurer who remits to the City its respective share of the collections. Taxes levied in one year become due and payable in two installments during the following year, on or about June 1 and September 1. The 2017 levy is intended to finance the 2018 fiscal year and, therefore, is reported as unavailable/deferred revenue at December 31, 2017.

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

3. RECEIVABLES (Continued)

b. Loans

The following is a summary of changes in loans receivable during the year ended December 31, 2017.

Fund	Balances January 1	Issuances	Repayments	Balances December 31
DuPage Mayors & Managers Conference loan bearing interest of 2% due through 2021.	\$ 7,152	\$ -	\$ 638	\$ 6,514
TOTAL GENERAL FUND	\$ 7,152	\$ -	\$ 638	\$ 6,514
Federal Construction Inc. loan bearing interest of 6.40% to 7.00% due through 2021.	\$ 7,031,480	\$ -	\$ 1,432,391	\$ 5,599,089
TOTAL SALES TAX REVENUE BONDS 2006 FUND	\$ 7,031,480	\$ -	\$ 1,432,391	\$ 5,599,089

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

Primary Government

	Balances January 1	Additions	Retirements	Balances December 31
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 66,685,979	\$ 3,473,660	\$ 46,525	\$ 70,113,114
Construction in progress	1,071,357	211,562	1,071,358	211,561
Total capital assets not being depreciated	67,757,336	3,685,222	1,117,883	70,324,675
Capital assets being depreciated				
Buildings	35,523,472	958,695	-	36,482,167
Improvements other than buildings	145,727	-	-	145,727
Machinery and equipment	12,453,882	2,212,494	814,657	13,851,719
Infrastructure	85,760,391	4,287,318	1,866,600	88,181,109
Total capital assets being depreciated	133,883,472	7,458,507	2,681,257	138,660,722

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

4. CAPITAL ASSETS (Continued)

Primary Government (Continued)

	Balances January 1	Additions	Retirements	Balances December 31
GOVERNMENTAL ACTIVITIES (Continued)				
Less accumulated depreciation for				
Buildings	\$ 12,880,334	\$ 810,715	\$ -	\$ 13,691,049
Improvements other than buildings	52,023	2,983	-	55,006
Machinery and equipment	7,269,892	1,106,957	791,978	7,584,871
Infrastructure	50,489,656	2,969,346	1,761,690	51,697,312
Total accumulated depreciation	70,691,905	4,890,001	2,553,668	73,028,238
Total capital assets being depreciated, net	63,191,567	2,568,506	127,589	65,632,484
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 130,948,903	\$ 6,253,728	\$ 1,245,472	\$ 135,957,159

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

GOVERNMENTAL ACTIVITIES	
General government	\$ 442,965
Public safety	678,206
Municipal services	3,724,230
Culture and recreation	44,600
TOTAL	<u>\$ 4,890,001</u>

	Balances January 1	Additions	Retirements	Balances December 31
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 4,503,463	\$ -	\$ -	\$ 4,503,463
Construction in progress	3,379,960	1,183,701	3,027,539	1,536,122
Total capital assets not being depreciated	7,883,423	1,183,701	3,027,539	6,039,585
Capital assets being depreciated				
Buildings and land improvements	1,465,156	443,181	-	1,908,337
Parking decks	30,303,930	-	-	30,303,930
Wells and reservoirs	5,806,192	-	-	5,806,192
Sewerage treatment plant	50,569,569	5,260,831	-	55,830,400
Watermains	22,411,368	2,025,219	-	24,436,587
Pumping stations, sewers, and mains	45,314,026	721,611	-	46,035,637
Equipment	3,254,321	139,870	58,326	3,335,865
Total capital assets being depreciated	159,124,562	8,590,712	58,326	167,656,948

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

4. CAPITAL ASSETS (Continued)

Primary Government (Continued)

	Balances January 1	Additions	Retirements	Balances December 31
BUSINESS-TYPE ACTIVITIES				
(Continued)				
Less accumulated depreciation for				
Buildings and land improvements	\$ 1,146,047	\$ 32,514	\$ -	\$ 1,178,561
Parking decks	5,735,237	613,090	-	6,348,327
Wells and reservoirs	5,290,416	199,652	-	5,490,068
Sewerage treatment plant	22,547,701	1,428,944	-	23,976,645
Watermains	6,802,350	499,580	-	7,301,930
Pumping stations, sewers, and mains	19,503,921	901,369	-	20,405,290
Equipment	2,329,718	294,852	58,326	2,566,244
Total accumulated depreciation	63,355,390	3,970,001	58,326	67,267,065
Total capital assets being depreciated, net	95,769,172	4,620,711	-	100,389,883
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS NET				
	\$ 103,652,595	\$ 5,804,412	\$ 3,027,539	\$ 106,429,468

Depreciation expense was charged to functions/programs of the business-type activities as follows:

BUSINESS-TYPE ACTIVITIES		
Municipal utility		\$ 3,329,138
Parking		640,863
TOTAL		<u>\$ 3,970,001</u>

Component Unit - Public Library

	Balances January 1	Additions	Retirements	Balances December 31
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 621,421	\$ -	\$ -	\$ 621,421
Improvements other than buildings	35,000	-	-	35,000
Construction in progress	26,268	415,577	26,268	415,577
Total capital assets not being depreciated	682,689	415,577	26,268	1,071,998
Capital assets being depreciated				
Buildings	23,735,725	301,674	-	24,037,399
Equipment	499,353	-	-	499,353
Total capital assets being depreciated	24,235,078	301,674	-	24,536,752

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

4. CAPITAL ASSETS (Continued)

Component Unit - Public Library (Continued)

	Balances January 1	Additions	Retirements	Balances December 31
GOVERNMENTAL ACTIVITIES (Continued)				
Less accumulated depreciation for				
Buildings	\$ 6,820,678	\$ 533,829	\$ -	\$ 7,354,507
Equipment	428,939	58,040	-	486,979
Total accumulated depreciation	7,249,617	591,869	-	7,841,486
 Total capital assets being depreciated, net	 16,985,461	 (290,195)	 -	 16,695,266
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 17,668,150	\$ 125,382	\$ 26,268	\$ 17,767,264

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

GOVERNMENTAL ACTIVITIES Culture and recreation	<u>\$ 591,869</u>
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5. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. The City is self-insured for all risks, except health. They are accounted for in the General and Municipal Utility Funds. This program provides coverage up to a maximum of \$250,000 for each general liability claim, \$550,000 for each nonpolice/firefighter workers' compensation claim, \$650,000 for each police/firefighter workers' compensation claim, and \$100,000 for each property damage claim. The City purchases commercial insurance for claims in excess of the coverages provided by the program. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. The City purchases health insurance for its employees.

The General and Municipal Utility Funds of the City participate in the program based upon actuarial estimates of the amounts needed to pay prior and current year claims. Liabilities of the program are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for probable claims, that will be asserted, that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and societal factors. Claim liabilities reported as current liabilities are based on the probable amount of claims that will be paid in the current year.

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

5. RISK MANAGEMENT (Continued)

Changes in the balances of claims liabilities during the year ended December 31 are as follows:

	General	Utility	Total	
			2017	2016
UNPAID CLAIMS, BEGINNING OF YEAR	\$ 1,618,964	\$ 199,574	\$ 1,818,538	\$ 2,244,139
Incurred claims (including IBNR)	(35,942)	363,493	327,551	1,390,638
Claim payments	(341,963)	(331,179)	(673,142)	(1,816,239)
UNPAID CLAIMS, END OF YEAR	\$ 1,241,059	\$ 231,888	\$ 1,472,947	\$ 1,818,538

6. LONG-TERM DEBT

a. General Obligation Bonds

The City issues general obligation bonds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government activities, proprietary activities, and the Public Library. The bonds are reported in the proprietary funds if they are expected to be repaid from proprietary revenues and in the Public Library if they are expected to be repaid from library revenues.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances January 1	Issuances	Retirements	Balances December 31	Current Portion
\$10,000,000 General Obligation Bond Series of 2009, dated March 15, 2009, due in annual installments of \$350,000 to \$705,000 plus interest at 3.25% to 4.50% through March 1, 2029.	Debt Service	\$ 3,667,500	\$ -	\$ 3,667,500	\$ -	\$ -
	Parking System Revenue	3,667,500	-	3,667,500	-	-

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

6. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

Issue	Fund Debt Retired by	Balances January 1	Issuances	Retirements	Balances December 31	Current Portion
\$3,700,000 General Obligation Refunding Bond Series of 2009, dated September 1, 2009, due in annual installments of \$200,000 to \$680,000 plus interest at 2% to 4% through March 1, 2021.	Debt Service	\$ 750,460	\$ -	\$ 135,020	\$ 615,440	\$ 144,440
	Municipal Utility	444,540	-	79,980	364,560	85,560
\$10,000,000 General Obligation Refunding Bond Series of 2012, dated September 1, 2012, due in annual installments of \$70,000 to \$1,730,000 plus interest at 2% to 3% through March 1, 2033.	Debt Service	6,275,000	-	490,000	5,785,000	505,000
	Municipal Utility	2,700,000	-	135,000	2,565,000	135,000
\$9,150,000 General Obligation Refunding Bond Series of 2013, dated October 1, 2013, due in annual installments of \$485,000 to \$1,880,000 plus interest at 2% to 4% through March 1, 2023.	Debt Service	588,000	-	588,000	-	-
	Library Funds*	3,667,000	-	1,292,000	2,375,000	1,345,000
	Parking System Revenue	2,170,000	-	-	2,170,000	-
\$8,770,000 General Obligation Refunding Bonds, Series 2014A, dated January 7, 2014, due in annual installments of \$15,000 to \$2,080,000 plus interest at 1.50% to 3.00% through March 1, 2022.	Debt Service	441,600	-	441,600	-	-
	Library Funds*	6,120,000	-	15,000	6,105,000	15,000
	Municipal Utility	38,400	-	38,400	-	-
\$9,375,000 General Obligation Refunding Bonds, Series 2014B, dated November 1, 2014, due in annual installments of \$25,000 to \$1,150,000 plus interest at 2% to 4% through March 1, 2023.	Debt Service	5,835,960	-	93,912	5,742,048	493,392
	Municipal Utility	689,040	-	11,088	677,952	58,608
	Parking System Revenue	2,650,000	-	120,000	2,530,000	125,000

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

6. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

Issue	Fund Debt Retired by	Balances January 1	Issuances	Retirements	Balances December 31	Current Portion
\$16,000,000 General Obligation Refunding Bonds, Series 2015, dated July 1, 2015, due in annual installments of \$645,000 to \$1,210,000 plus interest at 2% to 4% through March 1, 2034.	Debt Service	\$ 4,000,000	\$ -	\$ 161,250	\$ 3,838,750	\$ 165,000
	Municipal Utility	3,000,000	-	120,938	2,879,062	123,750
	Parking System Revenue	9,000,000	-	362,812	8,637,188	371,250
\$25,000,000 General Obligation Bonds, Series 2016, dated June 22, 2016, due in annual installments of \$320,000 to \$2,470,000 plus interest at 2% to 3% through March 1, 2036.	Debt Service	25,000,000	-	-	25,000,000	320,000
\$6,770,000 General Obligation Bonds, Series 2017A, dated June 20, 2017, due in annual installments of \$485,000 to \$640,000 plus interest at 3% through March 1, 2029.	Debt Service	-	3,385,000	-	3,385,000	267,500
	Parking System Revenue	-	3,385,000	-	3,385,000	267,500
\$9,615,000 General Obligation Bonds, Series 2017B, dated August 1, 2017, due in annual installments of \$590,000 to \$805,000 plus interest at 2.25% to 3.00% through March 1, 2032.	Municipal Utility	-	9,615,000	-	9,615,000	-
TOTAL		\$ 80,705,000	\$ 16,385,000	\$ 11,420,000	\$ 85,670,000	\$ 4,422,000

*Taxes are levied by the Public Library and paid to the City.

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

6. LONG-TERM DEBT (Continued)

b. Sales Tax Revenue Bonds

Sales tax revenue bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Balance January 1	Issuances	Retirements	Balance December 31	Current Portion
\$17,860,000 Taxable Sales Tax Revenue Refunding Bonds Series 2006, dated May 15, 2006, due in annual installments commencing May 2007 of \$765,000 to \$1,770,000 plus interest at 5.625% to 6.400% through May 15, 2021.	Sales Tax Revenue Refunding Bonds 2006 Fund	\$ 7,840,000	\$ -	\$ 1,380,000	\$ 6,460,000	\$ 1,380,000

c. General Obligation Notes

The City enters into notes payable to provide funds for the acquisition of capital assets.

Notes payable currently outstanding are as follows:

Issue	Fund Debt Retired by	Balance January 1	Issuances	Retirements	Balance December 31	Current Portion
\$5,000,000 (authorized) taxable General Obligation Revolving Note, dated August 1, 1994, plus interest based on the one month LIBOR rate plus 80.0 basis points, due April 30 and October 31.	North York Redevelop- ment Projects	\$ 3,748,000	\$ 1,252,000	\$ -	\$ 5,000,000	\$ 5,000,000

d. Installment Loans Payable

The City enters into installment loans payable to provide funds for the acquisition of capital assets. Installment loans payable have been issued for proprietary activities and, therefore, proprietary liabilities are reported in proprietary funds.

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

6. LONG-TERM DEBT (Continued)

d. Installment Loans Payable (Continued)

Installment loans payable currently outstanding are as follows:

Issue	Fund Debt Retired by	Balances January 1	Issuances	Retirements	Balances December 31	Current Portion
\$1,679,611 Illinois Environmental Protection Agency Loan dated October 1, 1998, due in semiannual installments of \$29,939 to \$106,951 plus interest at 0.625% through March 14, 2020.	Municipal Utility	\$ 392,243	\$ -	\$ 108,441	\$ 283,802	\$ 111,306
\$590,821 Illinois Environmental Protection Agency Loan dated November 1, 1999, due in semiannual installments of \$11,806 to \$19,053 plus interest at 2.535% through August 1, 2020.	Municipal Utility	145,913	-	35,112	110,801	36,007
\$4,157,131 Illinois Environmental Protection Agency Loan dated January 1, 2013, due in semiannual installments of \$94,460 to \$119,694 plus interest at 1.25% through December 1, 2033.	Municipal Utility	3,678,888	283,242	195,508	3,766,622	197,959
\$1,058,925 Illinois Environmental Protection Agency Loan, dated July 13, 2013.	Municipal Utility	1,010,736	-	49,066	961,670	50,017
\$9,000,000 Illinois Environmental Protection Agency Loan, dated February 3, 2014.	Municipal Utility	8,525,784	526,870	320,845	8,731,809	375,153
\$9,054,155 Illinois Environmental Protection Agency Loan, dated March 3, 2018.	Municipal Utility	-	588,207*	-	588,207	-
TOTAL		\$ 13,753,564	\$ 1,398,319	\$ 708,972	\$ 14,442,911	\$ 770,442

* Loan agreement finalized prior to the date these financial statements were available for issuance. \$588,207 of expenses incurred in 2017 will be reimbursed through this loan program. Accordingly, the related issuance of installment loan is recognized in 2017.

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

6. LONG-TERM DEBT (Continued)

e. Debt Service Requirements to Maturity

Year Ending December 31,	General Obligation Bonds					
	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 1,898,332	\$ 1,271,182	\$ 3,169,514	\$ 1,166,668	\$ 1,073,243	\$ 2,239,911
2019	1,995,140	1,203,304	3,198,444	1,754,860	993,940	2,748,800
2020	1,893,876	1,151,561	3,045,437	2,276,124	934,995	3,211,119
2021	1,975,964	1,097,823	3,073,787	2,354,036	861,640	3,215,676
2022	1,936,962	1,044,011	2,980,973	2,323,038	787,721	3,110,759
2023	3,339,032	976,963	4,315,995	2,440,968	712,824	3,153,792
2024	3,447,588	893,406	4,340,994	1,907,412	646,985	2,554,397
2025	2,423,872	816,876	3,240,748	2,006,128	590,197	2,596,325
2026	2,542,234	746,674	3,288,908	2,067,766	530,497	2,598,263
2027	2,491,716	771,772	3,263,488	2,098,284	467,869	2,566,153
2028	2,620,272	691,898	3,312,170	2,159,728	401,313	2,561,041
2029	2,078,750	518,125	2,596,875	2,161,250	330,206	2,491,456
2030	1,898,750	455,925	2,354,675	1,906,250	260,000	2,166,250
2031	2,040,000	394,200	2,434,200	1,975,000	191,875	2,166,875
2032	2,210,000	327,700	2,537,700	2,040,000	121,350	2,161,350
2033	2,311,250	257,025	2,568,275	1,278,750	60,900	1,339,650
2034	2,472,500	182,300	2,654,800	907,500	18,150	925,650
2035	2,320,000	108,900	2,428,900	-	-	-
2036	2,470,000	37,050	2,507,050	-	-	-
TOTAL	\$ 44,366,238	\$ 12,946,695	\$ 57,312,933	\$ 32,823,762	\$ 8,983,705	\$ 41,807,467

Year Ending December 31,	General Obligation Bonds			Revenue Bonds Summary		
	Governmental Activities - Component Unit			Governmental Activities		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 1,360,000	\$ 240,213	\$ 1,600,213	\$ 1,470,000	\$ 366,400	\$ 1,836,400
2019	1,435,000	188,513	1,623,513	1,560,000	269,440	1,829,440
2020	1,745,000	139,869	1,884,869	1,660,000	166,400	1,826,400
2021	1,860,000	89,138	1,949,138	1,770,000	56,640	1,826,640
2022	2,080,000	31,200	2,111,200	-	-	-
TOTAL	\$ 8,480,000	\$ 688,933	\$ 9,168,933	\$ 6,460,000	\$ 858,880	\$ 7,318,880

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

6. LONG-TERM DEBT (Continued)

e. Debt Service Requirements to Maturity (Continued)

Year Ending December 31,	Total Outstanding Loans Business-Type Activities		
	Principal	Interest	Total
2018	\$ 770,443	\$ 234,339	\$ 1,004,782
2019	785,276	219,506	1,004,782
2020	741,396	204,371	945,767
2021	656,657	191,505	848,162
2022	668,244	179,918	848,162
2023	680,044	168,118	848,162
2024	692,060	156,102	848,162
2025	704,297	143,866	848,163
2026	716,758	131,405	848,163
2027	729,447	118,715	848,162
2028	742,370	105,792	848,162
2029	755,530	92,632	848,162
2030	768,933	79,230	848,163
2031	782,582	65,581	848,163
2032	796,482	51,681	848,163
2033	810,637	37,525	848,162
2034	549,167	23,862	573,029
2035	525,738	13,202	538,940
2036	266,809	2,661	269,470
TOTAL	\$ 13,142,870	\$ 2,220,011	\$ 15,362,881

* The debt service requirements to maturity presented above for total outstanding loans present the most recent debt service schedules available.

Year Ending December 31,	General Obligation Note Governmental Activities		
	Principal	Interest	Total
2018	\$ 5,000,000	\$ 130,490	\$ 5,130,490
TOTAL	\$ 5,000,000	\$ 130,490	\$ 5,130,490

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

6. LONG-TERM DEBT (Continued)

f. Changes in Long-Term Liabilities

During the fiscal year, the following changes occurred in liabilities reported on the schedule of long-term liabilities payable:

Primary Government

	Balances January 1	Additions	Reductions	Balances December 31	Due Within One Year
GOVERNMENTAL ACTIVITIES					
General obligation bonds payable	\$ 46,558,520	\$ 3,385,000	\$ 5,577,282	\$ 44,366,238	\$ 1,898,332
Sales tax revenue bonds payable	7,840,000	-	1,380,000	6,460,000	1,470,000
General obligation note payable	3,748,000	1,252,000	-	5,000,000	5,000,000
Claims payable	745,987	-	83,640	662,347	-
Compensated absences payable*	3,134,357	1,171,019	1,439,716	2,865,660	1,470,267
Net pension liability - Illinois Municipal Retirement Fund*	7,736,091	-	283,605	7,452,486	-
Net pension liability - Sheriff's Law Enforcement Personnel Fund*	59,109	-	7,687	51,422	-
Net pension liability - Police Pension Fund*	36,634,605	-	3,058,717	33,575,888	-
Net pension liability - Firefighters' Pension Fund*	21,149,706	-	2,512,481	18,637,225	-
Subtotal	127,606,375	5,808,019	14,343,128	119,071,266	9,838,599
Discounts	(56,936)	-	(21,892)	(35,044)	-
Premium	1,221,950	189,354	7,446	1,403,858	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 128,771,389	\$ 5,997,373	\$14,328,682	\$ 120,440,080	\$ 9,838,599

* Paid primarily from the General Fund.

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

6. LONG-TERM DEBT (Continued)

f. Changes in Long-Term Liabilities (Continued)

Primary Government (Continued)

	Balances January 1	Additions	Reductions	Balances December 31	Due Within One Year
BUSINESS-TYPE ACTIVITIES					
General obligation bonds payable	\$ 24,359,480	\$ 13,000,000	\$ 4,535,718	\$ 32,823,762	\$ 1,166,668
Installment note payable	13,753,564	1,398,318	708,971	14,442,911	770,443
Claims payable	199,574	98,173	65,859	231,888	76,523
Compensated absences payable	708,891	499,760	439,735	768,916	354,086
Net pension liability - Illinois Municipal Retirement Fund	4,214,261	-	154,474	4,059,787	-
Subtotal	43,235,770	14,996,251	5,904,757	52,327,264	2,367,720
Discounts	(18,500)	-	(18,500)	-	-
Premium	1,011,756	291,110	96,911	1,205,955	-
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 44,229,026	\$ 15,287,361	\$ 5,983,168	\$ 53,533,219	\$ 2,367,720

Component Unit - Public Library

	Balances January 1	Additions	Reductions	Balances December 31	Due Within One Year
General obligation bonds payable	\$ 9,787,000	\$ -	\$ 1,307,000	\$ 8,480,000	\$ 1,360,000
Premium	342,327	-	98,860	243,467	-
Net pension liability - Illinois Municipal Retirement Fund	1,871,469	-	68,598	1,802,871	-
TOTAL	\$ 12,000,796	\$ -	\$ 1,474,458	\$ 10,526,338	\$ 1,360,000

6. LONG-TERM DEBT (Continued)

g. Refundings

General Obligation Bond Series 2017A

On June 20, 2017, the City issued \$6,770,000 General Obligation Refunding Bonds, 2017A, to refund, through a current refunding, \$6,895,000 of the Series 2009 General Obligation Bonds. Through the refunding, the City reduced its debt service by \$900,408 and achieved an economic gain of \$785,691.

h. Legal Debt Margin

The City is a home rule municipality. Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin.

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

To date the General Assembly has set no limits for home rule municipalities.

i. Tax Increment Financing

The City has designated a portion of the City’s downtown area and areas along Lake Street, along Route 83 and St. Charles Road, and along North York Road as redevelopment project areas in accordance with the Tax Increment Allocation Redevelopment Act of the State of Illinois. All property tax receipts within these project areas, in excess of base year amounts, are allocated to special funds to pay for the City’s costs of redeveloping portions of the project areas.

All incremental property taxes, other revenues, and expenditures are allocated to the Redevelopment Projects, Industrial Development Projects, Route 83 Commercial Development Project, Church Road/Lake Street and the North York Redevelopment (capital projects) Funds. These funds can only be used to pay costs of redevelopment in the project areas.

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

6. LONG-TERM DEBT (Continued)

- j. Sales Tax Revenue Bonds Fund - 1998 and Sales Tax Revenue Refunding Bonds - 2006

The proceeds of the taxable \$21,000,000 1998 Sales Tax Revenue Bonds were issued to fund an economic development project. The proceeds were used to pay the cost of issuance of the bonds and to provide funds for the refinancing of a construction loan of Federal Construction, Inc. (the Developer). The proceeds of the Developer's construction loan were used to pay the cost of reconstructing retail property owned by the Developer that is located in the Tax Incremental Financing Redevelopment Area located at the corner of St. Charles Road and Route 83. Loan payments from the Developer will be used to fund the debt service on the bonds.

The bonds are secured by General Fund sales tax revenues. In April 2004, the City entered into an agreement with Bank One NA and the Developer to refund the Sales Tax Revenue Bonds Series 1998. The closing took place May 15, 2006 at which time the outstanding Sales Tax Revenue Bonds Series 1998 (\$17,860,000) were called in their entirety and Sales Tax Revenue Refunding Bonds Series 2006 was issued for \$17,860,000 at the same debt service maturities and interest rates as the Sales Tax Revenue Bonds Series 1998. The Sales Tax Revenue Refunding Bonds Series 2006 are secured by general fund sales tax revenues. The City received \$590,000 in 2004 as inducement for this refunding, which was recognized as revenue at the bond closing on May 15, 2006. Of this amount, \$263,333 was paid upon receipt to the Developer and \$326,667 was retained by the City. The remaining pledge of sales tax is equal to the remaining debt service to maturity of \$10,994,680, with the pledge expiring December 31, 2021, when the bonds are paid off. During the current fiscal year, the pledge of sales tax of \$1,838,200 was approximately 52.98% of the total General Fund sales tax. The principal and interest on these bonds are paid annually by the developer to the City.

7. INTERFUND ASSETS/LIABILITIES

Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
Primary Government General	Nonmajor Governmental Funds	\$ 650,441
TOTAL		\$ 650,441

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

- \$650,441 is due to the General Fund from the Nonmajor Governmental Funds to cover operating expenses and will be repaid in fiscal 2017.

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

7. INTERFUND ASSETS/LIABILITIES (Continued)

Interfund Transfers

	Transfer In	Transfer Out
General	\$ -	\$ 2,596,387
Stormwater Detention Fund	274,193	1,203,612
Redevelopment Projects Fund	-	477,872
Route 83 Commercial Development Fund	-	71,363
Industrial Development Fund	-	466,146
Nonmajor Governmental Funds	3,083,943	-
Municipal Utility Fund	469,931	-
Parking System Revenue Fund	987,313	-
TOTAL	\$ 4,815,380	\$ 4,815,380

The purposes of the significant interfund transfers are as follows:

- \$864,950 was transferred from the General Fund, \$477,872 from the Redevelopment Fund, \$1,203,612 from the Stormwater Fund, and \$71,363 from the Rt. 83 Commercial Development Fund to the Nonmajor Governmental Funds for the purpose of paying its portion of the debt service payments.
- \$469,931 and \$987,313 was transferred from the General Fund to the Municipal Utility Fund and Parking System Funds, respectively, for the purpose of paying its portion of the debt service payments.
- \$274,193 was transferred from the General Fund to the Stormwater Detention Fund for the purpose of acquiring property.
- \$466,146 was transferred from the Industrial Development Fund to a Nonmajor Fund for the purpose of funding the Church Road/Lake Street TIF Fund.

The following funds had a deficit in fund balances at December 31, 2017:

Fund	Deficit
Church Road/Lake Street TIF	\$ 645,009
North York Redevelopment	3,979

8. COMMITMENTS

DuPage Water Commission

The City is a customer of DuPage Water Commission (DWC) and has executed a water supply contract with DWC for a term ending in 2024. The contract provides that the City pay its proportionate share of “fixed costs” (debt service and capital costs) to DWC, such obligation being unconditional and irrevocable whether or not water is ever delivered. DWC approves an ordinance each year to establish the fixed charge for DWC’s fiscal year ended April 30. The fixed charge was established at \$0 for DWC’s fiscal year ended April 30, 2017 and \$0 for DWC’s fiscal year ended April 30, 2018.

The fixed charge is calculated using the City’s current allocation percentage of 5.43%. In future years, the estimates and the allocation percentage will be subject to change. Estimates for the remaining years of the contract are not currently available. However, the City does not expect the minimum amounts for the remaining years of the contract to materially vary from the amounts presented above.

9. TAX ABATEMENTS

The City has entered into various agreements with private organizations to encourage economic development in the City. The agreements approved by the City Council are in accordance with Illinois Compiled Statutes (ILCS) (Tax Increment Financing (TIF) and Home Rule Authority). Some of the agreements provide for rebating a portion of property taxes and/or sales taxes to the private organizations to improve local business facilities or their supporting public infrastructure under certain circumstances. The terms of these rebate arrangements are specified within written agreements with the businesses concerned.

During 2017, the City entered into two economic development agreements that will rebate a portion (50%) of the property tax increment generated from the TIF redevelopment projects. The first agreement is pay-as-you-go, 50/50 split of increment with a maximum payment of \$25,000 through the life of the TIF. The second agreement is pay-as-you-go, 100% of the increment after up front incentive payment of \$400,000 has been recouped, with a maximum payment of \$1,200,000 through the life of the TIF. Both agreements include repayment provisions. As of December 31, 2017, the City has four agreements to rebate TIF property tax increment. No property tax rebates were made under these four agreements in fiscal year 2017.

The City also has six agreements to rebate a portion of its state-shared sales taxes. The rebate amounts range from \$200,000 to \$2,000,000 over 10 to 15-year periods. All of the agreements are subject to a repayment provision if the business ceases operation or relocates out of the City during the term of the agreement. The total amount of sales taxes rebated under these agreements for the fiscal year ending December 31, 2017 was \$438,476.

10. 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.

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. DuPage Water Commission

The City's water supply agreement with the DWC provides that each customer is liable for its proportionate share of any costs arising from defaults in payment obligations by other customers.

11. DEFINED BENEFIT PENSION PLANS

The City contributes to four defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Sheriff's Law Enforcement Personnel (SLEP) (also administered by IMRF), an agent multiple-employee retirement system; the Police Pension Plan, which is a single-employer pension plan; and the Firefighters' Pension Plan, which is also a single-employer pension plan. The benefits, benefit levels, employee contributions, and employer contributions for all four plans are governed by Illinois Compiled Statutes (ILCS) may only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report may be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at www.imrf.org.

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel

a. Plan Descriptions

Plan Administration

All employees (other than those covered by the Police Pension Plan or Firefighters' Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

11. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

a. Plan Descriptions (Continued)

Plan Administration (Continued)

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At December 31, 2016, the latest actuarial valuation date, IMRF membership for the City and Public Library consisted of:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel
Inactive employees or their beneficiaries currently receiving benefits	208	-
Inactive employees entitled to but not yet receiving benefits	98	-
Active employees	207	1
TOTAL	513	1

b. Benefits Provided

Illinois Municipal Retirement Fund

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. 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.

11. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

Sheriff's Law Enforcement Personnel

SLEP members, having accumulated at least 20 years of SLEP service and terminating IMRF participation on or after January 1, 1988, may elect to retire at or after age 50 with no early retirement discount penalty. SLEP members meeting these two qualifications are entitled to an annual retirement benefit, payable monthly for life, in an amount generally equal to 2.50% of their final rate of earnings, for each year of credited service up to 20 years, 2% of their final earnings rate for the next ten years of credited service, and 1% for each year thereafter.

c. Contributions

Illinois Municipal Retirement Fund

Participating members are required to contribute 4.50% 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 rate for the calendar years ended 2016 and 2017 were 13.26% and 12.50%, respectively, of covered payroll.

Sheriff's Law Enforcement Personnel

For SLEP members retiring with less than 20 years of SLEP service, the regular IMRF pension formula applies. SLEP also provides death and disability benefits. These benefit provisions and all other requirements are established by Illinois Compiled Statute. Participating members are required to contribute 7.50% of their annual salary to SLEP. The City is required to contribute the remaining amounts necessary to fund SLEP as specified by statute. The employer contribution rate for the calendar years ended 2016 and 2017 were 14.52% and 14.57%, respectively, of covered payroll.

11. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

d. Actuarial Assumptions

The City's net pension liability was measured as of December 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions:

	Illinois Municipal Retirement	Sheriff's Law Enforcement Personnel
Actuarial valuation date	December 31, 2016	December 31, 2016
Actuarial cost method	Entry-age normal	Entry-age normal
Assumptions		
Inflation	2.75%	2.75%
Salary increases	3.75% to 14.50%	3.75% to 14.50%
Interest rate	7.50%	7.50%
Cost of living adjustments	3.00%	3.00%
Asset valuation method	Market value	Market value

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

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

e. Discount Rate

The discount rate used to measure the total pension liability was 7.50% for both IMRF and SLEP. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's and SLEP's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.50% was used to determine the total pension liabilities.

f. Changes in the Net Pension Liability

Illinois Municipal Retirement Fund

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2016	\$ 96,173,632	\$ 82,351,852	\$ 13,821,780
Changes for the period			
Service cost	1,527,831	-	1,527,831
Interest	7,085,855	-	7,085,855
Difference between expected and actual experience	2,215	-	2,215
Changes in assumptions	(360,051)	-	(360,051)
Employer contributions	-	2,045,414	(2,045,414)
Employee contributions	-	699,564	(699,564)
Net investment income	-	5,647,155	(5,647,155)
Benefit payments and refunds	(4,160,094)	(4,160,094)	-
Administrative expense	-	-	-
Other (net transfer)	-	370,352	(370,352)
Net changes	4,095,756	4,602,391	(506,635)
BALANCES AT DECEMBER 31, 2016	\$ 100,269,388	\$ 86,954,243	\$ 13,315,145

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

f. Changes in the Net Pension Liability (Continued)

Illinois Municipal Retirement Fund

The table on the previous page includes amounts for both the City and the Public Library. The City's collective share of the net pension liability at January 1, 2016, the employer contributions, and the net pension liability at December 31, 2016 was \$11,950,311, \$1,768,465, and \$11,512,274, respectively. The Public Library's collective share of the net pension liability at January 1, 2016, the employer contributions and the net pension liability at December 31, 2016 was \$1,871,469, \$276,949, and \$1,802,871, respectively.

Sheriff's Law Enforcement Personnel

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2016	\$ 169,404	\$ 110,295	\$ 59,109
Changes for the period			
Service cost	31,393	-	31,393
Interest	13,771	-	13,771
Difference between expected and actual experience	(7,737)	-	(7,737)
Changes in assumptions	(1,357)	-	(1,357)
Employer contributions	-	23,784	(23,784)
Employee contributions	-	12,285	(12,285)
Net investment income	-	7,966	(7,966)
Benefit payments and refunds	-	-	-
Administrative expense	-	-	-
Other (net transfer)	-	(278)	278
Net changes	36,070	43,757	(7,687)
BALANCES AT DECEMBER 31, 2016	\$ 205,474	\$ 154,052	\$ 51,422

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

- g. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

Illinois Municipal Retirement Fund

For the year ended December 31, 2017, the City recognized pension expense of \$1,830,117. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 374,985	\$ 501,020
Changes in assumption	949,767	265,804
Contributions made subsequent to the measurement date	1,898,461	-
Net difference between projected and actual earnings on pension plan investments	4,306,193	-
TOTAL	\$ 7,529,406	\$ 766,824

\$1,898,461 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the measurement period ended December 31, 2017. The City's collective share of the contributions subsequent to measurement date was \$1,641,409. The Public Library's collective share of the contributions subsequent to measurement date was \$257,052.

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

<u>Year Ending December 31,</u>	
2018	\$ 2,308,905
2019	1,279,460
2020	1,177,745
2021	98,011
2022	-
Thereafter	-
TOTAL	\$ 4,864,121

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

- g. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

Illinois Municipal Retirement Fund (Continued)

The deferred outflows presented in the table above include amounts for both the City and the Public Library. The City's collective share of the deferred outflows and inflows of resources at December 31, 2017 was \$6,509,924 and \$662,996, respectively. The Public Library's collective share of the deferred outflows and inflows of resources at December 31, 2017 was \$1,029,482 and \$103,828, respectively.

Sheriff's Law Enforcement Personnel

For the year ended December 31, 2017, the City recognized pension expense of \$1,270. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to SLEP from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,384	\$ 6,697
Changes in assumption	3,660	1,175
Net difference between projected and actual earnings on pension plan investments	5,566	-
TOTAL	\$ 10,610	\$ 7,872

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

<u>Year Ending December 31,</u>	
2018	\$ 1,511
2019	1,511
2020	1,352
2021	40
2022	(288)
Thereafter	(1,388)
TOTAL	\$ 2,738

11. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund and Sheriff's Law Enforcement Personnel (Continued)

h. Discount Rate Sensitivity

Illinois Municipal Retirement Fund

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.50% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (City)	\$ 22,685,076	\$ 11,512,274	\$ 2,266,015
Net pension liability (Public Library)	3,552,578	1,802,871	354,868
Net pension liability (total)	<u>\$ 26,237,654</u>	<u>\$ 13,315,145</u>	<u>\$ 2,620,883</u>

Sheriff's Law Enforcement Personnel

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7.50% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability	\$ 75,335	\$ 51,422	\$ 30,676

11. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan

a. Plan Administration

Police sworn personnel are covered by the Police 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 (40 ILCS - 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the Police Pension Plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the City's Mayor, one member is elected by pension beneficiaries, and two members are elected by active police employees.

b. Plan Membership

At December 31, 2017, the Police Pension Plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	76
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	<u>65</u>
TOTAL	<u><u>143</u></u>

c. Benefits Provided

The following is a summary of the Police Pension Plan as provided for in ILCS.

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% 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% of the original pension, and 3% compounded annually thereafter.

11. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

c. Benefits Provided (Continued)

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 \$110,631, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3% 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% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}\%$ for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

d. Contributions

Covered 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 Police Pension Plan 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. However, the City has elected to fund 100% of the past service cost by 2033. For the year ended December 31, 2017, the City's contribution was 53.0% of covered payroll.

e. Investment Policy

ILCS limits the Police Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorized the Fund to make deposits/invest in interest-bearing obligations of the U.S. Treasury and U.S. agencies, corporate bonds rated as investment grade by one of the two largest rating services, interest-bearing savings accounts or certificates of deposit issued by federally chartered banks, savings and loan associations, or by State

11. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

e. Investment Policy (Continued)

of Illinois chartered banks and savings and loan associations insured by the federal government, obligations of the State of Illinois and its political subdivisions, the Illinois Funds, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government, equity mutual funds, and equity securities. The Fund's investment policy does not specifically prohibit the use of or the investment in derivatives.

During the year, no changes to the investment policy were approved by the Board of Trustees.

The Fund's investment policy, in accordance with ILCS, establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Equities - 50% Target		
Large Cap Domestic Equity	35.00%	6.80%
Small Cap Domestic Equity	10.00%	8.80%
International Equities	5.00%	6.70%
Fixed Income	50.00%	1.80%

ILCS limits the Fund's investments in equities, mutual funds, and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

Long-term returns for the asset classes are calculated on a geometric mean basis. Asset class returns and risk premium data are from Morningstar Analyst Research Center - SBBI Data for the period of 12/31/1925 through 12/31/2016. International Equity = the MSCI EAFE Index 12/31/1969 through 12/31/2016.

f. Investment Concentrations

There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Fund's investments.

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

g. Investment Rate of Return

For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.29%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

h. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy do not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Fund's deposits with financial institutions.

i. Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2017:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 2,550,672	\$ 1,048,804	\$ 1,095,024	\$ 406,844	\$ -
U.S. agency obligations	19,355,071	100,677	4,915,410	14,305,640	33,344
Local government bonds	4,256,074	148,716	2,125,768	1,512,152	469,438
Corporate bonds	3,615,284	468,849	1,468,241	1,678,194	-
TOTAL	\$ 29,777,101	\$ 1,767,046	\$ 9,604,443	\$ 17,902,830	\$ 502,782

The Fund categorizes the fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The City's Fund has the following recurring fair value measurements as of December 31, 2017. The U.S. Treasury obligations and equity mutual fund securities are valued using quoted prices (Level 1 inputs). The U.S. agency obligations are valued using institutional bond quotes (Level 2 inputs). The state and local obligations and corporate bonds, are valued using on quoted matrix pricing models (Level 2 inputs).

11. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

i. Interest Rate Risk (Continued)

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, investments of longer maturities are more sensitive to changes in market interest rates. In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy does not have a maximum maturity length of investments in the Fund.

j. Credit Risk

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government. The local government bonds are rated AA, AA-, AA+, AAA, or not rated by Standard & Poor's. Corporate bonds must be rated as investment grade by one of the two largest rating services. Corporate bonds are rated BBB+, A-, A, A+, AA, AA+, or AAA by Standard & Poor's. The U.S. agency securities are rated AAA.

k. Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be held in a trust department through book entry and the Depository Trust Company with an approved written agreement. The money market mutual funds and mutual funds are not subject to custodial credit risk.

l. Discount Rate

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payment of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

m. Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2017	\$ 94,050,236	\$ 57,415,631	\$ 36,634,605
Changes for the period			
Service cost	1,228,438	-	1,228,438
Interest	6,404,329	-	6,404,329
Difference between expected and actual experience	278,260	-	278,260
Changes in assumptions	-	-	-
Employer contributions	-	3,397,808	(3,397,808)
Employee contributions	-	609,163	(609,163)
Other contributions	-	-	-
Net investment income	-	6,981,910	(6,981,910)
Benefit payments and refunds	(5,119,642)	(5,119,642)	-
Administrative expense	-	(19,137)	19,137
Net changes	2,791,385	5,850,102	(3,058,717)
BALANCES AT DECEMBER 31, 2017	\$ 96,841,621	\$ 63,265,733	\$ 33,575,888

11. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

n. Actuarial Assumptions

The total net pension liability above was determined by an actuarial valuation using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2017
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	4.00% to 9.27%
Interest rate	7.00%
Cost of living adjustments	Tier 1: 3.00%, compounded Tier 2: 2.00%, simple
Asset valuation method	Market

Mortality rates are based on rates developed in the Lauterbach and Amen 2016 Mortality Table for Illinois Police Officers.

o. Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6%) or 1 percentage point higher (8%) than the current rate:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net pension liability	\$ 47,120,285	\$ 33,575,888	\$ 23,119,439

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

Police Pension Plan (Continued)

- p. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2017, the City recognized police pension expense of \$3,658,778. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,762,562	\$ -
Changes in assumption	373,490	-
Net difference between projected and actual earnings on pension plan investments	1,445,824	2,401,943
TOTAL	\$ 3,581,876	\$ 2,401,943

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

<u>Year Ending December 31,</u>	
2018	\$ 595,518
2019	595,518
2020	(1,073)
2021	(148,256)
2022	113,700
Thereafter	24,526
TOTAL	\$ 1,179,933

11. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan

a. Plan Administration

Fire sworn personnel are covered by the Firefighters' 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 (40 ILCS - 5/4-1) and may be amended only by the Illinois legislature. The City accounts for the Firefighters' Pension Plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the City's Mayor, one member is elected by pension beneficiaries, and two members are elected by active fire employees.

b. Plan Membership

At December 31, 2017, the Firefighters' Pension Plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefits	43
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	<u>40</u>
TOTAL	<u>84</u>

c. Benefits Provided

The following is a summary of the Firefighters' Pension Plan as provided for in ILCS:

The Firefighters' 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. 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% 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 firefighter 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% of the original pension, and 3% compounded annually thereafter.

11. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan (Continued)

c. Benefits Provided (Continued)

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 firefighter 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. Firefighters' salary for pension purposes is capped at \$110,631, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3% 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% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}\%$ for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter 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% or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

d. Contributions

Covered employees are required by ILCS to contribute 9.455% of their base salary to the Firefighters' 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 Firefighters' Pension Plan 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 Firefighters' Pension Plan. However, the City has elected to fund 100% of the past service cost by 2033. For the year ended December 31, 2017, the City's contribution was 51.11% of covered payroll.

e. Investment Policy

ILCS limits the Firefighters' Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorized the Fund to make deposits/invest in interest-bearing obligations of the U.S. Treasury and U.S. agencies, corporate bonds rated as investment grade by one of the two largest rating services, interest-bearing savings accounts or certificates of

11. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan (Continued)

e. Investment Policy (Continued)

deposit issued by federally chartered banks, savings and loan associations, or by State of Illinois chartered banks and savings and loan associations insured by the federal government, obligations of the State of Illinois and its political subdivisions, Illinois Funds, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government, equity mutual funds, and equity securities. The Fund's investment policy does not specifically prohibit the use of or the investment in derivatives.

During the year, no changes to the investment policy were approved by the Board of Trustees.

The Fund's investment policy, in accordance with ILCS, establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Equities - 55% Target		
Large Cap Domestic Equity	33.0%	6.8%
Small Cap Domestic Equity	11.0%	8.8%
International Equities	11.0%	6.7%
Fixed Income	45.0%	1.8%

The long-term expected rate of return on the Fund's investments was determined by the Fund's investment management consultant using asset class returns from *Stocks, Bonds, Bills and Inflation 2013 Yearbook - Morningstar* for the period of December 31, 1925 through December 31, 2015 for fixed income and domestic equity and the MSCI EAFE Index December 31, 1977 through December 31, 2015 for international equity. Long-term returns for the asset classes are calculated on a geometric mean basis.

ILCS limits the Fund's investments in equities, mutual funds, and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

11. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan (Continued)

f. Investment Concentrations

There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Fund's investments.

g. Investment Rate of Return

For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.28%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

h. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy do not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Fund's deposits with financial institutions.

i. Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2017:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury obligations	\$ 1,544,447	\$ 548,212	\$ 945,672	\$ 50,563	\$ -
U.S. agency obligations	10,192,640	99,358	899,805	9,193,477	-
Local government bonds	2,252,519	505,126	1,214,696	532,697	-
Corporate bonds	3,866,935	-	2,546,825	1,320,110	-
TOTAL	\$ 17,856,541	\$ 1,152,696	\$ 5,606,998	\$ 11,096,847	\$ -

11. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan (Continued)

i. Interest Rate Risk (Continued)

The Fund categorizes the fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The City's Fund has the following recurring fair value measurements as of December 31, 2017. The U.S. Treasury obligations and equity mutual fund securities are valued using quoted prices (Level 1 inputs). The U.S. agency obligations are valued using institutional bond quotes (Level 2 inputs). The state and local obligations and corporate bonds, are valued using on quoted matrix pricing models (Level 2 inputs).

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, investments of longer maturities are more sensitive to changes in market interest rates. In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy does not have a maximum maturity length of investments in the Fund.

j. Credit Risk

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the U.S. Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government. The local government bonds are rated AA+, or not rated by Standard & Poor's. Corporate bonds must be rated as investment grade by one of the two largest rating services. Corporate bonds are rated BBB+, A-, A, A+, AA, AA- or AA+ by Standard & Poor's. The U.S. agency securities are rated AAA.

k. Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be held in a trust department through book entry and the Depository Trust Company with an approved written agreement. The money market mutual funds and mutual funds are not subject to custodial credit risk.

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan (Continued)

l. Discount Rate

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payment of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

m. Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2017	\$ 59,552,250	\$ 38,402,544	\$ 21,149,706
Changes for the period			
Service cost	908,230	-	908,230
Interest	4,069,060	-	4,069,060
Difference between expected and actual experience	57,784	-	57,784
Changes in assumptions	-	-	-
Employer contributions	-	2,104,310	(2,104,310)
Employee contributions	-	388,703	(388,703)
Net investment income	-	5,069,288	(5,069,288)
Benefit payments and refunds	(2,845,655)	(2,845,655)	-
Administrative expense	-	(14,747)	14,747
Net changes	2,189,419	4,701,899	(2,512,480)
BALANCES AT DECEMBER 31, 2017	\$ 61,741,669	\$ 43,104,443	\$ 18,637,226

11. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan (Continued)

n. Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2017
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	4.00% to 10.36%
Interest rate	7.00%
Cost of living adjustments	Tier 1: 3.00%, compounded Tier 2: 2.00%, simple
Asset valuation method	Market

Mortality rates are based on rates developed in the Lauterbach and Amen 2016 Mortality Table for Illinois Firefighters.

o. Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the City calculated using the discount rate of 7% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6%) or 1 percentage point higher (8%) than the current rate:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net pension liability	\$ 27,159,491	\$ 18,637,225	\$ 11,646,949

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' Pension Plan (Continued)

- p. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended December 31, 2017, the City recognized firefighters' pension expense of \$2,357,241. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 892,005	\$ -
Changes in assumption	449,892	-
Net difference between projected and actual earnings on pension plan investments	1,045,581	1,915,175
TOTAL	\$ 2,387,478	\$ 1,915,175

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

<u>Year Ending December 31,</u>	
2018	\$ 429,227
2019	429,224
2020	(15,805)
2021	(382,001)
2022	11,372
Thereafter	286
TOTAL	\$ 472,303

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

Summary Financial Statements

a. Schedule of Net Position as of December 31, 2017

	Police Pension	Firefighters' Pension	Total
ASSETS			
Investments at fair value			
Cash and cash equivalents	\$ 668,282	\$ 608,368	\$ 1,276,650
U.S. Treasury obligations	2,550,672	1,544,445	4,095,117
U.S. agency obligations	19,355,071	10,192,640	29,547,711
Municipal bonds	4,256,074	2,252,517	6,508,591
Corporate bonds	3,615,284	3,866,933	7,482,217
Equity mutual funds	32,641,007	24,516,241	57,157,248
Receivables			
Accrued interest	179,343	123,903	303,246
Total assets	63,265,733	43,105,047	106,370,780
LIABILITIES			
Accounts Payable	-	604	604
Total liabilities	-	604	604
NET POSITION	\$ 63,265,733	\$ 43,104,443	\$ 106,370,176

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

Summary Financial Statements (Continued)

b. Schedule of Changes in Net Position for the year ended December 31, 2017

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions - employer	\$ 3,397,808	\$ 2,104,310	\$ 5,502,118
Contributions - plan members	609,163	388,703	997,866
Total contributions	4,006,971	2,493,013	6,499,984
Investment income			
Net appreciation in fair value of investments	4,474,885	3,438,300	7,913,185
Interest earned	2,572,604	1,675,222	4,247,826
Less investment expenses	(65,579)	(44,234)	(109,813)
Total investment income	6,981,910	5,069,288	12,051,198
Total additions	10,988,881	7,562,301	18,551,182
DEDUCTIONS			
Administration	19,137	14,747	33,884
Benefit payments	5,119,642	2,845,655	7,965,297
Total deductions	5,138,779	2,860,402	7,999,181
NET INCREASE	5,850,102	4,701,899	10,552,001
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
January 1	57,415,631	38,402,544	95,818,175
December 31	\$ 63,265,733	\$ 43,104,443	\$ 106,370,176

12. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the City provides postemployment health care benefits (OPEB) for retired full-time employees through a single-employer defined benefit plan (the Plan) with the exception of public works union employees. Public Works union employees receive health care benefits through their union. 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 activities.

b. Benefits Provided

The City provides continued health insurance coverage to all eligible employees. To be eligible for benefits, the employee must qualify for retirement under one of the City's three retirement plans and be enrolled in the City's health benefit plan at the time of retirement. The retirees pay a blended premium. Upon a retiree reaching age 65 they are no longer a member of the health care plan.

c. Membership

At December 31, 2016, membership consisted of:

Retirees and beneficiaries currently receiving benefits	34
Terminated employees entitled to benefits but not yet receiving them	-
Current employees	
Vested	45
Nonvested	154
	<hr/>
TOTAL	233
	<hr/>
Participating employers	1
	<hr/>

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. The City negotiates the contribution percentages between the City and employees through union contracts and personnel policy. All retirees contribute 100% of the health insurance premium. Active employees do not contribute to the Plan until retirement. Retiree contributions for the year ended December 31, 2017 were \$371,910 and the City contributed \$212,012.

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

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

d. Funding Policy (Continued)

The City's annual OPEB cost, the percentage of annual OPEB contributed to the Plan, and the net OPEB obligation for 2015, 2016, and 2017 was as follows:

Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
2015	\$ 138,138	\$ 197,933	143.3%	\$ (150,984)
2016	158,892	180,349	113.5%	(172,441)
2017	158,748	212,012	133.6%	(225,705)

The net OPEB obligation (asset) as of December 31, 2017 was calculated as follows:

Annual required contribution	\$ 159,898
Interest on net OPEB obligation	(6,898)
Adjustment to annual required contribution	<u>5,748</u>
Annual OPEB cost	158,748
Contributions made	<u>212,012</u>
Decrease in net OPEB obligation	(53,264)
Net OPEB obligation (asset), beginning of year	<u>(172,441)</u>
NET OPEB OBLIGATION (ASSET), END OF YEAR	<u><u>\$ (225,705)</u></u>

Funded Status and Funding Progress. The funded status of the Plan as of December 31, 2016 was as follows:

Actuarial accrued liability (AAL)	\$ 2,799,494
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	2,799,494
Funded ratio (actuarial value of plan assets/AAL)	0.0%
Covered payroll (active plan members)	\$17,315,790
UAAL as a percentage of covered payroll	16.2%

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

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

d. Funding Policy (Continued)

and the ARC 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 follows 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 AALs for benefits.

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

In the December 31, 2016 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included an investment rate of return of 4% and an initial healthcare cost trend rate of 8% with an ultimate healthcare inflation rate of 5.50%. Both rates include a 3% 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 payroll on an open basis. The remaining amortization period at December 31, 2016 was 30 years.

13. SUBSEQUENT EVENTS

On March 26, 2018, the City completed the defeasance and escrow of the remaining outstanding 2006A Taxable Sales Tax Revenue Refunding Bonds.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ELMHURST, ILLINOIS

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

For the Year Ended December 31, 2017
(With Comparative Totals for 2016)

	2017			
	Original and Final Budget	Actual	Variance with Final Budget Over (Under)	2016 Actual
REVENUES				
Taxes				
Property	\$ 10,154,100	\$ 10,253,795	\$ 99,695	\$ 10,751,563
Sales	18,586,900	18,846,203	259,303	18,289,861
Utility	4,059,650	3,782,827	(276,823)	4,011,310
Real estate transfer	635,000	673,038	38,038	630,657
Food and beverage	1,366,000	1,328,793	(37,207)	1,340,713
Other	908,000	851,594	(56,406)	855,281
Intergovernmental	7,289,950	4,547,604	(2,742,346)	5,034,817
Licenses and permits	5,063,450	4,875,429	(188,021)	4,973,368
Fines and penalties	823,500	804,616	(18,884)	777,851
Charges for services	4,819,100	5,133,217	314,117	4,760,963
Investment income	87,230	221,415	134,185	122,972
Revenue replacement	59,100	58,760	(340)	57,932
Miscellaneous	1,974,040	2,023,566	49,526	2,069,553
Total revenues	55,826,020	53,400,857	(2,425,163)	53,676,841
EXPENDITURES				
Current				
General government	4,943,820	5,274,679	330,859	5,526,342
Public safety	28,380,664	28,033,401	(347,263)	26,550,023
Streets	10,203,120	8,631,906	(1,571,214)	8,728,633
Rubbish disposal	3,407,050	3,247,534	(159,516)	3,190,287
Public health	368,000	372,161	4,161	361,503
Public welfare	265,500	140,353	(125,147)	182,552
History museum	1,038,520	920,392	(118,128)	891,041
Visitor and tourism service	456,260	419,058	(37,202)	342,475
Cable television	98,300	93,980	(4,320)	96,993
Central equipment maintenance	(10)	1,727	1,737	33,880
Total current	49,161,224	47,135,191	(2,026,033)	45,903,729

(This schedule is continued on the following page.)

CITY OF ELMHURST, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
GENERAL FUND**

For the Year Ended December 31, 2017
(With Comparative Totals for 2016)

	2017			
	Original and Final Budget	Actual	Variance with Final Budget Over (Under)	2016 Actual
EXPENDITURES (Continued)				
Capital outlay				
General government	\$ 750,000	\$ 300,541	\$ (449,459)	\$ 198,263
Public safety	1,871,240	295,731	(1,575,509)	590,222
Streets	9,142,890	5,483,555	(3,659,335)	5,770,485
History museum	125,000	-	(125,000)	-
Public benefits	390,000	92,379	(297,621)	25,750
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital outlay	12,279,130	6,172,206	(6,106,924)	6,584,720
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	61,440,354	53,307,397	(8,132,957)	52,488,449
	<hr/>	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,614,334)	93,460	5,707,794	1,188,392
	<hr/>	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	1,719,383	1,719,383	-
Transfers in	4,000	-	(4,000)	5,185
Transfers (out)	(4,062,870)	(2,596,387)	1,466,483	(2,629,261)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(4,058,870)	(877,004)	3,181,866	(2,624,076)
	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (9,673,204)</u>	(783,544)	<u>\$ 8,889,660</u>	(1,435,684)
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCE, JANUARY 1		<u>30,354,856</u>		<u>31,790,540</u>
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCE, DECEMBER 31		<u><u>\$ 29,571,312</u></u>		<u><u>\$ 30,354,856</u></u>

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS**

December 31, 2017

Schedule of Funding Progress

Actuarial Valuation Date April 30,	(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	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
2013	\$ -	\$ 1,504,051	0.00%	\$ 1,504,051	\$ 16,319,325	9.22%
2013*	N/A	N/A	N/A	N/A	N/A	N/A
2014*	-	2,100,390	0.00%	2,100,390	16,583,778	12.67%
2015*	N/A	N/A	N/A	N/A	N/A	N/A
2016*	-	2,799,494	0.00%	2,799,494	17,315,790	16.17%
2017*	N/A	N/A	N/A	N/A	N/A	N/A

* Actuarial Valuation Date December 31

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2013	\$ 159,320	\$ 91,746	173.65%
2013*	83,050	68,956	120.44%
2014	175,598	138,746	126.56%
2015	197,933	138,746	142.66%
2016	180,349	159,898	112.79%
2017	212,012	159,898	132.59%

* The City changed to a December 31 year end for the fiscal year ended December 31, 2013.

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS ILLINOIS MUNICIPAL RETIREMENT FUND

Last Three Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2017	2016	2015
Actuarially determined contribution	\$ 1,898,461	\$ 2,045,414	\$ 1,869,855
Contributions in relation to the actuarially determined contribution	1,898,461	2,045,414	1,953,711
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ (83,856)
Covered-employee payroll	\$ 15,187,688	\$ 15,425,445	\$ 14,472,562
Contributions as a percentage of covered-employee payroll	12.50%	13.26%	13.50%

The figures above represented the combined total for the City and the Public Library

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 27 years; the asset valuation method was at five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 4.40% to 16.00% compounded annually, and postretirement benefit increases of 3.00% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

CITY OF ELMHURST, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
SHERIFF'S LAW ENFORCEMENT PERSONNEL FUND**

Last Three Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2017	2016	2015
Actuarially determined contribution	\$ 23,364	\$ 23,783	\$ 24,515
Contributions in relation to the actuarially determined contribution	23,364	23,783	24,515
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 160,357	\$ 163,795	\$ 164,309
Contributions as a percentage of covered-employee payroll	14.57%	14.52%	14.92%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 27 years; the asset valuation method was at five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 4.40% to 16.00% compounded annually, and postretirement benefit increases of 3.00% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

CITY OF ELMHURST, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND**

Last Ten Fiscal Years

FISCAL YEAR ENDED,	DECEMBER 31,					APRIL 30,				
	2017	2016	2015	2014	2013	2013*	2012	2011	2010	2009
Actuarially determined contribution	\$ 3,260,746	\$ 2,864,223	\$ 2,320,030	\$ 2,141,998	\$ 1,926,082	\$ 1,814,654	\$ 1,838,595	\$ 1,969,388	\$ 1,537,031	\$ 1,378,058
Contributions in relation to the actuarially determined contribution	3,397,808	2,982,703	2,421,178	2,397,736	1,901,609	1,877,944	1,908,063	2,055,081	1,620,448	1,460,290
CONTRIBUTION DEFICIENCY (Excess)	\$ (137,062)	\$ (118,480)	\$ (101,148)	\$ (255,738)	\$ 24,473	\$ (63,290)	\$ (69,468)	\$ (85,693)	\$ (83,417)	\$ (82,232)
Covered-employee payroll	\$ 6,411,208	\$ 6,179,478	\$ 6,650,002	\$ 6,126,091	\$ 5,799,509	\$ 5,702,394	\$ 5,622,222	\$ 5,652,038	\$ 5,748,542	\$ 5,511,514
Contributions as a percentage of covered-employee payroll	53.00%	48.27%	36.41%	39.14%	32.79%	32.93%	33.94%	36.36%	28.19%	26.50%
Notes to Required Supplementary Information										
Actuarial valuation date	December 31, 2017									
Actuarial cost method	Entry-age normal									
Amortization method	Level percentage of pay, closed									
Amortization period	16 years									
Asset valuation method	Five-Year Smoothed Market									
Investment rate of return, net of investment expenses	7.00% annually									
Projected salary increases	4.00% to 9.27%									
Postretirement benefit increases										
Tier 1	3.00% compounded annually									
Tier 2	2.00% per year not compounded									

*The City changed to a December 31 year end for the fiscal year ended December 31, 2013.

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
FIREFIGHTERS' PENSION FUND**

Last Ten Fiscal Years

FISCAL YEAR ENDED,	DECEMBER 31,					APRIL 30,				
	2017	2016	2015	2014	2013	2013*	2012	2011	2010	2009
Actuarially determined contribution	\$ 2,018,807	\$ 1,789,394	\$ 1,654,563	\$ 1,496,005	\$ 1,261,036	\$ 1,279,667	\$ 1,349,599	\$ 1,422,490	\$ 1,162,254	\$ 1,072,111
Contributions in relation to the actuarially determined contribution	2,104,310	1,863,426	1,727,751	1,672,882	1,246,347	1,325,436	1,402,347	1,485,302	1,225,570	1,136,474
CONTRIBUTION DEFICIENCY (Excess)	\$ (85,503)	\$ (74,032)	\$ (73,188)	\$ (176,877)	\$ 14,689	\$ (45,769)	\$ (52,748)	\$ (62,812)	\$ (63,316)	\$ (64,363)
Covered-employee payroll	\$ 4,117,096	\$ 3,968,285	\$ 4,726,479	\$ 4,075,935	\$ 4,003,212	\$ 3,853,704	\$ 3,775,198	\$ 3,690,480	\$ 3,658,180	\$ 3,531,252
Contributions as a percentage of covered-employee payroll	51.11%	46.96%	36.55%	41.04%	31.13%	34.39%	37.15%	40.25%	33.50%	32.18%
Notes to Required Supplementary Information										
Actuarial valuation date	December 31, 2017									
Actuarial cost method	Entry-age normal									
Amortization method	Level percentage of pay, closed									
Amortization period	16 years									
Asset valuation method	Five-Year Smoothed Market									
Investment rate of return, net of investment expenses	7.00% annually									
Projected salary increases	4.00% to 10.36%									
Postretirement benefit increases										
Tier 1	3.00% compounded annually									
Tier 2	2.00% per year not compounded									

* The City changed to a December 31 year end for the fiscal year ended December 31, 2013.

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Three Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2016	2015	2014
TOTAL PENSION LIABILITY			
Service cost	\$ 1,527,831	\$ 1,568,922	\$ 1,561,605
Interest	7,085,855	6,834,896	6,182,493
Changes of benefit terms	-	-	-
Differences between expected and actual experience	2,215	(1,015,810)	1,415,451
Changes of assumptions	(360,051)	232,928	3,165,218
Benefit payments, including refunds of member contributions	(4,160,094)	(3,832,911)	(3,183,199)
Net change in total pension liability	4,095,756	3,788,025	9,141,568
Total pension liability - beginning	96,173,632	92,385,607	83,244,039
TOTAL PENSION LIABILITY - ENDING	\$ 100,269,388	\$ 96,173,632	\$ 92,385,607
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 2,045,414	\$ 1,953,711	\$ 1,887,183
Contributions - member	699,564	662,546	651,353
Net investment income	5,647,155	413,436	4,789,066
Benefit payments, including refunds of member contributions	(4,160,094)	(3,832,911)	(3,183,199)
Administrative expense	370,352	(140,466)	319,525
Net change in plan fiduciary net position	4,602,391	(943,684)	4,463,928
Plan fiduciary net position - beginning	82,351,852	83,295,536	78,831,608
PLAN FIDUCIARY NET POSITION - ENDING	\$ 86,954,243	\$ 82,351,852	\$ 83,295,536
EMPLOYER'S NET PENSION LIABILITY	\$ 13,315,145	\$ 13,821,780	\$ 9,090,071
Plan fiduciary net position as a percentage of the total pension liability	86.72%	85.63%	90.16%
Covered-employee payroll	\$ 14,954,602	\$ 15,524,344	\$ 14,306,588
Employer's net pension liability as a percentage of covered-employee payroll	89.04%	89.03%	63.54%

Above figures are combined for the City and the Public Library

Changes in assumptions related to retirement age and mortality were made from 2014 to 2015. The investment rate of return was changed from 7.47% in 2015 to 7.50% in 2016.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
SHERIFF'S LAW ENFORCEMENT PERSONNEL FUND**

Last Three Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2016	2015	2014
TOTAL PENSION LIABILITY			
Service cost	\$ 31,393	\$ 30,111	\$ 29,032
Interest	13,771	10,614	7,421
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(7,737)	1,087	900
Changes of assumptions	(1,357)	371	5,303
Benefit payments, including refunds of member contributions	-	-	-
Net change in total pension liability	36,070	42,183	42,656
Total pension liability - beginning	169,404	127,221	84,565
TOTAL PENSION LIABILITY - ENDING	\$ 205,474	\$ 169,404	\$ 127,221
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 23,784	\$ 24,515	\$ 21,586
Contributions - member	12,285	12,323	11,809
Net investment income	7,966	480	3,525
Benefit payments, including refunds of member contributions	-	-	-
Administrative expense	(278)	(4,664)	(374)
Net change in plan fiduciary net position	43,757	32,654	36,546
Plan fiduciary net position - beginning	110,295	77,641	41,095
PLAN FIDUCIARY NET POSITION - ENDING	\$ 154,052	\$ 110,295	\$ 77,641
EMPLOYER'S NET PENSION LIABILITY	\$ 51,422	\$ 59,109	\$ 49,580
Plan fiduciary net position as a percentage of the total pension liability	74.97%	65.11%	61.03%
Covered-employee payroll	\$ 160,357	\$ 163,795	\$ 164,309
Employer's net pension liability as a percentage of covered-employee payroll	32.07%	36.09%	30.17%

Changes in assumptions related to retirement age and mortality were made from 2014 to 2015. The investment rate of return was changed from 7.44% in 2015 to 7.50% in 2016.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION FUND**

Last Four Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2017	2016	2015	2014
TOTAL PENSION LIABILITY				
Service cost	\$ 1,228,438	\$ 1,148,074	\$ 1,124,218	\$ 1,342,666
Interest	6,404,329	6,181,017	5,846,675	5,222,828
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	278,260	542,422	2,051,430	778,737
Changes of assumptions	-	267,763	334,067	5,740,346
Benefit payments, including refunds of member contributions	(5,119,642)	(4,778,563)	(4,381,590)	(3,963,355)
Net change in total pension liability	2,791,385	3,360,713	4,974,800	9,121,222
Total pension liability - beginning	94,050,236	90,689,523	85,714,723	76,593,501
TOTAL PENSION LIABILITY - ENDING	\$ 96,841,621	\$ 94,050,236	\$ 90,689,523	\$ 85,714,723
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 3,397,808	\$ 2,982,703	\$ 2,421,178	\$ 2,397,736
Contributions - member	609,163	609,138	604,030	571,490
Contributions - other	-	2,894	-	-
Net investment income	6,981,910	3,402,002	833,521	3,701,863
Benefit payments, including refunds of member contributions	(5,119,642)	(4,778,563)	(4,381,590)	(3,963,355)
Administrative expense	(19,137)	(19,778)	(17,956)	(18,638)
Net change in plan fiduciary net position	5,850,102	2,198,396	(540,817)	2,689,096
Plan fiduciary net position - beginning	57,415,631	55,217,235	55,758,052	53,068,956
PLAN FIDUCIARY NET POSITION - ENDING	\$ 63,265,733	\$ 57,415,631	\$ 55,217,235	\$ 55,758,052
EMPLOYER'S NET PENSION LIABILITY	\$ 33,575,888	\$ 36,634,605	\$ 35,472,288	\$ 29,956,671
Plan fiduciary net position as a percentage of the total pension liability	65.33%	61.05%	60.89%	65.05%
Covered-employee payroll	\$ 6,411,208	\$ 6,179,478	\$ 7,347,160	\$ 6,126,091
Employer's net pension liability as a percentage of covered-employee payroll	523.71%	592.84%	482.80%	489.00%

The assumed rate on High Quality 20-Year Tax-Exempt G.O. Bonds was updated from 3.57% to 3.78% 3.44% for 2015, 2016, and 2017, respectively. The underlying index used is The Bond Buyer 20-Bond GO Index. The choice of index is unchanged from the prior year. The rate has been updated to the current fiscal year end based on changes in market conditions as reflected in the Index.

The discount rate was not changed in the current year. The discount rate is impacted by a couple of metrics. Any change in the underlying High Quality 20-Year Tax Exempt G.O. Bond Rate will impact the blended discount rate.

Changes made that impact the projection of the net position of the fund. For example, changes in the formal or informal funding policy can impact the discount rate. Actual changes in the net position from one year to the next can impact the projections as well.

In the 2016 valuation, the mortality assumption was updated to include mortality improvements as stated in the most recently released MP-2016 table. In addition, the rates are being applied on a fully-generational basis. These changes were made to better reflect the future anticipated experience in the fund.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
FIREFIGHTERS' PENSION FUND**

Last Four Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2017	2016	2015	2014
TOTAL PENSION LIABILITY				
Service cost	\$ 908,230	\$ 848,814	\$ 839,142	\$ 1,121,521
Interest	4,069,060	3,905,455	3,627,063	3,311,037
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	57,784	103,730	1,528,848	110,170
Changes of assumptions	-	257,345	548,590	2,296,488
Benefit payments, including refunds of member contributions	(2,845,655)	(2,710,626)	(2,422,605)	(2,226,493)
Net change in total pension liability	2,189,419	2,404,718	4,121,038	4,612,723
Total pension liability - beginning	59,552,250	57,147,532	53,026,494	48,413,771
TOTAL PENSION LIABILITY - ENDING	\$ 61,741,669	\$ 59,552,250	\$ 57,147,532	\$ 53,026,494
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 2,104,310	\$ 1,863,426	\$ 1,727,751	\$ 1,672,882
Contributions - member	388,703	373,513	391,323	379,086
Net investment income	5,069,288	2,286,280	306,256	2,212,439
Benefit payments, including refunds of member contributions	(2,845,655)	(2,710,626)	(2,422,605)	(2,226,493)
Administrative expense	(14,747)	(21,907)	(22,478)	(7,827)
Net change in plan fiduciary net position	4,701,899	1,790,686	(19,753)	2,030,087
Plan fiduciary net position - beginning	38,402,544	36,611,858	36,631,611	34,601,524
PLAN FIDUCIARY NET POSITION - ENDING	\$ 43,104,443	\$ 38,402,544	\$ 36,611,858	\$ 36,631,611
EMPLOYER'S NET PENSION LIABILITY	\$ 18,637,226	\$ 21,149,706	\$ 20,535,674	\$ 16,394,883
Plan fiduciary net position as a percentage of the total pension liability	69.81%	64.49%	64.07%	69.08%
Covered-employee payroll	\$ 4,117,096	\$ 3,968,285	\$ 4,726,479	\$ 4,075,935
Employer's net pension liability as a percentage of covered-employee payroll	452.68%	532.97%	434.48%	402.24%

The assumed rate on High Quality 20-Year Tax-Exempt G.O. Bonds was changed from 3.56% to 3.57% to 3.78%, to 3.44% from 2014 to 2015 to 2016 to 2017, respectively. The underlying index used is The Bond Buyer 20-Bond GO Index. The choice of index is unchanged from the prior years. The rate has been updated to the current fiscal year end based on changes in market conditions as reflected in the Index.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND**

Last Four Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	12.29%	6.25%	1.51%	7.03%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS
SCHEDULE OF INVESTMENT RETURNS
FIREFIGHTERS' PENSION FUND

Last Four Fiscal Years

FISCAL YEAR ENDED DECEMBER 31,	2017	2016	2015	2014
<hr/>				
Annual money-weighted rate of return, net of investment expense	13.28%	6.33%	0.75%	6.41%

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2017

1. BUDGETS

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted (at the fund level) for the General, Special Revenue, Debt Service, Capital Projects, Enterprise, Police Pension Trust Fund, and Firefighters' Pension Trust Fund. Budgetary comparisons are reflected in the City's financial report for all governmental funds. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year end.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Prior to the end of the fiscal year, the City Manager, as Budget Officer, submits to the City Council, a proposed operating budget for the fiscal year commencing January 1. The operating budget includes proposed expenditures and estimated revenues.
- b. The City Council holds public meetings to discuss the proposed budget.
- c. After approval of the budget by the City Council, it is officially adopted by ordinance. State statutes and local ordinances require that the budget be approved before the beginning of the fiscal year.
- d. Revisions to the budget may be made in accordance with the Illinois Compiled Statutes, requiring two-thirds vote of the City Council. Management cannot amend the total budget for individual funds without seeking the approval of the City Council. Expenditures may not exceed the budget of the individual fund level. No supplemental budgetary appropriations were necessary during the year.
- e. Formal budgetary integration is employed as a management control device during the year for the General, Special Revenue, Debt Service, Capital Projects, Enterprise, and Pension Trust Funds through an internal reporting system. Such budgetary integration permits the City's department managers to monitor actual revenues and expenditures relative to budgets on an ongoing basis throughout the year.
- f. The Public Library Board has the authority to approve the budget for the Public Library funds; however, the City Council approves the tax levy for those funds.

CITY OF ELMHURST, ILLINOIS**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Continued)**

**2. EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN
INDIVIDUAL FUNDS**

The following governmental funds had an excess of actual expenditures over budget for the fiscal year.

<u>Fund</u>	<u>Excess</u>
North York Redevelopment	\$ 3,497,972

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

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.

Stormwater Detention Project Fund - to account for the proceeds of fees paid in lieu of meeting stormwater detention requirements and are restricted for new public and private infrastructure improvements. Capital outlays for stormwater related improvements are the primary expenditures of the fund.

The Redevelopment Projects Fund is used to account for the tax increment revenues used for the redevelopment of the City's downtown tax increment financing district. The City has chosen to report this fund as a major fund.

The Route 83 Commercial Development Projects Fund is used to account for tax increment revenues used for the development of the City's Route 83 tax increment financing district. The City has chosen to report this fund as a major fund.

The Industrial Development Projects Fund is used to account for the tax increment revenues used for the development of the City's Lake Street tax increment financing district. The City has chosen to report this fund as a major fund.

CITY OF ELMHURST, ILLINOIS

**SCHEDULE OF DETAILED REVENUES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2017
(With Comparative Actual for 2016)

	2017			
	Original and Final Budget	Actual	Variance with Final Budget Over (Under)	2016 Actual
REVENUES				
Taxes				
Property taxes	\$ 10,154,100	\$ 10,253,795	\$ 99,695	\$ 10,751,563
Sales tax	18,586,900	18,846,203	259,303	18,289,861
Utility tax	4,059,650	3,782,827	(276,823)	4,011,310
Real estate transfer tax	635,000	673,038	38,038	630,657
Food and beverage tax	1,366,000	1,328,793	(37,207)	1,340,713
Foreign fire insurance tax	78,000	89,537	11,537	82,172
Municipal hotel tax	464,000	429,329	(34,671)	434,915
Motor fuel tax (local)	366,000	332,728	(33,272)	338,194
Total taxes	35,709,650	35,736,250	26,600	35,879,385
Intergovernmental				
Illinois state income tax	4,437,000	4,083,063	(353,937)	4,318,384
Replacement tax	361,000	380,590	19,590	377,429
Federal grants	1,971,950	190,971	(1,780,979)	205,799
State grants	515,000	(108,992)	(623,992)	122,505
Other grants	5,000	1,972	(3,028)	10,700
Total intergovernmental	7,289,950	4,547,604	(2,742,346)	5,034,817
Licenses and permits				
Licenses				
Business	3,950	5,024	1,074	4,456
Contractor	129,000	131,681	2,681	129,738
Liquor	268,000	292,808	24,808	271,814
Entertainment	5,000	4,200	(800)	5,100
Taxi	6,500	6,200	(300)	5,750
Animal	2,500	2,103	(397)	2,430
Vehicle	1,225,000	1,219,443	(5,557)	1,219,279
Cable TV franchise fee	955,000	926,306	(28,694)	926,252
Telephone franchise fee	196,500	179,705	(16,795)	182,412
Miscellaneous	58,000	69,063	11,063	64,344
Permits				
Building	1,310,000	1,126,027	(183,973)	1,314,032
Electrical	7,500	10,523	3,023	6,594
Truck permit fees	14,500	17,405	2,905	18,845
Fire protection permits	2,000	2,217	217	2,386
Miscellaneous	880,000	882,724	2,724	819,936
Total licenses and permits	5,063,450	4,875,429	(188,021)	4,973,368

(This schedule is continued on the following pages.)

CITY OF ELMHURST, ILLINOIS

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

For the Year Ended December 31, 2017
(With Comparative Actual for 2016)

	2017			
	Original and Final Budget	Actual	Variance with Final Budget Over (Under)	2016 Actual
REVENUES (Continued)				
Fines and penalties				
Court fines	\$ 446,000	\$ 461,494	\$ 15,494	\$ 451,172
Liquor fines	500	-	(500)	-
Vehicle sticker fines	47,000	23,418	(23,582)	42,945
Code enforcement fines	5,000	2,725	(2,275)	8,190
Adjudication hearing fines	-	80	80	200
Administrative tow fines	180,000	190,500	10,500	166,000
Compliance/ordinance fines	145,000	126,399	(18,601)	109,344
Total fines and penalties	823,500	804,616	(18,884)	777,851
Charges for services				
Rubbish service charge	3,074,600	3,048,884	(25,716)	2,932,324
Refuse sticker program	91,000	90,955	(45)	76,803
Yard waste program	303,000	247,793	(55,207)	275,342
Police protection	75,000	77,487	2,487	75,776
Park district gasoline, other	39,000	43,458	4,458	43,704
School district gasoline, other	24,000	29,147	5,147	26,906
Park district equipment maintenance	190,000	127,395	(62,605)	180,034
Park district, other	20,000	363,271	343,271	4,798
History Museum program fees	2,500	7,978	5,478	3,275
Fire protection services	450,000	521,893	71,893	583,501
Radio alarm services	525,000	535,421	10,421	521,690
Miscellaneous	25,000	39,535	14,535	36,810
Total charges for services	4,819,100	5,133,217	314,117	4,760,963
Investment income	87,230	221,415	134,185	122,972
Revenue replacement	59,100	58,760	(340)	57,932
Miscellaneous				
Forfeiture proceeds	150,000	82,434	(67,566)	86,716
Public hearing	20,000	21,000	1,000	29,500
DARE income	3,500	-	(3,500)	3,500
Recycling	7,500	12,707	5,207	9,209
Property damage	70,000	123,940	53,940	154,496
Tree removal	15,000	20,100	5,100	19,300
Sidewalk repairs	35,000	73,247	38,247	37,726
Rental income	493,800	228,854	(264,946)	275,514
Museum rental income	9,000	6,400	(2,600)	28,000
Museum foundation donation	25,000	17,037	(7,963)	24,396

(This schedule is continued on the following page.)

CITY OF ELMHURST, ILLINOIS

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

For the Year Ended December 31, 2017
 (With Comparative Actual for 2016)

	2017		Variance with Final Budget Over (Under)	2016 Actual
	Original and Final Budget	Actual		
REVENUES (Continued)				
Miscellaneous (Continued)				
EHS gifts	\$ -	\$ -	\$ -	\$ 570
Museum merchandise	5,000	7,372	2,372	4,451
Veteran's memorial	500	1,139	639	739
Employee health insurance contribution	488,740	432,911	(55,829)	445,324
Employee dental insurance contribution	133,140	122,196	(10,944)	113,214
Retiree health insurance contribution	355,280	369,348	14,068	330,021
Retiree dental insurance contribution	16,280	17,155	875	15,815
Rear yard drain program	1,000	12,185	11,185	2,850
History Museum donations	1,500	2,099	599	1,944
NSF check fees	300	100	(200)	200
False alarm fees	6,000	5,728	(272)	6,510
Taxi cab county program	7,000	4,638	(2,362)	7,075
Fire programs	5,000	322	(4,678)	337
Police explorers	1,500	6,845	5,345	1,340
Miscellaneous	124,000	455,809	331,809	470,806
Total miscellaneous	1,974,040	2,023,566	49,526	2,069,553
TOTAL REVENUES	\$ 55,826,020	\$ 53,400,857	\$ (2,425,163)	\$ 53,676,841

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

**SCHEDULE OF DETAILED EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2017
(With Comparative Actual for 2016)

	2017			
	Original and Final Budget	Actual	Variance with Final Budget Over (Under)	2016 Actual
GENERAL GOVERNMENT				
Administration				
Personal services	\$ 447,500	\$ 451,329	\$ 3,829	\$ 431,314
Employee benefits	174,270	182,077	7,807	85,124
Contractual services	192,580	169,980	(22,600)	139,579
Commodities	5,000	5,458	458	5,657
Other expenditures	97,900	96,665	(1,235)	83,089
Insurance	170,940	173,822	2,882	165,476
Interdepartmental charges	77,400	59,044	(18,356)	67,533
Total administration	1,165,590	1,138,375	(27,215)	977,772
Board of Fire and Police Commissioners				
Personal services	26,500	25,734	(766)	25,188
Employee benefits	5,410	5,114	(296)	5,155
Contractual services	51,200	31,339	(19,861)	13,987
Commodities	100	-	(100)	75
Other expenditures	2,875	1,728	(1,147)	1,250
Total Board of Fire and Police Commissioners	86,085	63,915	(22,170)	45,655
Finance department				
Personal services	449,800	425,526	(24,274)	536,436
Employee benefits	212,730	205,491	(7,239)	250,373
Contractual services	149,120	197,780	48,660	186,539
Commodities	32,950	31,076	(1,874)	30,014
Other expenditures	15,645	6,552	(9,093)	6,560
Interdepartmental charges	135,440	103,327	(32,113)	118,183
Total finance department	995,685	969,752	(25,933)	1,128,105
Human resources department				
Personal services	234,700	224,970	(9,730)	218,644
Employee benefits	111,660	109,591	(2,069)	133,067
Contractual services	196,040	124,567	(71,473)	83,017
Commodities	2,000	2,961	961	2,668
Other expenditures	57,700	40,040	(17,660)	62,435
Interdepartmental charges	58,050	44,283	(13,767)	50,650
Total human resources department	660,150	546,412	(113,738)	550,481
Information systems				
Personal services	595,000	549,575	(45,425)	560,607
Employee benefits	215,540	194,937	(20,603)	195,004
Contractual services	152,070	144,052	(8,018)	154,006
Commodities	76,000	80,807	4,807	56,870
Repairs and maintenance	200,800	200,504	(296)	209,277
Other expenditures	10,500	5,685	(4,815)	7,268
Transfers from other city departments	(1,934,910)	(1,476,102)	458,808	(1,183,032)
Total information systems	(685,000)	(300,542)	384,458	-

(This schedule is continued on the following pages.)

CITY OF ELMHURST, ILLINOIS

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

For the Year Ended December 31, 2017
(With Comparative Actual for 2016)

	2017			
	Original and Final Budget	Actual	Variance with Final Budget Over (Under)	2016 Actual
GENERAL GOVERNMENT (Continued)				
Legal department				
Contractual services	\$ 712,000	\$ 796,223	\$ 84,223	\$ 724,962
Claims against the City	381,880	125,071	(256,809)	376,501
Total legal department	1,093,880	921,294	(172,586)	1,101,463
Planning and development				
Personal services	285,300	283,429	(1,871)	274,150
Employee benefits	121,620	110,423	(11,197)	106,352
Contractual services	330,420	208,550	(121,870)	153,034
Commodities	600	409	(191)	793
Other expenditures	41,300	25,279	(16,021)	30,298
Interdepartmental charges	38,700	29,522	(9,178)	33,767
Total planning and development	817,940	657,612	(160,328)	598,394
Municipal buildings				
Personal services	385,500	378,197	(7,303)	378,529
Employee benefits	78,350	74,964	(3,386)	77,776
Contractual services	151,600	117,026	(34,574)	118,278
Commodities	40,100	39,947	(153)	46,292
Repairs and maintenance	120,000	84,330	(35,670)	241,250
Other expenditures	30,000	579,310	549,310	258,278
Insurance	3,940	4,087	147	4,069
Total municipal buildings	809,490	1,277,861	468,371	1,124,472
Total general government	4,943,820	5,274,679	330,859	5,526,342
PUBLIC SAFETY				
Police department				
Personal services	9,030,500	9,075,340	44,840	8,660,557
Employee benefits	5,672,650	5,684,806	12,156	5,170,219
Contractual services	1,150,620	1,043,579	(107,041)	953,725
Commodities	160,000	151,167	(8,833)	136,973
Repairs and maintenance	164,150	137,114	(27,036)	92,434
Other expenditures	429,290	342,551	(86,739)	334,622
Insurance	6,920	7,012	92	7,021
Interdepartmental charges	1,024,990	822,958	(202,032)	847,158
Total police department	17,639,120	17,264,527	(374,593)	16,202,709
Fire department				
Personal services	4,900,200	5,063,146	162,946	4,990,652
Employee benefits	3,516,510	3,577,177	60,667	3,314,242
Contractual services	321,999	300,251	(21,748)	287,240
Commodities	83,900	111,565	27,665	66,444
Repairs and maintenance	61,000	81,796	20,796	28,696
Other expenditures	127,500	77,030	(50,470)	95,091

(This schedule is continued on the following pages.)

CITY OF ELMHURST, ILLINOIS

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

For the Year Ended December 31, 2017
(With Comparative Actual for 2016)

	2017		Variance with	2016
	Original and	Actual	Final Budget	Actual
	Final Budget		Over (Under)	
PUBLIC SAFETY (Continued)				
Fire department (Continued)				
Insurance	\$ 6,920	\$ 6,335	\$ (585)	\$ 6,378
Interdepartmental charges	521,890	420,036	(101,854)	429,173
Total fire department	9,539,919	9,637,336	97,417	9,217,916
Wireless radio alarm services				
Contractual services	147,700	135,160	(12,540)	137,578
Commodities	33,600	39,603	6,003	18,958
Repairs and maintenance	3,150	85	(3,065)	536
Total wireless radio alarm services	184,450	174,848	(9,602)	157,072
ESDA - civil defense				
Personal services	32,900	31,629	(1,271)	30,893
Employee benefits	6,600	6,372	(228)	6,450
Contractual services	7,880	10,954	3,074	5,566
Commodities	26,065	14,383	(11,682)	17,764
Repairs and maintenance	3,900	5,422	1,522	2,882
Other expenditures	1,400	905	(495)	913
Interdepartmental charges	11,490	9,716	(1,774)	8,991
Total ESDA - civil defense	90,235	79,381	(10,854)	73,459
Building				
Personal services	538,000	529,118	(8,882)	517,519
Employee benefits	231,460	225,728	(5,732)	245,560
Contractual services	84,730	68,388	(16,342)	71,604
Commodities	6,500	5,136	(1,364)	6,409
Other expenditures	8,200	4,656	(3,544)	7,125
Interdepartmental charges	58,050	44,283	(13,767)	50,650
Total building	926,940	877,309	(49,631)	898,867
Total public safety	28,380,664	28,033,401	(347,263)	26,550,023
STREETS				
Street and bridge - administration				
Personal services	803,600	817,772	14,172	776,169
Employee benefits	1,858,290	1,647,618	(210,672)	1,597,900
Contractual services	222,730	356,513	133,783	234,347
Commodities	39,030	34,110	(4,920)	45,518
Other expenditures	28,500	32,142	3,642	16,465
Insurance	9,900	10,711	811	10,718
Interdepartmental charges	211,710	170,967	(40,743)	174,396
Total street and bridge - administration	3,173,760	3,069,833	(103,927)	2,855,513

(This schedule is continued on the following pages.)

CITY OF ELMHURST, ILLINOIS

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

For the Year Ended December 31, 2017
(With Comparative Actual for 2016)

	2017			
	Original and Final Budget	Actual	Variance with Final Budget Over (Under)	2016 Actual
STREETS (Continued)				
Street and alley maintenance				
Personal services	\$ 374,000	\$ 370,008	\$ (3,992)	\$ 357,333
Employee benefits	72,560	71,548	(1,012)	71,791
Contractual services	2,182,630	1,595,599	(587,031)	1,652,574
Commodities	188,500	158,330	(30,170)	168,151
Repairs and maintenance	53,850	111,225	57,375	52,769
Interdepartmental charges	604,690	509,128	(95,562)	472,928
Total street and alley maintenance	3,476,230	2,815,838	(660,392)	2,775,546
Snow removal and ice control				
Personal services	312,000	110,600	(201,400)	266,041
Employee benefits	63,300	22,240	(41,060)	55,016
Contractual services	77,820	9,458	(68,362)	54,724
Commodities	24,500	950	(23,550)	7,240
Repairs and maintenance	50,000	59,136	9,136	85,345
Interdepartmental charges	10,000	7,773	(2,227)	10,000
Total snow removal and ice control	537,620	210,157	(327,463)	478,366
Forestry				
Personal services	777,400	733,805	(43,595)	763,537
Employee benefits	155,090	176,725	21,635	156,723
Contractual services	751,750	456,216	(295,534)	505,318
Commodities	224,250	200,741	(23,509)	171,903
Repairs and maintenance	4,000	648	(3,352)	3,285
Interdepartmental charges	271,310	227,359	(43,951)	212,188
Total forestry	2,183,800	1,795,494	(388,306)	1,812,954
Electrical				
Personal services	246,100	239,327	(6,773)	229,171
Employee benefits	48,830	62,171	13,341	46,272
Contractual services	223,020	188,010	(35,010)	215,589
Commodities	190,300	153,413	(36,887)	203,088
Repairs and maintenance	8,500	501	(7,999)	22,224
Interdepartmental charges	114,960	97,162	(17,798)	89,910
Total electrical	831,710	740,584	(91,126)	806,254
Total streets	10,203,120	8,631,906	(1,571,214)	8,728,633
RUBBISH DISPOSAL				
Contractual services	3,307,800	3,173,729	(134,071)	3,105,871
Commodities	2,500	-	(2,500)	-
Interdepartmental charges	96,750	73,805	(22,945)	84,416
Total rubbish disposal	3,407,050	3,247,534	(159,516)	3,190,287

(This schedule is continued on the following pages.)

CITY OF ELMHURST, ILLINOIS

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

For the Year Ended December 31, 2017
(With Comparative Actual for 2016)

	2017		Variance with	2016
	Original and	Actual	Final Budget	Actual
	Final Budget		Over (Under)	
PUBLIC HEALTH				
Contractual services	\$ 368,000	\$ 372,161	\$ 4,161	\$ 361,503
Total public health	368,000	372,161	4,161	361,503
PUBLIC WELFARE				
Senior citizen services	265,500	140,353	(125,147)	182,552
Total public welfare	265,500	140,353	(125,147)	182,552
HISTORY MUSEUM				
Personal services	465,700	468,184	2,484	440,672
Employee benefits	121,090	147,044	25,954	118,484
Contractual services	86,600	73,477	(13,123)	73,336
Commodities	9,700	12,495	2,795	14,757
Repairs and maintenance	111,200	23,321	(87,879)	20,910
Other expenditures	122,600	102,418	(20,182)	116,683
Insurance	5,540	4,887	(653)	4,899
Interdepartmental	116,090	88,566	(27,524)	101,300
Total history museum	1,038,520	920,392	(118,128)	891,041
VISITOR AND TOURISM SERVICE				
Contractual services	105,260	70,550	(34,710)	40,232
Other expenditures	351,000	348,508	(2,492)	302,243
Total visitor and tourism service	456,260	419,058	(37,202)	342,475
CABLE TELEVISION				
Contractual services	95,300	93,892	(1,408)	97,011
Commodities	2,700	88	(2,612)	(104)
Repairs and maintenance	300	-	(300)	86
Total cable television	98,300	93,980	(4,320)	96,993
CENTRAL EQUIPMENT MAINTENANCE				
Personal services	733,300	729,381	(3,919)	710,091
Employee benefits	149,100	145,180	(3,920)	145,803
Contractual services	-	97	97	-
Commodities	796,560	560,313	(236,247)	398,757
Repairs and maintenance	488,500	455,838	(32,662)	470,049
Other expenditures	4,000	2,900	(1,100)	5,234
Insurance	13,480	13,500	20	13,207
Transfers to other city departments	(2,184,950)	(1,905,482)	279,468	(1,709,261)
Total central equipment maintenance	(10)	1,727	1,737	33,880
Total current expenditures	49,161,224	47,135,191	(2,026,033)	45,903,729

(This schedule is continued on the following page.)

CITY OF ELMHURST, ILLINOIS

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

For the Year Ended December 31, 2017
(With Comparative Actual for 2016)

	2017		Variance with	
	Original and	Actual	Final Budget	2016
	Final Budget		Over (Under)	Actual
CAPITAL OUTLAY				
General government				
Management information system	\$ 685,000	\$ 300,541	\$ (384,459)	\$ 505,294
Municipal buildings	65,000	-	(65,000)	246,478
Transfers to other city departments	-	-	-	(553,509)
Total general government	750,000	300,541	(449,459)	198,263
Public safety				
Police department	1,223,240	295,731	(927,509)	285,159
Fire department	648,000	-	(648,000)	305,063
Total public safety	1,871,240	295,731	(1,575,509)	590,222
Streets				
Streets administration	149,730	29,262	(120,468)	1,041,235
Street and alley maintenance	7,253,160	4,486,992	(2,766,168)	4,674,724
Snow removal and ice control	323,000	247,180	(75,820)	-
Forestry	1,009,000	614,501	(394,499)	-
Electrical	408,000	105,620	(302,380)	54,526
Total streets	9,142,890	5,483,555	(3,659,335)	5,770,485
History museum	125,000	-	(125,000)	-
Total history museum	125,000	-	(125,000)	-
Central equipment maintenance	124,270	37,753	(86,517)	50,730
Transfers to other city departments	(124,270)	(37,753)	86,517	(50,730)
Total central equipment maintenance	-	-	-	-
Public benefits	390,000	92,379	(297,621)	25,750
Total public benefits	390,000	92,379	(297,621)	25,750
Total capital outlay	12,279,130	6,172,206	(6,106,924)	6,584,720
TOTAL EXPENDITURES	\$ 61,440,354	\$ 53,307,397	\$ (8,132,957)	\$ 52,488,449

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
INDUSTRIAL DEVELOPMENT PROJECTS FUND**

For the Year Ended December 31, 2017
(With Comparative Actual for 2016)

	2017			
	Original and Final Budget	Actual	Variance with Final Budget Over (Under)	2016 Actual
REVENUES				
Taxes				
Property tax	\$ 445,000	\$ 414,737	\$ (30,263)	\$ 626,243
Investment income	100	1,839	1,739	12,743
Total revenues	445,100	416,576	(28,524)	638,986
EXPENDITURES				
Current				
Contractual services				
Banking expenses	1,000	-	(1,000)	1,018
Consultant fees	-	-	-	330
Professional services	4,000	1,963	(2,037)	4,846
Capital outlay				
Land improvements	-	-	-	100,000
Total expenditures	5,000	1,963	(3,037)	106,194
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	440,100	414,613	(25,487)	532,792
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(458,541)	(466,146)	(7,605)	(3,000,000)
Total other financing source (uses)	(458,541)	(466,146)	(7,605)	(3,000,000)
NET CHANGE IN FUND BALANCE	<u>\$ (18,441)</u>	<u>(51,533)</u>	<u>\$ (33,092)</u>	<u>(2,467,208)</u>
FUND BALANCE, JANUARY 1		<u>51,533</u>		<u>2,518,741</u>
FUND BALANCE, DECEMBER 31		<u>\$ -</u>		<u>\$ 51,533</u>

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STORMWATER DETENTION PROJECT FUND**

For the Year Ended December 31, 2017
(With Comparative Actual for 2016)

	2017			
	Original and Final Budget	Actual	Variance with Final Budget Over (Under)	2016 Actual
REVENUES				
Sales tax	\$ 1,771,000	\$ 1,800,041	\$ 29,041	\$ 885,835
Investment income	2,000	91,981	89,981	56,440
Other income	50,000	-	(50,000)	-
Total revenues	1,823,000	1,892,022	69,022	942,275
EXPENDITURES				
Capital outlay				
Storm sewers	17,500,000	9,754,662	(7,745,338)	6,926,289
Property acquisition	1,600,000	285,665	(1,314,335)	911,026
Land improvements	-	2,167,946	2,167,946	5,925,467
Debt service				
Issuance costs	-	-	-	465,535
Total expenditures	19,100,000	12,208,273	(6,891,727)	14,228,317
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(17,277,000)	(10,316,251)	6,960,749	(13,286,042)
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	-	25,000,000
Premium on bonds issued	-	-	-	902,021
Transfers in	1,600,000	274,193	(1,325,807)	878,992
Transfers (out)	(1,203,750)	(1,203,612)	138	(178,996)
Total other financing source (uses)	396,250	(929,419)	(1,325,669)	26,602,017
NET CHANGE IN FUND BALANCE	<u>\$ (16,880,750)</u>	<u>(11,245,670)</u>	<u>\$ 5,635,080</u>	<u>13,315,975</u>
FUND BALANCE, JANUARY 1		<u>16,256,788</u>		<u>2,940,813</u>
FUND BALANCE, DECEMBER 31		<u>\$ 5,011,118</u>		<u>\$ 16,256,788</u>

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

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

For the Year Ended December 31, 2017
(With Comparative Actual for 2016)

	2017			
	Original and Final Budget	Actual	Variance with Final Budget Over (Under)	2016 Actual
REVENUES				
Property tax	\$ 2,024,000	\$ 2,131,652	\$ 107,652	\$ 1,977,527
Investment income	12,100	50,875	38,775	20,562
Miscellaneous	120,300	-	(120,300)	-
Total revenues	2,156,400	2,182,527	26,127	1,998,089
EXPENDITURES				
Current				
Contractual services				
Banking expenses	1,000	697	(303)	1,018
Consultant fees	-	3,850	3,850	4,575
Professional services	50,000	79,787	29,787	76,043
Other expenses				
Developer incentive	45,000	51,739	6,739	27,908
City Centre, Inc.	335,000	397,285	62,285	326,482
Other expenses	3,350,000	-	(3,350,000)	-
Capital outlay				
Streetscape	150,000	17,948	(132,052)	128,088
Other public improvements	800,000	114,671	(685,329)	58,063
Facade renovation	225,000	100,000	(125,000)	100,000
Utility Relocation	500,000	581,805	81,805	-
Property/land acquisition	-	240,771	240,771	-
Total expenditures	5,456,000	1,588,553	(3,867,447)	722,177
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,299,600)	593,974	3,893,574	1,275,912
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(481,995)	(477,872)	4,123	(478,074)
Total other financing sources (uses)	(481,995)	(477,872)	4,123	(478,074)
NET CHANGE IN FUND BALANCE	<u>\$ (3,781,595)</u>	116,102	<u>\$ 3,897,697</u>	797,838
FUND BALANCE, JANUARY 1		<u>5,546,083</u>		<u>4,748,245</u>
FUND BALANCE, DECEMBER 31		<u>\$ 5,662,185</u>		<u>\$ 5,546,083</u>

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROUTE 83 COMMERCIAL DEVELOPMENT PROJECTS FUND**

For the Year Ended December 31, 2017
(With Comparative Actual for 2016)

	2017		Variance with	
	Original and	Actual	Final Budget	2016
	Final Budget		Over (Under)	Actual
REVENUES				
Taxes				
Property tax	\$ 490,000	\$ 488,870	\$ (1,130)	\$ 472,960
Rental income	11,000	11,000	-	11,000
Investment income	500	11,964	11,464	3,630
Total revenues	501,500	511,834	10,334	487,590
EXPENDITURES				
Current				
Contractual services				
Banking expenses	1,000	697	(303)	1,018
Consultant fees	1,000	-	(1,000)	1,320
Professional services	3,000	4,012	1,012	1,572
Capital outlay	1,225,000	-	(1,225,000)	-
Total expenditures	1,230,000	4,709	(1,225,291)	3,910
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(728,500)	507,125	1,235,625	483,680
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(71,365)	(71,363)	2	(73,520)
Total other financing source (uses)	(71,365)	(71,363)	2	(73,520)
NET CHANGE IN FUND BALANCE	<u>\$ (799,865)</u>	435,762	<u>\$ 1,235,627</u>	410,160
FUND BALANCE, JANUARY 1		<u>836,027</u>		<u>425,867</u>
FUND BALANCE, DECEMBER 31		<u>\$ 1,271,789</u>		<u>\$ 836,027</u>

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

Motor Fuel Tax Fund - to account for street maintenance and improvement projects financed by the City's share of state gasoline taxes. All projects require the advance approval of the Illinois Department of Transportation.

Church Road/Lake Street TIF Fund - to account for tax increment revenues used for the redevelopment of the City's Church Road/Lake Street tax increment financing district.

North York Redevelopment Project Fund - to account for tax increment revenues used for the redevelopment of the City's North York tax increment financing district.

The Sales Tax Revenue Bonds - 2006 Fund (formerly known as Sales Tax Revenue Bonds - 1998 Fund) is used to account for the proceeds of the taxable \$21,000,000 1998 Sales Tax Revenue Bonds (refinanced in 2006) issued to fund an economic development project.

The Debt Service General Obligation Bonds Fund is used to record the principal and interest expense for the City's outstanding debt.

Working Cash Fund - to account for temporary loans made by the Working Cash Fund to other funds when the City deems it necessary. Interest income is the source of proceeds for this fund.

Glos Mausoleum Fund - to account for the restricted monies donated to the City for use in caring for the upkeep and maintenance of the Glos Mausoleum.

CITY OF ELMHURST, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2017
(With Comparative Actual for 2016)

	Special Revenue		Capital Projects		Debt Service		Permanent			
	Motor Fuel Tax	Church Road/Lake Street TIF	North York Redevelopment Project	Sales Tax Revenue Bonds 2006	Debt Service General Obligation Bonds	Working Cash	Glos Mausoleum	Total		
								2017	2016	
ASSETS										
Cash	\$ 517,219	\$ 6,792	\$ -	\$ 891,026	\$ -	\$ 269,193	\$ 219	\$ 1,684,449	\$ 4,582,051	
Investments										
Negotiable certificates of deposit	-	-	-	-	-	743,700	35,000	778,700	754,654	
Receivables										
Property tax	-	349,650	744,255	-	-	-	-	1,093,905	434,565	
Motor fuel tax allotments	98,228	-	-	-	-	-	-	98,228	105,457	
Loans	-	-	-	5,599,089	-	-	-	5,599,089	7,031,480	
Due from other funds	-	-	-	-	-	-	-	-	937,136	
Accrued interest	-	-	-	-	-	2,669	239	2,908	1,832	
Miscellaneous	-	-	-	-	-	-	-	-	156,523	
TOTAL ASSETS	\$ 615,447	\$ 356,442	\$ 744,255	\$ 6,490,115	\$ -	\$ 1,015,562	\$ 35,458	\$ 9,257,279	\$ 14,003,698	

	Special Revenue	Capital Projects		Debt Service		Permanent			Total	
	Motor Fuel Tax	Church Road/Lake Street TIF	North York Redevelopment Project	Sales Tax Revenue Bonds 2006	Debt Service General Obligation Bonds	Working Cash	Glos Mausoleum		2017	2016
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
LIABILITIES										
Accounts payable	\$ -	\$ 1,375	\$ 3,964	\$ -	\$ -	\$ -	\$ -	\$ 5,339	\$ 952,147	
Accrued payroll	41,824	-	-	-	-	-	-	41,824	39,280	
Due to other funds	-	650,426	15	-	-	-	-	650,441	546,799	
Total liabilities	41,824	651,801	3,979	-	-	-	-	697,604	1,538,226	
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue - property taxes	-	349,650	744,255	-	-	-	-	1,093,905	434,565	
Total deferred inflows of resources	-	349,650	744,255			-	-	1,093,905	434,565	
Total liabilities and deferred inflows of resources	41,824	1,001,451	748,234	-	-	-	-	1,791,509	1,972,791	
FUND BALANCES										
Restricted for working cash	-	-	-	-	-	1,015,562	-	1,015,562	1,000,000	
Restricted for streets	573,623	-	-	-	-	-	-	573,623	614,122	
Restricted for culture	-	-	-	-	-	-	35,458	35,458	35,083	
Restricted for redevelopment	-	-	-	-	-	-	-	-	2,976,125	
Restricted for capital projects	-	-	-	-	-	-	-	-	-	
Restricted for debt service	-	-	-	6,490,115	-	-	-	6,490,115	8,814,080	
Unassigned (deficit)	-	(645,009)	(3,979)	-	-	-	-	(648,988)	(1,408,503)	
Total fund balances (deficit)	573,623	(645,009)	(3,979)	6,490,115	-	1,015,562	35,458	7,465,770	12,030,907	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 615,447	\$ 356,442	\$ 744,255	\$ 6,490,115	\$ -	\$ 1,015,562	\$ 35,458	\$ 9,257,279	\$ 14,003,698	

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

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

For the Year Ended December 31, 2017
(With Comparative Actual for 2016)

	Special Revenue	Capital Projects		Debt Service		Permanent		Total	
	Motor Fuel Tax	Church Road/Lake Street TIF	North York Redevelopment Project	Sales Tax Revenue Bonds 2006	Debt Service General Obligation Bonds	Working Cash	Glos Mausoleum	2017	2016
REVENUES									
Taxes									
Property tax	\$ -	\$ 168,141	\$ 313,629	\$ -	\$ -	\$ -	\$ -	\$ 481,770	\$ 291,207
Intergovernmental									
Allotments	1,133,870	-	-	-	-	-	-	1,133,870	1,131,827
Investment income	5,553	25,333	-	450,194	-	10,377	375	491,832	545,555
Total revenues	1,139,423	193,474	313,629	450,194	-	10,377	375	2,107,472	1,968,589
EXPENDITURES									
Current									
Streets	1,179,922	-	-	-	-	-	-	1,179,922	1,167,418
Redevelopment	-	30,754	27,207	1,973	-	-	-	59,934	138,315
Capital outlay	-	4,250,000	76,012	-	-	-	-	4,326,012	1,638,680
Debt service									
Principal payments	-	-	-	1,380,000	5,577,282	-	-	6,957,282	3,292,927
Interest and issuance costs	-	-	57,886	457,600	1,543,820	-	-	2,059,306	1,262,904
Bond fees	-	-	-	450	-	-	-	450	225
Total expenditures	1,179,922	4,280,754	161,105	1,840,023	7,121,102	-	-	14,582,906	7,500,469
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(40,499)	(4,087,280)	152,524	(1,389,829)	(7,121,102)	10,377	375	(12,475,434)	(5,531,880)

	Special Revenue	Capital Projects		Debt Service		Permanent			
		Church	North York	Sales Tax	Debt Service			Total	
	Motor Fuel	Road/Lake	Redevelopment	Revenue	General	Working	Glos		
	Tax	Street TIF	Project	Bonds	Obligation	Cash	Mausoleum	2017	2016
				2006	Bonds				
OTHER FINANCING SOURCES (USES)									
Issuance of bonds	\$ -	\$ -	\$ -	\$ -	\$ 3,385,000	\$ -	\$ -	\$ 3,385,000	\$ -
Premium on issuance of bonds	-	-	-	-	189,354	-	-	189,354	-
Note proceeds	-	-	1,252,000	-	-	-	-	1,252,000	750,000
Transfers in	-	466,146	-	3,000	2,609,612	5,185	-	3,083,943	4,792,796
Transfers (out)	-	-	-	-	-	-	-	-	(5,185)
Total other financing sources (uses)	-	466,146	1,252,000	3,000	6,183,966	5,185	-	7,910,297	5,537,611
NET CHANGE IN FUND BALANCES	(40,499)	(3,621,134)	1,404,524	(1,386,829)	(937,136)	15,562	375	(4,565,137)	5,731
FUND BALANCES (DEFICIT), JANUARY 1	614,122	2,976,125	(1,408,503)	7,876,944	937,136	1,000,000	35,083	12,030,907	12,025,176
FUND BALANCES (DEFICIT), DECEMBER 31	\$ 573,623	\$ (645,009)	\$ (3,979)	\$ 6,490,115	\$ -	\$ 1,015,562	\$ 35,458	\$ 7,465,770	\$ 12,030,907

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

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

For the Year Ended December 31, 2017
(With Comparative Actual for 2016)

	2017			
	Original and Final Budget	Actual	Variance with Final Budget Over (Under)	2016 Actual
REVENUES				
Intergovernmental				
Allotments	\$ 1,090,000	\$ 1,133,870	\$ 43,870	\$ 1,131,827
Investment income	1,700	5,553	3,853	1,994
Total revenues	1,091,700	1,139,423	47,723	1,133,821
EXPENDITURES				
Current				
Streets				
Personal services	831,300	839,544	8,244	782,980
Employee benefits	167,950	173,659	5,709	163,463
Commodities	256,400	166,719	(89,681)	220,975
Total expenditures	1,255,650	1,179,922	(75,728)	1,167,418
NET CHANGE IN FUND BALANCE	<u><u>\$ (163,950)</u></u>	<u>(40,499)</u>	<u><u>\$ 123,451</u></u>	<u>(33,597)</u>
FUND BALANCE, JANUARY 1		<u>614,122</u>		<u>647,719</u>
FUND BALANCE, DECEMBER 31		<u><u>\$ 573,623</u></u>		<u><u>\$ 614,122</u></u>

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CHURCH ROAD/LAKE STREET TIF**

For the Year Ended December 31, 2017
(With Comparative Actual for 2016)

	2017			
	Original and Final Budget	Actual	Variance with Final Budget Over (Under)	2016 Actual
REVENUES				
Taxes				
Property tax	\$ 115,000	\$ 168,141	\$ 53,141	\$ -
Investment income	-	25,333	25,333	122
Total revenues	115,000	193,474	78,474	122
EXPENDITURES				
Current				
Contractual services				
Professional services	100,000	30,754	(69,246)	23,997
Capital outlay	6,000,000	4,250,000	(1,750,000)	-
Total expenditures	6,100,000	4,280,754	(1,819,246)	23,997
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,985,000)	(4,087,280)	1,897,720	(23,875)
OTHER FINANCING SOURCES (USES)				
Issuance of bonds	2,400,000	-	(2,400,000)	-
Transfers in	458,541	466,146	7,605	3,000,000
Total other financing source (uses)	2,858,541	466,146	(2,392,395)	3,000,000
NET CHANGE IN FUND BALANCE	<u>\$ (3,126,459)</u>	(3,621,134)	<u>\$ (494,675)</u>	2,976,125
FUND BALANCE, JANUARY 1		<u>2,976,125</u>		<u>-</u>
FUND BALANCE (DEFICIT), DECEMBER 31		<u><u>\$ (645,009)</u></u>		<u><u>\$ 2,976,125</u></u>

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NORTH YORK REDEVELOPMENT FUND**

For the Year Ended December 31, 2017
(With Comparative Actual for 2016)

	2017			
	Original and Final Budget	Actual	Variance with Final Budget Over (Under)	2016 Actual
REVENUES				
Taxes				
Property tax	\$ 320,000	\$ 313,629	\$ (6,371)	\$ 291,207
Total revenues	320,000	313,629	(6,371)	291,207
EXPENDITURES				
Current				
Contractual services				
Professional services	225,000	27,207	(197,793)	112,458
Debt service				
Interest	50,000	57,886	7,886	33,979
Capital outlay				
Other public improvements	100,000	76,012	(23,988)	1,638,680
Total expenditures	375,000	161,105	(213,895)	1,785,117
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(55,000)	152,524	207,524	(1,493,910)
OTHER FINANCING SOURCES (USES)				
Note proceeds	-	1,252,000	1,252,000	750,000
Total other financing source (uses)	-	1,252,000	1,252,000	750,000
NET CHANGE IN FUND BALANCE	<u>\$ (55,000)</u>	1,404,524	<u>\$ 1,459,524</u>	(743,910)
FUND BALANCE (DEFICIT), JANUARY 1		<u>(1,408,503)</u>		<u>(664,593)</u>
FUND BALANCE (DEFICIT), DECEMBER 31		<u>\$ (3,979)</u>		<u>\$ (1,408,503)</u>

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SALES TAX REVENUE BONDS - 2006 FUND**

For the Year Ended December 31, 2017
(With Comparative Actual for 2016)

	2017			
	Original and Final Budget	Actual	Variance with Final Budget Over (Under)	2016 Actual
REVENUES				
Investment income	\$ 450,365	\$ 450,194	\$ (171)	\$ 537,686
Total revenues	450,365	450,194	(171)	537,686
EXPENDITURES				
Current				
Contractual services				
Banking expenses	2,200	1,973	(227)	1,860
Debt service				
Principal	1,380,000	1,380,000	-	1,295,000
Interest, fiscal charges, and other	457,600	457,600	-	543,200
Bond fees	500	450	(50)	225
Total expenditures	1,840,300	1,840,023	(277)	1,840,285
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,389,935)	(1,389,829)	106	(1,302,599)
OTHER FINANCING SOURCES (USES)				
Transfer in	-	3,000	3,000	-
Total other financing sources (uses)	-	3,000	3,000	-
NET CHANGE IN FUND BALANCE	\$ (1,389,935)	(1,386,829)	\$ 3,106	(1,302,599)
FUND BALANCE, JANUARY 1		7,876,944		9,179,543
FUND BALANCE, DECEMBER 31		\$ 6,490,115		\$ 7,876,944

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE GENERAL OBLIGATION BONDS FUND

For the Year Ended December 31, 2017
(With Comparative Actual for 2016)

	2017		Variance with	
	Original and	Actual	Final Budget	2016
	Final Budget		Over (Under)	Actual
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal				
Series 2008	-	-	-	134,155
Series 2009	220,000	3,667,500	3,447,500	212,500
Series 2009A	135,020	135,020	-	131,880
Series 2012	490,000	490,000	-	475,000
Series 2013	588,000	588,000	-	549,000
Series 2014A	441,600	441,600	-	446,200
Series 2014B	93,915	93,912	(3)	49,192
Series 2015	161,250	161,250	-	-
Total principal	2,129,785	5,577,282	3,447,497	1,997,927
Interest, fiscal charges, and other				
Series 2006	-	-	-	-
Series 2008	-	-	-	2,350
Series 2009	149,290	134,342	(14,948)	156,859
Series 2009A	26,090	26,089	(1)	30,262
Series 2012	120,600	120,600	-	130,250
Series 2013	11,760	11,760	-	34,500
Series 2014A	4,420	4,416	(4)	13,294
Series 2014B	136,180	136,177	(3)	137,608
Series 2015	151,815	151,813	(2)	178,996
Series 2016	889,940	889,937	(3)	-
Fiscal charges	3,250	68,686	65,436	1,606
Total interest, fiscal charges, and other	1,493,345	1,543,820	50,475	685,725
Total expenditures	3,623,130	7,121,102	3,497,972	2,683,652
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,623,130)	(7,121,102)	(3,497,972)	(2,683,652)
OTHER FINANCING SOURCES (USES)				
Issuance of bonds	-	3,385,000	3,385,000	-
Premium on issuance of bonds	-	189,354	189,354	-
Transfer in	2,675,050	2,609,612	(65,438)	1,792,796
Total other financing sources (uses)	2,675,050	6,183,966	3,508,916	1,792,796
NET CHANGE IN FUND BALANCE	\$ (948,080.00)	(937,136)	\$ 10,944	(890,856)
FUND BALANCE, JANUARY 1		937,136		1,827,992
FUND BALANCE, DECEMBER 31		\$ -		\$ 937,136

(See independent auditor's report.)

ENTERPRISE FUNDS

Municipal Utility Fund - to account for the provision of water and wastewater treatment to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, financing, and billing and collection.

Parking System Revenue Fund - to account for the provision of parking in the City. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, and billing and collection.

CITY OF ELMHURST, ILLINOIS

**SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
MUNICIPAL UTILITY FUND**

For the Year Ended December 31, 2017
(With Comparative Actual for 2016)

	Water Department	Sewer Department	Total	
			2017	2016
OPERATING REVENUES				
Charges for services	\$ 13,977,362	\$ 10,136,746	\$ 24,114,108	\$ 21,244,945
OPERATING EXPENSES				
Administration	2,382,844	1,902,535	4,285,379	3,930,278
Water production	8,014,165	-	8,014,165	7,544,214
Water distribution	6,243,578	-	6,243,578	2,974,406
Maintenance of sewers	-	1,737,029	1,737,029	1,866,641
Wastewater treatment plant	-	2,498,880	2,498,880	2,545,470
Depreciation and amortization	837,936	2,490,702	3,328,638	3,083,680
Total operating expenses	17,478,523	8,629,146	26,107,669	21,944,689
OPERATING INCOME (LOSS)	<u>\$ (3,501,161)</u>	<u>\$ 1,507,600</u>	<u>(1,993,561)</u>	<u>(699,744)</u>
NON-OPERATING REVENUES (EXPENSES)				
State grant			-	813,469
Investment income			49,687	21,917
Interest expense and fiscal charges			(729,391)	(395,797)
Total non-operating revenues (expenses)			(679,704)	439,589
NET INCOME (LOSS) BEFORE TRANSFERS			<u>(2,673,265)</u>	<u>(260,155)</u>
TRANSFERS				
Transfers in			469,931	-
Total transfers			469,931	-
CHANGE IN NET POSITION			<u>(2,203,334)</u>	<u>(260,155)</u>
NET POSITION, JANUARY 1			52,865,695	51,945,400
Change in accounting principle			-	1,180,450
NET POSITION, JANUARY 1, AS RESTATED			<u>52,865,695</u>	<u>53,125,850</u>
NET POSITION, DECEMBER 31			<u>\$ 50,662,361</u>	<u>\$ 52,865,695</u>

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

**SCHEDULE OF DETAILED REVENUES
MUNICIPAL UTILITY FUND**

For the Year Ended December 31, 2017
(With Comparative Actual for 2016)

	2017	2016
OPERATING REVENUES		
Water department		
Sale of water	\$ 13,567,925	\$ 12,334,046
Sale of water for construction	16,299	14,115
Sale of water meters and meter repair parts	46,100	64,435
Sales of water taps and boxes	222,199	267,776
Miscellaneous		
Other revenue	124,839	151,174
Total water department	13,977,362	12,831,546
Sewer department		
Sewer service charges	7,303,968	6,724,759
Contract service charges	582,350	414,711
Capital recovery charge	2,125,589	1,122,755
Other revenue	124,839	151,174
Total sewer department	10,136,746	8,413,399
Total operating revenues	24,114,108	21,244,945
NON-OPERATING REVENUES		
State grants	-	813,469
Investment income	49,687	21,917
Total non-operating revenues	49,687	835,386
TOTAL REVENUES	\$ 24,163,795	\$ 22,080,331

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

**SCHEDULE OF DETAILED EXPENSES
MUNICIPAL UTILITY FUND**

For the Year Ended December 31, 2017
(With Comparative Actual for 2016)

	<u>2017</u>	<u>2016</u>
WATER DEPARTMENT		
Administration		
Operating expenses		
Personal services	\$ 669,073	\$ 644,614
Employee benefits	729,904	922,727
Contractual services	932,405	388,599
Commodities	10,859	8,701
Repairs and maintenance	-	836
Other charges	40,603	(8,635)
Total administration	<u>2,382,844</u>	<u>1,956,842</u>
Production		
Operating expenses		
Personal services	355,426	354,409
Employee benefits	111,641	98,330
Contractual services	7,530,621	7,064,846
Commodities	436	1,230
Repairs and maintenance	13,116	22,447
Insurance	2,925	2,952
Total production	<u>8,014,165</u>	<u>7,544,214</u>
Distribution		
Operating expenses		
Personal services	1,327,247	1,319,316
Employee benefits	408,332	290,177
Contractual services	518,900	486,726
Commodities	3,909,714	350,372
Repairs and maintenance	70,610	518,958
Insurance	8,775	8,857
Total distribution	<u>6,243,578</u>	<u>2,974,406</u>
SEWER DEPARTMENT		
Administration		
Operating expenses		
Personal services	773,413	716,899
Employee benefits	570,685	727,098
Contractual services	413,857	412,140
Commodities	6,713	5,683
Other charges	137,867	111,616
Total administration	<u>1,902,535</u>	<u>1,973,436</u>

(This schedule is continued on the following page.)

CITY OF ELMHURST, ILLINOIS

SCHEDULE OF DETAILED EXPENSES (CONTINUED)
MUNICIPAL UTILITY FUND

For the Year Ended December 31, 2017
(With Comparative Actual for 2016)

	2017	2016
SEWER DEPARTMENT (Continued)		
Maintenance of sewers		
Operating expenses		
Personal services	\$ 462,003	\$ 463,157
Employee benefits	143,794	106,896
Contractual services	846,263	1,062,441
Commodities	173,494	76,351
Repairs and maintenance	108,550	154,844
Insurance	2,925	2,952
Total maintenance of sewers	1,737,029	1,866,641
Wastewater treatment plant		
Operating expenses		
Personal services	1,150,626	1,106,415
Employee benefits	350,072	234,199
Contractual services	544,367	698,217
Commodities	122,390	139,099
Repairs and maintenance	273,803	317,145
Insurance	57,622	50,395
Total wastewater treatment plant	2,498,880	2,545,470
TOTAL EXPENSES EXCLUDING DEPRECIATION AND INTEREST	\$ 22,779,031	\$ 18,861,009

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

**SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PARKING SYSTEM REVENUE FUND**

For the Year Ended December 31, 2017
(with comparative totals for 2016)

	2017	2016
OPERATING REVENUES		
Meters and lots	\$ 870,441	\$ 835,568
Fines and penalties	209,308	207,209
Miscellaneous	145,775	54,168
Total operating revenues	1,225,524	1,096,945
OPERATING EXPENSES		
Personal services	165,508	152,725
Employee benefits	93,279	93,461
Contractual services	370,289	361,191
Commodities	4,717	165,058
Repairs and maintenance	194,258	176,160
Depreciation	640,863	669,324
Total operating expenses	1,468,914	1,617,919
OPERATING INCOME (LOSS)	(243,390)	(520,974)
NON-OPERATING REVENUES (EXPENSES)		
Investment income	3,865	2,523
Gain on sale of capital assets	-	500
Interest expense and fiscal charges	(633,246)	(644,114)
Total non-operating revenues (expenses)	(629,381)	(641,091)
INCOME (LOSS) BEFORE TRANSFERS	(872,771)	(1,162,065)
TRANSFERS		
Transfers in	987,313	688,063
Total transfers	987,313	688,063
CHANGE IN NET POSITION	114,542	(474,002)
NET POSITION, JANUARY 1	10,508,900	10,942,873
Change in accounting principle	-	40,029
NET POSITION, JANUARY 1, AS RESTATED	10,508,900	10,982,902
NET POSITION, DECEMBER 31	\$ 10,623,442	\$ 10,508,900

(See independent auditor's report.)

FIDUCIARY FUNDS

PENSION TRUST FUNDS

Police Pension Fund and Firefighters' Pension Fund - to account for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future. These funds do not account for certain administrative costs of their system, which are borne by the General Fund. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial study.

AGENCY FUNDS

Trust and Deposit Fund - to account for refundable deposits received by the City from residents or businesses. The majority of deposits pertain to construction work performed within the City.

Special Assessment Fund - to account for the collection of special assessments from property owners and payments of related special assessment liabilities.

CITY OF ELMHURST, ILLINOIS

**COMBINING STATEMENT OF PLAN NET POSITION
PENSION TRUST FUNDS**

December 31, 2017
(with comparative totals for 2016)

	Police Pension	Firefighters' Pension	Total	
			2017	2016
ASSETS				
Investments at fair value				
Cash and cash equivalents	\$ 668,282	\$ 608,368	\$ 1,276,650	\$ 419,582
U.S. Treasury obligations	2,550,672	1,544,447	4,095,119	3,576,915
U.S. agency obligations	19,355,071	10,192,640	29,547,711	25,790,907
Municipal bonds	4,256,074	2,252,519	6,508,593	6,521,867
Corporate bonds	3,615,284	3,866,935	7,482,219	8,294,251
Equity mutual funds	32,641,007	24,516,235	57,157,242	50,925,161
Receivables				
Accrued interest	179,343	123,903	303,246	291,548
Total assets	63,265,733	43,105,047	106,370,780	95,820,231
LIABILITIES				
Accounts payable	-	604	604	2,056
Total liabilities	-	604	604	2,056
NET POSITION RESTRICTED FOR PENSIONS				
	\$ 63,265,733	\$ 43,104,443	\$ 106,370,176	\$ 95,818,175

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

**COMBINING STATEMENT OF CHANGES
IN PLAN NET POSITION
PENSION TRUST FUNDS**

For the Year Ended December 31, 2017
(with comparative totals for 2016)

	Police Pension	Firefighters' Pension	Total	
			2017	2016
ADDITIONS				
Contributions				
Employer	\$ 3,397,808	\$ 2,104,310	\$ 5,502,118	\$ 4,846,129
Plan members	609,163	388,703	997,866	982,651
Other	-	-	-	2,894
Total contributions	4,006,971	2,493,013	6,499,984	5,831,674
Investment income				
Net appreciation (depreciation) in fair value of investments	4,474,885	3,438,300	7,913,185	2,690,385
Interest earned	2,572,604	1,675,222	4,247,826	3,100,800
Less investment expenses	(65,579)	(44,234)	(109,813)	(102,903)
Total investment income	6,981,910	5,069,288	12,051,198	5,688,282
Total additions	10,988,881	7,562,301	18,551,182	11,519,956
DEDUCTIONS				
Administration	19,137	14,747	33,884	41,685
Benefit payments	5,119,642	2,845,655	7,965,297	7,489,189
Total deductions	5,138,779	2,860,402	7,999,181	7,530,874
NET INCREASE	5,850,102	4,701,899	10,552,001	3,989,082
NET POSITION RESTRICTED FOR PENSIONS				
January 1	57,415,631	38,402,544	95,818,175	91,829,093
December 31	\$ 63,265,733	\$ 43,104,443	\$ 106,370,176	\$ 95,818,175

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

**COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
AGENCY FUNDS**

For the Year Ended December 31, 2017

	Balance January 1	Additions	Deductions	Balance December 31
All Funds				
ASSETS				
Cash	\$ 447,394	\$ 141,786	\$ 112,419	\$ 476,761
TOTAL ASSETS	<u>\$ 447,394</u>	<u>\$ 141,786</u>	<u>\$ 112,419</u>	<u>\$ 476,761</u>
LIABILITIES				
Deposits payable	\$ 447,394	\$ 141,786	\$ 112,419	\$ 476,761
TOTAL LIABILITIES	<u>\$ 447,394</u>	<u>\$ 141,786</u>	<u>\$ 112,419</u>	<u>\$ 476,761</u>
Trust and Deposit Fund				
ASSETS				
Cash	\$ 330,380	\$ 140,738	\$ 112,419	\$ 358,699
TOTAL ASSETS	<u>\$ 330,380</u>	<u>\$ 140,738</u>	<u>\$ 112,419</u>	<u>\$ 358,699</u>
LIABILITIES				
Deposits payable	\$ 330,380	\$ 140,738	\$ 112,419	\$ 358,699
TOTAL LIABILITIES	<u>\$ 330,380</u>	<u>\$ 140,738</u>	<u>\$ 112,419</u>	<u>\$ 358,699</u>
Special Assessment Fund				
ASSETS				
Cash	\$ 117,014	\$ 1,048	\$ -	\$ 118,062
TOTAL ASSETS	<u>\$ 117,014</u>	<u>\$ 1,048</u>	<u>\$ -</u>	<u>\$ 118,062</u>
LIABILITIES				
Deposits payable	\$ 117,014	\$ 1,048	\$ -	\$ 118,062
TOTAL LIABILITIES	<u>\$ 117,014</u>	<u>\$ 1,048</u>	<u>\$ -</u>	<u>\$ 118,062</u>

(See independent auditor's report.)

COMPONENT UNIT - PUBLIC LIBRARY

Component Unit (the Library Fund) - The Library Fund is used to account for the resources necessary to provide the educational, cultural, and recreational activities of the Elmhurst Public Library.

CITY OF ELMHURST, ILLINOIS

COMBINING BALANCE SHEET/STATEMENT OF NET POSITION
ALL GOVERNMENTAL FUNDS
PUBLIC LIBRARY

December 31, 2017

	General	Library Debt Service G.O. Bonds	Nonmajor Governmental Funds	Total	Adjustments	Statement of Net Position
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES						
ASSETS						
Cash	\$ 1,978,829	\$ -	\$ 24,031	\$ 2,002,860	\$ -	\$ 2,002,860
Investments						
Negotiable certificates of deposit	3,369,800	-	1,261,700	4,631,500	-	4,631,500
Receivables						
Property taxes	7,571,421	-	-	7,571,421	-	7,571,421
Due from other funds	-	1,493,631	-	1,493,631	(1,493,631)	-
Accrued interest	16,093	-	5,910	22,003	-	22,003
Miscellaneous	34,257	-	-	34,257	-	34,257
Prepaid items	40,079	-	-	40,079	-	40,079
Capital assets not being depreciated						
Land	-	-	-	-	621,421	621,421
Construction in progress	-	-	-	-	415,577	415,577
Improvements other than buildings	-	-	-	-	35,000	35,000
Capital assets being depreciated, net						
Buildings	-	-	-	-	16,682,892	16,682,892
Machinery and equipment	-	-	-	-	12,374	12,374
Total assets	13,010,479	1,493,631	1,291,641	15,795,751	16,273,633	32,069,384
DEFERRED OUTFLOWS OF RESOURCES						
Pension - IMRF	-	-	-	-	1,019,482	1,019,482
Unamortized loss on refunding	-	-	-	-	368,832	368,832
Total deferred outflows of resources	-	-	-	-	1,388,314	1,388,314
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 13,010,479	\$ 1,493,631	\$ 1,291,641	\$ 15,795,751	\$ 17,661,947	\$ 33,457,698

	General	Library Debt Service G.O. Bonds	Nonmajor Governmental Funds	Total	Adjustments	Statement of Net Position
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES/NET POSITION						
LIABILITIES						
Accounts payable	\$ 79,132	\$ -	\$ -	\$ 79,132	\$ -	\$ 79,132
Accrued payroll	149,204	-	-	149,204	-	149,204
Due to other funds	1,493,631	-	-	1,493,631	(1,493,631)	-
Accrued interest payable	-	-	-	-	80,071	80,071
Net pension liability - IMRF	-	-	-	-	1,802,871	1,802,871
Bonds payable	-	-	-	-	8,723,467	8,723,467
Total liabilities	1,721,967	-	-	1,721,967	9,112,778	10,834,745
DEFERRED INFLOWS OF RESOURCES						
Pension - IMRF	-	-	-	-	103,828	103,828
Unavailable revenue - property taxes	7,571,421	-	-	7,571,421	-	7,571,421
Total deferred inflows of resources	7,571,421	-	-	7,571,421	103,828	7,675,249
Total liabilities and deferred inflows of resources	9,293,388	-	-	9,293,388	9,216,606	18,509,994
FUND BALANCES/NET POSITION						
Net position						
Net investment in capital assets	-	-	-	-	9,412,629	9,412,629
Fund balances						
Restricted for employee appreciation	-	-	24,405	24,405	-	24,405
Assigned for general obligation debt	-	1,493,631	-	1,493,631	-	1,493,631
Assigned for capital replacement and maintenance	-	-	1,267,236	1,267,236	(1,267,236)	-
Unrestricted - nonspendable - prepaid items	40,079	-	-	40,079	-	40,079
Unrestricted/unassigned - general fund	3,677,012	-	-	3,677,012	299,948	3,976,960
Total fund balances/net position	3,717,091	1,493,631	1,291,641	6,502,363	8,445,341	14,947,704
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES/NET POSITION	<u>\$ 13,010,479</u>	<u>\$ 1,493,631</u>	<u>\$ 1,291,641</u>	<u>\$ 15,795,751</u>	<u>\$ 17,661,947</u>	<u>\$ 33,457,698</u>

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
ALL GOVERNMENTAL FUNDS
PUBLIC LIBRARY

For the Year Ended December 31, 2017

	General	Library Debt Service G.O. Bonds	Nonmajor Governmental Funds	Total	Adjustments	Statement of Activities
REVENUES						
Property taxes	\$ 7,490,957	\$ -	\$ -	\$ 7,490,957	\$ -	\$ 7,490,957
Intergovernmental						
Replacement tax	265,300	-	-	265,300	34,257	299,557
State grants	34,257	-	-	34,257	-	34,257
Charges for services						
Fines and rentals	84,538	-	-	84,538	-	84,538
Copier revenue	40,990	-	-	40,990	-	40,990
Fees	1,086	-	-	1,086	-	1,086
Investment income	49,640	-	12,819	62,459	-	62,459
Miscellaneous	121,223	-	-	121,223	-	121,223
Total revenues	8,087,991	-	12,819	8,100,810	34,257	8,135,067
EXPENDITURES/EXPENSES						
Current						
Culture and recreation						
Personal services	3,279,091	-	-	3,279,091	-	3,279,091
Employee benefits	987,257	-	-	987,257	247,798	1,235,055
Contractual services	454,304	-	-	454,304	-	454,304
Commodities	1,019,050	-	-	1,019,050	-	1,019,050
Repairs and maintenance	227,130	-	-	227,130	-	227,130
Other	95,771	-	-	95,771	-	95,771
Insurance	33,600	-	-	33,600	-	33,600
Capital outlay	766,471	-	-	766,471	(99,114)	667,357
Debt service - payment to primary government						
Principal	-	1,307,000	-	1,307,000	(1,307,000)	-
Interest and fees	-	293,875	-	293,875	(18,764)	275,111
Total expenditures/expenses	6,862,674	1,600,875	-	8,463,549	(1,177,080)	7,286,469
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	1,225,317	(1,600,875)	12,819	(362,739)	1,211,337	848,598

	General	Library Debt Service G.O. Bonds	Nonmajor Governmental Funds	Total	Adjustments	Statement of Activities
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ 3,000	\$ 1,627,884	\$ -	\$ 1,630,884	\$ (1,630,884)	\$ -
Transfers (out)	(1,627,884)	-	(3,000)	(1,630,884)	1,630,884	-
Total other financing sources (uses)	(1,624,884)	1,627,884	(3,000)	-	-	-
NET CHANGE IN FUND BALANCES/NET POSITION	(399,567)	27,009	9,819	(362,739)	1,211,337	848,598
FUND BALANCES/NET POSITION, JANUARY 1	4,116,658	1,466,622	1,281,822	6,865,102	7,268,261	14,133,363
FUND BALANCES/NET POSITION, DECEMBER 31	\$ 3,717,091	\$ 1,493,631	\$ 1,291,641	\$ 6,502,363	\$ 8,479,598	\$ 14,981,961

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

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

For the Year Ended December 31, 2017
(With Comparative Actual for 2016)

	2017			
	Original and Final Budget	Actual	Variance with Final Budget Over (Under)	2016 Actual
REVENUES				
Property taxes	\$ 7,431,000	\$ 7,490,957	\$ 59,957	\$ 7,314,259
Intergovernmental				
Replacement tax	175,000	265,300	90,300	248,227
State grants	43,000	34,257	(8,743)	34,011
Charges for services				
Fines and rentals	89,000	84,538	(4,462)	81,735
Copier revenue	35,000	40,990	5,990	36,658
Fees	2,000	1,086	(914)	1,122
Investment income	11,100	49,640	38,540	15,289
Miscellaneous	125,920	121,223	(4,697)	114,689
Total revenues	7,912,020	8,087,991	175,971	7,845,990
EXPENDITURES				
Current				
Culture and recreation				
Personal services	3,312,000	3,279,091	(32,909)	3,138,492
Employee benefits	995,000	987,257	(7,743)	950,946
Contractual services	454,200	454,304	104	474,136
Commodities	1,111,000	1,019,050	(91,950)	1,019,250
Repairs and maintenance	223,000	227,130	4,130	174,895
Other	100,100	95,771	(4,329)	89,145
Insurance	38,000	33,600	(4,400)	35,066
Capital outlay	1,075,000	766,471	(308,529)	223,122
Total expenditures	7,308,300	6,862,674	(445,626)	6,105,052
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	603,720	1,225,317	621,597	1,740,938
OTHER FINANCING SOURCES (USES)				
Transfers in	3,000	3,000	-	1,636,526
Transfers (out)	(1,600,875)	(1,627,884)	(27,009)	(1,626,864)
Total other financing sources (uses)	(1,597,875)	(1,624,884)	(27,009)	9,662
NET CHANGE IN FUND BALANCE	<u>\$ (994,155)</u>	<u>(399,567)</u>	<u>\$ 594,588</u>	1,750,600
FUND BALANCE, JANUARY 1		<u>4,116,658</u>		<u>2,366,058</u>
FUND BALANCE, DECEMBER 31		<u>\$ 3,717,091</u>		<u>\$ 4,116,658</u>

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LIBRARY DEBT SERVICE G.O. BONDS FUND
PUBLIC LIBRARY**

For the Year Ended December 31, 2017
(With Comparative Actual for 2016)

	2017			
	Original and Final Budget	Actual	Variance with Final Budget Over (Under)	2016 Actual
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal series 2013	1,292,000	1,292,000	-	1,186,000
Principal series 2014A	15,000	15,000	-	15,000
Interest series 2013	120,840	120,840	-	170,400
Interest series 2014A	172,415	172,415	-	172,712
Bond fees	620	620	-	621
Total expenditures	1,600,875	1,600,875	-	1,544,733
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,600,875)	(1,600,875)	-	(1,544,733)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,600,875	1,627,884	27,009	1,626,864
Total other financing sources (uses)	1,600,875	1,627,884	27,009	1,626,864
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	27,009	<u>\$ 27,009</u>	82,131
FUND BALANCE, JANUARY 1		<u>1,466,622</u>		<u>1,384,491</u>
FUND BALANCE, DECEMBER 31		<u>\$ 1,493,631</u>		<u>\$ 1,466,622</u>

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
PUBLIC LIBRARY

December 31, 2017
(with comparative actual for 2016)

	Capital Projects Capital Replacement	Permanent Employee Appreciation	Total	
			2017	2016
ASSETS				
Cash	\$ 23,791	\$ 240	\$ 24,031	\$ 534,170
Investments				
Negotiable certificates of deposit	1,237,700	24,000	1,261,700	745,600
Receivables				
Accrued interest	5,745	165	5,910	2,052
TOTAL ASSETS	\$ 1,267,236	\$ 24,405	\$ 1,291,641	\$ 1,281,822
LIABILITIES AND FUND BALANCES				
LIABILITIES				
None	\$ -	\$ -	\$ -	\$ -
FUND BALANCES				
Restricted for employee appreciation	-	24,405	24,405	27,134
Assigned for capital replacement and maintenance	1,267,236	-	1,267,236	1,254,688
Total fund balances	1,267,236	24,405	1,291,641	1,281,822
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,267,236	\$ 24,405	\$ 1,291,641	\$ 1,281,822

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

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

For the Year Ended December 31, 2017
(With Comparative Actual for 2016)

	Capital Projects Capital Replacement	Permanent Employee Appreciation	Total	
			2017	2016
REVENUES				
Investment income	\$ 12,548	\$ 271	\$ 12,819	\$ 6,797
Total revenues	12,548	271	12,819	6,797
EXPENDITURES				
None	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	12,548	271	12,819	6,797
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	(3,000)	(3,000)	(63,363)
Total other financing sources (uses)	-	(3,000)	(3,000)	(63,363)
NET CHANGE IN FUND BALANCES	12,548	(2,729)	9,819	(56,566)
FUND BALANCES, JANUARY 1	1,254,688	27,134	1,281,822	1,338,388
FUND BALANCES, DECEMBER 31	\$ 1,267,236	\$ 24,405	\$ 1,291,641	\$ 1,281,822

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL REPLACEMENT FUND
PUBLIC LIBRARY**

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017		Variance with Final Budget Over (Under)	2016 Actual
	Original and Final Budget	Actual		
REVENUES				
Investment income	\$ 5,300	\$ 12,548	\$ 7,248	\$ 6,461
EXPENDITURES				
None	-	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ 5,300</u>	12,548	<u>\$ 7,248</u>	6,461
FUND BALANCE, JANUARY 1		<u>1,254,688</u>		<u>1,248,227</u>
FUND BALANCE, DECEMBER 31		<u>\$ 1,267,236</u>		<u>\$ 1,254,688</u>

(See independent auditor's report.)

CITY OF ELMHURST, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EMPLOYEE APPRECIATION FUND
PUBLIC LIBRARY**

For the Year Ended December 31, 2017
(with comparative actual for 2016)

	2017		Variance with Final Budget Over (Under)	2016 Actual
	Original and Final Budget	Actual		
REVENUES				
Investment income	\$ 100	\$ 271	\$ 171	\$ 144
Total revenues	100	271	171	144
EXPENDITURES				
None	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	100	271	171	144
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(3,000)	(3,000)	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (2,900)</u>	<u>(2,729)</u>	<u>\$ 171</u>	144
FUND BALANCE, JANUARY 1		<u>27,134</u>		<u>26,990</u>
FUND BALANCE, DECEMBER 31		<u>\$ 24,405</u>		<u>\$ 27,134</u>

(See independent auditor's report.)

STATISTICAL SECTION

This part of the City of Elmhurst, Illinois' 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>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have been changed over time.	137-143
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	144-149
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	150-151
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	152-154
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	155-157

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF ELMHURST, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years
(Accrual Basis of Accounting)

Fiscal Year	2017	2016	2015	2014	2013*	2013	2012	2011	2010	2009
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$ 94,137,897	\$ 96,493,396	\$ 107,275,920	\$ 110,718,777	\$ 107,630,384	\$ 104,328,512	\$ 103,978,780	\$ 103,110,141	\$ 103,742,555	\$ 100,247,337
Restricted	17,588,496	24,506,359	18,534,446	11,841,126	11,738,735	8,950,703	6,323,609	8,501,453	9,029,605	7,590,388
Unrestricted	(41,351,375)	(40,459,872)	(35,277,826)	22,846,410	27,730,504	16,526,472	12,121,101	5,245,495	2,043,555	8,547,758
Total governmental activities net position	70,375,018	80,539,883	90,532,540	145,406,313	147,099,623	129,805,687	122,423,490	116,857,089	114,815,715	116,385,483
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	62,784,279	65,027,387	63,571,314	61,974,663	61,567,331	61,625,797	62,343,598	60,803,950	58,398,879	49,334,878
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(1,498,476)	(1,652,792)	(683,041)	5,525,854	6,447,731	6,856,419	6,098,373	4,998,342	7,822,242	18,444,309
Total business-type activities net position	61,285,803	63,374,595	62,888,273	67,500,517	68,015,062	68,482,216	68,441,971	65,802,292	66,221,121	67,779,187
PRIMARY GOVERNMENT										
Net investment in capital assets	156,922,176	161,520,783	170,847,234	172,693,440	169,197,715	165,954,309	166,322,378	163,914,091	162,141,434	149,582,215
Restricted	17,588,496	24,506,359	18,534,446	11,841,126	11,738,735	8,950,703	6,323,609	8,501,453	9,029,605	7,590,388
Unrestricted	(42,849,851)	(42,112,664)	(35,960,867)	28,372,264	34,178,235	23,382,891	18,219,474	10,243,837	9,865,797	26,992,067
TOTAL PRIMARY GOVERNMENT										
NET POSITION	\$ 131,660,821	\$ 143,914,478	\$ 153,420,813	\$ 212,906,830	\$ 215,114,685	\$ 198,287,903	\$ 190,865,461	\$ 182,659,381	\$ 181,036,836	\$ 184,164,670

* Change in fiscal year end from April 30 to December 31. Represents balances at December 31, 2013.

Data Source

Audited Financial Statements

CITY OF ELMHURST, ILLINOIS

CHANGES IN NET POSITION

Last Ten Fiscal Years
(Accrual Basis of Accounting)

Fiscal Year	2017	2016	2015	2014	2013*	2013	2012	2011	2010	2009
EXPENSES										
Governmental activities										
General government	\$ 4,640,843	\$ 6,078,145	\$ 5,591,722	\$ 4,804,540	\$ 1,175,924	\$ 4,742,806	\$ 5,330,232	\$ 4,156,046	\$ 4,602,308	\$ 3,061,105
Public safety	27,905,484	32,219,464	28,061,059	24,401,311	16,581,166	23,586,972	22,763,083	22,986,342	19,696,934	18,178,366
Streets	23,546,667	24,377,726	13,926,353	13,155,193	7,657,790	12,708,565	11,912,657	12,758,257	11,111,001	11,555,279
Rubbish disposal	3,247,534	3,190,287	3,104,470	2,960,799	2,022,633	2,991,824	2,974,969	2,848,003	2,833,140	2,749,592
Public health and welfare	512,514	569,805	527,724	544,099	407,140	488,736	440,273	331,713	443,833	605,642
Culture	1,272,541	1,452,013	1,286,795	1,175,455	744,036	1,077,783	1,045,698	1,049,775	1,081,381	1,161,753
Redevelopment	5,981,172	1,490,808	7,018,035	1,818,319	4,524,987	1,687,709	1,076,669	3,203,924	4,786,590	6,860,604
Interest on long-term debt	2,112,154	1,907,528	1,329,761	1,487,741	1,045,875	1,519,209	1,950,037	2,077,779	2,168,668	2,094,364
Total governmental activities expenses	69,218,909	71,285,776	60,845,919	50,347,457	34,159,551	48,803,604	47,493,618	49,411,839	46,723,855	46,266,705
Business-type activities										
Water and sewer	26,837,060	22,340,486	20,614,042	18,430,112	12,125,693	16,559,144	14,599,508	14,249,567	13,690,007	13,360,876
Parking	2,102,160	2,262,033	2,288,654	1,285,352	764,568	1,209,151	1,193,465	1,082,398	945,553	780,865
Total business-type activities expenses	28,939,220	24,602,519	22,902,696	19,715,464	12,890,261	17,768,295	15,792,973	15,331,965	14,635,560	14,141,741
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 98,158,129	\$ 95,888,295	\$ 83,748,615	\$ 70,062,921	\$ 47,049,812	\$ 66,571,899	\$ 63,286,591	\$ 64,743,804	\$ 61,359,415	\$ 60,408,446
PROGRAM REVENUES										
Governmental activities										
Charges for services										
General government	\$ 3,989,249	\$ 4,139,890	\$ 4,018,340	\$ 3,955,785	\$ 2,632,493	\$ 3,609,308	\$ 3,111,102	\$ 3,619,918	\$ 3,098,254	\$ 2,980,018
Public safety	2,030,949	2,035,506	3,045,236	2,681,392	1,606,289	2,750,632	2,790,990	2,468,620	2,097,092	1,574,200
Streets	2,035,604	1,732,037	1,926,593	1,870,992	1,384,919	1,958,492	1,980,191	1,856,367	1,947,734	1,835,719
Rubbish	3,400,339	3,293,678	3,239,794	3,103,668	2,153,136	3,137,414	3,155,266	3,005,199	2,925,397	2,743,140
Other	32,750	50,726	29,709	18,284	21,054	58,046	46,808	47,430	55,327	104,534
Operating grants	1,347,389	1,375,975	1,349,084	1,646,546	1,233,565	1,506,080	1,572,731	1,608,290	1,253,210	1,298,919
Capital grants	-	-	136,891	146,109	101,750	897,354	-	136,616	131,785	-
Total governmental activities revenues	12,836,280	12,627,812	13,745,647	13,422,776	9,133,206	13,917,326	12,657,088	12,742,440	11,508,799	10,536,530

CITY OF ELMHURST, ILLINOIS

CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years
(Accrual Basis of Accounting)

Fiscal Year	2017	2016	2015	2014	2013*	2013	2012	2011	2010	2009
PROGRAM REVENUES (Continued)										
Business-type activities										
Charges for services										
Water and sewer	\$ 24,114,108	\$ 21,244,945	\$ 19,368,440	\$ 17,893,912	\$ 11,859,854	\$ 16,475,117	\$ 14,242,061	\$ 13,678,868	\$ 11,818,629	\$ 11,345,359
Parking	1,225,524	1,096,945	1,211,207	1,183,819	527,818	1,068,068	1,094,659	1,127,673	1,002,232	875,655
Capital grants	-	-	-	-	-	1,465	2,994,148	-	122,640	-
Operating grants	-	-	-	-	-	-	-	-	-	-
Total business-type activities revenues	25,339,632	22,341,890	20,579,647	19,077,731	12,387,672	17,544,650	18,330,868	14,806,541	12,943,501	12,221,014
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 38,175,912	\$ 34,969,702	\$ 34,325,294	\$ 32,500,507	\$ 21,520,878	\$ 31,461,976	\$ 30,987,956	\$ 27,548,981	\$ 24,452,300	\$ 22,757,544
NET (EXPENSE) REVENUE										
Governmental activities	\$ (56,382,629)	\$ (58,657,964)	\$ (47,100,272)	\$ (36,924,681)	\$ (25,026,345)	\$ (34,886,278)	\$ (34,836,530)	\$ (36,669,399)	\$ (35,215,056)	\$ (35,730,175)
Business-type activities	(3,599,588)	(2,260,629)	(2,323,049)	(637,733)	(502,589)	(223,645)	2,537,895	(525,424)	(1,692,059)	(1,920,727)
TOTAL PRIMARY GOVERNMENT NET EXPENSE	\$ (59,982,217)	\$ (60,918,593)	\$ (49,423,321)	\$ (37,562,414)	\$ (25,528,934)	\$ (35,109,923)	\$ (32,298,635)	\$ (37,194,823)	\$ (36,907,115)	\$ (37,650,902)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities										
Taxes										
Property	\$ 13,770,823	\$ 14,119,500	\$ 14,758,525	\$ 15,078,106	\$ 14,440,238	\$ 15,082,758	\$ 14,859,054	\$ 14,131,814	\$ 9,458,887	\$ 9,275,329
Sales	15,246,121	13,972,550	12,648,142	12,134,125	7,470,405	11,625,252	10,241,518	9,635,479	8,587,366	9,978,978
Home rule sales	5,400,123	5,203,147	4,934,403	4,832,800	3,618,865	3,618,865	3,618,865	3,618,865	3,618,865	2,046,146
Utility	3,782,827	4,011,310	4,095,207	4,133,811	2,855,496	4,499,003	4,609,215	4,511,270	4,546,152	4,852,312
Real estate transfer	673,038	630,657	618,906	598,564	433,548	385,165	301,232	275,906	345,462	325,264
Food and beverage	1,328,793	1,340,713	1,246,841	1,182,735	734,080	1,065,805	1,012,659	928,706	877,048	917,333
Other	851,594	855,281	803,359	730,688	476,705	784,664	720,998	632,668	432,368	518,778
Intergovernmental	4,463,653	4,695,813	5,049,324	4,607,941	3,014,501	4,393,494	3,870,835	3,762,105	3,720,416	4,262,011
Investment income	869,906	761,902	733,304	181,707	577,600	918,509	1,031,116	1,105,723	1,272,143	1,714,107
Miscellaneous	1,288,130	1,493,685	406,772	460,096	51,875	116,460	156,632	108,237	761,079	625,581
Transfers	(1,457,244)	(688,063)	(152,571)	(79,567)	-	(221,500)	-	-	-	-
Total governmental activities	46,217,764	46,396,495	45,142,212	43,861,006	33,673,313	42,268,475	40,422,124	38,710,773	33,619,786	34,515,839

CITY OF ELMHURST, ILLINOIS

CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years
(Accrual Basis of Accounting)

Fiscal Year	2017	2016	2015	2014	2013*	2013	2012	2011	2010	2009
GENERAL REVENUES AND OTHER										
CHANGES IN NET POSITION (Continued)										
Business-type activities										
Investment income	\$ 53,552	\$ 24,440	\$ 25,092	\$ 43,621	\$ 35,435	\$ 42,390	\$ 101,784	\$ 106,595	\$ 133,993	\$ 359,557
Intergovernmental	-	-	82,100	-	-	-	-	-	-	-
Gain on sale of capital assets	-	500	222,604	-	-	-	-	-	-	-
Transfers	1,457,244	688,063	152,571	79,567	-	221,500	-	-	-	-
Total business-type activities	1,510,796	713,003	482,367	123,188	35,435	263,890	101,784	106,595	133,993	359,557
TOTAL PRIMARY GOVERNMENT	\$ 47,728,560	\$ 47,109,498	\$ 45,624,579	\$ 43,984,194	\$ 33,708,748	\$ 42,532,365	\$ 40,523,908	\$ 38,817,368	\$ 33,753,779	\$ 34,875,396
CHANGE IN NET POSITION										
Governmental activities	\$ (10,164,865)	\$ (12,261,469)	\$ (1,958,060)	\$ 6,936,325	\$ 8,646,968	\$ 7,382,197	\$ 5,585,594	\$ 2,041,374	\$ (1,595,270)	\$ (1,214,336)
Business-type activities	(2,088,792)	(1,547,626)	(1,840,682)	(514,545)	(467,154)	40,245	2,639,679	(418,829)	(1,558,066)	(1,561,170)
TOTAL PRIMARY GOVERNMENT										
CHANGE IN NET POSITION	\$ (12,253,657)	\$ (13,809,095)	\$ (3,798,742)	\$ 6,421,780	\$ 8,179,814	\$ 7,422,442	\$ 8,225,273	\$ 1,622,545	\$ (3,153,336)	\$ (2,775,506)

* Change in fiscal year end from April 30 to December 31. Represents changes in net position from May 1 to December 31, 2013.

Data Source

Audited Financial Statements

CITY OF ELMHURST, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2017	2016	2015	2014	2013**	2013	2012*	2011	2010	2009
GENERAL FUND										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,780,987	\$ 4,229,791	\$ 3,794,555
Unreserved	-	-	-	-	-	-	-	11,810,975	10,250,846	12,409,641
Nonspendable	941,344	187,811	185,727	314,886	615,562	221,279	276,401	-	-	-
Restricted	744,068	837,108	909,951	639,139	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	16,660,813	17,648,925	18,020,892	8,944,190	7,649,307	7,762,242	7,937,929	-	-	-
Unassigned	11,225,087	11,681,012	12,673,970	20,740,009	17,231,415	12,872,933	8,830,535	-	-	-
TOTAL GENERAL FUND	\$ 29,571,312	\$ 30,354,856	\$ 31,790,540	\$ 30,638,224	\$ 25,496,284	\$ 20,856,454	\$ 17,044,865	\$ 15,591,962	\$ 14,480,637	\$ 16,204,196
ALL OTHER GOVERNMENTAL FUNDS										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,158,070	\$ 22,721,002	\$ 22,911,279
Unreserved, reported in										
Debt Service Funds	-	-	-	-	-	-	-	-	-	-
Capital Project Funds	-	-	-	-	-	-	-	-	(231,416)	(582,617)
Nonspendable	-	-	8,376,355	9,640,238	10,448,143	10,450,545	11,587,233	-	-	-
Restricted	20,059,850	36,129,840	14,947,080	11,080,003	11,286,267	8,950,703	6,323,570	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	(648,988)	(1,408,503)	(664,593)	(254,292)	(77,677)	(54,326)	-	-	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 19,410,862	\$ 34,721,337	\$ 22,658,842	\$ 20,465,949	\$ 21,656,733	\$ 19,346,922	\$ 17,910,803	\$ 21,158,070	\$ 22,489,586	\$ 22,328,662

* Statement No. 54 of the Governmental Accounting Standards Board was implemented at April 30, 2012.

** Change in fiscal year end from April 30 to December 31. Represents balances at December 31, 2013.

Data Source

Audited Financial Statements

CITY OF ELMHURST, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2017	2016	2015	2014	2013*	2013	2012	2011	2010	2009
REVENUES										
Taxes										
Property	\$ 13,770,824	\$ 14,119,500	\$ 14,758,524	\$ 15,078,106	\$ 14,440,238	\$ 15,082,758	\$ 14,859,054	\$ 14,131,814	\$ 9,458,887	\$ 9,275,329
Sales	20,646,244	19,175,696	17,582,545	16,966,925	11,089,270	15,244,117	13,860,383	13,254,344	12,206,231	12,025,124
Utility	3,782,827	4,011,310	4,095,207	4,133,811	2,855,496	4,499,003	4,609,215	4,511,270	4,546,152	4,852,312
Real estate transfer	673,038	630,657	618,906	598,564	433,548	385,165	301,232	275,906	345,462	325,264
Food and beverage	1,328,793	1,340,713	1,246,841	1,182,735	734,080	1,065,805	1,012,659	928,706	877,048	917,333
Other	851,594	855,281	803,359	730,688	476,705	784,664	720,998	632,668	432,368	518,778
Intergovernmental	5,681,474	6,166,644	6,338,591	6,293,026	4,295,294	6,739,336	5,345,878	5,494,427	5,075,787	5,540,648
Licenses and permits	4,875,429	4,973,368	4,852,995	4,732,920	3,084,847	4,422,591	3,932,013	4,270,199	3,831,746	3,887,872
Fines and forfeitures	804,616	777,851	977,677	904,177	650,568	1,056,172	1,259,091	1,129,799	951,293	984,358
Charges for services	5,144,217	4,771,963	4,658,577	4,363,042	2,949,450	4,379,550	4,462,763	3,975,606	3,774,211	3,120,492
Investment income	869,906	761,902	733,304	181,707	577,600	918,509	1,031,116	1,105,723	1,272,143	1,714,107
Revenue replacement	58,760	57,932	56,724	55,514	-	54,192	52,912	52,801	51,862	49,454
Miscellaneous	2,023,566	2,069,553	2,317,180	2,142,134	1,219,423	1,775,439	1,631,898	1,689,950	2,305,395	1,841,298
Total revenues	60,511,288	59,712,370	59,040,430	57,363,349	42,806,519	56,407,301	53,079,212	51,453,213	45,128,585	45,052,369
EXPENDITURES										
General government	5,274,679	5,526,342	5,432,968	4,763,358	2,711,828	4,577,964	5,175,011	3,993,817	4,271,817	4,351,906
Public safety	28,033,401	26,550,023	25,628,207	24,217,177	16,338,909	22,965,864	22,309,438	22,387,320	21,164,359	20,673,312
Streets	9,811,828	9,896,051	9,700,684	9,390,228	5,901,196	8,497,170	8,021,310	8,148,297	7,438,655	8,108,535
Rubbish disposal	3,247,534	3,190,287	3,104,470	2,960,799	2,022,633	2,991,824	2,974,969	2,848,003	2,833,140	2,749,592
Public health and welfare	512,514	544,055	591,551	544,099	407,140	488,736	440,273	331,713	443,833	605,642
Culture	1,435,157	1,364,389	1,275,439	1,132,314	729,892	997,642	993,435	950,386	1,014,828	1,110,749
Redevelopment	599,964	584,445	748,965	2,254,300	2,031,574	904,457	660,731	1,279,160	863,634	906,250
Capital outlay	23,761,686	22,372,333	10,643,506	5,067,884	5,875,743	4,905,452	8,063,164	5,402,364	7,855,194	10,011,276
Debt service										
Principal	6,957,282	3,292,927	3,121,996	3,253,786	3,231,000	3,129,767	4,294,441	4,256,247	2,665,900	3,553,147
Interest	2,059,756	1,728,664	1,250,253	1,547,285	1,225,986	1,639,739	1,940,804	2,076,097	2,188,979	2,088,832
Total expenditures	81,693,801	75,049,516	61,498,039	55,131,230	40,475,901	51,098,615	54,873,576	51,673,404	50,740,339	54,159,241
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(21,182,513)	(15,337,146)	(2,457,609)	2,232,119	2,330,618	5,308,686	(1,794,364)	(220,191)	(5,611,754)	(9,106,872)

Fiscal Year	2017	2016	2015	2014	2013*	2013	2012	2011	2010	2009
OTHER FINANCING SOURCES (USES)										
Bonds issued	\$ 3,385,000	\$ 25,000,000	\$ 4,000,000	\$ 7,285,109	\$ 2,061,000	\$ 7,040,000	\$ -	\$ -	\$ 2,323,600	\$ 8,434,339
Note proceeds	1,252,000	750,000	-	611,701	2,386,299	-	-	-	-	-
Premium (discount) on bonds issued	189,354	902,021	269,665	164,502	171,750	90,421	-	-	38,527	(64,436)
Payment to escrow agent	-	-	-	(7,405,250)	-	(6,969,899)	-	-	(2,313,008)	(1,045,372)
Transfers in	3,358,136	5,676,973	2,712,013	2,654,388	2,648,928	10,162,070	7,304,013	4,590,080	12,530,196	9,612,936
Transfers (out)	(4,815,380)	(6,365,036)	(2,864,584)	(2,733,955)	(2,648,928)	(10,383,570)	(7,304,013)	(4,590,080)	(8,530,196)	(9,612,936)
Sale of capital assets	1,719,383	-	1,685,724	-	-	-	-	-	-	-
Total other financing sources (uses)	5,088,493	25,963,958	5,802,818	576,495	4,619,049	(60,978)	-	-	4,049,119	7,324,531
NET CHANGE IN FUND BALANCES	\$ (16,094,020)	\$ 10,626,812	\$ 3,345,209	\$ 2,808,614	\$ 6,949,667	\$ 5,247,708	\$ (1,794,364)	\$ (220,191)	\$ (1,562,635)	\$ (1,782,341)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES										
	12.58%	7.48%	9.65%	12.75%	12.75%	9.93%	12.99%	12.76%	10.76%	12.35%

* Change in fiscal year end from April 30 to December 31. Represents changes in fund balances from May 1 to December 31, 2013.

Data Source

Audited Financial Statements

CITY OF ELMHURST, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property	Less Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2007	\$ 2,045,270,287	\$ 181,093,627	\$ 144,542,575	\$ 116,597,826	\$ 2,254,308,663	\$ 0.5372	\$ 6,762,925,989	33.333%
2008	2,222,580,236	157,324,012	210,636,495	131,149,871	2,459,390,872	0.5024	7,378,172,616	33.333%
2009	2,236,364,968	206,561,340	155,379,794	136,353,099	2,461,953,003	0.7073	7,385,859,009	33.333%
2010	2,076,270,452	188,803,574	140,989,396	126,919,056	2,279,144,366	0.7961	6,837,433,098	33.333%
2011	1,903,624,165	230,401,863	137,884,614	118,113,629	2,153,797,013	0.8669	6,461,391,039	33.333%
2012	1,745,309,515	168,215,778	126,074,755	110,595,696	1,929,004,352	0.9471	5,787,013,056	33.333%
2013	1,654,200,965	153,666,745	120,364,718	113,461,690	1,814,770,738	1.0345	5,444,312,214	33.333%
2014	1,652,437,111	153,704,358	119,038,741	110,880,887	1,814,299,323	1.0087	5,442,897,969	33.333%
2015	1,858,307,356	167,191,252	123,102,996	114,493,157	2,034,108,447	0.8759	6,102,325,341	33.333%
2016	2,019,124,254	172,841,667	132,804,668	116,597,455	2,208,173,134	0.7921	6,624,519,402	33.333%

Note: Property in the City is reassessed each year. Property is assessed at 33% of actual value. 2017 information is not available

Data Source

Office of the County Clerk

CITY OF ELMHURST, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Levy Year	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
CITY DIRECT RATES										
Ambulance	0.0066	0.0070	0.0071	0.0049	0.0068	0.0061	0.0098	0.0120	0.0157	0.0165
Bond and interest	-	0.0466	0.0851	0.1129	0.1203	0.1119	0.1060	0.0957	-	-
Corporate	-	-	-	-	-	0.0094 ²	-	-	-	-
Fire protection	0.1377	0.1633	0.2229	0.2414	0.2205	0.2101	0.1900	0.1421	0.0724	0.0930
Library	0.3399	0.3600	0.3976	0.3956	0.3684	0.3309	0.2983	0.2737	0.2608	0.2736
Police pension	0.1492	0.1423	0.1292	0.1289	0.1009	0.0851	0.0815	0.0808	0.0632	0.0618
Firefighters' pension	0.0924	0.0889	0.0922	0.0901	0.0661	0.0601	0.0599	0.0584	0.0478	0.0481
Social Security	0.0289	0.0299	0.0322	0.0261	0.0284	0.0251	-	-	-	-
Illinois Municipal Retirement	0.0374	0.0379	0.0424	0.0346	0.0357	0.0282 ¹	0.0506	0.0446	0.0425	0.0442
TOTAL CITY DIRECT RATES	0.7921	0.8759	1.0087	1.0345	0.9471	0.8669	0.7961	0.7073	0.5024	0.5372
OVERLAPPING RATES										
DuPage County	0.3362	0.3593	0.3748	0.3697	0.3471	0.3187	0.2980	0.2771	0.2763	0.2838
DuPage Airport Authority	0.0176	0.0188	0.0196	0.0178	0.0168	0.0169	0.0158	0.0148	0.0160	0.0170
Junior College 502	0.2626	0.2786	0.2975	0.2956	0.2681	0.2495	0.2349	0.2127	0.1858	0.1888
Elmhurst Park District	0.3584	0.3800	0.4200	0.4150	0.3853	0.3435	0.3094	0.2762	0.2713	0.2987
Bensenville Park District	0.4932	0.5232	0.5179	0.5097	0.4718	0.4128	0.3614	0.3117	0.3262	0.3280
Unit School District 205	4.7760	5.0648	5.4808	5.2773	4.8021	4.1257	3.7325	3.3246	3.2691	3.3604
School District 45	3.7870	4.0035	3.9651	3.8736	3.5426	3.0664	2.7675	2.5046	2.4611	2.5297
Salt Creek School District 48	1.4198	1.4773	1.5491	1.5030	1.3681	1.2157	1.1208	1.0017	0.9561	0.9487
DuPage High School District 88	2.3995	2.5477	2.5581	2.4373	2.1984	1.8332	1.6616	1.4795	1.4323	1.4395
Addison Township	0.0676	0.1792	0.1844	0.1781	0.1636	0.1423	0.1271	0.1114	0.1107	0.1113
York Township	0.0952	0.1002	0.1049	0.1017	0.0928	0.0810	0.0737	0.0660	0.0644	0.0654
TOTAL OVERLAPPING RATES	14.0131	14.9326	15.4722	14.9788	13.6567	11.8057	10.7027	9.5803	9.3693	9.5713

Note: The City is a home rule municipality and, based on the 1970 Illinois constitution, has no statutory tax rate limits.

Overlapping rates are those of local and county governments that apply to owners within the City. Not all overlapping rates apply to all city property owners (e.g., the rates for special districts only apply to the property owners whose property is located within the geographic boundaries of the district). 2017 tax information is not available.

1. During levy year 2011, the levy rates were separated for Illinois Municipal Retirement and Social Security.

2. During levy year 2011, a one time levy was created for Elmhurst Memorial Healthcare's anticipated tax exemption.

Data Source

Office of the DuPage County Clerk

CITY OF ELMHURST, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	2016			Taxpayer	2007		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Valuation
Three Galleria Tower	\$ 17,235,290	1	0.78%	McMaster Carr Supply Co	\$ 16,332,850	1	0.72%
Mc Master Carr Supply Co.	15,699,830	2	0.71%	AIMCO	13,876,580	2	0.62%
Federal Construction Inc	11,559,440	3	0.52%	Federal Construction Inc	13,109,750	3	0.58%
Royal Management Corporation	7,895,890	4	0.36%	Elmhurst Memorial	8,333,740	4	0.37%
Horizon Group VIII LLC	6,334,280	5	0.29%	Deloitte & Touche LLP	7,712,880	5	0.34%
Elmhurst Memorial Hospital	5,899,310	6	0.27%	VIP Elmhurst II LLC	6,538,500	6	0.29%
HC Elmhurst I LLC	5,090,370	7	0.23%	Lexington Square	6,531,610	7	0.29%
678 North York Street LLC	5,030,190	8	0.23%	Korman/Lederer & Associates	5,376,830	8	0.24%
Park Place of Elmhurst	4,475,220	9	0.20%	Horizon Group VIII LLC	5,154,200	9	0.23%
UBS Realty Investors LLC	<u>4,356,660</u>	10	<u>0.20%</u>	Patten Tractor & Equipment	<u>4,583,390</u>	10	<u>0.20%</u>
TOTAL	<u>\$ 83,576,480</u>		<u>3.78%</u>		<u>\$ 87,550,330</u>		<u>3.88%</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.

2017 tax levy information is not available.

Data Source

Office of the County Clerk

CITY OF ELMHURST, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Levied		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$	12,816,638	\$ 12,816,161	100.00%	370	\$ 12,816,531	100.00%
2008		12,995,729	12,990,657	99.96%	2,630	12,993,287	99.98%
2009		18,055,167	18,049,400	99.97%	5,767	18,055,167	100.00%
2010		18,846,213	18,834,951	99.94%	11,262	18,846,213	100.00%
2011		19,317,983	19,314,232	99.98%	3,751	19,317,983	100.00%
2012		18,870,231	18,830,709	99.79%	1,481	18,832,190	99.80%
2013		19,346,943	19,240,659	99.45%	2,444	19,243,103	99.46%
2014		18,833,840	18,769,527	99.66%	3,022	18,772,549	99.67%
2015		18,358,998	18,334,941	99.87%	-	18,334,941	99.87%
2016		18,092,550	18,057,153	99.80%	-	18,057,153	99.80%

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

2017 tax levy information is not available.

Data Source

Office of the County Clerk

CITY OF ELMHURST, ILLINOIS

SALES TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Fiscal Years

Fiscal Year Ended	City Direct Rate	City Home Rule Rate	State Rate	DuPage County	Regional Transportation Authority Rate	DuPage Water Commission	Total
2008	1.00%	0.25%	5.00%	0.25%	0.75%	0.25%	7.50%
2009	1.00%	0.75%	5.00%	0.25%	0.75%	0.25%	8.00%
2010	1.00%	0.75%	5.00%	0.25%	0.75%	0.25%	8.00%
2011	1.00%	0.75%	5.00%	0.25%	0.75%	0.25%	8.00%
2012	1.00%	0.75%	5.00%	0.25%	0.75%	0.25%	8.00%
2013	1.00%	0.75%	5.00%	0.25%	0.75%	0.25%	8.00%
2013*	1.00%	0.75%	5.00%	0.25%	0.75%	0.25%	8.00%
2014	1.00%	0.75%	5.00%	0.25%	0.75%	0.25%	8.00%
2015	1.00%	0.75%	5.00%	0.25%	0.75%	0.25%	8.00%
2016	1.00%	1.00%	5.00%	0.25%	0.75%	0.00%	8.00%
2017	1.00%	1.00%	5.00%	0.25%	0.75%	0.00%	8.00%

* Change in fiscal year end from April 30 to December 31. Amounts are for the eight-month period ended December 31, 2013.

Data Sources

City Records
Illinois Department of Revenue

CITY OF ELMHURST, ILLINOIS

SALES TAX BY CATEGORY

Last Ten Calendar Years

Calendar Year	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General merchandise	\$ 545,617	\$ 533,900	\$ 533,050	\$ 524,560	\$ 544,696	\$ 564,595	\$ 557,751	\$ 527,211	\$ 519,059	\$ 398,547
Food	1,582,670	1,500,333	1,462,595	1,373,754	1,194,598	1,047,824	1,096,412	1,096,182	1,044,039	936,197
Drinking and eating places	2,048,748	1,863,822	1,645,459	1,516,947	1,435,316	1,378,538	1,260,282	1,166,415	1,131,826	869,207
Apparel	227,308	218,898	190,900	200,050	215,191	203,620	193,078	201,910	172,818	130,714
Furniture, H.H., and radio	364,656	268,216	258,010	385,943	342,184	376,796	320,974	287,773	337,413	526,797
Lumber, building, and hardwa	930,389	411,653	305,199	348,176	292,526	218,604	198,800	180,411	188,969	185,445
Automotive and fill stations	4,754,335	4,587,941	4,560,464	4,205,877	3,813,169	3,443,493	3,214,354	3,044,331	3,052,238	3,253,574
Drugs and other retail	1,879,597	1,808,553	1,632,903	1,592,729	1,737,083	1,748,529	1,228,373	1,103,564	1,347,253	999,988
Agriculture and extractive	6,413,016	6,521,816	5,730,949	5,613,740	5,047,713	4,740,750	4,408,380	4,207,273	3,181,089	3,769,084
Manufacturers	966,879	663,386	543,777	436,986	435,286	360,492	297,207	329,027	388,584	320,686
TOTAL	\$ 19,713,215	\$ 18,378,518	\$ 16,863,306	\$ 16,198,762	\$ 15,057,762	\$ 14,083,241	\$ 12,775,611	\$ 12,144,097	\$ 11,363,288	\$ 11,390,239
Total City municipal tax	\$ 12,543,132	\$ 12,297,824	\$ 11,954,202	\$ 11,373,586	\$ 10,409,512	\$ 9,757,206	\$ 8,746,060	\$ 8,305,700	\$ 7,915,940	\$ 9,874,759
Total City home-rule tax	7,170,083	6,080,695	4,909,104	4,825,176	4,648,250	4,326,035	4,029,551	3,838,397	3,447,348	1,515,480
TOTAL	\$ 19,713,215	\$ 18,378,519	\$ 16,863,306	\$ 16,198,762	\$ 15,057,762	\$ 14,083,241	\$ 12,775,611	\$ 12,144,097	\$ 11,363,288	\$ 11,390,239
City Municipal Tax Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
City Home-Rule Tax Rate	1.00%	1.00%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.25%

Data Sources

City Records
Illinois Department of Revenue

CITY OF ELMHURST, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2017

Bonded Indebtedness of Taxing Bodies	Total Debt	Applicable to City	
		Percent	Amount
Direct - City of Elmhurst	\$ 57,195,052	100.00%	\$ 57,195,052
Overlapping			
Schools			
Grade School District #45	32,702,070	1.94%	634,420
Grade School District #48	7,805,000	14.23%	1,110,652
High School District #88	83,125,000	3.92%	3,258,500
Unit School District #205	84,567,211	89.40%	75,603,087
Community College District #502	227,460,000	5.55%	12,624,030
Other			
County*	160,900,000	6.21%	9,991,890
Dupage County Forest Preserve District	111,717,382	6.21%	6,937,649
Bensenville Park District	7,320,000	0.78%	57,096
Elmhurst Park District	7,850,000	97.32%	7,639,620
Total overlapping bonded debt	723,446,663		117,856,945
TOTAL DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT	\$ 780,641,715		\$ 175,051,997

* Includes DuPage County and DuPage County Forest Preserve

Note: Determined by ration of assessed value of property subject to taxation in the City to the value of property subject to taxation in the overlapping unit.

Data Source

DuPage County Clerk

CITY OF ELMHURST, ILLINOIS

LEGAL DEBT MARGIN

December 31, 2017

The City is a home rule municipality.

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes governs computation of the legal debt margin.

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

To date, the Illinois General Assembly has set no limits for home rule municipalities.

CITY OF ELMHURST, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year Ended	Population	Personal Income	Per Capita Income	Median Age	Education Level in Years of Formal Schooling	(1) Public School Enrollment	(2) (3) Unemployment Percentage
2008	43,298 (4)	\$ 1,386,185,470	\$ 32,015 (4)	38.7 (4)	13.0 (4)	7,823	3.5
2009	43,298 (4)	1,386,185,470	32,015 (4)	38.7 (4)	13.0 (4)	8,020	6.9
2010	43,298 (4)	1,386,185,470	32,015 (4)	38.7 (4)	13.0 (4)	8,150	7.7
2011	44,121 (5)	1,412,533,815	32,015 (4)	40.1 (5)	13.0 (4)	8,174	6.5
2012	44,121 (5)	1,843,772,469	41,789 (6)	40.1 (5)	13.0 (4)	8,230	6.5
2013	44,121 (5)	1,891,776,117	42,877 (6)	40.1 (5)	13.0 (4)	8,288	6.8
2013*	44,121 (5)	1,884,231,426	42,706 (6)	40.1 (5)	13.0 (4)	8,349	5.7
2014	44,121 (5)	1,941,191,637	43,997 (6)	40.1 (5)	13.0 (4)	8,363	4.0
2015	44,454 (7)	2,023,323,810	45,515 (6)	40.1 (5)	13.0 (4)	8,331	4.1
2016	44,454 (7)	2,128,324,158	47,877 (6)	40.1 (5)	13.0 (4)	8,326	4.2
2017	46,662 (7)	2,292,457,398	49,129 (6)	39.5 (5)	13.0 (4)	8,563	3.2

* Change in fiscal year end from April 30 to December 31. Amounts are for the eight-month period ended December 31, 2013.

Data Sources

- (1) Elmhurst School District 205
- (2) Department of Employment Security
- (3) Not adjusted for seasonal employment
- (4) U.S. Census Bureau - 2006 Special Census
- (5) U.S. Census Bureau - 2010 Census
- (6) U.S. Census Bureau - 2006 - 2010, 2007 - 2011, 2008 - 2012, 2009 - 2013 and 2010 - 2014 American Community Surveys
- (7) U.S. Census Bureau - 2015 Special Census

CITY OF ELMHURST, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2017			Employer	2008		
	Employees	Rank	Percentage of Total City Employment		Employees	Rank	Percentage of Total City Employment
Edward-Elmhurst Healthcare	2,758	1	12.93%	Elmhurst Memorial Hospital	3,007	1	11.88%
Mc Master-Carr Supply Co.	800	2	3.75%	Household Finance Corporation	1,415	2	5.59%
Elmhurst College	600	3	2.81%	Elmhurst Community School District 205	1,098	3	4.34%
Duchossois Enterprises Group	450	4	2.11%	McMaster-Carr Supply Co.	850	4	3.36%
Patten Power Systems	400	5	1.88%	City of Elmhurst	533	5	2.11%
Semplex Corporation	260	6	1.22%	Patten Industries Inc	500	6	1.98%
Superior Sound, Inc.	250	7	1.17%	Elmhurst College	475	7	1.88%
FedEx Freight, Inc.	200	8	0.94%	Hassett Air Express	300	8	1.19%
Superior Ambulance	200	9	0.94%	Superior Air Ground Ambulance	247	9	0.98%
Safway Services, LLC	180	10	0.84%	S & S Automotive Inc.	211	10	0.83%
TOTAL	6,098		28.59%		8,636		34.12%

Data Source

2016 and 2007 Illinois Manufacturers Directory, 2016 and 2007 Illinois Services Directory, city business license records, and a selective telephone survey.

CITY OF ELMHURST, ILLINOIS

PROPERTY VALUE AND CONSTRUCTION

Last Ten Fiscal Years

Fiscal Year Ended	(1) Property Value				(2) Commercial Construction	(2) Residential Construction	
	Commercial	Residential	Total	Exemptions	Value	Number of Units	Value
2009	\$ 367,960,507	\$ 2,091,430,365	\$ 2,459,390,872	\$ 131,149,871	\$ 45,653,627	432	\$ 32,184,393
2010	361,941,134	2,100,011,869	2,461,953,003	136,353,099	26,644,183	377	24,752,493
2011	329,792,970	1,949,351,396	2,279,144,366	126,919,056	19,831,268	247	102,604,441
2012	368,286,477	1,785,510,536	2,153,797,013	118,113,629	28,646,061	357	32,734,730
2013	294,290,533	1,634,713,819	1,929,004,352	110,595,696	16,700,000	132	51,550,020
2013*	294,290,533	1,634,713,819	1,929,004,352	110,595,696	2,442,000	91	40,783,405
2014	274,031,463	1,540,739,275	1,814,770,738	113,461,690	1,200,000	145	67,001,000
2015	272,743,099	1,541,556,224	1,814,299,323	110,880,887	27,810,000	139	114,108,000
2016	290,294,248	1,743,814,199	2,034,108,447	114,493,157	24,888,000	128	53,563,680
2017	305,646,335	1,902,526,799	2,208,173,134	116,597,455	34,960,000	93	44,465,000

* Change in fiscal year end from April 30 to December 31. Amounts are for the eight-month period ended December 31, 2013.

1 Includes permit for new hospital of \$309,000,000.

Data Sources

(1) Estimated assessed value, DuPage County Clerk

(2) Based on the City's Municipal Development Department records and estimated construction costs declared by applicants at time of application.

CITY OF ELMHURST, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

Function/Program	2017	2016	2015	2014	2013*	2013	2012	2011	2010	2009
GENERAL GOVERNMENT	28	30	30	31	29	27	29	28	29	29
PUBLIC SAFETY										
Police										
Officers	68	68	68	68	68	67	65	67	69	70
Civilian	17	17	17	17	16	17	17	19	19	20
Fire										
Firefighters and officers	44	41	44	44	44	44	43	44	44	44
Civilians	9	9	9	9	8	10	10	10	9	8
STREETS	52	52	51	51	50	53	53	54	55	57
Waste Water Treatment Plant										
Maintenance	16	16	16	16	16	16	16	16	16	18
Maintenance	19	19	19	19	19	18	18	19	19	21
PARKING										
Enforcement	2	2	2	2	2	2	2	2	2	2
CULTURE	3	3	3	3	3	3	3	3	3	4
TOTAL	258	257	259	260	255	257	256	262	265	273

* Change in fiscal year end from April 30 to December 31. Amounts are for the eight-month period ended December 31, 2013.

Data Source

City Budget Office

CITY OF ELMHURST, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2017	2016	2015	2014	2013*	2013	2012	2011	2010	2009
PUBLIC SAFETY										
Police										
Physical arrests	940	890	976	922	768	1,702	1,156	1,641	1,219	1,122
Parking violations	14,668	14,368	14,383	15,982	9,732	13,825	14,436	17,110	17,479	15,747
Traffic violations	8,444	7,023	9,011	8,705	5,905	9,068	10,609	13,392	13,121	11,517
Fire										
Emergency responses	7,641	5,790	7,109	7,188	2,102	6,878	6,643	6,500	6,285	6,499
Fires extinguished	101	99	112	106	74	108	60	39	97	135
I.S.O. rating	2	2	2	2	2	2	2	2	2	2
PUBLIC WORKS										
Street resurfacing (miles)	7.4	8.7	7.7	7.4	9.0	7.3	5.0	4.8	4.5	5.8
Pothole repairs	15,000	16,037	15,510	20,000	16,500	10,628	22,402	16,496	24,464	31,266
WATER										
Number of water services	15,210	14,836	13,909	14,151	14,266	14,216	14,231	14,227	14,229	14,209
Water main breaks	60	110	66	124	61	82	92	88	87	116
Average daily consumption	66	68	69	69	54	67	77	79	81	83
Peak monthly demand	148	141	140	130	158	170	194	192	142	159
WASTEWATER										
Average daily treatment (mgd)	8	8	7.09	7.21	5.82	6.65	8.19	9.87	8.40	8.00
Average daily stormwater pumping (mgd)	552	552	540.0	540.0	540.0	540.0	540.0	554.8	550.0	556.0
CULTURE										
Museum visits	10,021	9,858	10,550	8,902	8,079	15,255	15,540	12,737	14,946	12,805
Museum reference service patrons	394	363	396	358	320	596	661	609	577	596
Public Library										
Number of volumes	229,588	397,021	251,183	259,731	341,668	300,000	300,224	304,141	298,373	293,109
Number of electronic media	122,652	70,635	65,238	56,696	70,233	68,535	65,126	75,696	55,638	57,361
Number of borrowers	26,682	26,783	28,649	28,890	29,355	29,600	30,112	30,166	30,250	31,193
Total circulation	1,464,166	1,129,950	1,296,401	1,321,148	965,662	1,496,925	1,478,076	1,482,430	1,503,159	1,417,458
Library visits	598,836	598,836	579,525	539,958	378,691	566,508	553,965	531,776	540,781	520,282

* Change in fiscal year end from April 30 to December 31. Amounts are for the eight-month period ended December 31, 2013.

Data Source

Various city departments

CITY OF ELMHURST, ILLINOIS

CAPITAL ASSETS STATISTICS

Last Ten Fiscal Years

Function/Program	2017	2016	2015	2014	2013*	2013	2012	2011	2010	2009
PUBLIC SAFETY										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	46	42	42	42	42	42	42	42	42	42
Fire										
Fire stations	2	2	2	2	2	2	2	2	2	2
Fire engines	6	6	6	6	6	6	6	6	6	6
PUBLIC WORKS										
Streets (miles)	161.7	161.7	161.7	161.7	161.7	161.7	161.7	161.7	161.7	161.4
Streetlights	6,739	6,739	6,739	6,739	6,739	6,739	6,739	6,739	6,739	6,739
Traffic signals	25	25	25	25	25	25	25	24	24	24
WATER										
Water mains (miles)	167.8	167.8	167.8	167.8	167.8	167.8	167.8	167.8	167.8	167.8
Fire hydrants	2,041	2,041	2,041	2,041	2,041	2,041	2,041	2,041	2,041	2,041
Maximum daily capacity (thousands of gallons)	7,860	7,860	7,860	7,860	7,860	7,860	7,860	7,860	7,860	7,860
Storage capacity (thousands of gallons)	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
WASTEWATER										
Sanitary sewers (miles)	148.0	159.3	159.3	159.3	159.3	159.3	159.3	159.3	159.3	159.3
Storm sewers (miles)	133.0	130.5	130.5	130.5	130.5	130.5	130.5	130.5	130.5	130.5
Maximum daily treatment capacity (millions of gallons)	8 20	75	75	75	75	75	75	75	75	75

* Change in fiscal year end from April 30 to December 31. Amounts are for the eight-month period ended December 31, 2013.

Data Source

Various city departments

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined management of the City of Elmhurst's assertion that the City of Elmhurst (the City) complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended December 31, 2017. The City's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with the specified requirements.

In our opinion, management's assertion that the City of Elmhurst, Illinois complied with the aforementioned requirements for the year ended December 31, 2017 is fairly stated, in all material respects.

This report is intended solely for the information and use of the City Council, management, the joint review board, the Illinois State Comptroller, and the Illinois Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Sikich LLP

Naperville, Illinois
July 25, 2018