

CITY OF DEKALB, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
JUNE 30, 2015

CITY OF DEKALB, ILLINOIS

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2015**

Prepared by the City of DeKalb Finance Department

CITY OF DEKALB, ILLINOIS

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INTRODUCTORY SECTION

This section includes miscellaneous data regarding the City including: List of Principal Officials, Organization Chart, Transmittal Letter from the Finance Director and the Certificate of Achievement for Excellence in Financial Reporting.

CITY OF DEKALB, ILLINOIS

List of Principal Officials June 30, 2015

LEGISLATIVE

Mayor: John Rey

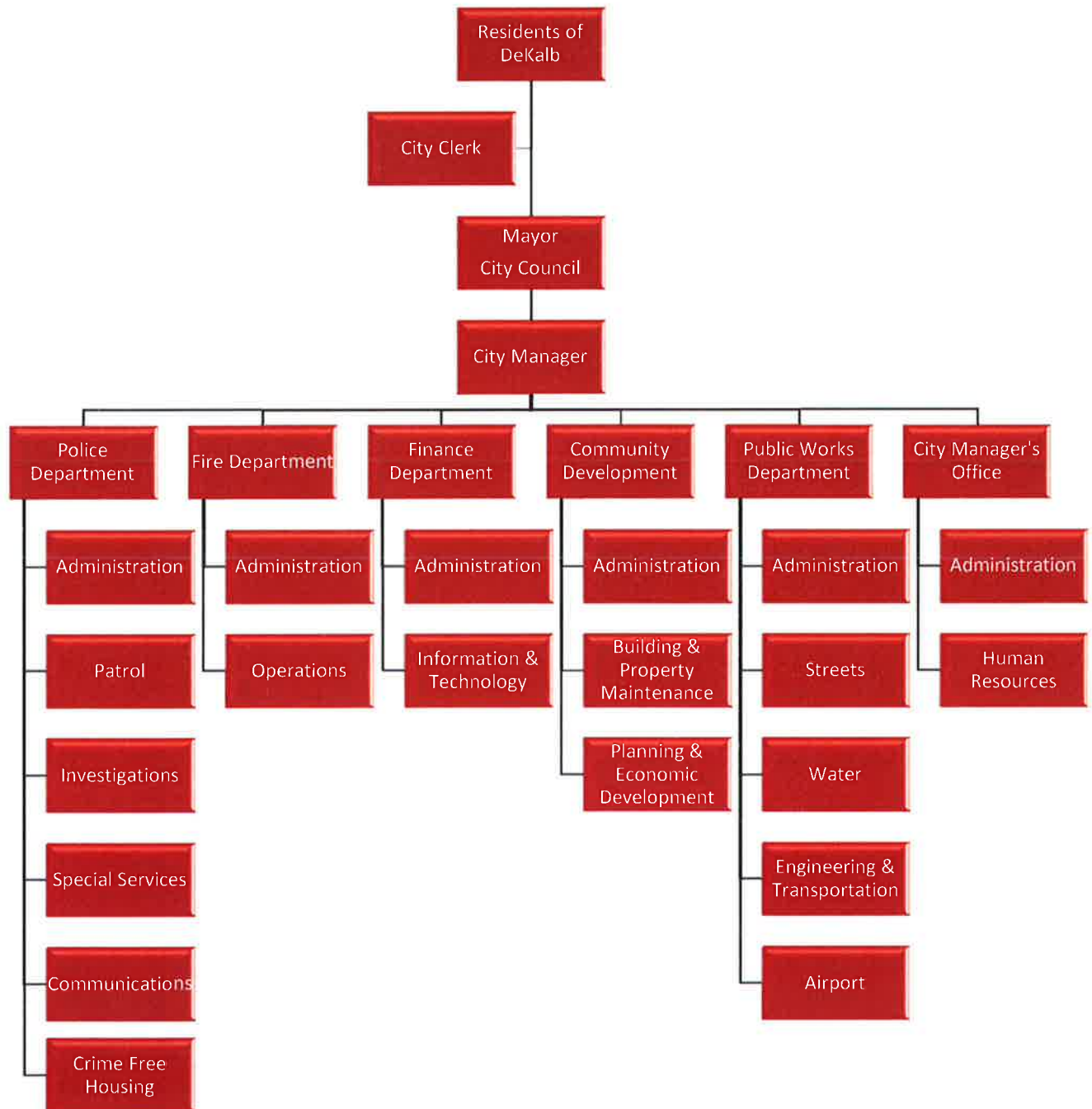
City Clerk: Jennifer Jeep Johnson

Ward 1:	David Jacobson, Alderman
Ward 2:	William Finucane, Alderman
Ward 3:	Michael Marquardt, Alderman
Ward 4:	Robert Snow, Alderman
Ward 5:	Kate Noreiko, Alderman
Ward 6:	David Baker, Alderman
Ward 7:	Monica O’Leary, Alderman

ADMINISTRATIVE

City Manager:	Anne Marie Gaura
Police Chief:	Gene Lowery
Fire Chief:	Eric Hicks
Interim Public Works Director:	John Laskowski
Finance Director:	Cathy Haley
Community Development Director:	Ellen Divita
Assistant City Manager:	Patty Hoppenstedt

City of DeKalb



November 6, 2015

Mayor John Rey
Members of the DeKalb City Council
City Manager Anne Marie Gaura
Residents of the City of DeKalb

The Comprehensive Annual Financial Report of the City of DeKalb for the fiscal year ended June 30, 2015 is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the City of DeKalb issue annually a report of its financial position and activity, and that this report be audited by an independent firm of certified public accountants.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Lauterbach & Amen, LLP, have issued an unmodified ("clean") opinion on the City of DeKalb's financial statements for the year ended June 30, 2015. The independent auditor's report is located at the front 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. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the City of DeKalb

The City of DeKalb was incorporated in 1856, and is located in the center of DeKalb County Illinois. Located 60 miles west of Chicago, the City of DeKalb currently occupies 12.6 square miles and approximately 130 miles of streets. In spite of its proximity to the Chicago region, the City remains apart, maintaining its own unique character as a rapidly growing university community with both urban and rural roots. Many of its older neighborhoods have brick paved streets and well-kept historic homes while the edge of the City bustles with new residential and commercial development. The City of DeKalb has a 2014 population estimate of 44,030, therefore

the City is a home rule community because its population exceeds 25,000. Home rule communities in the State of Illinois have greater control of their finances because of additional revenue generating abilities afforded to home rule communities. As a home-rule unit of government under the 1970 Illinois Constitution, the City has no tax rate limit or debt limit, nor is it required to seek referendum approval to raise its tax rate or to issue debt.

In 1961, a Council-Manager form of government was adopted by the City of DeKalb. Seven aldermen are elected, one in each of the seven wards, and aldermanic elections are held every two years, at which time half of the City Council is elected. The Mayor is elected, at large, every four years. The City Manager is appointed by the City Council and all other employees are appointed by the City Manager. The elected officials determine policy while professional appointed officials implement policy.

The City provides a full range of services including: public safety (police and fire protection); the construction and maintenance of highways, streets, and infrastructure; municipal airport services; water production, treatment and distribution; planning and zoning; and general administrative services.

The financial reporting entity (the City) includes all the funds of the primary government (i.e., the City of DeKalb, DeKalb County, Illinois), as well as all of its component units. The DeKalb Public Library is considered a component unit of government which, although a legally separate entity, is in substance a part of the primary government's operations and included as part of the primary government. Therefore, in the CAFR, the Library's audited financial data is presented in a separate column in the entity-wide financial statements to differentiate their financial position and results of operations from those of the primary government.

The City Council is required to adopt a budget for each fiscal year by no later than the close of the prior fiscal year. This annual budget serves as the foundation for the City of DeKalb's financial planning and control. These controls are intended to ensure that there is compliance with the legal provisions of the annual budget approved by the Mayor and City Council. Activities of the governmental and proprietary funds are included in the approved annual budget. The level of budgetary control is established at the fund, department, and divisional levels. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Local Economy

The local economy is still being impacted by regional, state and national economic conditions. However, the City's three largest sources of revenue have started to show signs of economic vitality. These three largest sources of revenue are **property taxes** received from the county, **sales taxes**, both municipal and home rule, and **income tax**. The EAV decline has slowed and the unemployment rate has dropped. The City's total EAV dropped 4.31% compared to 8.97% in the previous year.

The City's income tax revenue increased by \$318,289 or 7.6% from \$4,197,440 in FY14 to \$4,515,729 in FY15. This per-capita revenue source is based more on the state's economy and



unemployment rate rather than the local economy. The State of Illinois' unemployment rate peaked to 11.50% in December 2009 and has dropped to 5.40% in October 2015.

The state portion of sales tax revenue has shown signs of growth while the home rule portion continues to remain flat. Combined these actual revenue dollars came in right at budgeted parameters. Other signs of economic vitality for the City are an increase in building permit revenue which came in \$78,788.65 over budget.

As a result, the General Fund unrestricted fund balance ended at \$8,018,755 or 23.44% of annual expenditures. This is the strongest the General Fund balance reserves have been in the last ten years.

Economic stability continues in the education and health industries in DeKalb. Northern Illinois University is a comprehensive teaching and research institution with student enrollment of more than 21,000. Kishwaukee Community Hospital also has a significant economic presence that provides employment to more than 1,400 healthcare professionals and staff. Other large private employers include 3M, the Target Distribution Center, Wal-Mart, Tegrant, American Marketing, and the Nestle Corporation.

Long-term Financial Planning

The following processes are utilized by the City to accomplish its long-term financial planning:

1. The City is in the process of implementing a 10-year strategic plan to ensure that its long-term goals are reviewed, updated and implemented to continue to address the City's mission of "Collaboratively deliver high quality municipal services to those who live, work, learn in, or visit our community through fiscal responsibility, transparency, innovation, and leadership that continuously improve the quality of life." All elected officials, appointed board and commission chairpersons, executive team members, and DeKalb residents have been participates in the planning sessions.
2. The City has established several key written financial policies including a Budget policy, a Reserve & Fund Balance Policy, a Revenue & Expenditure policy, an Accounting, Auditing & Financial Reporting policy, a Debt Management policy and an Investment policy. The General Fund fund balance policy is currently 25% of the total General Fund annual expenditures to provide financing for unanticipated expenditures and revenue shortfalls and possible delays and changes in state distribution of shared revenues.
3. The City adopted a new Purchasing Manual to establish guidelines for City staff in procuring goods and materials in a manner that is consistent with the highest standards of public service in obtaining quality goods and services at the lowest possible price.
4. The City adopted a 10-year capital improvement plan for the Water Fund and structured the necessary fees in order to maintain the Water Divisions capital equipment and infrastructure, and maintain or enhance the current levels of service.



5. The City attempts to maintain a diversified and stable revenue system to shelter it from short-term fluctuations in any one revenue source. All fees and charges are in the process of being reviewed. The City will continue to make this review an annual process during the budget season each year.

Relevant Financial Policies

The City Council passed a resolution in 2015 to adopt certain financial management policies including a budget policy, a fund balance policy, a revenue and expenditure policy, an accounting/auditing and financial reporting policy, a capital asset policy, a debt management policy, and an investment policy.

Excluding amounts restricted, committed, or assigned for various purposes, the unassigned fund balance in the General Fund was 23.44% of actual expenditures for FY15. Because of the City's conservative approach and prudent fiscal spending, this was a 3.05% increase over last fiscal year.

Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, municipal bonds, and the Illinois Public Treasurer's Investment Pool. The City earned interest revenue of \$182,380 on all governmental and proprietary fund type investments for the fiscal year ended June 30, 2015. This represents a \$17,574 or 10.7% increase from last year's interest revenue of \$164,806. The City's investment policy seeks to ensure the preservation of capital in the overall portfolio, while mitigating credit and interest rate risks.

Major Initiatives

During FY 2015, the City was able to initiate and/or complete a variety of projects, programs and activities designed to meet identified community needs. These included:

- Completion of Pay, Compensation and Classification Study.
- Negotiated lowering the City's health insurance premium with a savings of over \$300,000 annually.
- Eliminated the future accumulation of compensatory time for non-bargaining unit employees in order to reduce the long-term hidden financial impact to the City.
- Coordinated the development of a new City web site and secured a contract with the web site developer Civic Plus with a highly accelerated timeline.
- Further enhanced service levels to internal and external customers by expanding the work hours of the City Hall, Police Department, Fire Station 1 and the Public Works Department administration by one half an hour every day.
- Retained the AA2 Moody's bond rating
- Achieved the Government Finance Officers Association Award "Excellence in Financial Reporting" for the 20th consecutive year.
- Achieved the Illinois Policy Institute's Sunshine Award for Financial Transparency.
- Initiated a new "Popular Annual Financial Report" [PAFR] and submitted to the awards program administered by the Government Finance Officers Association.



- The Targeted Response Unit (TRU) engaged in several investigations of drug trafficking and gang activity. 2014 marked the first full calendar year of TRU operations. In 2014, TRU made 320 arrests including 142 felony arrests.
- The partnership with the Sycamore Police and the DeKalb County Sheriff's Department in creating the county's first multi-agency Special Operations Team became fully operational.
- The "Firearms Take-back Program" was deployed in order to take unwanted firearms out of our homes by surrendering them to the police for appropriate disposition.
- The canine program had its first full year in operation which resulted in the Officer and his canine partner participating in 7 community events and making 147 criminal arrests.
- Worked with NIU and Kishwaukee College Associations in campaigning for the "Not on my Campus" initiative to enhance student and community awareness, accountability, and responsibility.
- Coordinated the purchase of a used Fire Ladder Truck in the amount of \$420,000.
- Connected 26 intersections to a new Automatic Vehicle Management System to improve and coordinate traffic signal timings.
- Remodeled first floor of City Hall to accommodate the Information & Technology Division, Community Development Building Division and Engineering Division.
- Construction of South First Street Water Main.
- Complete Parking Lot #9 improvements.
- Managed the design process for the Kishwaukee River bike path between Route 38 and Prairie Park, along with securing backing from both the DeKalb Park District and NIU on this project.
- Provided \$62,000 in supplemental grants to local social service agencies who provide supportive services to the residents of DeKalb.
- In collaboration with NIU, completed the second phase of the Housing Study which investigated the different stress factors in each neighborhood – crime, density, school data, and transiency.
- Prepared the FY 2016-2020 Transportation Improvement Program, including an updated list of state and local transportation projects planned or programmed for the area over the same period.
- Utilized CDBG funds to assist low/moderate income residents with emergency repairs to their homes and to address code violations.
- Updated Water System Master Plan and Water Rate Study to meet current and future capital and operational needs.
- Changed out over 1,000 water meters. The new meters will improve reading accuracy and reading efficiency. In addition, the meters have data logging capabilities which will help to answer customer questions and concerns regarding their water use.
- Secured the construction of Win Win Aviation's new High Tail Corporate Hangar.
- Airport security cameras installed and available in real time to staff and Police Dispatch.
- Purchased Aircraft De-ice Truck to allow corporate aircraft to utilize the airport throughout the inclement winter months.
- Begin construction of Kishwaukee River-Kiwanis bike path.
- Invested \$175,000 in improvements to the Haish parking lot downtown.



Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of DeKalb for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the twenty-first consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy 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 its eligibility for another certificate.

In addition, the Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of DeKalb for its Popular Annual Financial Report for the fiscal year ended June 30, 2014. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, the City must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. This was the first year that the City of DeKalb received this award. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this Comprehensive Annual Financial Report was made possible by the efficient and dedicated service of the entire staff of the City's Finance Department. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report. My appreciation is also expressed to the Mayor, City Council, the City Manager's Office, and all other City Departments for their dedication and support in maintaining the highest standards of professionalism in the management of the City of DeKalb's finances.

Respectfully submitted,



Cathy L. Haley
Finance Director





Government Finance Officers Association

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

Presented to

**City of DeKalb
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITORS' REPORT

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



INDEPENDENT AUDITORS' REPORT

November 6, 2015

The Honorable City Mayor
Members of the City Council
City of DeKalb, 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 DeKalb, Illinois, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the DeKalb Police Pension Fund and the DeKalb Firefighters' Pension Fund of the City of DeKalb, Illinois. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the DeKalb Police Pension Fund and the DeKalb Firefighters' Pension Fund of the City of DeKalb, Illinois, is based solely on the report of the other auditors. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, 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 DeKalb, Illinois, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Matters – Continued

Other Information – Continued

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 *Government Auditing Standards*, we have also issued our report dated November 6, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provision 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 *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.


LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF DEKALB, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2015

As the management of the City of DeKalb (the "City"), 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 June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal included earlier in this report.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT

In the past, the primary focus of local government financial statements has been summarized fund type information on a current financial resource basis. Since 2003, this approach has been modified and the City's financial statements now present two kinds of statements, each with a different snapshot of the City's finances. The focus of the new financial statement is on both the City as a whole (government-wide) and 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 outflows of resources, liabilities, and deferred inflows of resources, with the difference between them 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 sick 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 government, public safety, highways and streets, and community development. The business-type activities of the City include a water system, a municipal airport, and refuse services.

The government-wide financial statements can be found on pages 4 through 7 of this report.

(See independent auditor's report)

CITY OF DEKALB, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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 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 nineteen 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 Motor Fuel Tax Fund, Mass Transit Fund, TIF #1 Fund, TIF #2 Fund, TIF Debt Service Fund and the Public Safety Building Fund which are considered to be "major" funds. Data from the other twelve governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided 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 the budget.

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

Proprietary Funds. There are two different types of proprietary funds: enterprise funds and internal service funds. 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 system, the municipal airport, and refuse services. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains three internal service funds to account for workers' compensation insurance premiums, health insurance premiums, and liability insurance premiums.

CITY OF DEKALB, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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 Water Fund, the Airport Fund, and the Refuse Fund. Data from the other three internal service funds are combined into a single, aggregate presentation. Individual fund data for each of these internal service funds is provided elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 14 through 19 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 two fiduciary funds, the Police Pension Fund and the Fire Pension Fund. Data from the two fiduciary funds are combined into a single, aggregate presentation. Individual fund data for each of these fiduciary funds is provided elsewhere in this report.

The basic fiduciary fund financial statements can be found on pages 20 and 21 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 22 through 79 of this report.

Financial Analysis of the City as a Whole

Beyond presenting current year financial information in the government-wide and major individual fund formats, the City also presents comparative information from the prior year in Management's Discussion and Analysis. By doing so, the City is providing the best means of analyzing its financial condition and position as of June 30, 2015.

CITY OF DEKALB, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

GOVERNMENT-WIDE STATEMENTS

Net Position

The following table reflects the condensed Statement of Net Position.

Table 1
Statement of Net Position
As of June 30, 2015

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY15	FY14	FY15	FY14	FY15	FY14
Current and Other Assets	\$ 37,272,732	36,036,490	8,279,983	7,927,449	45,552,715	43,963,939
Capital Assets	134,126,562	137,786,140	57,649,708	55,964,677	191,776,270	193,750,817
Deferred Outflows	11,046,441	215,268	445,223	-	11,491,664	215,268
Total Assets and Deferred Outflows	182,445,735	174,037,898	66,374,914	63,892,126	248,820,649	237,930,024
Long-Term Liabilities	107,398,113	39,727,961	6,207,102	5,856,623	113,605,215	45,584,584
Other Liabilities	7,547,395	7,864,005	3,257,134	4,115,319	10,804,529	11,979,324
Deferred Inflows	10,373,855	10,533,255	-	-	10,373,855	10,533,255
Total Liabilities and Deferred Inflows	125,319,363	58,125,221	9,464,236	9,971,942	134,783,599	68,097,163
Net Position:						
Net Investment in						
Capital Assets	113,826,017	116,047,087	52,605,345	49,590,809	166,431,362	165,637,896
Restricted	12,897,923	11,764,636	-	-	12,897,923	11,764,636
Unrestricted	(69,597,568)	(11,899,046)	4,305,333	4,329,375	(65,292,235)	(7,569,671)
Total Net Position	57,126,372	115,912,677	56,910,678	53,920,184	114,037,050	169,832,861

The City's combined net position decreased from \$169.8 million to \$114.0 million for the fiscal year ending June 30, 2015.

Net position attributable to governmental activities decreased by \$58.8 million due primarily to the incorporation of GASB 68 which now requires the City to show their full Net Pension Liability on this government – wide statement. Net position attributable to business-type activities increased by \$3.0 million due mainly to completion of the airport runway project and debt service payments made during the year.

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

CITY OF DEKALB, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Activities

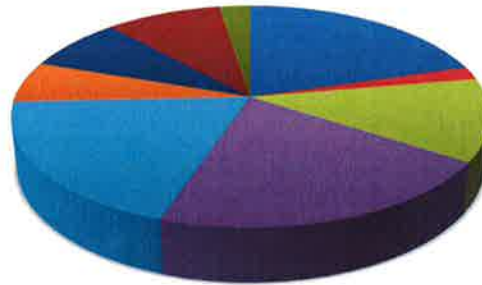
The following table summarizes the revenue and expenses of the City's activities.

Table 2
Changes in Net Position
For the Fiscal Years Ended June 30, 2015 and 2014

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY15	FY14	FY15	FY14	FY15	FY14
Revenues						
Program Revenues:						
Charges for Services	\$ 3,722,145	3,594,051	8,046,786	8,005,409	11,768,931	11,599,460
Operating Grants/Contributions	1,114,773	1,166,973	-	-	1,114,773	1,166,973
Capital Grants/Contributions	4,375,595	4,072,079	2,566,070	959,182	6,941,665	5,031,261
General Revenues						
Property Taxes	11,981,519	12,392,230	-	-	11,981,519	12,392,230
Sales Taxes	11,092,497	10,435,096	-	-	11,092,497	10,435,096
Utility Taxes	3,433,879	3,600,059	-	-	3,433,879	3,600,059
State Income Taxes	4,515,729	4,197,440	-	-	4,515,729	4,197,440
Other Taxes	5,340,751	4,994,817	-	-	5,340,751	4,994,817
Other	1,440,754	1,118,380	4,353	2,605	1,445,107	1,120,985
Total Revenues	47,017,642	45,571,125	10,617,209	8,967,196	57,634,851	54,538,321
Expenses						
General Government	12,795,131	9,744,441	-	-	12,795,131	9,744,441
Public Safety	22,259,920	20,797,002	-	-	22,259,920	20,797,002
Highways and Streets	4,158,954	5,016,398	-	-	4,158,954	5,016,398
Community Development	8,859,472	10,726,424	-	-	8,859,472	10,726,424
Interest on Long-Term Debt	987,476	1,209,191	-	-	987,476	1,209,191
Water	-	-	4,288,137	4,080,350	4,288,137	4,080,350
Airport	-	-	1,410,722	1,322,518	1,410,722	1,322,518
Refuse	-	-	1,920,958	1,844,724	1,920,958	1,844,724
Total Expenses	49,060,953	47,493,456	7,619,817	7,247,592	56,680,770	54,741,048
<i>Change in Net Position Before Transfers</i>	(2,043,311)	(1,922,331)	2,997,392	1,719,604	954,081	(202,727)
<i>Transfers</i>	(29,377)	627,800	29,377	(627,800)	-	-
Change in Net Position	(2,072,688)	(1,294,531)	3,026,769	1,091,804	954,081	(202,727)
Net Position, July 1	115,912,677	117,207,208	53,920,184	52,828,380	169,832,861	170,035,588
Restatement	(56,713,617)	-	(36,275)	-	(56,749,892)	-
Net Position, June 30	57,126,372	115,912,677	56,910,678	53,920,184	114,037,050	169,832,861

CITY OF DEKALB, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Total Primary Government Revenues for FY15



■ Charges for Services - 20.1%	■ Operating Grants/Contributions - 1.9%
■ Capital Grants/Contributions - 11.8%	■ Property Taxes - 20.7%
■ Sales Taxes - 26.6%	■ Utility Taxes - 5.9%
■ State Income Taxes - 7.7%	■ Other Taxes - 1.9%
■ Other - 3.4%	

For the fiscal year ended June 30, 2015, revenues totaled \$57.6 million. The City benefits from a highly diversified revenue base. Revenues from property taxes amounted to \$12.0 million or 20.7% of total revenues. Property taxes support governmental activities including the City's contribution to the Police and Fire Pension Funds. Property tax revenues remained at last year's level as the City did not increase its property tax levy. Property tax revenues collected in Fiscal Year 2015 were based on the 2013 Equalized Assessed Valuation (EAV) and property tax rate. The City's 2013 EAV decreased by 8.97% to \$485,923,623 due to the depressed economy. The EAV approximates 33 1/3% of the total market value of real estate within the corporate limits of the City. The property tax rate for 2013 was \$.98093 per \$100 of EAV.

Sales taxes are the highest revenue source for the City. They are collected by the State of Illinois and remitted back to the City on a monthly basis. The general sales tax collected by the state for sales within the corporate boundaries of the City is 6.25%. However, only 1% of that total is remitted back to the City of DeKalb. The remainder goes to the state (5%), and DeKalb County (.25%). In addition, a home rule sales tax of 1.75% is also collected by the State of Illinois and remitted back to the City on a monthly basis. The home rule sales tax is not applicable to food, drugs, or licensed vehicle purchases.

For FY15, general sales tax revenues were \$4,983,000 compared to \$4,475,094 for FY14, while home rule sales tax revenues were \$6,109,497 compared to \$5,960,002 for FY14. The 6.3% increase in overall sales tax revenue was the result of the improving economy in FY15 as well as an accounting change which no longer combined the County rebate within these revenue line items. This rebate has been broken out in to an expenditure account in the General Support Division. Overall, sales tax revenues have been stable over the last four years and are projected to keep at the pace in the near future.

CITY OF DEKALB, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Income taxes are shared with municipalities by the state on a per-capita basis. The City's income tax revenue increased by \$318,289 or 7.6% from \$4,197,440 in FY14 to \$4,515,729 in FY15. This per-capita revenue source is based more on the state's economy and unemployment rate rather than the local economy. The State of Illinois' unemployment rate peaked to 11.50% in December 2009 and has dropped to 5.40% in October 2015.

Telecommunications taxes are collected by the state and remitted back to the City on a monthly basis. The City's telecommunications tax rate is 6%. A total of \$876,495 was collected in FY15 which represents a 7.6% decrease from the \$948,052 that was collected in FY14. This revenue source is expected to decrease slightly over the next several years as more residents convert to internet telephone service or cellular telephone service as their primary source of communication and eliminate landline service. Also, the option to package and bundle programs has brought down the consumer costs of cell phones and therefore has dropped this tax revenue source.

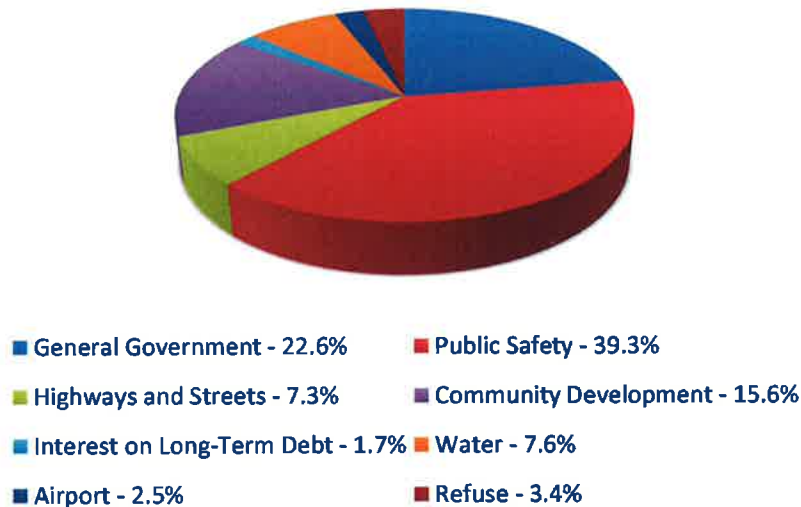
Use tax is a tax imposed on the privilege of using, in the State of Illinois, any item of tangible personal property that is purchased anywhere at retail. This revenue source is collected by the State and forwarded to the City on a per capita basis. For FY15, \$844,359 was collected which represents a 7.2% increase from the \$787,656 collected in FY14. This revenue source is expected to increase further next year due to the state's increased collection efforts which include a separate line for use taxes on the state income tax return form along with the increase in internet sales that are considered use tax revenue depending on the purchase.

The major revenue component of the "charges for services" classification is fees from the City's water utility. Water related revenue was \$5,377,744 in FY15 compared to \$5,179,180 in FY14. In the case of the Water Fund, the economy is still having an impact on water revenue. Foreclosures, closed businesses, and a tendency to conserve water are still contributing factors that continue to drive down the City's water sales. In addition, the general trend towards using water-saving fixtures and toilets is reducing water consumption.

Capital grants and contributions revenue increased from \$5,031,261 in FY14 to \$6,941,665 in FY15. Streets, storm sewers, right-of-ways, water mains, etc. are recorded on the City's general ledger as contributions of capital assets upon acceptance of the public improvements from the developer by the City Council. Airport related capital grants and contributions increased from \$464,182 in FY14 to \$2,566,070 in FY15 due to completion of the runway project.

CITY OF DEKALB, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Total Primary Government Expenses for FY15



The City's expenses totaled \$56.7 million in FY15 which was an increase of \$1.9 million compared to FY14 total expenses. General government expenses were 22.6% of the total or \$12,795,131. This represents a 31.3% increase from the FY14 total of \$9,744,441. This increase is primarily due to showing the County Rebate as an actual expenditure rather than lumping in with the sales tax revenue line items.

Public safety expenses related to the operations of both the Police Department and Fire Department accounted for the largest share of expenses at \$22,259,920 or 39.3% of the total. This represents a 7.0% increase from the FY14 total of \$20,797,002. This increase was due primarily to the employer pension contributions running through the personnel expense within these two departments.

Highways and Streets related expenses were \$4,158,954 or 7.3% of the total. This represents a 17.1% decrease from the FY14 total of \$5,016,398. The decrease was primarily due to the reduction of staff in the engineering division.

Community Development related expenses accounted for 15.6% of the total or \$8,859,472. This represents a 17.4% decrease from the FY14 total of \$10,726,424.

Water related expenses were \$4,288,137 or 7.6% of the total. This represents a 5.1% increase from the FY14 total of \$4,080,350.

Airport related expenses were \$1,410,722 or 2.5% of the total. This represents a 6.7% increase from the FY14 total of \$1,322,518.

The Refuse Fund (\$1,920,958 or 3.4% of total expenses) and interest on long-term debt (\$987,476 or 1.7% of total expenses) account for the balance of the FY15 expenses.

(See independent auditor's report)

CITY OF DEKALB, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

At June 30, 2015, the governmental funds had a combined fund balance of \$21,520,780. This reflects a \$1,826,062 or 9.3% increase from the prior fiscal year. The General Fund fund balance increased by \$1,076,821 or 15.1%. This increase can be attributed to revenues coming in higher than budgeted parameters and expenditures coming in below budgeted parameters. The Motor Fuel Tax Fund fund balance increased by \$308,208 or 14.9%. The TIF District Funds fund balances increased by \$755,553 or 8.0%. A TIF phase out committee has been formed to plan out the remaining expenditures for the remaining years of these two TIF's. The Public Building Safety Fund fund balance decreased from \$824,063 to \$0 as the project was completed, fund was closed and debt payments moved to the Debt Service Fund. Finally, the fund balances of nonmajor governmental funds increased by \$509,543 or 332.4% as funds were accumulated for future projects in the Foreign Fire Insurance Fund, Housing Rehabilitation Fund, Community Development Block Grant Fund, Special Service Area Funds, and the Capital Project Funds.

Table 3
General Fund Budgetary Highlights
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual
Revenues			
Taxes	\$ 16,929,412	16,929,412	16,652,074
Licenses & Permits	571,250	571,250	713,565
Intergovernmental	11,545,055	11,545,055	12,069,108
Charges for Services	1,802,912	1,802,912	1,895,685
Fines & Forfeitures	969,200	1,014,520	915,578
Miscellaneous	769,000	802,283	831,432
Total Revenues	32,586,829	32,665,432	33,077,442
Expenditures and Transfers			
General Government	(7,722,442)	(7,722,442)	(7,165,790)
Public Safety	(20,700,464)	(20,700,464)	(20,433,722)
Community Development	(4,026,903)	(4,026,903)	(3,813,573)
Capital Outlay	-	(300,000)	(242,514)
Disposal of Capital Assets	-	-	520
Transfers In	2,006,926	2,006,926	2,211,897
Transfers Out	(2,687,700)	(2,766,303)	(2,557,439)
Total Expenditures and Transfers	(33,130,583)	(33,509,186)	(32,000,621)
Change in Fund Balance	(543,754)	(843,754)	1,076,821

CITY OF DEKALB, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The City had originally budgeted for a \$543,754 decrease to the General Fund fund balance. The City conducts periodic budget reviews throughout the fiscal year to identify revenue and expenditure line items that require amendments and, accordingly, the City Council approved three budget amendments during the year. The amendments accounted for any unanticipated changes in revenues or expenditures that occurred since the initial budget was adopted. The budget amendments resulted in an increase to total revenues and an increase to total expenditures. Due to the revised revenue and expenditure projections, the final budget called for a deficit of \$843,754 for the General Fund fund balance. Actual results for FY15 indicated an increase of \$1,076,821 because of positive variances for both the amended revenues and the amended expenditures. The better than expected General Fund results for FY15 were attributable to increased revenues due to the improving local economy, and to the City being able to contain expenditures and not exceed the budgeted level for any department.

With respect to the business-type activities, the Water Fund had an increase in Net Position due to a major water main project that started in late FY15 and will continue into FY16. The Municipal Airport Fund showed a small decrease in Net Position at the end of FY15. The City has established a fund balance policy for these funds to ensure reserves are available for operations first before committing any funds to capital projects.

Capital Assets

The following schedule reflects the City's capital asset balances as of June 30, 2015.

Table 4
Capital Assets
As of June 30, 2015

	Governmental Activities		Business-Type Activities		Total	
	FY15	FY14	FY15	FY14	FY15	FY14
Land	\$ 10,358,605	10,116,091	19,386,047	19,386,047	29,744,652	29,502,138
Land Right of Way	25,736,657	25,736,657	544,893	496,805	26,281,550	26,233,462
Construction in Progress	713,961	266,727	607,435	-	1,321,396	266,727
Buildings and Improvements	20,814,645	20,814,645	4,804,864	4,804,864	25,619,509	25,619,509
Equipment	4,422,565	4,399,695	688,715	688,715	5,111,280	5,088,410
Vehicles	6,106,593	6,018,824	966,936	938,462	7,073,529	6,957,286
Infrastructure	152,473,401	152,036,223	12,791,713	10,888,258	165,265,114	162,924,481
Water Distribution System	-	-	41,357,049	41,135,369	41,357,049	41,135,369
Less:						
Accumulated Depreciation	(86,499,865)	(82,243,745)	(23,497,944)	(22,397,993)	(109,997,809)	(104,641,738)
Total	134,126,562	137,145,117	57,649,708	55,940,527	191,776,270	193,085,644

At year-end, the City's investment in capital assets for both its governmental and business-type activities was \$191.7 million (net of accumulated depreciation). This represents a decrease of \$1.3 million or 0.7% from June 30, 2014. This decrease is the result of the capitalization of new capital assets acquired or constructed during FY15 offset by the current year's depreciation expense for all depreciable capital assets. Most notably, for the business-type activities, the South First Street watermain project was started in FY15 and will be wrapped up in FY16. Finally, due to the completion of the runway project, the Airport Fund has seen an increase in capital assets.

(See independent auditor's report)

CITY OF DEKALB, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

See Note 3 to the financial statements for further information on capital assets.

Long-Term Debt

As of June 30, 2015, the City had a total of \$117,655,506 in long-term debt outstanding. The table below summarizes the City's bonded and similar indebtedness.

Table 5
Bonded and Similar Indebtedness
As of June 30, 2015

	Governmental Activities		Business-type Activities		Total	
	FY15	FY14	FY15	FY14	FY15	FY14
General Obligation Bonds	\$ 27,046,775	29,025,000	2,093,225	2,945,000	29,140,000	31,970,000
Net Premium on Bonds	227,393	288,530	-	51,366	227,393	339,896
Capital Leases	216,666	527,697	-	7,038	216,666	534,735
IEPA Loan	-	-	2,951,138	3,370,464	2,951,138	3,370,464
Compensated Absences	5,393,470	5,086,006	537,865	384,723	5,931,335	5,470,729
Net Pension Liability	70,639,684	57,976,821	1,107,005	788,012	71,746,689	58,764,833
Net OPEB Obligation	7,017,836	7,094,778	424,449	429,102	7,442,285	7,523,880
Total	110,541,824	99,998,832	7,113,682	7,975,705	117,655,506	107,974,537

In regards to governmental activities, \$27,046,775 is outstanding from General Obligation Bonds and \$216,666 is outstanding for capital leases. Additionally, as of June 30, 2015, \$5,393,470 is outstanding for compensated absences payable, \$7,017,836 is outstanding for net other postemployment benefit obligations, \$70,639,684 is outstanding for net pension liabilities, and \$227,393 in unamortized net premium on bonds was outstanding.

Business-type activity debt includes \$2,093,225 outstanding from the General Obligation Refunding Bonds issued to advance refund the 2004 General Obligation Refunding Bonds issued to finance safety improvements at the airport and to partially advance refund the 2006 General Obligation Bonds issued to finance the water main replacement program. Another \$2,951,138 is outstanding IEPA loans. \$537,865 is outstanding in business-type activity debt in the form of compensated absences payable as of June 30, 2015, \$1,107,05 is outstanding for net pension liabilities, and \$424,449 is outstanding for net other postemployment benefit obligations.

The City received a credit rating of Aa2 by Moody's Investors Service in connection with the issuance of its 2014 General Obligation Refunding Bonds.

See Note 3 to the financial statements for further information on long-term debt.

**CITY OF DEKALB, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

Economic Factors

Although, the City's property tax base is primarily residential, the commercial and industrial tax base continues to be an important component in the diversification of the City's tax base. In 2014, the equalized assessed valuation (EAV) for residential properties was \$313,041,585 or 59.9% of the total EAV. Commercial EAV was \$160,710,755 or 30.7% of the total EAV. Farm, industrial and other EAV was \$49,280,501 or 9.4% of the total EAV. EAV approximates 33 1/3% of the market value of real property within the City's corporate limits. Property taxes imposed on property within the City's corporate limits provide a stable revenue source. Because the City is a home rule municipality, it is not subject to the Property Tax Extension Limitation Law.

While the City receives revenue from a variety of sources, it closely monitors its sales tax revenue, income tax revenue, and development and construction related revenue such as building permits, water connection fees, and impact fees. In 2013, sales taxes, income tax revenue, and development and construction related revenue increased. Therefore, although the increase in sales tax revenue and income tax revenue indicates that the local economy is improving, these and all other revenue sources will continue to be monitored during 2014 to ensure that the City addresses any significant variations in revenues in a timely fashion.

The 2009-2013 American Community Survey released by the U.S. Census Bureau found that 79.1% of residential properties in the City had a value of \$100,000 or more and 32.8% had a value of \$150,000 or more. The median value was \$165,500 and the median income of families living in the City was \$53,017.

The 2010 census found that the City's population was 43,862 which is an increase of 12.4% over the 2000 census population of 39,018. The City's population estimate for 2014 is 44,054. Due to the increase in population over the years, the City has experienced increased per capita revenue from the State of Illinois for income taxes, motor fuel taxes, and use taxes.

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 Cathy Haley, Finance Director, City of DeKalb, 200 S Fourth St, DeKalb, Illinois 60115.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements
 - Governmental Funds
 - Proprietary Funds
 - Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CITY OF DEKALB, ILLINOIS

**Statement of Net Position
June 30, 2015**

See Following Page

CITY OF DEKALB, ILLINOIS

**Statement of Net Position
June 30, 2015**

	Primary Government			Component
	Governmental	Business-		Unit
	Activities	Type	Totals	Public
		Activities		Library
ASSETS				
Current Assets				
Cash and Investments	\$ 24,619,398	5,840,524	30,459,922	13,450,113
Receivables - Net of Allowances	6,646,220	2,220,418	8,866,638	1,132,138
Due from Other Governments	5,984,249	159,585	6,143,834	-
Prepays/Inventories	22,865	59,456	82,321	9,842
Total Current Assets	37,272,732	8,279,983	45,552,715	14,592,093
Noncurrent Assets				
Capital Assets				
Nondepreciable Capital Assets	36,809,223	20,538,375	57,347,598	13,059,735
Depreciable Capital Assets	183,817,204	60,609,277	244,426,481	820,335
Accumulated Depreciation	(86,499,865)	(23,497,944)	(109,997,809)	(493,845)
Total Noncurrent Assets	134,126,562	57,649,708	191,776,270	13,386,225
Total Assets	171,399,294	65,929,691	237,328,985	27,978,318
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Items - IMRF	1,936,581	445,223	2,381,804	349,623
Deferred Items - Police	5,352,993	-	5,352,993	-
Deferred Items - Firefighters'	3,624,238	-	3,624,238	-
Loss on Refunding	132,629	-	132,629	-
Total Deferred Outflows of Resources	11,046,441	445,223	11,491,664	349,623
Total Assets and Deferred Outflows of Resources	182,445,735	66,374,914	248,820,649	28,327,941

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

	Primary Government			Component
	Governmental	Business-		Unit
	Activities	Type	Totals	Public
		Activities		Library
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 2,708,373	1,905,948	4,614,321	2,372,856
Accrued Payroll	485,605	43,400	529,005	27,664
Accrued Interest Payable	354,871	41,250	396,121	-
Claims Payable	717,563	-	717,563	-
Retainage Payable	2,558	29,038	31,596	841,769
Other Payables	134,714	330,918	465,632	-
Compensated Absences Payable	1,078,694	107,573	1,186,267	8,079
Current Portion of Long-Term Debt	2,065,017	799,007	2,864,024	3,376,111
Total Current Liabilities	7,547,395	3,257,134	10,804,529	6,626,479
Noncurrent Liabilities				
Compensated Absences Payable	4,314,776	430,292	4,745,068	39,798
Net Pension Liability	70,639,684	1,107,005	71,746,689	869,305
Net Other Post-Employment Benefit Payable	7,017,836	424,449	7,442,285	24,858
IEPA Loan Payable	-	2,518,781	2,518,781	-
Capital Lease Payable	199,999	-	199,999	-
General Obligation Bonds Payable - Net	25,225,818	1,726,575	26,952,393	6,155,000
Debt Certificates Payable	-	-	-	555,556
Total Noncurrent Liabilities	107,398,113	6,207,102	113,605,215	7,644,517
Total Liabilities	114,945,508	9,464,236	124,409,744	14,270,996
DEFERRED INFLOWS OF RESOURCES				
Deferred Items - Fighterfighters'	437,600	-	437,600	-
Property Taxes	9,936,255	-	9,936,255	2,291,633
	10,373,855	-	10,373,855	2,291,633
Total Liabilities and Deferred Inflows of Resources	125,319,363	9,464,236	134,783,599	16,562,629
NET POSITION				
Net Investment in Capital Assets	113,826,017	52,605,345	166,431,362	12,719,558
Restricted				
Specific Purpose	74,366	-	74,366	-
Maintenance of Roadways	2,378,748	-	2,378,748	-
Economic Development	10,257,952	-	10,257,952	-
Public Safety	186,857	-	186,857	-
Endowments	-	-	-	222,936
Culture and Recreation	-	-	-	8,824,990
Unrestricted	(69,597,568)	4,305,333	(65,292,235)	(10,002,172)
Total Net Position	57,126,372	56,910,678	114,037,050	11,765,312

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

CITY OF DEKALB, ILLINOIS

Statement of Activities

For the Fiscal Year Ended June 30, 2015

		Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
	Expenses			
Governmental Activities				
General Government	\$ 12,795,131	417,915	-	3,892,542
Public Safety	22,259,920	2,608,300	-	-
Highways and Streets	4,158,954	107,317	1,114,773	483,053
Community Development	8,859,472	588,613	-	-
Interest on Long-Term Debt	987,476	-	-	-
Total Governmental Activities	49,060,953	3,722,145	1,114,773	4,375,595
Business-Type Activities				
Water	4,288,137	5,377,744	-	-
Airport	1,410,722	658,557	-	2,566,070
Refuse	1,920,958	2,010,485	-	-
Total Business-Type Activities	7,619,817	8,046,786	-	2,566,070
Total Primary Government	56,680,770	11,768,931	1,114,773	6,941,665
Component Unit - Public Library	2,537,513	47,718	-	7,044,600

General Revenues

Taxes

Property Taxes

Home Rule Sales Taxes

Utility Taxes

Restaurant/Bar Taxes

Other Taxes

Intergovernmental - Unrestricted

State Sales Taxes

Income Taxes

Local Use Taxes

Replacement

Other

Interest Income

Miscellaneous

Transfers - Internal Activity

Change in Net Position

Net Position - Beginning as Restated

Net Position - Ending

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

Net (Expenses)/Revenues			
Primary Government			Component
Governmental	Business		Unit
Activities	Type	Totals	Public
	Activities		Library
(8,484,674)	-	(8,484,674)	-
(19,651,620)	-	(19,651,620)	-
(2,453,811)	-	(2,453,811)	-
(8,270,859)	-	(8,270,859)	-
(987,476)	-	(987,476)	-
(39,848,440)	-	(39,848,440)	-
-	1,089,607	1,089,607	-
-	1,813,905	1,813,905	-
-	89,527	89,527	-
-	2,993,039	2,993,039	-
(39,848,440)	2,993,039	(36,855,401)	-
-	-	-	4,554,805
11,981,519	-	11,981,519	2,329,954
6,109,497	-	6,109,497	-
3,433,879	-	3,433,879	-
1,856,308	-	1,856,308	-
788,886	-	788,886	-
4,983,000	-	4,983,000	-
4,515,729	-	4,515,729	-
844,359	-	844,359	-
205,113	-	205,113	38,763
1,646,085	-	1,646,085	-
182,353	27	182,380	9,776
1,258,401	4,326	1,262,727	1,026,199
(29,377)	29,377	-	-
37,775,752	33,730	37,809,482	3,404,692
(2,072,688)	3,026,769	954,081	7,959,497
59,199,060	53,883,909	113,082,969	3,805,815
57,126,372	56,910,678	114,037,050	11,765,312

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

CITY OF DEKALB, ILLINOIS

**Balance Sheet - Governmental Funds
June 30, 2015**

		Special Revenue		
	General	Motor Fuel Tax	Mass Transit	Tax Increment Financing #1
ASSETS				
Cash and Investments	\$ 5,151,986	2,366,371	505,144	5,412,505
Receivables - Net of Allowances				
Taxes	2,028,395	-	-	2,990,627
Accounts	472,677	-	-	-
Accrued Interest	13,438	-	-	6,204
Other	106,723	51,670	1,589	326,614
Due from Other Governments	4,844,538	62,407	461,943	-
Due from Other Funds	248,878	896	-	336,498
Prepays	1,911	-	-	-
Inventories	20,954	-	-	-
Total Assets	12,889,500	2,481,344	968,676	9,072,448
LIABILITIES				
Accounts Payable	1,505,657	102,596	918,203	110,939
Accrued Payroll	474,301	-	5,187	-
Retainage Payable	-	-	-	2,558
Other Payables	13,696	-	45,286	-
Due to Other Funds	338,877	-	-	-
Total Liabilities	2,332,531	102,596	968,676	113,497
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	2,335,716	-	-	6,362,413
Total Liabilities and Deferred Inflows of Resources	4,668,247	102,596	968,676	6,475,910
FUND BALANCES				
Nonspendable	22,865	-	-	-
Restricted	173,187	2,378,748	-	2,596,538
Committed	6,447	-	-	-
Unassigned	8,018,754	-	-	-
Total Fund Balances	8,221,253	2,378,748	-	2,596,538
Total Liabilities, Deferred Inflows of Resources and Fund Balances	12,889,500	2,481,344	968,676	9,072,448

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

<u>Tax Increment Financing #2</u>	<u>Debt Service Tax Increment Financing</u>	<u>Capital Projects Public Safety Building</u>	<u>Nonmajor</u>	<u>Totals</u>
8,512,215	-	-	739,152	22,687,373
614,454	-	-	9,113	5,642,589
-	-	-	-	472,677
2,683	-	-	-	22,325
-	-	-	-	486,596
-	-	-	34,291	5,403,179
1,483	-	-	-	587,755
-	-	-	-	1,911
-	-	-	-	20,954
9,130,835	-	-	782,556	35,325,359
611	-	-	23,835	2,661,841
-	-	-	-	479,488
-	-	-	-	2,558
-	-	-	77,700	136,682
247,591	-	-	1,287	587,755
248,202	-	-	102,822	3,868,324
1,221,219	-	-	16,907	9,936,255
1,469,421	-	-	119,729	13,804,579
-	-	-	-	22,865
7,661,414	-	-	91,787	12,901,674
-	-	-	571,040	577,487
-	-	-	-	8,018,754
7,661,414	-	-	662,827	21,520,780
9,130,835	-	-	782,556	35,325,359

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

CITY OF DEKALB, ILLINOIS

Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities

June 30, 2015

Total Governmental Fund Balances	\$ 21,520,780
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	134,126,562
Certain revenues are deferred in the fund financial statements because they are not available but are recognized as revenues in the government-wide financial statements.	1,968
Unamortized losses are not considered to represent a financial resource and therefore, are not reported in the funds.	132,629
Internal service funds are used by the City to charge the costs of operating and maintaining vehicles to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Position.	1,764,916
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Change in Deferred Items - IMRF	1,936,581
Change in Deferred Items - Police Pension	5,352,993
Change in Deferred Items - Firefighters' Pension	3,186,638
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Accrued Interest Payable	(354,871)
Compensated Absences Payable	(5,393,470)
Net Pension Liability	(70,639,684)
Net Other Post-Employment Benefit Obligation Payable	(7,017,836)
General Obligation Bonds Payable - Net	(27,274,168)
Capital Leases Payable	(216,666)
Net Position of Governmental Activities	57,126,372

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

CITY OF DEKALB, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2015**

See Following Page

CITY OF DEKALB, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2015**

	General	Special Revenue		Tax Increment Financing #1
		Motor Fuel Tax	Mass Transit	
Revenues				
Taxes	\$ 16,652,074	-	-	6,439,568
Licenses and Permits	713,565	-	-	-
Intergovernmental	12,069,108	1,279,554	3,892,542	-
Charges for Services	1,895,685	-	-	-
Fines and Forfeitures	915,578	-	-	-
Interest	121,787	3,899	-	47,872
Miscellaneous	709,645	-	1,493	605
Total Revenues	33,077,442	1,283,453	3,894,035	6,488,045
Expenditures				
Current				
General Government	7,165,790	-	3,888,424	-
Public Safety	20,433,722	-	-	-
Highways and Streets	-	537,655	-	-
Community Development	3,813,573	-	-	4,051,325
Capital Outlay	242,514	448,284	-	376,954
Debt Service				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	31,655,599	985,939	3,888,424	4,428,279
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,421,843	297,514	5,611	2,059,766
Other Financing Sources (Uses)				
Debt Issuance	-	-	-	-
Payment to Escrow Agent	-	-	-	-
Disposal of Capital Assets	520	-	-	-
Transfers In	2,211,897	10,694	-	-
Transfers Out	(2,557,439)	-	(5,611)	(1,855,647)
	(345,022)	10,694	(5,611)	(1,855,647)
Net Change in Fund Balances	1,076,821	308,208	-	204,119
Fund Balances - Beginning as Restated	7,144,432	2,070,540	-	2,392,419
Fund Balances - Ending	8,221,253	2,378,748	-	2,596,538

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

Tax Increment Financing #2	Debt Service Tax Increment Financing	Capital Projects Public Safety Building	Nonmajor	Totals
1,329,665	-	-	312,617	24,733,924
-	-	-	-	713,565
-	-	314,019	643,876	18,199,099
-	-	-	107,317	2,003,002
-	-	90,000	-	1,005,578
8,223	-	497	35	182,313
-	-	14,801	531,857	1,258,401
1,337,888	-	419,317	1,595,702	48,095,882
-	-	-	493,725	11,547,939
-	-	-	45,566	20,479,288
-	-	-	-	537,655
635,523	-	-	-	8,500,421
-	-	41,010	438,738	1,547,500
-	800,000	-	1,496,031	2,296,031
-	263,975	-	724,554	988,529
635,523	1,063,975	41,010	3,198,614	45,897,363
702,365	(1,063,975)	378,307	(1,602,912)	2,198,519
-	-	-	776,775	776,775
-	-	-	(776,775)	(776,775)
-	-	-	6,400	6,920
-	1,063,975	-	2,368,793	5,655,359
(150,931)	-	(1,202,370)	(262,738)	(6,034,736)
(150,931)	1,063,975	(1,202,370)	2,112,455	(372,457)
551,434	-	(824,063)	509,543	1,826,062
7,109,980	-	824,063	153,284	19,694,718
7,661,414	-	-	662,827	21,520,780

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

CITY OF DEKALB, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Fiscal Year Ended June 30, 2015

Net Change in Fund Balances - Total Governmental Funds	\$ 1,826,062
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital Outlays	1,236,255
Depreciation Expense	(4,230,803)
Disposals/Transfers - Net of Accumulated Depreciation	(24,007)
Revenues not collected as of the year end are not considered as "available" revenues in the governmental funds. These are the amounts that were not considered available in the current year.	(1,078,280)
The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.	10,512,921
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.	
Additions to Compensated Absences Payable	(307,464)
Additions to Net Pension Liability	(12,662,863)
Deductions to Net Other Post-Employment Benefit Obligation Payable	76,942
Issuance of Debt	(776,775)
Retirement of Debt - Net	3,044,529
Changes to accrued interest on long-term debt in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	29,330
Internal service funds are used by the City to charge the costs of liability insurance and vehicle and equipment management to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	281,465
Changes in Net Position of Governmental Activities	(2,072,688)

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

CITY OF DEKALB, ILLINOIS

**Statement of Net Position - Proprietary Funds
June 30, 2015**

See Following Page

CITY OF DEKALB, ILLINOIS

**Statement of Net Position - Proprietary Funds
June 30, 2015**

	Business-Type Activities - Enterprise				Governmental Activities
	Water	Airport	Nonmajor Refuse	Totals	Internal Service
ASSETS					
Current Assets					
Cash and Investments	\$ 5,474,962	39,253	326,309	5,840,524	1,932,025
Receivables - Net of Allowances					
Accounts	1,944,916	-	242,135	2,187,051	-
Accrued Interest	9,491	-	-	9,491	1,571
Other	6,602	17,274	-	23,876	20,462
Due from Other Governments	91,793	67,792	-	159,585	-
Due from Other Funds	49,000	-	-	49,000	-
Prepays/Inventories	-	59,456	-	59,456	581,070
Total Current Assets	7,576,764	183,775	568,444	8,328,983	2,535,128
Noncurrent Assets					
Capital Assets					
Nondepreciable Capital Assets	626,922	19,911,453	-	20,538,375	-
Depreciable Capital Assets	44,910,662	15,698,615	-	60,609,277	-
Accumulated Depreciation	(18,981,996)	(4,515,948)	-	(23,497,944)	-
Total Noncurrent Assets	26,555,588	31,094,120	-	57,649,708	-
Total Assets	34,132,352	31,277,895	568,444	65,978,691	2,535,128
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Items - IMRF	401,520	43,703	-	445,223	-
Total Assets and Deferred Outflows of Resources	34,533,872	31,321,598	568,444	66,423,914	2,535,128

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

	Business-Type Activities - Enterprise				Governmental Activities
	Water	Airport	Nonmajor Refuse	Totals	Internal Service
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 1,504,254	76,346	325,348	1,905,948	46,532
Accrued Payroll	36,132	7,268	-	43,400	6,117
Accrued Interest Payable	37,301	3,949	-	41,250	-
Claims Payable	-	-	-	-	717,563
Retainage Payable	29,038	-	-	29,038	-
Due to Other Funds	-	49,000	-	49,000	-
Other Payables	65,951	22,832	242,135	330,918	-
Current Portion of Long-Term Debt	817,718	88,862	-	906,580	-
Total Current Liabilities	2,490,394	248,257	567,483	3,306,134	770,212
Noncurrent Liabilities					
Compensated Absences Payable	377,443	52,849	-	430,292	-
Net Pension Liability	998,342	108,663	-	1,107,005	-
Net Other Post-Employment Benefit Payable	372,605	51,844	-	424,449	-
IEPA Loan Contracts Payable	2,518,781	-	-	2,518,781	-
General Obligation Bonds Payable - Net	1,385,575	341,000	-	1,726,575	-
Total Noncurrent Liabilities	5,652,746	554,356	-	6,207,102	-
Total Liabilities	8,143,140	802,613	567,483	9,513,236	770,212
NET POSITION					
Net Investment in Capital Assets	21,927,875	30,677,470	-	52,605,345	-
Unrestricted	4,462,857	(158,485)	961	4,305,333	1,764,916
Total Net Position	26,390,732	30,518,985	961	56,910,678	1,764,916

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

CITY OF DEKALB, ILLINOIS

**Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended June 30, 2015**

	<u>Water</u>
Operating Revenues	
Charges for Services	\$ 5,352,231
Miscellaneous	25,513
Interfund Services	-
Total Operating Revenues	<u>5,377,744</u>
Operating Expenses	
Administration	-
Operations	3,447,585
Depreciation and Amortization	688,635
Total Operating Expenses	<u>4,136,220</u>
Operating Income (Loss)	<u>1,241,524</u>
Nonoperating Revenues (Expenses)	
Interest Income	23
Disposal of Capital Assets	4,326
Interest Expense	(151,917)
	<u>(147,568)</u>
Income Before Transfers and Capital Contributions	<u>1,093,956</u>
Capital Contributions	-
Grants	
Transfers In	98,274
Transfers Out	(702,518)
	<u>(604,244)</u>
Change in Net Position	489,712
Net Position - Beginning as Restated	<u>25,901,020</u>
Net Position - Ending	<u><u>26,390,732</u></u>

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

Business-Type Activities - Enterprise			Governmental Activities
Airport	Nonmajor Refuse	Totals	Internal Service
626,957	2,010,485	7,989,673	-
31,600	-	57,113	-
-	-	-	6,990,822
658,557	2,010,485	8,046,786	6,990,822
-	-	-	7,059,397
989,898	1,920,958	6,358,441	-
388,959	-	1,077,594	-
1,378,857	1,920,958	7,436,035	7,059,397
(720,300)	89,527	610,751	(68,575)
4	-	27	40
-	-	4,326	-
(31,865)	-	(183,782)	-
(31,861)	-	(179,429)	40
(752,161)	89,527	431,322	(68,535)
2,393,441	-	2,393,441	-
172,629	-	172,629	-
730,000	-	828,274	350,000
-	(96,379)	(798,897)	-
3,296,070	(96,379)	2,595,447	350,000
2,543,909	(6,852)	3,026,769	281,465
27,975,076	7,813	53,883,909	1,483,451
30,518,985	961	56,910,678	1,764,916

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

CITY OF DEKALB, ILLINOIS

Statement of Cash Flows - Proprietary Funds For the Fiscal Year Ended June 30, 2015

	<u>Water</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 4,904,154
Receipts from Interfund Services Provided	-
Payments to Employees	(1,206,442)
Payments to Suppliers	(1,559,031)
	<u>2,138,681</u>
Cash Flows from Noncapital Financing Activities	
Transfers In	98,274
Transfers Out	(702,518)
	<u>(604,244)</u>
Cash Flows from Capital and Related Financing Activities	
Grants	-
Purchase of Capital Assets	(377,438)
Disposal of Capital Assets	4,326
Debt Repayment	(2,319,326)
Debt Issuance	1,676,575
Interest Payments	(151,917)
	<u>(1,167,780)</u>
Cash Flows from Investing Activities	
Interest Received	23
Net Change in Cash and Cash Equivalents	366,680
Cash and Cash Equivalents - Beginning	5,108,282
Cash and Cash Equivalents - Ending	<u>5,474,962</u>
Reconciliation of Operating Income to Net Cash Provided	
(Used) by Operating Activities	
Operating Income (Loss)	1,241,524
Adjustments to Reconcile Operating Income to Net Income to Net Cash	
Provided by (Used in) Operating Activities:	
Depreciation and Amortization Expense	688,635
(Increase) Decrease in Current Assets	(473,590)
Increase (Decrease) in Current Liabilities	682,112
Net Cash Provided by Operating Activities	<u>2,138,681</u>
Noncash Activity	
Capital Contributions	<u>-</u>

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

Business-Type Activities - Enterprise			Governmental Activities
Airport	Nonmajor Refuse	Totals	Internal Service
602,388	1,999,713	7,506,255	-
-	-	-	7,153,973
(199,504)	-	(1,405,946)	-
(642,493)	(1,892,296)	(4,093,820)	(7,519,767)
(239,609)	107,417	2,006,489	(365,794)
730,000	-	828,274	350,000
-	(96,379)	(798,897)	-
730,000	(96,379)	29,377	350,000
172,629	-	172,629	-
(67,263)	-	(444,701)	-
-	-	4,326	-
(1,052,038)	-	(3,371,364)	-
416,650	-	2,093,225	-
(31,865)	-	(183,782)	-
(561,887)	-	(1,729,667)	-
4	-	27	40
(71,492)	11,038	306,226	(15,754)
110,745	315,271	5,534,298	1,947,779
39,253	326,309	5,840,524	1,932,025
(720,300)	89,527	610,751	(68,575)
388,959	-	1,077,594	-
(56,169)	(10,772)	(540,531)	163,151
147,901	28,662	858,675	(460,370)
(239,609)	107,417	2,006,489	(365,794)
2,393,441	-	2,393,441	-

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

CITY OF DEKALB, ILLINOIS

**Statement of Net Position - Fiduciary Funds
June 30, 2015**

	<u>Pension Trust</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,996,871
Investments	
U.S. Government and Agency Securities	16,532,456
Corporate Bonds	2,163,318
Certificates of Deposit	105,069
Money Market Mutual Funds	551,990
Mutual Funds	33,839,033
Receivables	
Accrued Interest	67,185
Prepays	<u>7,077</u>
Total Assets	<u>55,262,999</u>
LIABILITIES	
Accounts Payable	16,862
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	<u>1,934,907</u>
Total Liabilities and Deferred Inflows of Resources	<u>1,951,769</u>
NET POSITION	
Held in Trust for Pension Benefits	<u><u>53,311,230</u></u>

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

CITY OF DEKALB, ILLINOIS

**Statement of Changes in Net Position - Fiduciary Funds
For the Fiscal Year Ended June 30, 2015**

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 3,473,471
Contributions - Plan Members	<u>1,178,246</u>
Total Contributions	<u>4,651,717</u>
Investment Income	
Interest Earned	1,467,987
Net Change in Fair Value	<u>(943,471)</u>
	524,516
Less Investment Expenses	<u>(85,457)</u>
Net Investment Income	<u>439,059</u>
Total Additions	<u>5,090,776</u>
Deductions	
Administration	88,078
Benefits and Refunds	<u>5,462,957</u>
Total Deductions	<u>5,551,035</u>
Change in Net Position	(460,259)
Net Plan Position Held in Trust for Pension Benefits	
Net Position - Beginning	<u>53,771,489</u>
Net Position - Ending	<u>53,311,230</u>

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

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

The City's financial reporting entity comprises the following:

Primary Government:	City of DeKalb
Discretely Presented Component Unit:	DeKalb Public Library

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 61, "The Financial Reporting Entity: Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the City.

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. Two members appointed by the City's Mayor, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the City is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the City, the PPERS is reported as if it were part of the primary City because its sole purpose is to provide retirement benefits for the City's police employees. The PPERS is reported as a pension trust fund.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

REPORTING ENTITY – Continued

Firefighters' Pension Employees Retirement System

The City's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of those employees and is governed by a five-member pension board, with two members appointed by the City Mayor, two elected from active participants of the Fund, and one elected from the retired members of the Fund. The participants are required to contribute a percentage of salary as established by state statute and the City is obligated to fund all remaining 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 is legally separate from the City, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the City's sworn firefighters. The FPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the FPERS.

Discretely Presented Component Unit

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending.

DeKalb Public Library

The DeKalb Public Library (the Library) operates and maintains the City's public library facilities. The Library's board is appointed by the Mayor with the consent of the City Council. The Library may not issue bonded debt without the City Council's approval, and its annual budget and property tax levy requests are subject to the City Council's approval. Separate financial statements for the Library are not available.

BASIS OF PRESENTATION

Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's police and fire safety, highway and street maintenance and reconstruction, building code enforcement, public improvements, economic development, planning and zoning, and general administrative services are classified as governmental activities. The City's water, airport, and refuse services are classified as business-type activities.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations.

The City's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (general government, public safety, highways and streets, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges for services, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) changes to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales and use taxes, certain intergovernmental revenues, permits and charges for services, etc.).

The City does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City electively added funds, as major funds, which either have debt outstanding or a specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the City:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

General fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City maintains twelve special revenue funds. The Motor Fuel Tax Fund, a major fund, is used to account for the operations of street maintenance programs and capital projects as authorized by the Illinois Department of Transportation. Financing is provided by the City's share of restricted gasoline taxes. The Mass Transit Fund, a major fund, is used to account for the restricted grant revenues for the tow community mass transit services: Northern Illinois University's Huskies Line and Voluntary Action Center's Trans Vac Service. The Tax Increment Financing #1 Fund, a major fund, is used to account for the restricted property taxes for the redevelopment activities within another defined area of the community in order to eliminate blighted conditions in that area. The Tax Increment Financing #2 Fund, also a major fund, is used to account for the restricted property taxes for the redevelopment activities within another defined area of the community in order to eliminate blighted conditions in that area.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

Debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The City maintains two debt service funds. The Tax Increment Financing Fund, a major fund, is used to account for accumulation of resources and payment of bond principal and interest on the tax increment financing areas.

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The City maintains four capital projects funds. The Public Safety Building Fund, a major fund, is used for construction, and debt for the new police station and any other public safety building in the future.

Proprietary Funds

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

Enterprise funds are required to account for operations for which a fee is charged to external users for goods or services and the activity is (a) financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The City maintains three enterprise funds. The Water Fund, a major fund, is used to account for the provision of water service to the residents of the City. All activity necessary to provide such services is accounted for in this fund including, but not limited to, administration, operation, maintenance, financing and related debt service and billing and collection. The Airport Fund, also a major fund, is used to account for the operations of the Taylor Municipal Airport. Financing may be provided from a number of sources including user fees as well as property taxes.

Internal service funds are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the City on a cost-reimbursement basis. The City maintains three internal service funds. The Workers' Compensation Fund is used to account for payment of workers' compensation insurance premiums. Financing is provided by contributions from other funds. The Health Insurance Fund is used to account for payment of health insurance premiums. Financing is provided by contributions from employees, retirees and other funds. The Liability/Property Insurance Fund is used to account for payment of liability insurance premiums. Financing is provided by contributions from other funds.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity by the City for others and therefore are not available to support City programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

Pension trust funds are used to account for assets held in a trustee capacity by the City for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay pension costs. Resources are contributed by police force members at rates fixed by state statutes and by the government through an annual property tax levy. The Firefighters' Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the City's Fire Department.

The City's fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the City, this fund is not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets/deferred outflows and liabilities/deferred inflows are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus – Continued

All proprietary and pension trust funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The City recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70.

A sixty day availability period is used for revenue recognition for all other governmental fund revenues. Income tax will exceed the sixty day recognition period due to the State of Illinois and the long delay with releasing these funds. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise taxes, licenses, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary and pension trust funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the City’s enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Cash and Investments

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds “Statement of Cash Flows”, cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, franchise taxes, and grants. Business-type activities report utility charges and charges for services as their major receivables.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Prepays/Inventories

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Prepaids/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids/inventories are recorded as expenditures when consumed rather than when purchased.

Capital Assets

Capital assets purchased or acquired with an original cost of \$25,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. Infrastructure such as streets, traffic signals and signs are capitalized. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by the governmental activities) the government chose to include all such items regardless of their acquisition date. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

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

Buildings and Improvements	40 - 50 Years
Equipment	10 - 20 Years
Vehicles	3 - 20 Years
Infrastructure	25 - 50 Years
Water Distribution System	40 - 65 Years

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Compensated Absences

The City accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types 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 type Statement of Net Position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types 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 debt service expenditures.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Net Position

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

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

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

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

BUDGETARY INFORMATION

Budgets are adopted for all governmental, proprietary and pension trust funds. Budgets are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year end. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental and proprietary funds. All outstanding encumbrances lapse at year end and do not carry forward into the subsequent fiscal year unless they are reappropriated.

All department of the City submit requests for appropriations to the City manager so that a budget may be prepared. The budget is prepared by fund, department and division, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY – Continued

BUDGETARY INFORMATION – Continued

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. The budget may be amended by the governing body. During the year, several supplementary appropriations were necessary.

The budget officer can transfer amounts between departments within a fund; however, transfers between funds must be approved by the City Council. Expenditures may not legally exceed budgeted appropriations at the fund level.

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

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

Permitted Deposits and Investments – Statutes authorize the City to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds and the Illinois Metropolitan Investment Fund.

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

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

The deposits and investments of the Pension Funds are held separately from those of other City funds. Statutes authorize the Pension Funds to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, pension funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Deposits. At year-end, the carrying amount of the City's deposits for governmental and business-type activities totaled \$30,189,653 and the bank balances totaled \$30,765,767.

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

Investment Type	Investment Maturities (in Years)				
	Fair Value	Less Than 1	1 to 5	6 to 10	More Than 10
Illinois Funds	\$ 160,265	160,265	-	-	-
Municipal Bonds	110,004	110,004	-	-	-
	270,269	270,269	-	-	-

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy limits its exposure to interest rate risk by structuring the 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 and by investing operating funds primarily in short-term securities.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. To guard against credit risk for deposits with financial institutions, the City's investment policy requires that deposits with financial institutions in excess of FDIC be collateralized with collateral in excess of the uninsured deposits with the collateral held by a third party acting as the agent of the City. At year-end, the City's investments in the Illinois Funds was rated AAAM by Standard & Poor's and the municipal bonds were either not rated or rated from A+ to AAA by Standard & Poor's.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy does not mitigate custodial credit risk for deposits. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Custodial Credit Risk – Continued. For investments, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy does not mitigate custodial credit risk for investments and the City's investment in the Illinois Fund is noncategorizable.

Concentration Risk. This is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's investment policy limits its investment to the safest types of securities, pre-qualifies financial institutions, broker/dealers, intermediaries and advisors with which the City does business and diversifies the investment portfolio so that potential losses on individual securities will be minimized. At year-end, the City's investment in negotiable certificates of deposit represents more than 5 percent of the total cash and investment portfolio.

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$175,117 and the bank balances totaled \$175,117.

Investments. At year-end, the Fund has the following investments and maturities:

Investment Type	Investment Maturities (in Years)				
	Fair Value	Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Agencies	\$ 5,759,592	1,611,786	3,514,607	633,199	-
U.S. Treasuries	2,389,872	-	2,389,872	-	-
Corporate Bonds	2,163,318	-	1,603,164	560,154	-
	10,312,782	1,611,786	7,507,643	1,193,353	-

Interest Rate Risk. The Fund's investment policy limits exposure to interest rate risk by requiring that assets remain sufficiently liquid to meet the Fund's disbursement requirements for the payment of operating expenses and benefits.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Credit Risk. The Fund limits its exposure to credit risk, the risk that the issuers of a debt security will not pay its par value upon maturity, by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. As of June 30, 2015, the ratings of the agency's corporate bonds are AA- to AA+ and the U.S. agencies are rated AA+ as rated by Standard and Poor's.

Custodial Credit Risk. In the case of deposits, it is the risk that in the event of a bank's failure, the Funds deposits may not be returned to them. The Fund's investment policy requires the pledging of collateral for all bank balances in excess of federal depository insurance. Flow-through FDIC insurance is available for the Fund's deposits with financial institutions. The Fund limits its exposure to custodial credit risk by requiring third party safekeeping for all securities owned by the Fund. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments that are in the possession of an outside party. The money market mutual funds and equity mutual funds are not subject to custodial credit risk.

Concentration Risk. Concentration of Credit Risk is the risk that the Fund has a high percentage of their investments invested in one type of investment. The Fund's investment policy requires diversification of investment to avoid unreasonable risk. It is the policy of the Fund to invest 52% of its portfolio in fixed income securities, 55% in equities and the remaining 3% in cash and cash equivalents. The Fund has hired a fund manager to manage the fixed income portfolio and utilizes its consultant to assist with the equity investments. In addition to the securities and fair values listed above, the Fund also has \$18,281,392 invested in mutual funds. At year-end the Fund had greater than 5% of its overall portfolio (other than U.S. Government guaranteed obligations invested in AMG Yacktmann Fund of \$6,600,881, Schwab Total Stock Market Index Fund of \$4,785,900, Vanguard Mid Cap ETF of \$1,757,260, and Vanguard Small Cap ETF of \$1,833,954, which is in accordance with the Fund's investment policy.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$1,478,813 and the bank balances totaled \$1,478,813.

Investments. At year-end, the Fund has the following investments and maturities:

Investment Type	Investment Maturities (in Years)				
	Fair Value	Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Agencies	\$ 1,248,065	-	422,310	825,755	-
U.S. Treasuries	7,134,927	1,413,343	5,185,114	536,470	-
	8,382,992	1,413,343	5,607,424	1,362,225	-

Interest Rate Risk. The Fund's investment policy limits exposure to interest rate risk by requiring that assets remain sufficiently liquid to meet the Fund's disbursement requirements for the payment of operating expenses and benefits.

Credit Risk. The Fund limits its exposure to credit risk, the risk that the issuers of a debt security will not pay its par value upon maturity, by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. As of June 30, 2015, the overall ratings of the agency's long-term debt, except for subordinated debt of which the Firefighters' Pension Fund does not own any, is AA+ as rated by Standard and Poor's.

Custodial Credit Risk. In the case of deposits, it is the risk that in the event of a bank's failure, the Funds deposits may not be returned to them. The Fund's investment policy requires the pledging of collateral for all bank balances in excess of federal depository insurance. Flow-through FDIC insurance is available for the Fund's deposits with financial institutions. The Fund limits its exposure to custodial credit risk by requiring third party safekeeping for all securities owned by the Fund. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments that are in the possession of an outside party. The money market mutual funds and equity mutual funds are not subject to custodial credit risk.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Concentration Risk. Concentration of Credit Risk is the risk that the Fund has a high percentage of their investments invested in one type of investment. The Fund's investment policy requires diversification of investment to avoid unreasonable risk. It is the policy of the Fund to invest 60% of its portfolio in fixed income securities, 35% in equities and the remaining 5% in cash and cash equivalents. The Fund has hired a fund manager to manage the fixed income portfolio and utilizes its consultant to assist with the equity investments. In addition to the securities and fair values listed above, the Fund also has \$15,557,641 invested in mutual funds. At year-end the Fund had greater than 5% of its overall portfolio (other than U.S. Government guaranteed obligations invested in Spartan 500 Index of \$1,353,338, DFA US Vector Equity of \$1,580,178, DFA Emerging Markets of \$1,898,244, DFA International Small Cap of \$1,686,658, DFA US Small Cap Value of \$1,812,806, and DFA US Large Cap Value of \$1,317,492, DFA US Small Cap of \$1,893,199, DFA International Value of \$1,642,991 which is in accordance with the Fund's investment policy.

PROPERTY TAXES

Property taxes for 2014 attach as an enforceable lien on January 1, 2014, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically.

CONSTRUCTION COMMITMENTS

The City has entered into contracts for the construction or renovation of various facilities as follows:

	Project Authorization	Expended To Date	Remaining Commitment
South First Street Watermain	\$ 982,354	246,702	735,652
Fire Station Parking Lot	26,140	23,021	3,119
Total	1,008,494	246,702	738,771

CITY OF DEKALB, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Restated Beginning Balances	Increases	Decreases/ Transfers	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 10,116,091	242,514	-	10,358,605
Land Right of Way	25,736,657	-	-	25,736,657
Construction in Progress	266,727	447,234	-	713,961
	<u>36,119,475</u>	<u>689,748</u>	<u>-</u>	<u>36,809,223</u>
Depreciable Capital Assets				
Buildings and Improvements	20,814,645	-	-	20,814,645
Equipment	4,399,695	50,570	27,700	4,422,565
Vehicles	6,018,824	58,759	(29,010)	6,106,593
Infrastructure	152,036,223	437,178	-	152,473,401
	<u>183,269,387</u>	<u>546,507</u>	<u>(1,310)</u>	<u>183,817,204</u>
Less Accumulated Depreciation				
Buildings and Improvements	3,880,543	400,255	-	4,280,798
Equipment	2,123,226	325,666	3,693	2,445,199
Vehicles	4,064,130	301,139	(29,010)	4,394,279
Infrastructure	72,175,846	3,203,743	-	75,379,589
	<u>82,243,745</u>	<u>4,230,803</u>	<u>(25,317)</u>	<u>86,499,865</u>
Total Net Depreciable Capital Assets	<u>101,025,642</u>	<u>(3,684,296)</u>	<u>24,007</u>	<u>97,317,339</u>
Total Net Capital Assets	<u>137,145,117</u>	<u>(2,994,548)</u>	<u>24,007</u>	<u>134,126,562</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 105,833
Public Safety	472,952
Community Development	341,964
Highways and Streets	<u>3,310,054</u>
	<u>4,230,803</u>

CITY OF DEKALB, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

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

	Restated Beginning Balances	Increases	Decreases/ Transfers	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 19,386,047	-	-	19,386,047
Land Improvements	496,805	48,088	-	544,893
Construction in Progress	-	607,435	-	607,435
	<u>19,882,852</u>	<u>655,523</u>	<u>-</u>	<u>20,538,375</u>
Depreciable Capital Assets				
Buildings and Improvements	4,804,864	-	-	4,804,864
Equipment	688,715	-	-	688,715
Vehicles	938,462	57,484	29,010	966,936
Airport Infrastructure	10,888,258	1,903,455	-	12,791,713
Water Distribution System	41,135,369	221,680	-	41,357,049
	<u>58,455,668</u>	<u>2,182,619</u>	<u>29,010</u>	<u>60,609,277</u>
Less Accumulated Depreciation				
Buildings and Improvements	1,854,058	93,652	-	1,947,710
Equipment	448,435	24,655	-	473,090
Vehicles	719,620	43,579	29,010	734,189
Airport Infrastructure	2,631,027	322,015	-	2,953,042
Water Distribution System	16,744,853	645,060	-	17,389,913
	<u>22,397,993</u>	<u>1,128,961</u>	<u>29,010</u>	<u>23,497,944</u>
Total Net Depreciable Capital Assets	<u>36,057,675</u>	<u>1,053,658</u>	<u>-</u>	<u>37,111,333</u>
Total Net Capital Assets	<u>55,940,527</u>	<u>1,709,181</u>	<u>-</u>	<u>57,649,708</u>

Depreciation expense was charged to business-type activities as follows:

Water	\$ 732,212
Airport	<u>396,749</u>
	<u>1,128,961</u>

CITY OF DEKALB, ILLINOIS**Notes to the Financial Statements
June 30, 2015****NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued****INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS****Interfund Balances**

The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
General	Tax Increment Financing #2	\$ 247,591
General	Nonmajor Governmental	1,287
Motor Fuel Tax	General	896
Tax Increment Financing #1	General	336,498
Tax Increment Financing #2	General	1,483
Water	Airport	49,000
		<u>636,755</u>

Interfund balances are advances in anticipation of receipts.

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfers In	Transfers Out	Amount
General	Tax Increment Financing #1	\$ 791,672
General	Tax Increment Financing #2	150,931
General	Public Safety Building	299,843
General	Mass Transit	5,611
General	Nonmajor Governmental	164,943
General	Water	702,518
General	Nonmajor Business-Type	96,379
Motor Fuel Tax	General	10,694
Tax Increment Financing Debt Service	Tax Increment Financing #1	1,063,975
Nonmajor Governmental	General	1,466,266
Nonmajor Governmental	Public Safety Building	902,527
Water	Nonmajor Governmental	98,274
Airport	General	730,000
Internal Service	General	350,000
		<u>6,833,633</u>

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS – Continued

Interfund Transfers – Continued

The purpose of significant interfund transfers is as follows:

- \$1,063,975 transferred from the Tax Increment Financing #1 Fund to the Tax Increment Financing (“TIF”) Debt Service Fund covered current year TIF debt service payments. This transfer will not be repaid.
- \$1,010,163 transferred from the General Fund to the General Debt Service Fund covered current year general debt service costs. This transfer will not be repaid.
- \$791,672 transferred from the Tax Increment Financing #1 Fund and \$150,931 transferred from the Tax Increment Financing #2 to the General Fund represent surplus distributions. These transfers will not be repaid.
- \$702,518 transferred from the Water Fund to the General Fund is a Payment in Lieu of Taxes (aka “PILOT”). This transfer will not be repaid.
- \$299,843 transferred from the Public Safety Building (“PSB”) Fund to the General Fund will close the PSB Fund. This transfer will not be repaid.
- \$730,000 transferred from the General Fund to the Airport Fund will assist in payment of operating and non-operating expenses. This transfer will not be repaid.
- \$421,103 transferred from the General Fund to the Fleet Replacement Fund will assist in payment of vehicles and equipment. This transfer will not be repaid.
- \$350,000 transferred from the General Fund to the Internal Service Funds will assist in payment of costs incurred in the Health Insurance Fund. This transfer will not be repaid.
- \$902,527 transferred from the Public Safety Building Fund to Nonmajor Governmental Funds covered current year debt service costs for bonds issued to construct the Police Station. This transfer will not be repaid.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and to fund noncapital TIF related costs. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds issued for business-type activities are reported in the proprietary funds as they are expected to be repaid from proprietary 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	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Refunding Bonds of 2004, due in annual installments of \$15,000 to \$1,365,000 plus interest at 2.00% to 4.50% through January 1, 2021.	General			770,000 *	
	Debt Service	\$ 1,130,000	-	360,000	-
				1,660,000 *	
	Water	1,900,000	-	240,000	-
				415,000 *	
	Airport	470,000	-	55,000	-
General Obligation Taxable Bonds of 2005, due in annual installments of \$10,000 to \$560,000 plus interest at 5.70% through January 1, 2015.					
	Airport	575,000	-	575,000	-
General Obligation Bonds of 2010A, due in annual installments of \$755,000 to \$1,145,000 plus interest at 2.00% to 4.00% through December 1, 2021.					
	Tax Increment Financing	7,670,000	-	800,000	6,870,000

* Refunded

CITY OF DEKALB, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

General Obligation Bonds – Continued

<u>Issue</u>	<u>Fund Debt Retired by</u>	<u>Beginning Balances</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Ending Balances</u>
General Obligation Refunding Bonds of 2010B, due in annual installments of \$150,000 to \$955,000 plus interest at 4.25% to 4.75% through January 1, 2028.	General Debt Service	\$ 3,905,000	-	-	3,905,000
General Obligation Refunding Bonds of 2010C, due in annual installments of \$180,000 to \$755,000 plus interest at 1.90% to 5.90% through January 1, 2023.	General Debt Service	4,655,000	-	190,000	4,465,000
General Obligation Bonds of 2012A, due in annual installments of \$505,000 to \$865,000 plus interest at 2.00% to 2.50% through January 1, 2030.	General Debt Service	9,315,000	-	625,000	8,690,000
General Obligation Bonds of 2013B, due in annual installments of \$30,000 to \$745,000 plus interest at 0.80% to 3.00% through January 1, 2022.	General Debt Service	2,350,000	-	10,000	2,340,000
General Obligation Refunding Bonds of 2014, due in annual installments of \$66,125 to \$393,425 plus interest at 1.54% through January 1, 2021.	General Debt Service	-	776,775	-	776,775
	Water	-	1,676,575	-	1,676,575
	Airport	-	416,650	-	416,650
		31,970,000	2,870,000	5,700,000	29,140,000

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Illinois Environmental Protection Agency (IEPA) Loan Contracts Payable

The City, through the IEPA, received low interest loans for the construction of a water treatment facility. Loan contracts payable have been issued for business-type activities. Loan contracts currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA Loan #L17133700 Contract Payable of 1999, due in semi annual installments of \$133,239 including interest at 2.535% through January 8, 2021.	Water	\$ 1,699,391	-	224,814	1,474,577
IEPA Loan #L17161400 Contract Payable of 2000, due in semi annual installments of \$109,406 including interest at 2.535% through May 30, 2021.	Water	1,395,413	-	184,600	1,210,813
IEPA Loan #L174045 Contract Payable of 2012, due in semi annual installments of \$5,749 including interest at 2.295% through October 26, 2032.	Water	275,660	-	9,912	265,748
		3,370,464	-	419,326	2,951,138

CITY OF DEKALB, ILLINOIS**Notes to the Financial Statements
June 30, 2015****NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued****LONG-TERM DEBT – Continued****Capital Leases Payable**

The City is committed under leases for various equipment purchases as follows:

<u>Issue</u>	<u>Fund Debt Retired by</u>	<u>Beginning Balances</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Ending Balances</u>
Equipment	Capital Projects	\$ 169,041	-	169,041	-
Equipment	Capital Projects	233,333	-	16,667	216,666
Police Software	Equipment	125,323	-	125,323	-
Equipment	Airport	7,038	-	7,038	-
		<u>534,735</u>	<u>-</u>	<u>318,069</u>	<u>216,666</u>

The future minimum lease payments and the net present value of these minimum lease payments are as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>
2016	\$ 16,667
2017	16,667
2018	16,667
2019	16,667
2020	16,667
2021	16,667
2022	16,667
2023	16,667
2024	16,667
2025	16,667
2026	16,667
2027	16,667
2028	16,662
	<u>216,666</u>
Interest Portion	<u>-</u>
Principal Balance	<u>216,666</u>

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity

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

Type of Debt	Restated Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 5,086,006	614,928	307,464	5,393,470	1,078,694
Net Pension Liability	57,976,821	12,662,863	-	70,639,684	-
Net Other Post-Employment Benefit Obligation	7,094,778	-	76,942	7,017,836	-
General Obligation Bonds	29,025,000	776,775	2,755,000	27,046,775	2,048,350
Plus/Less Unamortized Items:					
Premium	466,667	-	75,354	391,313	-
Discount	(178,137)	-	(14,217)	(163,920)	-
Capital Leases	527,697	-	311,031	216,666	16,667
	<u>99,998,832</u>	<u>14,054,566</u>	<u>3,511,574</u>	<u>110,541,824</u>	<u>3,143,711</u>
Business-Type Activities					
Compensated Absences	384,723	306,284	153,142	537,865	107,573
Net Pension Liability	788,012	318,993	-	1,107,005	-
Net Other Post-Employment Benefit Obligation	429,102	-	4,653	424,449	-
General Obligation Bonds	2,945,000	2,093,225	2,945,000	2,093,225	366,650
Plus Unamortized Items:					
Premium	51,366	-	51,366	-	-
IEPA Loan Contracts	3,370,464	-	419,326	2,951,138	432,357
Capital Leases	7,038	-	7,038	-	-
	<u>7,975,705</u>	<u>2,718,502</u>	<u>3,580,525</u>	<u>7,113,682</u>	<u>906,580</u>

For the governmental activities, the compensated absences, the net pension obligation, and the net other post-employment benefit obligation are generally liquidated by the General Fund. The general obligation bonds are being liquidated by the Tax Increment Financing and General Debt Service Funds.

For the business-type activities, the compensated absences, the net pension obligation, and the net other post-employment benefit obligation are being liquidated by the Water and Airport Funds. The Water and Airport Funds make payments on the general obligation bonds. The IEPA loan contract is being liquidated by the Water Fund.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	Governmental Activities		Business-Type Activities			
	General Obligation		General Obligation		IEPA	
	Bonds		Bonds		Loan Contract	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 2,048,350	909,708	366,650	36,000	432,357	71,457
2017	2,103,425	859,897	356,575	26,660	443,355	60,459
2018	2,165,000	802,726	340,000	21,152	454,636	49,178
2019	2,355,000	724,530	345,000	15,904	466,200	37,614
2020	2,440,000	637,330	340,000	10,576	478,061	25,753
2021	2,545,000	538,350	345,000	5,328	490,223	13,591
2022	2,645,000	432,990	-	-	14,330	4,194
2023	1,410,000	344,706	-	-	14,661	3,863
2024	930,000	284,974	-	-	15,000	3,524
2025	1,635,000	232,834	-	-	15,347	3,177
2026	1,685,000	176,797	-	-	15,700	2,824
2027	1,745,000	120,164	-	-	16,062	2,462
2028	1,800,000	58,114	-	-	16,433	2,091
2029	1,035,000	32,088	-	-	16,812	1,712
2030	505,000	12,624	-	-	17,200	1,324
2031	-	-	-	-	17,598	926
2032	-	-	-	-	18,003	521
2033	-	-	-	-	9,160	110
Total	27,046,775	6,167,832	2,093,225	115,620	2,951,138	284,780

Defeased Debt

On November 3, 2014, the City issued \$28,700,000 par value General Obligation Refunding Bonds of 2014 to refund \$2,845,000 of the General Obligation Refunding Bonds of 2004. The City defeased bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payment of the old bonds. Since the requirements that normally satisfy defeasance have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's basic financial statements. Through this refunding, the City reduced its total debt service by \$215,873 and obtained an economic gain of \$203,982.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Legal Debt Margin

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

NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets was comprised of the following as of June 30, 2015:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 134,126,562
Less Capital Related Debt:	
General Obligation Bonds of 2010B	(3,905,000)
General Obligation Bonds of 2010C	(4,465,000)
General Obligation Bonds of 2012A	(8,690,000)
General Obligation Bonds of 2013B	(2,340,000)
General Obligation Refunding Bonds of 2014	(776,775)
Unamortized Premium	(203,653)
Unamortized Discount	163,920
Unamortized Loss on Refunding	132,629
Capital Leases	<u>(216,666)</u>
Net Investment in Capital Assets	<u>113,826,017</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	57,649,708
Less Capital Related Debt:	
General Obligation Refunding Bonds of 2014	(2,093,225)
IEPA Loan #L17133700 Contract	(1,474,577)
IEPA Loan #L17161400 Contract	(1,210,813)
IEPA Loan #L174045 Contract	<u>(265,748)</u>
Net Investment in Capital Assets	<u>52,605,345</u>

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS

In the governmental funds financial statements, the City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The City first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

Committed Fund Balance. The City reports committed fund balance in the General Fund, Capital Projects Fund, Equipment Fund, and Fleet Replacement Fund. Formal City Council action of passing an ordinance is required to establish, modify or rescind a fund balance commitment. The City Council, through formal board action, has committed the funds in this portion of the fund balance for multiple priorities based on how these funds were received; these priorities include improvements to City facilities, parking in the City Center, street improvements, and bikeway improvements.

Minimum Fund Balance Policy. The City's policy manual states that the Corporate Fund should maintain a minimum unassigned fund balance equal to 25% of annual expenditures.

	Special Revenue					Debt Service	Capital Projects		
	Tax		Tax		Tax	Increment	Public Safety Building	Nonmajor	Totals
	General	Motor Fuel Tax	Mass Transit	Increment Financing #1					
Fund Balances									
Nonspendable									
Prepays	\$ 1,911	-	-	-	-	-	-	-	1,911
Inventories	20,954	-	-	-	-	-	-	-	20,954
	22,865	-	-	-	-	-	-	-	22,865
Restricted									
Debt Service	-	-	-	-	-	-	-	3,751	3,751
Specific Purpose	-	-	-	-	-	-	-	74,366	74,366
Maintenance of Roadways	-	2,378,748	-	-	-	-	-	-	2,378,748
Economic Development	-	-	-	2,596,538	7,661,414	-	-	-	10,257,952
Public Safety									
Forfeitures	100,061	-	-	-	-	-	-	-	100,061
Anti-Crime Activities	16,036	-	-	-	-	-	-	-	16,036
DUI Fines	44,794	-	-	-	-	-	-	-	44,794
Crime Lab	12,296	-	-	-	-	-	-	-	12,296
Foreign Fire	-	-	-	-	-	-	-	13,670	13,670
	173,187	2,378,748	-	2,596,538	7,661,414	-	-	91,787	12,901,674
Committed									
Tri-Centennial CD	6,447	-	-	-	-	-	-	-	6,447
Capital Projects	-	-	-	-	-	-	-	571,040	571,040
	6,447	-	-	-	-	-	-	571,040	577,487
Unassigned	8,018,754	-	-	-	-	-	-	-	8,018,754
Total Fund Balances	8,221,253	2,378,748	-	2,596,538	7,661,414	-	-	662,827	21,520,780

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE RESTATEMENT

Net Position/Fund Balance was restated due to prior period adjustments to correct the capital assets, to record the correct amount of State Tax collections, and due to implementation of GASB Statement No. 68. The following is a summary of the fund balance/net position as originally reported and as restated:

Net Position/Fund Balance	As Reported	As Restated	Increase (Decrease)
Governmental Activities	\$ 115,912,677	59,199,060	(56,713,617)
Business-Type Activities	53,920,184	53,883,909	(36,275)
General	6,057,599	7,144,432	1,086,833
Public Safety Building	226,241	824,063	597,822
Water	25,895,403	25,901,020	5,617
Airport	28,016,968	27,975,076	(41,892)

NOTE 4 – OTHER INFORMATION

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; natural disasters; and injuries to the City's employees. The City has purchased insurance from private insurance companies. Risks covered included certain types of liabilities and bonds. Premiums have been displayed as expenditures/expenses in appropriate funds.

Intergovernmental Personnel Benefit Cooperative (IPBC)

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

The City has established the following internal service funds to account for these activities: Workers' Compensation, Liability/Property Insurance and Health Insurance Funds. Each participating fund makes payments to the insurance funds. Such payments are displayed on the financial statements as revenues and expenses to the extent that the charge to the other funds is based on the actual expense of the funds plus an additional amount for catastrophic losses. Payments in excess of these amounts, if any, are reported as transfers.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

Intergovernmental Personnel Benefit Cooperative (IPBC) – Continued

The City has contracted with third party administrators (TPAs) to administer the workers' compensation program and to review and process claims. In addition, the City has contracted with third party carriers for specific and aggregate stop loss coverage to limit the City's exposure to losses. The specific and aggregate stop loss coverage are as follows:

Workers' Compensation – Prior to May 2012, the City was completely self-insured with no specific or aggregate stop loss policies. However, as of June 30, 2015, the City is self-insured up to \$600,000 in potential claims losses while any additional claims liabilities are covered by a policy purchased from a national insurance provider.

A reconciliation of claims payable for the fiscal years ended June 30, 2014 and 2015 are as follows:

	Workers' Compensation	Liability/ Property Insurance	Totals
Claims Payable - June 30, 2013	\$ 576,194	1,000	577,194
Incurred Claims	421,584	94,300	515,884
Claims Paid	(425,767)	(94,300)	(520,067)
Claims Payable - June 30, 2014	572,011	1,000	573,011
Incurred Claims	460,488	117,445	577,933
Claims Paid	(375,889)	(57,492)	(433,381)
Claims Payable - June 30, 2015	656,610	60,953	717,563

CONTINGENT LIABILITIES

Litigation

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

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES – Continued

Grants

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

Property Tax Rebates

The City has entered into a development agreement whereby it has committed to abate 90%, 80%, 70% 60% and 50% respectively, of a certain company's TIF and non-TIF property taxes for years 1 through 5 after the issuance of occupancy permits. In addition, the company is entitled to property tax rebates of 50% for the TIF property for years 6 through 10 after the issuance of occupancy permits but no later than December 31, 2017. As of June 30, 2015, the City has incurred \$1,315,531 in rebates.

Water Rates

In accordance with Ordinance 99-94, we have reviewed the sufficiency of the water rates charged to users of the water system for the year ended June 30, 2015. Our review consisted of determining if the water fund a) operated at a net income level for the year; b) reported a positive cash flow for the year; and, c) met the debt service coverage ratio of 1.25. The Operation and Maintenance sub-fund of the Water Fund reported a net income excluding grants before transfers and contributions of \$1,230,978, with the overall Water Fund reporting a net income excluding grants before transfers and contributions of \$1,266,200. There was a transfer out of the Water Fund of \$702,518. The cash flows for the year reported a net increase in cash flows of \$366,680.

Overall, the City reported a cash flow from operations of \$2,138,681. Lastly, the debt service coverage for the bonds reported as liabilities of the Water Fund at June 30, 2015 was 5.98 percent, above the minimum required 1.25 percent.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The City contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, the Police Pension Plan which is a single-employer pension plan, and the Firefighters' Pension Plan which is a single-employer pension plan. The benefits, benefit levels, employee contributions, and employer contributions for all three plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. Separate reports are issued for the Police Pension Plan and Firefighters' Pension Plan and may be obtained by writing to the City at 200 South 4th Street, DeKalb, IL 60115. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained on-line at www.imrf.org. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly.

Illinois Municipal Retirement

Plan Descriptions

Plan Administration. All employees (other than those covered by the Police and Firefighters' Pension Plan) hired in positions that need or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided. IMRF provides two tiers of pension benefits. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Employees hired **on or after** January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Plan Membership. As of December 31, 2014, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	140
Inactive Plan Members Entitled to but not yet Receiving Benefits	102
Active Plan Members	<u>91</u>
Total	<u><u>333</u></u>

Contributions. As set by statute, the City's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The City's annual contribution rate for calendar year 2014 was 21.83% of covered payroll.

Net Pension Liability. The City's net pension liability was measured as of December 31, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement – Continued

Plan Descriptions – Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2014, using the following actuarial methods and assumptions:

Actuarial Valuation Date	12/31/2014
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.47%
Salary Increases	3.75% to 14.50%
Cost of Living Adjustments	2.75%
Inflation	3.50%

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the PR-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality tables was used with fully generational projection scale MP-2014 (base year 2014). 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 2014). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement – Continued

Discount Rate

A Single Discount Rate of 7.47% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.56%, and the resulting single discount rate is 7.47%.

Discount Rate Sensitivity

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.47%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.47%)	Current Discount Rate (7.47%)	1% Increase (8.47%)
Net Pension Liability	\$ 11,909,803	5,922,138	1,011,826

CITY OF DEKALB, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2013	\$ 41,432,145	\$ 37,216,521	\$ 4,215,624
Changes for the year:			
Service Cost	617,846	-	617,846
Interest on the Total Pension Liability	3,051,951	-	3,051,951
Difference Between Expected and Actual Experience of the Total Pension Liability	820,387	-	820,387
Changes of Assumptions	1,443,204	-	1,443,204
Contributions - Employer	-	1,236,304	(1,236,304)
Contributions - Employees	-	255,244	(255,244)
Net Investment Income	-	2,255,063	(2,255,063)
Benefit Payments, including Refunds of Employee Contributions	(1,988,119)	(1,988,119)	-
Other (Net Transfer)	-	480,263	(480,263)
Net Changes	3,945,269	2,238,754	1,706,514
Balances at December 31, 2014	45,377,414	39,455,276	5,922,138

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement – Continued

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

For the year ended June 30, 2015, the City recognized pension expense of \$1,035,899. At June 30, 2015, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference Between Expected and Actual Experience	\$ 535,837	\$ -	\$ 535,837
Change in Assumptions	942,630	-	942,630
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	428,452	-	428,452
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	1,906,919	-	1,906,919
Pension Contributions made Subsequent to the Measurement Date	474,885	-	474,885
Total Deferred Amounts Related to IMRF	2,381,804	-	2,381,804

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

Year Ending December 31	Net Deferred Outflows of Resources
2015	\$ 1,367,122
2016	800,457
2017	107,113
2018	107,113
2019	-
Thereafter	-
Total	2,381,804

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan

Plan Descriptions

Plan Administration. The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the City President, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership. At June 30, 2015, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	43
Inactive Plan Members Entitled to but not yet Receiving Benefits	4
Active Plan Members	<u>64</u>
Total	<u><u>111</u></u>

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

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Plan Descriptions – Continued

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

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended June 30, 2015, the City's contribution was 26.04% of covered payroll.

Concentrations. At year end, the Pension Plan has investments (other than U.S. Government and U.S. Government-guaranteed obligations) in any one organization that represent 5 percent or more of net position available for benefits as follows.

Investment	Amount
AMG Yacktman Fund	\$ 6,600,881
Schwab Total Stock Market Index Fund	4,785,900
Vanguard Mid Cap ETF	1,757,260
Vanguard Small Cap ETF	1,833,954

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of June 30, 2015, using the following actuarial methods and assumptions:

Actuarial Valuation Date	6/30/2015
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	4.50%
Cost of Living Adjustments	2.00% to 3.00%
Inflation	2.50%

Mortality rates were based on the RP-2000 CHBCA Mortality Table. The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

Discount Rate

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

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Police Pension Plan – Continued

Discount Rate Sensitivity

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 37,446,417	29,809,622	23,473,667

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at June 30, 2014	\$ 52,132,456	\$ 29,008,901	\$ 23,123,555
Changes for the year:			
Service Cost	994,063	-	994,063
Interest on the Total Pension Liability	3,816,916	-	3,816,916
Difference Between Expected and Actual Experience of the Total Pension Liability	546,806	-	546,806
Changes of Assumptions	3,756,869	-	3,756,869
Contributions - Employer	-	1,448,949	(1,448,949)
Contributions - Employees	-	711,771	(711,771)
Net Investment Income	-	312,398	(312,398)
Benefit Payments, including Refunds of Employee Contributions	(2,480,487)	(2,480,487)	-
Other (Net Transfer)	-	(44,531)	44,531
Net Changes	6,634,167	(51,900)	6,686,067
Balances at June 30, 2015	58,766,623	28,957,001	29,809,622

CITY OF DEKALB, ILLINOIS**Notes to the Financial Statements
June 30, 2015****NOTE 4 – OTHER INFORMATION – Continued****EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued****Police Pension Plan – Continued****Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2015, the City recognized pension expense of \$800,289. At June 30, 2015, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference Between Expected and Actual Experience	\$ 492,125	\$ -	\$ 492,125
Change in Assumptions	3,381,182	-	3,381,182
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,479,686	-	1,479,686
Total Deferred Amounts Related to Police	5,352,993	-	5,352,993

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

Year Ending June 30	Net Deferred Outflows of Resources
2016	\$ 800,289
2017	800,289
2018	800,289
2019	800,289
2020	430,367
Thereafter	1,721,470
Total	5,352,993

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan

Plan Descriptions

Plan Administration. The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution 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 Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the City President, one member is elected by pension beneficiaries and two members are elected by active fire employees.

Plan Membership. At June 30, 2015, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	53
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Active Plan Members	<u>57</u>
Total	<u><u>110</u></u>

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

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a 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 percent of the original pension and 3percent compounded annually thereafter.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Plan Descriptions – Continued

Benefits Provided – Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the 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 the pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ percent 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 police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions. Covered employees are required 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 plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended June 30, 2015, the City's contribution was 41.77% of covered payroll.

Significant Investments. At year end, the Pension Plan has investments (other than U.S. Government and U.S. Government-guaranteed obligations) in any one organization that represent 5 percent or more of net position available for benefits as follows.

Investment	Amount
Spartan 500 Index	\$ 1,353,338
DFA US Vector Equity	1,580,178
DFA Emerging Markets	1,898,244
DFA International Small Cap	1,686,658
DFA US Small Cap Value	1,812,806
DFA US Large Cap Value	1,317,492
DFA US Small Cap	1,893,199
DFA International Value	1,642,991

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of June 30, 2015, using the following actuarial methods and assumptions:

Actuarial Valuation Date	6/30/2015
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.50%
Salary Increases	4.50%
Cost of Living Adjustments	2.00% to 3.00%
Inflation	2.50%

Mortality rates were based on the RP-2000 CHBCA Mortality Table. The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

Discount Rate

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

CITY OF DEKALB, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Firefighters' Pension Plan – Continued

Discount Rate Sensitivity

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 43,300,874	36,014,928	29,902,531

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at June 30, 2014	\$ 56,188,242	\$ 24,762,588	\$ 31,425,654
Changes for the year:			
Service Cost	1,077,550	-	1,077,550
Interest on the Total Pension Liability	4,102,276	-	4,102,276
Difference Between Expected and Actual Experience of the Total Pension Liability	(477,382)	-	(477,382)
Changes of Assumptions	2,460,941	-	2,460,941
Contributions - Employer	-	2,024,522	(2,024,522)
Contributions - Employees	-	466,475	(466,475)
Net Investment Income	-	126,661	(126,661)
Benefit Payments, including Refunds of Employee Contributions	(2,982,470)	(2,982,470)	-
Other (Net Transfer)	-	(43,547)	43,547
Net Changes	4,180,915	(408,359)	4,589,274
Balances at June 30, 2015	60,369,157	24,354,229	36,014,928

CITY OF DEKALB, ILLINOIS**Notes to the Financial Statements
June 30, 2015****NOTE 4 – OTHER INFORMATION – Continued****EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued****Firefighters' Pension Plan – Continued****Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2015, the City recognized pension expense of \$507,390. At June 30, 2015, the City reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference Between Expected and Actual Experience	\$ -	\$ (437,600)	\$ (437,600)
Change in Assumptions	2,255,863	-	2,255,863
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,368,375	-	1,368,375
Total Deferred Amounts Related to Fire	3,624,238	(437,600)	3,186,638

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

Year Ending June 30	Net Deferred Outflows of Resources
2016	\$ 507,390
2017	507,390
2018	507,390
2019	507,390
2020	165,297
Thereafter	991,781
Total	3,186,638

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions, Provisions, and Funding Policies

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

The City offers post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the City's retirement plans. Elected officials are not eligible for benefits.

All health care benefits are provided through the City's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the City's plan becomes secondary.

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending June 30, 2015, retirees contributed \$409,839 to the plan. Active employees do not contribute to the post-employment health care plan until retirement.

At June 30, 2015, membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.	134
Active Employees	<u>195</u>
Total	<u><u>329</u></u>
Participating Employers	1

The City does not currently have a funding policy.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of June 30, 2015, was calculated as follows:

Annual Required Contribution	\$ 856,213
Interest on the Net OPEB Obligation	301,960
Adjustment to the ARC	<u>(251,633)</u>
Annual OPEB Cost	906,540
Actual Contribution	<u>(988,408)</u>
Increase in the Net OPEB Obligation	(81,868)
Net OPEB Obligation - Beginning	<u>7,549,011</u>
Net OPEB Obligation - Ending*	<u><u>7,467,143</u></u>

*The DeKalb Public Library's portion of \$24,858 is included.

Trend Information

The City's annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 932,847	\$ 950,439	101.89%	\$ 7,591,142
2014	955,868	997,999	104.41%	7,549,011
2015	906,540	988,408	109.03%	7,467,143

Funded Status and Funding Progress

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

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Funded Status and Funding Progress – Continued

The funded status of the plan as of June 30, 2014 was as follows:

Actuarial Accrued Liability (AAL)	\$ -
Actuarial Value of Plan Assets	\$ 20,149,079
Unfunded Actuarial Accrued Liability (UAAL)	\$ 20,149,079
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	\$ 14,916,350
UAAL as a Percentage of Covered Payroll	135.08%

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 June 30, 2014 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8.0%, with an ultimate rate of 6.0%. Both rates include a 3.0% inflation assumption. The actuarial value of assets was not determined as the City has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2015, was 30 years.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

COMPONENT UNIT – DEKALB PUBLIC LIBRARY

DEPOSITS AND INVESTMENTS

The Library maintains a cash and investment pool that is available for use by all funds. Each fund type'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 Library's funds.

Permitted Deposits and Investments – Statutes authorize the Library to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds.

Library Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Library's deposits totaled \$13,366,952 and the bank balances totaled \$13,408,917.

Investments. At year-end, the Library has the following investments and maturities:

Investment Type	Investment Maturities (in Years)				
	Fair Value	Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Bonds	\$ 53,000	53,000	-	-	-
U.S. Treasuries	30,161	30,161	-	-	-
	83,161	83,161	-	-	-

Interest Rate Risk. The Library's investment policy limits its exposure to interest rate risk by structuring the 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 and by investing operating funds primarily in short-term securities.

Credit Risk. To guard against credit risk for deposits with financial institutions, the Library's investment policy requires that deposits with financial institutions in excess of FDIC be collateralized with collateral in excess of the uninsured deposits with the collateral held by a third party acting as the agent of the Library.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

COMPONENT UNIT – DEKALB PUBLIC LIBRARY – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Custodial Credit Risk. The Library's investment policy limits its exposure to custodial credit risk for deposits by utilizing an independent third party institution, selected by the Library Board. At year-end the entire amount of the bank balance of deposits was covered by federal depository or equivalent insurance.

The Library's investment policy does not mitigate custodial credit risk for investments.

Concentration Risk. The Library's investment policy limits its investment to the safest types of securities, pre-qualifies financial institutions, broker/dealers, intermediaries and advisors with which the Library does business and diversifies the investment portfolio so that potential losses on individual securities will be minimized. The investment policy does not include any limitations on individual investment types. At year-end, the Library has no investments that represent more than 5 percent of the total cash and investment portfolio.

PROPERTY TAXES

Property taxes for 2014 attach as an enforceable lien on January 1, 2014, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically.

CAPITAL ASSETS

Capital assets purchased or acquired with an original cost in excess of \$10,000 are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. Infrastructure such as streets, traffic signals and signs are capitalized. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by the governmental activities) the government chose to include all such items regardless of their acquisition date. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

CITY OF DEKALB, ILLINOIS**Notes to the Financial Statements
June 30, 2015****NOTE 4 – OTHER INFORMATION – Continued****COMPONENT UNIT – DEKALB PUBLIC LIBRARY – Continued****CAPITAL ASSETS – Continued**

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

Buildings and Building Improvements	40 Years
Equipment and Furniture	10 Years

Capital asset activity for the year was as follows:

	Beginning Balnces	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 1,558,032	-	-	1,558,032
Construction in Progress	1,386,433	10,115,270	-	11,501,703
	2,944,465	10,115,270	-	13,059,735
Depreciable Capital Assets				
Buildings and Improvements	593,325	-	-	593,325
Equipment and Furniture	227,010	-	-	227,010
	820,335	-	-	820,335
Less Accumulated Depreciation				
Buildings and Improvements	349,903	10,023	-	359,926
Equipment and Furniture	116,451	17,468	-	133,919
	466,354	27,491	-	493,845
Total Net Depreciable Capital Assets	353,981	(27,491)	-	326,490
Total Net Capital Assets	3,298,446	10,087,779	-	13,386,225

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

COMPONENT UNIT – DEKALB PUBLIC LIBRARY – Continued

LONG-TERM DEBT

General Obligation Bonds

The Library issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Library. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Enging Balances
General Obligation Bonds of 2013, due in annual installments of \$265,000 to \$470,000 plus interest at 3.00% to 4.00% through Janaury 1, 2033.	Library General	\$ 6,685,000	-	265,000	6,420,000

Loans Payable

The Library enters into loans payable for the acquisition of capital equipment. Loans payable are direct obligations and pledge the full faith and credit of the Library. Loans payable currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Enging Balances
Loan Payable of 2015, due in one payment of \$3,000,000 including interest at 3.25% on December 18, 2015.	Library General	\$ 3,000,000	-	-	3,000,000

CITY OF DEKALB, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 4 – OTHER INFORMATION – Continued

COMPONENT UNIT – DEKALB PUBLIC LIBRARY – Continued

LONG-TERM DEBT – Continued

Debt Certificates

The Library issues debt certificates to provide funds for the acquisition and construction of major capital facilities. Debt certificates have been issued for general governmental purposes and are direct obligations that pledge the full faith and credit of the Library. Debt certificates currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
Debt Certificates of 2011, due in annual installments of \$111,111 plus interest at 2.960% through July 1, 2020.	Library General	\$ 777,778	-	111,111	666,667

Long-Term Liability Activity

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

Type of Debt	Restated Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Compensated Absences	\$ 40,393	14,968	7,484	47,877	8,079
Net Pension Liability	539,600	250,498	-	790,098	-
Net Other Post-Employment Benefit Obligation	25,131	-	273	24,858	-
General Bonds Obligations Payable	6,685,000	-	265,000	6,420,000	270,000
Loans Payable	3,000,000	-	-	3,000,000	3,000,000
Debt Certificates	777,778	-	111,111	666,667	111,111
	11,067,902	265,466	383,868	10,949,500	3,389,190

CITY OF DEKALB, ILLINOIS**Notes to the Financial Statements
June 30, 2015****NOTE 4 – OTHER INFORMATION – Continued****COMPONENT UNIT – DEKALB PUBLIC LIBRARY – Continued****LONG-TERM DEBT – Continued****Debt Service Requirements to Maturity**

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year	General Obligation Bonds		Loans Payable		Debt Certificates	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 270,000	218,126	3,000,000	97,500	111,111	19,733
2017	280,000	210,026	-	-	111,111	16,444
2018	285,000	201,626	-	-	111,111	13,156
2019	295,000	193,076	-	-	111,111	9,867
2020	305,000	184,226	-	-	111,111	6,578
2021	315,000	175,076	-	-	111,112	3,289
2022	325,000	165,626	-	-	-	-
2023	335,000	155,876	-	-	-	-
2024	345,000	145,826	-	-	-	-
2025	355,000	135,476	-	-	-	-
2026	365,000	124,826	-	-	-	-
2027	375,000	112,962	-	-	-	-
2028	390,000	99,838	-	-	-	-
2029	405,000	86,188	-	-	-	-
2030	420,000	71,000	-	-	-	-
2031	435,000	54,200	-	-	-	-
2032	450,000	36,800	-	-	-	-
2033	470,000	18,800	-	-	-	-
Total	6,420,000	2,389,574	3,000,000	97,500	666,667	69,067

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

COMPONENT UNIT – DEKALB PUBLIC LIBRARY – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement

Plan Descriptions

Plan Administration. All employees (other than those covered by the Police and Firefighters' Pension Plan) hired in positions that need or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided. IMRF provides two tiers of pension benefits. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement – Continued

Plan Descriptions – Continued

Plan Membership. As of December 31, 2014, the following employees were covered by the benefit terms:

Active Plan Members

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The Library employees are combined into the City's IMRF plan. Information on the breakout of the plan membership for the entire plan is available in the City's IMRF disclosure in Note 3.

Contributions. As set by statute, the Library's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Library's annual contribution rate for calendar year 2014 was 21.83% of covered payroll.

Net Pension Liability. The Library's net pension liability was measured as of December 31, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

COMPONENT UNIT – DEKALB PUBLIC LIBRARY – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement – Continued

Plan Descriptions – Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2014, using the following actuarial methods and assumptions:

Actuarial Valuation Date	12/31/2014
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
Actuarial Assumptions	
Interest Rate	7.47%
Salary Increases	3.75% to 14.50%
Cost of Living Adjustments	2.75%
Inflation	3.50%

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). IMRF specific rates were developed from the PR-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality tables was used with fully generational projection scale MP-2014 (base year 2014). 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 2014). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

CITY OF DEKALB, ILLINOIS

Notes to the Financial Statements June 30, 2015

NOTE 4 – OTHER INFORMATION – Continued

COMPONENT UNIT – DEKALB PUBLIC LIBRARY – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement – Continued

Discount Rate

A Single Discount Rate of 7.47% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

3. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
4. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.56%, and the resulting single discount rate is 7.47%.

Discount Rate Sensitivity

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.47%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.47%)	Current Discount Rate (7.47%)	1% Increase (8.47%)
Net Pension Liability	\$ 1,748,228	869,305	148,525

CITY OF DEKALB, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 4 – OTHER INFORMATION – Continued

COMPONENT UNIT – DEKALB PUBLIC LIBRARY – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement – Continued

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2013	\$ 6,081,783	\$ 5,462,976	\$ 618,807
Changes for the year:			
Service Cost	90,693	-	90,693
Interest on the Total Pension Liability	447,993	-	447,993
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience of the Total Pension Liability	120,424	-	120,424
Changes of Assumptions	211,846	-	211,846
Contributions - Employer	-	181,476	(181,476)
Contributions - Employees	-	37,467	(37,467)
Net Investment Income	-	331,018	(331,018)
Benefit Payments, including Refunds of Employee Contributions	(291,834)	(291,834)	-
Other (Net Transfer)	-	70,497	(70,497)
Net Changes	579,122	328,625	250,498
Balances at December 31, 2014	6,660,905	5,791,600	869,305

CITY OF DEKALB, ILLINOIS

**Notes to the Financial Statements
June 30, 2015**

NOTE 4 – OTHER INFORMATION – Continued

COMPONENT UNIT – DEKALB PUBLIC LIBRARY – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Illinois Municipal Retirement – Continued

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

For the year ended June 30, 2015, the Library recognized pension expense of \$152,059. At June 30, 2015, the Library reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference Between Expected and Actual Experience	\$ 78,655	\$ -	\$ 78,655
Change in Assumptions	138,368	-	138,368
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	62,892	-	62,892
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	279,915	-	279,915
Pension Contributions made Subsequent to the Measurement Date	69,708	-	69,708
Total Deferred Amounts Related to IMRF	349,623	-	349,623

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

Year Ending December 31	Net Deferred Outflows of Resources
2015	\$ 200,678
2016	117,498
2017	15,723
2018	15,723
2019	-
Thereafter	-
Total	349,623

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedules of Funding Progress and Employer Contributions
Other Post-Employment Benefit Plan (OPEB)
- Schedule of Employer Contributions
Illinois Municipal Retirement Fund (IMRF)
Illinois Municipal Retirement Fund (IMRF) – Component Unit – DeKalb Public Library
Police Pension Fund
Firefighters' Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability
Illinois Municipal Retirement Fund (IMRF)
Illinois Municipal Retirement Fund (IMRF) – Component Unit – DeKalb Public Library
Police Pension Fund
Firefighters' Pension Fund
- Schedule of Investment Returns
Police Pension Fund
Firefighters' Pension Fund
- Budgetary Comparison Schedules
General Fund
Motor Fuel Tax – Special Revenue Fund
Mass Transit – Special Revenue Fund
Tax Increment Financing #1 – Special Revenue Fund
Tax Increment Financing #2 – Special Revenue Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

CITY OF DEKALB, ILLINOIS

Other Post-Employment Benefit Plan

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions**

June 30, 2015

Funding Progress

Actuarial Valuation Date Jun. 30,	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2010	\$ -	\$ 35,870,633	0.00%	\$ 35,870,633	\$ 15,076,546	237.92%
2011	-	32,360,982	0.00%	32,360,982	13,625,025	237.51%
2012	-	20,805,232	0.00%	20,805,232	13,467,132	154.49%
2013	-	21,666,777	0.00%	21,666,777	13,631,798	158.94%
2014	-	20,149,079	0.00%	20,149,079	14,916,350	135.08%
2015	N/A	N/A	N/A	N/A	N/A	N/A

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2010	\$ 1,112,666	\$ 2,984,993	37.28%
2011	1,112,666	2,628,440	42.33%
2012	813,475	2,265,382	35.91%
2013	950,439	882,122	107.74%
2014	997,999	905,260	110.24%
2015	988,408	856,213	115.44%

The City is required to have an actuarial valuation performed biennially.

CITY OF DEKALB, ILLINOIS**Illinois Municipal Retirement Fund****Required Supplementary Information****Schedule of Employer Contributions****June 30, 2015**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	\$ 1,221,776	\$ 1,236,304	\$ 14,528	\$ 5,664,236	21.83%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	29 Years
Asset Valuation Method	Market
Inflation	3.0%
Salary Increases	4.4% - 16.0%
Investment Rate of Return	7.5%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP 2000 CHBCA

Note: The information presented above is formatted to comply with the requirement of GASB Statement No. 67.

CITY OF DEKALB, ILLINOIS
COMPONENT UNIT - DEKALB PUBLIC LIBRARY

Illinois Municipal Retirement Fund

Required Supplementary Information
Schedule of Employer Contributions
June 30, 2015

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	\$ 179,343	\$ 181,476	\$ 2,133	\$ 831,448	21.83%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	29 Years
Asset Valuation Method	Market
Inflation	3.0%
Salary Increases	4.4% - 16.0%
Investment Rate of Return	7.5%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP 2000 CHBCA

Note: The information presented above is formatted to comply with the requirement of GASB Statement No. 67.

CITY OF DEKALB, ILLINOIS**Police Pension Fund****Required Supplementary Information
Schedule of Employer Contributions
June 30, 2015**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2014	\$ 1,379,234	\$ 1,352,291	\$ (26,943)	\$ 5,215,818	25.93%
2015	1,627,268	1,448,949	(178,319)	5,565,214	26.04%

Notes to the Required Supplementary Information:

Actuarial Valuation Date	June 30, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	26 Years
Asset Valuation Method	Market Value
Inflation	2.5%
Salary Increases	4.5%
Investment Rate of Return	7.5%
Retirement Age	50-70
Mortality	RP 2000 CHBCA

Note: The information presented above is formatted to comply with the requirement of GASB Statement No. 67

CITY OF DEKALB, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information

Schedule of Employer Contributions

June 30, 2015

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2014	\$ 2,078,061	\$ 2,037,490	\$ (40,571)	\$ 4,649,060	43.83%
2015	2,250,772	2,024,522	(226,250)	4,846,412	41.77%

Notes to the Required Supplementary Information:

Actuarial Valuation Date	June 30, 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	26 Years
Asset Valuation Method	Market Value
Inflation	2.5%
Salary Increases	4.5%
Investment Rate of Return	7.5%
Retirement Age	50-70
Mortality	RP 2000 CHBCA

Note: The information presented above is formatted to comply with the requirement of GASB Statement No. 67.

CITY OF DEKALB, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
June 30, 2015**

	<u>2015</u>
Total Pension Liability	
Service Cost	\$ 617,846
Interest	3,051,951
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	820,387
Change of Assumptions	1,443,204
Benefit Payments, Including Refunds of Member Contributions	<u>(1,988,119)</u>
Net Change in Total Pension Liability	3,945,269
Total Pension Liability - Beginning	<u>41,432,145</u>
Total Pension Liability - Ending	<u><u>45,377,414</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 1,236,304
Contributions - Members	255,244
Net Investment Income	2,255,063
Benefit Payments, Including Refunds of Member Contributions	(1,988,119)
Other (Net Transfer)	<u>480,263</u>
Net Change in Plan Fiduciary Net Position	2,238,754
Plan Net Position - Beginning	<u>37,216,521</u>
Plan Net Position - Ending	<u><u>39,455,276</u></u>
Employer's Net Pension Liability	<u><u>\$ 5,922,138</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.95%
Covered-Employee Payroll	\$ 5,664,236
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	104.55%

CITY OF DEKALB, ILLINOIS
COMPONENT UNIT - DEKALB PUBLIC LIBRARY

Illinois Municipal Retirement Fund

Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
June 30, 2015

	<u>2015</u>
Total Pension Liability	
Service Cost	\$ 90,693
Interest	447,993
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	120,424
Change of Assumptions	211,846
Benefit Payments, Including Refunds of Member Contributions	<u>(291,834)</u>
Net Change in Total Pension Liability	579,122
Total Pension Liability - Beginning	<u>6,081,783</u>
Total Pension Liability - Ending	<u><u>6,660,905</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 181,476
Contributions - Members	37,467
Net Investment Income	331,018
Benefit Payments, Including Refunds of Member Contributions	(291,834)
Other (Net Transfer)	<u>70,497</u>
Net Change in Plan Fiduciary Net Position	328,625
Plan Net Position - Beginning	<u>5,462,976</u>
Plan Net Position - Ending	<u><u>5,791,600</u></u>
Employer's Net Pension Liability	<u><u>\$ 869,305</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.95%
Covered-Employee Payroll	\$ 831,448
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	104.55%

CITY OF DEKALB, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
June 30, 2015**

	2014	2015
Total Pension Liability		
Service Cost	\$ 983,478	994,063
Interest	3,601,542	3,816,916
Differences Between Expected and Actual Experience	654,735	546,806
Change of Assumptions	-	3,756,869
Benefit Payments, Including Refunds of Member Contributions	(2,255,726)	(2,480,487)
Net Change in Total Pension Liability	2,984,029	6,634,167
Total Pension Liability - Beginning	49,148,427	52,132,456
Total Pension Liability - Ending	52,132,456	58,766,623
Plan Fiduciary Net Position		
Contributions - Employer	\$ 1,352,291	1,448,949
Contributions - Members	632,775	711,771
Net Investment Income	3,240,785	312,398
Benefit Payments, Including Refunds of Member Contributions	(2,255,726)	(2,480,487)
Administrative Expense	(39,544)	(44,531)
Net Change in Plan Fiduciary Net Position	2,930,581	(51,900)
Plan Net Position - Beginning	26,078,320	29,008,901
Plan Net Position - Ending	29,008,901	28,957,001
Employer's Net Pension Liability	\$ 23,123,555	29,809,622
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	55.64%	49.27%
Covered-Employee Payroll	\$ 5,215,818	5,565,214
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	443.34%	535.64%

CITY OF DEKALB, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability June 30, 2015

	2014	2015
Total Pension Liability		
Service Cost	\$ 1,033,286	1,077,550
Interest	3,857,132	4,102,276
Differences Between Expected and Actual Experience	1,330,700	(477,382)
Change of Assumptions	-	2,460,941
Benefit Payments, Including Refunds of Member Contributions	(2,922,598)	(2,982,470)
Net Change in Total Pension Liability	3,298,520	4,180,915
Total Pension Liability - Beginning	52,889,722	56,188,242
Total Pension Liability - Ending	56,188,242	60,369,157
Plan Fiduciary Net Position		
Contributions - Employer	\$ 2,037,490	2,024,522
Contributions - Members	420,534	466,475
Net Investment Income	3,075,655	126,661
Benefit Payments, Including Refunds of Member Contributions	(2,922,598)	(2,982,470)
Administrative Expense	(34,562)	(43,547)
Net Change in Plan Fiduciary Net Position	2,576,519	(408,359)
Plan Net Position - Beginning	22,186,069	24,762,588
Plan Net Position - Ending	24,762,588	24,354,229
Employer's Net Pension Liability	\$ 31,425,654	36,014,928
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	44.07%	40.34%
Covered-Employee Payroll	\$ 4,649,060	4,846,412
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	675.96%	743.13%

CITY OF DEKALB, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Investment Returns

June 30, 2015

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	12.36%
2015	1.05%

CITY OF DEKALB, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information

Schedule of Investment Returns

June 30, 2015

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	13.67%
2015	0.73%

CITY OF DEKALB, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended June 30, 2015

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 16,929,412	16,929,412	16,652,074
Licenses and Permits	571,250	571,250	713,565
Intergovernmental	11,545,055	11,545,055	12,069,108
Charges for Services	1,802,912	1,802,912	1,895,685
Fines and Forfeitures	969,200	1,014,520	915,578
Interest	32,000	32,000	121,787
Miscellaneous	737,000	770,283	709,645
Total Revenues	<u>32,586,829</u>	<u>32,665,432</u>	<u>33,077,442</u>
Expenditures			
General Government	7,722,442	7,722,442	7,165,790
Public Safety	20,700,464	20,700,464	20,433,722
Community Development	4,026,903	4,026,903	3,813,573
Capital Outlay	-	300,000	242,514
Total Expenditures	<u>32,449,809</u>	<u>32,749,809</u>	<u>31,655,599</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>137,020</u>	<u>(84,377)</u>	<u>1,421,843</u>
Other Financing Sources (Uses)			
Disposal of Capital Assets	-	-	520
Transfers In	2,006,926	2,006,926	2,211,897
Transfers Out	(2,687,700)	(2,766,303)	(2,557,439)
	<u>(680,774)</u>	<u>(759,377)</u>	<u>(345,022)</u>
Net Change in Fund Balance	<u>(543,754)</u>	<u>(843,754)</u>	1,076,821
Fund Balance - Beginning as Restated			<u>7,144,432</u>
Fund Balance - Ending			<u>8,221,253</u>

CITY OF DEKALB, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
State Motor Fuel Tax	\$ 1,068,168	1,068,168	1,078,801
Federal Grants	50,000	50,000	2,080
State Grants	198,673	198,673	198,673
Interest	4,000	4,000	3,899
Total Revenues	1,320,841	1,320,841	1,283,453
Expenditures			
Highways and Streets			
Commodities	100,000	100,000	95,352
Contractual Services	368,000	509,609	442,303
Capital Outlay			
Permanent Improvements	400,000	400,000	448,284
Total Expenditures	868,000	1,009,609	985,939
Excess (Deficiency) of Revenues Over (Under) Expenditures	452,841	311,232	297,514
Other Financing Sources			
Transfers In	-	-	10,694
Net Change in Fund Balance	452,841	311,232	308,208
Fund Balance - Beginning			2,070,540
Fund Balance - Ending			2,378,748

CITY OF DEKALB, ILLINOIS

Mass Transit - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Federal Grants	\$ 3,475,072	3,475,072	733,077
State Grants	6,330,278	6,330,278	3,159,465
Miscellaneous	-	-	1,493
Total Revenues	9,805,350	9,805,350	3,894,035
Expenditures			
General Government			
Personal Services	189,150	189,150	137,119
Commodities	14,540	14,540	15,902
Contractual Services	9,598,160	9,598,160	3,733,758
Equipment	3,500	3,500	1,645
Total Expenditures	9,805,350	9,805,350	3,888,424
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	5,611
Other Financing (Uses)			
Transfers Out	-	-	(5,611)
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning			-
Fund Balance - Ending			-

CITY OF DEKALB, ILLINOIS

Tax Increment Financing #1 - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended June 30, 2015

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 6,439,189	6,439,189	6,439,568
Interest	50,000	50,000	47,872
Miscellaneous			
Refunds and Reimbursements	-	-	605
Total Revenues	6,489,189	6,489,189	6,488,045
Expenditures			
Community Development			
Contractual Services	289,500	289,500	135,209
Improvements	4,896,795	4,896,795	3,916,116
Capital Outlay			
Permanent Improvements	300,000	300,000	376,954
Total Expenditures	5,486,295	5,486,295	4,428,279
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,002,894	1,002,894	2,059,766
Other Financing (Uses)			
Transfers Out	(1,855,647)	(1,855,647)	(1,855,647)
Net Change in Fund Balance	(852,753)	(852,753)	204,119
Fund Balance - Beginning			2,392,419
Fund Balance - Ending			2,596,538

CITY OF DEKALB, ILLINOIS**Tax Increment Financing #2 - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,538,612	1,538,612	1,329,665
Interest	-	-	8,223
Total Revenues	1,538,612	1,538,612	1,337,888
Expenditures			
Community Development			
Contractual Services	308,131	308,131	264,220
Improvements	1,322,000	1,322,000	371,303
Total Expenditures	1,630,131	1,630,131	635,523
Excess (Deficiency) of Revenues Over (Under) Expenditures	(91,519)	(91,519)	702,365
Other Financing (Uses)			
Transfers Out	(150,931)	(150,931)	(150,931)
Net Change in Fund Balance	(242,450)	(242,450)	551,434
Fund Balance - Beginning			7,109,980
Fund Balance - Ending			7,661,414

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

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

SPECIAL REVENUE FUNDS

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

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for the operations of street maintenance programs and capital projects as authorized by the Illinois Department of Transportation. Financing is provided by the City's share of gasoline taxes.

Mass Transit Fund

The Mass Transit Fund is used to account for the tow community mass transit services: Northern Illinois University's Huskies Line and Voluntary Action Center's Trans Vac Service.

Tax Increment Financing #1 Fund

The Tax Increment Financing #1 Fund is used to account for redevelopment activities within another defined area of the community in order to eliminate blighted conditions in that area.

Tax Increment Financing #2 Fund

The Tax Increment Financing #2 Fund is used to account for redevelopment activities within another defined area of the community in order to eliminate blighted conditions in that area.

Foreign Fire Insurance Fund

The Foreign Fire Insurance Fund is used to account for certain fire department related expenditures. Financing is provided by taxes on out-of-state insurance companies.

Housing Rehabilitation Fund

The Housing Rehabilitation Fund is used to account for federal and state grants received through 1983 that were targeted for low interest housing rehabilitation loans to income qualified properties.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

SPECIAL REVENUE FUNDS – Continued

Community Development Block Grant Fund

The Community Development Block Grant Fund is used to account for the receipts and disbursement of community development grants funds.

Heritage Ridge Special Service Area #3 Fund

The Heritage Ridge Special Service Area #3 Fund is used to account for the accumulation of resources for improvements for Special Service Area #3.

Knolls Special Service Area #4 Fund

The Knolls Special Service Area #4 Fund is used to account for the accumulation of resources for improvements for Special Service Area #4.

Greek Row Special Service Area #6 Fund

The Greek Special Service Area #6 Fund is used to account for the accumulation of resources for improvements for Special Service Area #6.

Heartland Fields Special Service Area #14 Fund

The Heartland Fields Special Service Area #14 Fund is used to account for the accumulation of resources for improvements for Special Service Area #14.

Economic Development Fund

The Economic Development Fund is used to account for the City's agreements with outside agencies that help provide various economic development functions on behalf of the City.

DEBT SERVICE FUNDS

Debt Service Funds are created to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Tax Increment Financing Fund

The Tax Increment Financing Fund is used to account for accumulation of resources and payment of bond principal and interest on the tax increment financing areas.

General Debt Service Fund

The General Debt Service Fund is used to account for the accumulation of resources and payment of bond and principal and interest on debt other than tax increment financing debt.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

CAPITAL PROJECTS FUNDS

Capital Projects Funds are created to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by Proprietary Funds.

Public Safety Building Fund

The Public Safety Building Fund is used for construction, and debt for the new police station and any other public safety building in the future.

Capital Projects Fund

The Capital Projects Fund is used to account for the City's general infrastructure improvements including street (re)construction, stormwater management, public buildings, streetlighting, sidewalk repairs, as well as the purchase of vehicles and equipment.

Equipment Fund

The Equipment Fund is used to account for major equipment purchases which cost in excess of \$5,000 and have a useful life expectancy of three years or more.

Fleet Replacement Fund

The Fleet Replacement Fund is used to account for revenue and expenditures associated with the acquisition of City vehicles and major equipment (i.e. trailers and plows).

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purpose.

Water Fund

The Water Fund is used to account for the provision of water service to the residents of the City. All activity necessary to provide such services is accounted for in this fund including, but not limited to, administration, operation, maintenance, financing and related debt service and billing and collection.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

ENTERPRISE FUNDS – Continued

Airport Fund

The Airport Fund is used to account for the operations of the Taylor Municipal Airport. Financing may be provided from a number of sources including user fees as well as property taxes.

Refuse Fund

The Refuse Fund is used to account for the billing, collection and payment of refuse collection.

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies, or to other governmental units, on a cost-reimbursement basis.

Workers' Compensation Fund

The Workers' Compensation Fund is used to account for payment of workers' compensation insurance premiums. Financing is provided by contributions from other funds.

Health Insurance Fund

The Health Insurance Fund is used to account for payment of health insurance premiums. Financing is provided by contributions from employees, retirees and other funds.

Liability/Property Insurance Fund

The Liability/Property Insurance Fund is used to account for payment of liability insurance premiums. Financing is provided by contributions from other funds.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

TRUST AND AGENCY FUNDS

PENSION TRUST FUNDS

Police Pension Fund

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial study.

Firefighters' Pension Fund

The Firefighters' Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the fire department at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial study.

CITY OF DEKALB, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual For the Fiscal Year Ended June 30, 2015

	Budget		Actual
	Original	Final	
Taxes			
Property	\$ 4,270,457	4,270,457	4,203,087
Home Rule Sales	6,926,784	6,926,784	6,673,332
Utility	3,490,050	3,490,050	3,433,879
Franchise	480,296	480,296	485,468
Restaurant/Bar	1,761,825	1,761,825	1,856,308
	<u>16,929,412</u>	<u>16,929,412</u>	<u>16,652,074</u>
Licenses and Permits			
Licenses			
Amusement	2,750	2,750	2,950
Liquor	240,000	240,000	227,531
Rooming House	12,500	12,500	21,500
Other	43,000	43,000	75,934
Permits			
Building	200,000	200,000	278,789
Electric	20,000	20,000	51,656
HVAC	13,000	13,000	16,607
Parking	3,000	3,000	5,460
Other	37,000	37,000	33,138
	<u>571,250</u>	<u>571,250</u>	<u>713,565</u>
Intergovernmental			
Federal Grant	-	-	29,298
State Grant	-	-	6,674
Replacement Tax	158,000	158,000	205,113
State Sales Tax	5,398,150	5,398,150	5,422,936
State Income Tax	4,320,664	4,320,664	4,515,729
State Use Tax	786,376	786,376	918,868
TIF Property Tax Surplus	160,201	160,201	192,252
TIF Sales Tax Surplus	332,389	332,389	365,063
Miscellaneous	389,275	389,275	413,175
	<u>11,545,055</u>	<u>11,545,055</u>	<u>12,069,108</u>

CITY OF DEKALB, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued For the Fiscal Year Ended June 30, 2015

	Budget		Actual
	Original	Final	
Charges for Services			
Fire Protection	\$ 835,596	835,596	836,768
Ambulance Fees	765,050	765,050	840,302
Police Services	2,000	2,000	9,200
Planning/Zoning Fees	-	-	6,452
Zoning Fees	5,300	5,300	5,125
Developmental Inspection Fees	-	-	458
Hotel Inspection Fees	3,200	3,200	5,277
Rents	190,366	190,366	188,893
Other	1,400	1,400	3,210
	<u>1,802,912</u>	<u>1,802,912</u>	<u>1,895,685</u>
Fines and Forfeitures			
Circuit Court	350,000	350,000	321,744
Police	65,000	65,000	59,863
Abatement	10,000	10,000	6,175
False Fire Alarm	1,200	1,200	5,100
Other	543,000	588,320	522,696
	<u>969,200</u>	<u>1,014,520</u>	<u>915,578</u>
Interest			
Investment Income	<u>32,000</u>	<u>32,000</u>	<u>121,787</u>
Miscellaneous			
Refunds/Reimbursements	320,000	320,000	384,064
Miscellaneous	417,000	450,283	325,581
	<u>737,000</u>	<u>770,283</u>	<u>709,645</u>
Total Revenues	<u>32,586,829</u>	<u>32,665,432</u>	<u>33,077,442</u>

CITY OF DEKALB, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual For the Fiscal Year Ended June 30, 2015

	Budget		Actual
	Original	Final	
General Government			
Legislative	\$ 311,635	311,635	299,500
Administrative Services	1,550,869	1,550,869	1,487,631
Finance Services	1,700,606	1,700,606	1,660,996
General Fund Support Service	4,159,332	4,159,332	3,717,663
	<u>7,722,442</u>	<u>7,722,442</u>	<u>7,165,790</u>
Public Safety			
Police Protection	11,286,464	11,286,464	11,124,813
Fire Protection	9,414,000	9,414,000	9,308,909
	<u>20,700,464</u>	<u>20,700,464</u>	<u>20,433,722</u>
Community Development	<u>4,026,903</u>	<u>4,026,903</u>	<u>3,813,573</u>
Capital Outlay	<u>-</u>	<u>300,000</u>	<u>242,514</u>
Total Expenditures	<u>32,449,809</u>	<u>32,749,809</u>	<u>31,655,599</u>

CITY OF DEKALB, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual For the Fiscal Year Ended June 30, 2015

	Budget		Actual
	Original	Final	
General Government			
Legislative			
Personnel Services	\$ 70,300	70,300	67,973
Commodities	2,600	2,600	2,420
Contractual Services	238,735	238,735	229,107
	311,635	311,635	299,500
Administrative Services			
Personnel Services	1,284,995	1,284,995	1,155,740
Commodities	6,923	6,923	16,579
Contractual Services	77,541	77,541	95,444
Other Services	181,060	181,060	219,426
Equipment	350	350	442
	1,550,869	1,550,869	1,487,631
Finance Services			
Personnel Services	1,381,424	1,381,424	1,362,965
Commodities	55,687	55,687	53,759
Contractual Services	27,545	27,545	23,177
Other Services	222,750	222,750	208,362
Equipment	13,200	13,200	12,733
	1,700,606	1,700,606	1,660,996
General Fund Support Services			
Personnel Services	1,423,788	1,423,788	1,479,658
Commodities	146,150	146,150	153,623
Contractual Services	124,700	124,700	173,725
Other Services	2,464,694	2,464,694	1,910,657
	4,159,332	4,159,332	3,717,663
Total General Government	7,722,442	7,722,442	7,165,790

CITY OF DEKALB, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued For the Fiscal Year Ended June 30, 2015

	Budget		Actual
	Original	Final	
Public Safety			
Police Protection			
Personnel Services	\$ 10,606,329	10,606,329	10,525,251
Commodities	384,422	384,422	323,149
Contractual Services	233,683	233,683	224,355
Other Services	31,416	31,416	29,058
Equipment	30,614	30,614	23,000
	11,286,464	11,286,464	11,124,813
Fire Protection			
Fire Administrative Services			
Personnel Services	687,154	687,154	664,735
Commodities	62,638	62,638	44,792
Contractual Services	43,694	43,694	34,028
Fire Service			
Personnel Services	8,311,818	8,311,818	8,328,720
Commodities	126,144	126,144	109,416
Contractual Services	174,862	174,862	124,462
Other Services	900	900	587
Equipment	6,790	6,790	2,169
	9,414,000	9,414,000	9,308,909
Total Public Safety	20,700,464	20,700,464	20,433,722
Community Development			
Public Works			
Personnel Services	2,633,166	2,633,166	2,557,363
Commodities	543,794	543,794	443,064
Contractual Services	712,883	712,883	690,767
Other Services	120,460	120,460	106,703
Equipment	16,600	16,600	15,676
Total Community Development	4,026,903	4,026,903	3,813,573
Capital Outlay			
General Fund Support Services	-	300,000	242,514
Total Expenditures	32,449,809	32,749,809	31,655,599

CITY OF DEKALB, ILLINOIS**Tax Increment Financing - Debt Service Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ -	-	-
Expenditures			
Debt Service			
Principal	800,000	800,000	800,000
Interest and Fiscal Charges	263,975	263,975	263,975
Total Expenditures	1,063,975	1,063,975	1,063,975
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,063,975)	(1,063,975)	(1,063,975)
Other Financing Sources			
Transfers In	1,063,975	1,063,975	1,063,975
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning			-
Fund Balance - Ending			-

CITY OF DEKALB, ILLINOIS

Public Safety Building - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		
	Original	Actual	Actual
Revenues			
Intergovernmental			
Local Fuel Tax	\$ 244,279	244,279	271,171
Hotel/Motel Tax	18,000	18,000	42,848
Fines and Forfeitures			
Police Fines	90,000	90,000	90,000
Interest	-	-	497
Miscellaneous	20,000	20,000	14,801
Total Revenues	372,279	372,279	419,317
Expenditures			
Capital Outlay	94,500	94,500	41,010
Excess (Deficiency) of Revenues Over (Under) Expenditures	277,779	277,779	378,307
Other Financing Sources (Uses)			
Transfers In	400,000	400,000	-
Transfers Out	(898,900)	(898,900)	(1,202,370)
	(498,900)	(498,900)	(1,202,370)
Net Change in Fund Balance	(221,121)	(221,121)	(824,063)
Fund Balance - Beginning as Restated			824,063
Fund Balance - Ending			-

CITY OF DEKALB, ILLINOIS**Nonmajor Governmental Funds****Combining Balance Sheet****June 30, 2015**

	Special Revenue	Debt Service	Capital Projects	Totals
ASSETS				
Cash and Investments	\$ 100,447	-	638,705	739,152
Receivables - Net of Allowances				
Property Taxes	9,113	-	-	9,113
Due from Other Governments	1,362	3,751	29,178	34,291
Total Assets	110,922	3,751	667,883	782,556
LIABILITIES				
Accounts Payable	2,992	-	20,843	23,835
Due to Other Funds	1,287	-	-	1,287
Other Payables	1,700	-	76,000	77,700
Total Liabilities	5,979	-	96,843	102,822
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	16,907	-	-	16,907
Total Liabilities and Deferred Inflows of Resources	22,886	-	96,843	119,729
FUND BALANCES				
Restricted	88,036	3,751	-	91,787
Committed	-	-	571,040	571,040
Total Fund Balances	88,036	3,751	571,040	662,827
Total Liabilities, Deferred Inflows of Resources and Fund Balances	110,922	3,751	667,883	782,556

CITY OF DEKALB, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances For the Fiscal Year Ended June 30, 2015

	Special Revenue	Debt Service	Capital Projects	Totals
Revenues				
Taxes	\$ 312,617	-	-	312,617
Intergovernmental	282,300	-	361,576	643,876
Charges for Services	-	-	107,317	107,317
Interest	35	-	-	35
Miscellaneous	19,022	-	512,835	531,857
Total Revenues	613,974	-	981,728	1,595,702
Expenditures				
General Government	206,400	-	287,325	493,725
Public Safety	45,566	-	-	45,566
Capital Outlay	72,417	-	366,321	438,738
Debt Service				
Principal	-	1,185,000	311,031	1,496,031
Interest and Fiscal Charges	-	723,939	615	724,554
Total Expenditures	324,383	1,908,939	965,292	3,198,614
Excess (Deficiency) of Revenues Over (Under) Expenditures	289,591	(1,908,939)	16,436	(1,602,912)
Other Financing Sources (Uses)				
Debt Issuance	-	776,775	-	776,775
Payment to Escrow Agent	-	(776,775)	-	(776,775)
Disposal of Capital Assets	-	-	6,400	6,400
Transfers In	-	1,912,690	456,103	2,368,793
Transfers Out	(262,738)	-	-	(262,738)
	(262,738)	1,912,690	462,503	2,112,455
Net Change in Fund Balances	26,853	3,751	478,939	509,543
Fund Balances - Beginning	61,183	-	92,101	153,284
Fund Balances - Ending	88,036	3,751	571,040	662,827

CITY OF DEKALB, ILLINOIS**Nonmajor Governmental - Special Revenue Funds****Combining Balance Sheet****June 30, 2015**

	Foreign Fire Insurance Tax	Housing Rehabilitation	Community Development Block
ASSETS			
Cash and Investments	\$ 13,849	48,056	18,142
Receivables - Net of Allowances			
Property Taxes	-	-	-
Due from Other Governments	-	-	1,362
Total Assets	13,849	48,056	19,504
LIABILITIES			
Accounts Payable	179	208	73
Other Payables	-	-	1,700
Due to Other Funds	-	-	1,287
Total Liabilities	179	208	3,060
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	-	-	-
Total Liabilities and Deferred Inflows of Resources	179	208	3,060
FUND BALANCES			
Restricted	13,670	47,848	16,444
Total Liabilities, Deferred Inflows of Resources and Fund Balances	13,849	48,056	19,504

Heritage Ridge Special Service Area #3	Knolls Special Service Area #4	Greek Row Special Service Area #6	Heartland Fields Special Service Area #14	Economic Development	Totals
6,136	2,811	8,979	2,474	-	100,447
-	2,170	5,752	1,191	-	9,113
-	-	-	-	-	1,362
6,136	4,981	14,731	3,665	-	110,922
50	550	1,757	175	-	2,992
-	-	-	-	-	1,700
-	-	-	-	-	1,287
50	550	1,757	175	-	5,979
-	4,407	10,000	2,500	-	16,907
50	4,957	11,757	2,675	-	22,886
6,086	24	2,974	990	-	88,036
6,136	4,981	14,731	3,665	-	110,922

CITY OF DEKALB, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances For the Fiscal Year Ended June 30, 2015

	Foreign Fire Insurance Tax	Housing Rehabilitation	Community Development Block
Revenues			
Taxes	\$ 46,332	-	-
Intergovernmental	-	-	282,300
Interest	-	35	-
Miscellaneous	2,492	16,530	-
Total Revenues	48,824	16,565	282,300
Expenditures			
General Government	-	1,341	62,303
Public Safety	45,566	-	-
Capital Outlay	-	8,475	50,389
Total Expenditures	45,566	9,816	112,692
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,258	6,749	169,608
Other Financing (Uses)			
Transfers Out	-	-	(169,608)
Net Change in Fund Balances	3,258	6,749	-
Fund Balances - Beginning	10,412	41,099	16,444
Fund Balances - Ending	13,670	47,848	16,444

Heritage Ridge Special Service Area #3	Knolls Special Service Area #4	Greek Row Special Service Area #6	Heartland Fields Special Service Area #14	Economic Development	Totals
-	1,599	5,100	2,500	257,086	312,617
-	-	-	-	-	282,300
-	-	-	-	-	35
-	-	-	-	-	19,022
-	1,599	5,100	2,500	257,086	613,974
125	1,931	-	700	140,000	206,400
-	-	-	-	-	45,566
-	-	13,553	-	-	72,417
125	1,931	13,553	700	140,000	324,383
(125)	(332)	(8,453)	1,800	117,086	289,591
(500)	(225)	(500)	(500)	(91,405)	(262,738)
(625)	(557)	(8,953)	1,300	25,681	26,853
6,711	581	11,927	(310)	(25,681)	61,183
6,086	24	2,974	990	-	88,036

CITY OF DEKALB, ILLINOIS**Foreign Fire Insurance - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Foreign Fire Insurance Tax	\$ 45,000	45,000	46,332
Miscellaneous	-	-	2,492
Total Revenues	45,000	45,000	48,824
Expenditures			
Public Safety			
Commodities	15,500	15,500	17,755
Contractual Services	4,116	4,116	2,339
Equipment	27,000	27,000	25,472
Total Expenditures	46,616	46,616	45,566
Net Change in Fund Balance	(1,616)	(1,616)	3,258
Fund Balance - Beginning			10,412
Fund Balance - Ending			13,670

CITY OF DEKALB, ILLINOIS**Housing Rehabilitation - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ -	-	35
Miscellaneous			
Refunds and Reimbursements	26,000	26,000	16,530
Total Revenues	26,000	26,000	16,565
Expenditures			
General Government			
Contractual Services	1,500	1,500	1,217
Other Services	500	500	124
Capital Outlay			
Permanent Improvements	24,000	24,000	8,475
Total Expenditures	26,000	26,000	9,816
Net Change in Fund Balance	-	-	6,749
Fund Balance - Beginning			41,099
Fund Balance - Ending			47,848

CITY OF DEKALB, ILLINOIS

Community Development Block Grant - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended June 30, 2015

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Grants	\$ 408,847	408,847	282,300
Expenditures			
General Government			
Commodities	1,000	1,000	-
Contractual Services	67,000	67,000	61,753
Other Services	18,000	18,000	550
Equipment	1,500	1,500	-
Capital Outlay			
Permanent Improvements	284,847	284,847	50,389
Total Expenditures	372,347	372,347	112,692
Excess (Deficiency) of Revenues Over (Under) Expenditures	36,500	36,500	169,608
Other Financing (Uses)			
Transfers Out	(86,500)	(86,500)	(169,608)
Net Change in Fund Balance	(50,000)	(50,000)	-
Fund Balance - Beginning			16,444
Fund Balance - Ending			16,444

CITY OF DEKALB, ILLINOIS

Heritage Ridge Special Service Area #3 - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ -	-	-
Expenditures			
General Government			
Contractual Services	700	700	125
Excess (Deficiency) of Revenues Over (Under) Expenditures	(700)	(700)	(125)
Other Financing (Uses)			
Transfers Out	(500)	(500)	(500)
Net Change in Fund Balance	<u>(1,200)</u>	<u>(1,200)</u>	(625)
Fund Balance - Beginning			<u>6,711</u>
Fund Balance - Ending			<u><u>6,086</u></u>

CITY OF DEKALB, ILLINOIS**Knolls Special Service Area #4 - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,600	1,600	1,599
Expenditures			
General Government			
Contractual Services	3,000	3,000	1,931
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,400)	(1,400)	(332)
Other Financing (Uses)			
Transfers Out	(500)	(500)	(225)
Net Change in Fund Balance	<u>(1,900)</u>	<u>(1,900)</u>	(557)
Fund Balance - Beginning			<u>581</u>
Fund Balance - Ending			<u>24</u>

CITY OF DEKALB, ILLINOIS

Greek Row Special Service Area #6 - Special Revenue Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 5,100	5,100	5,100
Expenditures			
Capital Outlay			
Permanent Improvements	19,000	19,000	13,553
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,900)	(13,900)	(8,453)
Other Financing (Uses)			
Transfers Out	(500)	(500)	(500)
Net Change in Fund Balance	(14,400)	(14,400)	(8,953)
Fund Balance - Beginning			11,927
Fund Balance - Ending			2,974

CITY OF DEKALB, ILLINOIS**Heartland Fields Special Service Area #14 - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 2,500	2,500	2,500
Expenditures			
General Government			
Contractual Services	1,000	1,000	700
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,500	1,500	1,800
Other Financing (Uses)			
Transfers Out	(500)	(500)	(500)
Net Change in Fund Balance	1,000	1,000	1,300
Fund Balance - Beginning			(310)
Fund Balance - Ending			990

CITY OF DEKALB, ILLINOIS**Economic Development - Special Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Actual	
Revenues			
Taxes			
Hotel/Motel	\$ 240,613	240,613	257,086
Expenditures			
General Government			
Contractual Services	140,000	140,000	140,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	100,613	100,613	117,086
Other Financing (Uses)			
Transfers Out	(153,926)	(153,926)	(91,405)
Net Change in Fund Balance	<u>(53,313)</u>	<u>(53,313)</u>	25,681
Fund Balance - Beginning			<u>(25,681)</u>
Fund Balance - Ending			<u>-</u>

CITY OF DEKALB, ILLINOIS

General Debt Service - Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual For the Fiscal Year Ended June 30, 2015

	Budget		Actual
	Original	Final	
Revenues			
Interest	\$ -	-	-
Expenditures			
Debt Service			
Principal	1,185,000	1,185,000	1,185,000
Interest and Fiscal Charges	724,100	724,100	723,939
Total Expenditures	1,909,100	1,909,100	1,908,939
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,909,100)	(1,909,100)	(1,908,939)
Other Financing Sources			
Debt Issuance	-	-	776,775
Payment to Escrow Agent	-	-	(776,775)
Transfers In	1,909,100	1,909,100	1,912,690
	1,909,100	1,909,100	1,912,690
Net Change in Fund Balance	-	-	3,751
Fund Balance - Beginning			-
Fund Balance - Ending			3,751

CITY OF DEKALB, ILLINOIS**Nonmajor Governmental - Capital Projects Funds****Combining Balance Sheet
June 30, 2015**

	Capital Projects	Equipment	Fleet Replacement	Totals
ASSETS				
Cash and Investments	\$ 90,952	253,445	294,308	638,705
Due from Other Governments	29,178	-	-	29,178
Total Assets	120,130	253,445	294,308	667,883
LIABILITIES				
Accounts Payable	109	20,734	-	20,843
Other Payables	-	76,000	-	76,000
Total Liabilities	109	96,734	-	96,843
FUND BALANCES				
Committed	120,021	156,711	294,308	571,040
Total Liabilities and Fund Balances	120,130	253,445	294,308	667,883

CITY OF DEKALB, ILLINOIS

Nonmajor Governmental - Capital Projects Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances For the Fiscal Year Ended June 30, 2015

	Capital Projects	Equipment	Fleet Replacement	Totals
Revenues				
Intergovernmental	\$ 361,576	-	-	361,576
Charges for Services	-	-	107,317	107,317
Miscellaneous	1,660	189,750	321,425	512,835
Total Revenues	363,236	189,750	428,742	981,728
Expenditures				
General Government	59,758	31,896	195,671	287,325
Capital Outlay	366,321	-	-	366,321
Debt Service				
Principal	-	125,323	185,708	311,031
Interest and Fiscal Charges	-	-	615	615
Total Expenditures	426,079	157,219	381,994	965,292
Excess (Deficiency) of Revenues Over (Under) Expenditures	(62,843)	32,531	46,748	16,436
Other Financing Sources				
Disposal of Capital Assets	-	-	6,400	6,400
Transfers In	-	35,000	421,103	456,103
	-	35,000	427,503	462,503
Net Change in Fund Balances	(62,843)	67,531	474,251	478,939
Fund Balances - Beginning	182,864	89,180	(179,943)	92,101
Fund Balances - Ending	120,021	156,711	294,308	571,040

CITY OF DEKALB, ILLINOIS**Capital Projects - Capital Projects Fund****Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Actual	
Revenues			
Intergovernmental			
Local Fuel Tax	\$ 325,706	325,706	361,576
Miscellaneous	-	-	1,660
Total Revenues	325,706	325,706	363,236
Expenditures			
General Government			
Contractual Services	70,000	70,000	59,758
Capital Outlay			
Permanent Improvements	380,000	380,000	366,321
Total Expenditures	450,000	450,000	426,079
Net Change in Fund Balance	(124,294)	(124,294)	(62,843)
Fund Balance - Beginning			182,864
Fund Balance - Ending			120,021

CITY OF DEKALB, ILLINOIS

Equipment - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Actual	
Revenues			
Miscellaneous			
Refunds and Reimbursements	\$ 128,000	128,000	189,750
Expenditures			
General Government			
Contractual Services	37,000	37,000	31,896
Equipment	128,000	128,000	-
Debt Service			
Principal	-	-	125,323
Total Expenditures	165,000	165,000	157,219
Excess (Deficiency) of Revenues Over (Under) Expenditures	(37,000)	(37,000)	32,531
Other Financing Sources			
Transfers In	35,000	35,000	35,000
Net Change in Fund Balance	(2,000)	(2,000)	67,531
Fund Balance - Beginning			89,180
Fund Balance - Ending			156,711

CITY OF DEKALB, ILLINOIS

Fleet Replacement - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		
	Original	Actual	Actual
Revenues			
Charges for Services			
Rental Income	\$ 164,000	164,000	107,317
Miscellaneous			
Refunds and Reimbursements	-	-	11,425
Miscellaneous	275,000	275,000	310,000
Total Revenues	439,000	439,000	428,742
Expenditures			
General Government			
Equipment	413,936	492,539	195,671
Debt Service			
Principal	185,708	185,708	185,708
Interest and Fiscal Charges	2,405	2,405	615
Total Expenditures	602,049	680,652	381,994
Excess (Deficiency) of Revenues Over (Under) Expenditures	(163,049)	(241,652)	46,748
Other Financing Sources			
Disposal of Capital Assets	-	-	6,400
Transfers In	162,500	241,103	421,103
	162,500	241,103	427,503
Net Change in Fund Balance	(549)	(549)	474,251
Fund Balance - Beginning			(179,943)
Fund Balance - Ending			294,308

CITY OF DEKALB, ILLINOIS

Water Fund Department Accounts - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual For the Fiscal Year Ended June 30, 2015

	Operations and Maintenance		
	Budget		
	Original	Final	Actual
Operating Revenues			
Charges for Services			
Water Sales	\$ 5,441,537	5,441,537	5,301,129
Permits	15,500	15,500	15,880
Miscellaneous	22,000	22,000	25,513
Total Operating Revenues	5,479,037	5,479,037	5,342,522
Operating Expenses			
Operations			
Personal Services	1,890,490	1,890,490	2,208,089
Commodities	425,318	425,318	371,969
Contractual Services	685,905	685,905	601,555
Other Services/Expenses	697,331	697,331	37,386
Equipment	379,000	379,000	228,586
Permanent Improvements	700,000	700,000	-
Depreciation and Amortization	1,000,000	1,000,000	688,635
Total Operating Expenses	5,778,044	5,778,044	4,136,220
Operating Income (Loss)	(299,007)	(299,007)	1,206,302
Nonoperating Revenues (Expenses)			
Interest Income	100	100	23
Disposal of Capital Assets	-	-	4,326
Interest Expense	(166,182)	(166,182)	(151,917)
	(166,082)	(166,082)	(147,568)
Income (Loss) Before Transfers and Contributions	(465,089)	(465,089)	1,058,734
Transfer In	-	-	98,274
Transfers Out	(702,518)	(702,518)	(702,518)
	(702,518)	(702,518)	(604,244)
Change in Net Position	(1,167,607)	(1,167,607)	454,490
Net Position - Beginning as Restated			24,936,497
Net Position - Ending			25,390,987

System Construction			Totals		
Budget		Actual	Budget		Actual
Original	Final		Original	Final	
-	-	-	5,441,537	5,441,537	5,301,129
60,000	60,000	35,222	75,500	75,500	51,102
-	-	-	22,000	22,000	25,513
60,000	60,000	35,222	5,539,037	5,539,037	5,377,744
-	-	-	1,890,490	1,890,490	2,208,089
-	-	-	425,318	425,318	371,969
-	-	-	685,905	685,905	601,555
-	-	-	697,331	697,331	37,386
-	-	-	379,000	379,000	228,586
-	-	-	700,000	700,000	-
-	-	-	1,000,000	1,000,000	688,635
-	-	-	5,778,044	5,778,044	4,136,220
60,000	60,000	35,222	(239,007)	(239,007)	1,241,524
-	-	-	100	100	23
-	-	-	-	-	4,326
-	-	-	(166,182)	(166,182)	(151,917)
-	-	-	(166,082)	(166,082)	(147,568)
60,000	60,000	35,222	(405,089)	(405,089)	1,093,956
-	-	-	-	-	98,274
-	-	-	(702,518)	(702,518)	(702,518)
-	-	-	(702,518)	(702,518)	(604,244)
60,000	60,000	35,222	(1,107,607)	(1,107,607)	489,712
		964,523			25,901,020
		999,745			26,390,732

CITY OF DEKALB, ILLINOIS

Water - Enterprise Fund

**Schedule of Capital Assets and Depreciation
For the Fiscal Year Ended June 30, 2015**

	Assets			
	Restated Beginning Balances	Additions	Retirements/ Transfers	Ending Balances
Land	\$ 528,648	-	-	528,648
Construction in Progress	-	98,274	-	98,274
Buildings and Improvements	2,544,389	-	-	2,544,389
Water System	41,135,369	221,680	-	41,357,049
Vehicles	527,825	57,484	29,010	556,299
Equipment	452,925	-	-	452,925
	<u>45,189,156</u>	<u>377,438</u>	<u>29,010</u>	<u>45,537,584</u>
	Accumulated Depreciation			
	Restated Beginning Balances	Additions	Retirements/ Transfers	Ending Balances
Buildings and Improvements	855,227	50,888	-	906,115
Water System	16,744,853	645,060	-	17,389,913
Vehicles	426,992	19,879	29,010	417,861
Equipment	251,722	16,385	-	268,107
	<u>18,278,794</u>	<u>732,212</u>	<u>29,010</u>	<u>18,981,996</u>
Net Capital Asset Value	<u>26,910,362</u>			<u>26,555,588</u>

CITY OF DEKALB, ILLINOIS

Airport - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Rents/Taxes	\$ 359,300	359,300	340,510
Fuel Sales	550,000	550,000	286,447
Airport Operators	13,620	13,620	-
Miscellaneous	29,200	29,200	31,600
Total Operating Revenues	952,120	952,120	658,557
Operating Expenses			
Operations			
Personal Services	305,942	305,942	348,252
Commodities	514,175	514,175	271,395
Contractual Services	138,300	138,300	142,997
Other Services	706,495	706,495	65,179
Equipment	32,800	32,800	22,963
Permanent Improvements	1,603,060	1,603,060	139,112
Depreciation and Amortization	-	-	388,959
Total Operating Expenses	3,300,772	3,300,772	1,378,857
Operating Income (Loss)	(2,348,652)	(2,348,652)	(720,300)
Nonoperating Revenues (Expenses)			
Interest Income	-	-	4
Interest Expense	(52,798)	(52,798)	(31,865)
	(52,798)	(52,798)	(31,861)
Income (Loss) Before Transfers and Contributions	(2,401,450)	(2,401,450)	(752,161)
Capital Contributions	-	-	2,393,441
Grants	1,535,110	1,535,110	172,629
Transfers In	730,000	730,000	730,000
	2,265,110	2,265,110	3,296,070
Change in Net Position	(136,340)	(136,340)	2,543,909
Net Position - Beginning as Restated			27,975,076
Net Position - Ending			30,518,985

CITY OF DEKALB, ILLINOIS**Refuse - Enterprise Fund****Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 2,006,040	2,006,040	2,010,485
Operating Expenses			
Operations			
Contractual Services	1,879,600	1,920,958	1,920,958
Income Before Transfers	126,440	85,082	89,527
Transfers Out	(119,379)	(119,379)	(96,379)
Change in Net Position	7,061	(34,297)	(6,852)
Net Position - Beginning			7,813
Net Position - Ending			961

CITY OF DEKALB, ILLINOIS**Combining Statement of Net Position - Internal Service Funds
June 30, 2015**

	Workers' Compensation	Health Insurance	Liability/ Property Insurance	Totals
ASSETS				
Current Assets				
Cash and Investments	\$ 1,577,368	270,327	84,330	1,932,025
Receivables - Net of Allowances				
Accrued Interest	1,571	-	-	1,571
Other	-	18,558	1,904	20,462
Prepays	476,944	74,126	30,000	581,070
Total Current Assets	2,055,883	363,011	116,234	2,535,128
LIABILITIES				
Current Liabilities				
Accounts Payable	35,063	3,702	7,767	46,532
Accrued Payroll	-	6,117	-	6,117
Claims Payable	656,610	-	60,953	717,563
Total Current Liabilities	691,673	9,819	68,720	770,212
NET POSITION				
Unrestricted	1,364,210	353,192	47,514	1,764,916

CITY OF DEKALB, ILLINOIS

**Combining Statement of Revenues, Expenses and Changes in Net Position - Internal Service Funds
For the Fiscal Year Ended June 30, 2015**

	Workers' Compensation	Health Insurance	Liability/ Property Insurance	Totals
Operating Revenues				
Charges for Services	\$ 1,198,000	5,627,081	130,000	6,955,081
Miscellaneous	5,915	-	29,826	35,741
Total Operating Revenues	1,203,915	5,627,081	159,826	6,990,822
Operating Expenses				
Administration	1,124,354	5,789,036	146,007	7,059,397
Operating Income (Loss)	79,561	(161,955)	13,819	(68,575)
Nonoperating Revenues				
Interest Income	26	14	-	40
Income (Loss) Before Transfers	79,587	(161,941)	13,819	(68,535)
Transfers In	-	350,000	-	350,000
Change in Net Position	79,587	188,059	13,819	281,465
Net Position - Beginning	1,284,623	165,133	33,695	1,483,451
Net Position - Ending	1,364,210	353,192	47,514	1,764,916

CITY OF DEKALB, ILLINOIS

**Combining Statement of Cash Flows - Internal Service Funds
For the Fiscal Year Ended June 30, 2015**

	Workers' Compensation	Health Insurance	Liability/ Property Insurance	Totals
Cash Flows from Operating Activities				
Interfund Services Provided	\$ 1,240,915	5,749,697	163,361	7,153,973
Payment to Suppliers	(1,587,230)	(5,847,171)	(85,366)	(7,519,767)
	<u>(346,315)</u>	<u>(97,474)</u>	<u>77,995</u>	<u>(365,794)</u>
Cash Flows from Noncapital Financing Activities				
Transfers In	-	350,000	-	350,000
Cash Flows from Investing Activities				
Interest Received	26	14	-	40
Net Change in Cash and Cash Equivalents	(346,289)	252,540	77,995	(15,754)
Cash and Cash Equivalents - Beginning	1,923,657	17,787	6,335	1,947,779
Cash and Cash Equivalents - Ending	<u>1,577,368</u>	<u>270,327</u>	<u>84,330</u>	<u>1,932,025</u>
Reconciliation of Operating Income to Net Cash				
Provided (Used) by Operating Activities				
Operating Income (Loss)	79,561	(161,955)	13,819	(68,575)
Adjustments to Reconcile Operating Income				
to Net Cash Provided by (Used in)				
Operating Activities				
(Increase) Decrease in Current Assets	37,000	122,616	3,535	163,151
Increase (Decrease) in Current Liabilities	(462,876)	(58,135)	60,641	(460,370)
Net Cash Provided by Operating Activities	<u>(346,315)</u>	<u>(97,474)</u>	<u>77,995</u>	<u>(365,794)</u>

CITY OF DEKALB, ILLINOIS**Workers' Compensation Insurance - Internal Service Fund****Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Contributions	\$ 1,203,025	1,203,025	1,198,000
Miscellaneous	-	-	5,915
Total Operating Revenues	1,203,025	1,203,025	1,203,915
Operating Expenses			
Administration			
Contractual Services	71,616	71,616	80,048
Claims	1,232,139	1,232,139	1,044,306
Total Operating Expenses	1,303,755	1,303,755	1,124,354
Operating Income (Loss)	(100,730)	(100,730)	79,561
Nonoperating Revenues			
Interest Income	1,500	1,500	26
Change in Net Position	(99,230)	(99,230)	79,587
Net Position - Beginning			1,284,623
Net Position - Ending			1,364,210

CITY OF DEKALB, ILLINOIS**Health Insurance - Internal Service Fund****Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Contributions	\$ 5,634,600	5,634,600	5,613,529
Miscellaneous	-	-	13,552
Total Operating Revenues	<u>5,634,600</u>	<u>5,634,600</u>	<u>5,627,081</u>
Operating Expenses			
Administration			
Personal Services	-	-	18,057
Contractual Services	17,800	17,800	15,461
Claims	5,972,851	5,972,851	5,755,518
Total Operating Expenses	<u>5,990,651</u>	<u>5,990,651</u>	<u>5,789,036</u>
Operating Income (Loss)	(356,051)	(356,051)	(161,955)
Nonoperating Revenues			
Interest Income	<u>20</u>	<u>20</u>	<u>14</u>
Income (Loss) Before Transfers	(356,031)	(356,031)	(161,941)
Transfers In	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>
Change in Net Position	<u>(6,031)</u>	<u>(6,031)</u>	188,059
Net Position - Beginning			<u>165,133</u>
Net Position - Ending			<u><u>353,192</u></u>

CITY OF DEKALB, ILLINOIS

Liability/Property Insurance - Internal Service Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Contributions	\$ 130,000	130,000	130,000
Miscellaneous	15,000	15,000	29,826
Total Operating Revenues	145,000	145,000	159,826
Operating Expenses			
Administration			
Contractual Services	29,970	29,970	24,970
Claims	100,000	117,445	121,037
Total Operating Expenses	129,970	147,415	146,007
Change in Net Position	15,030	(2,415)	13,819
Net Position - Beginning			33,695
Net Position - Ending			47,514

CITY OF DEKALB, ILLINOIS**Pension Trust Funds****Combining Statement of Net Position****June 30, 2015**

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	\$ 896,225	1,100,646	1,996,871
Investments			
U.S. Treasury and Agency Securities	8,149,464	8,382,992	16,532,456
Corporate Bonds	2,163,318	-	2,163,318
Certificates of Deposit	-	105,069	105,069
Money Market Mutual Funds	278,892	273,098	551,990
Mutual Funds	18,281,392	15,557,641	33,839,033
Receivables			
Accrued Interest	22,474	44,711	67,185
Prepays	7,077	-	7,077
Total Assets	29,798,842	25,464,157	55,262,999
LIABILITIES			
Accounts Payable	11,575	5,287	16,862
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	830,266	1,104,641	1,934,907
Total Liabilities and Deferred Inflows of Resources	841,841	1,109,928	1,951,769
NET POSITION			
Held in Trust for Pension Benefits	28,957,001	24,354,229	53,311,230

CITY OF DEKALB, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Net Position For the Fiscal Year Ended June 30, 2015

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 1,448,949	2,024,522	3,473,471
Contributions - Plan Members	711,771	466,475	1,178,246
Total Contributions	2,160,720	2,490,997	4,651,717
Investment Income			
Interest Income	816,415	651,572	1,467,987
Net Change in Fair Value	(463,033)	(480,438)	(943,471)
	353,382	171,134	524,516
Less Investment Expenses	(40,984)	(44,473)	(85,457)
Net Investment Income	312,398	126,661	439,059
Total Additions	2,473,118	2,617,658	5,090,776
Deductions			
Administration	44,531	43,547	88,078
Benefits and Refunds	2,480,487	2,982,470	5,462,957
Total Deductions	2,525,018	3,026,017	5,551,035
Change in Net Position	(51,900)	(408,359)	(460,259)
Net Position Held in Trust for Pension Benefits			
Beginning	29,008,901	24,762,588	53,771,489
Ending	28,957,001	24,354,229	53,311,230

CITY OF DEKALB, ILLINOIS

Police Pension - Pension Trust Fund

**Schedule of Changes in Net Position - Budget and Actual
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 1,472,175	1,472,175	1,448,949
Contributions - Plan Members	497,207	497,207	711,771
Total Contributions	1,969,382	1,969,382	2,160,720
Investment Income			
Interest Income	558,946	558,946	816,415
Net Change in Fair Value	1,500,000	1,500,000	(463,033)
	2,058,946	2,058,946	353,382
Less Investment Expenses	(60,319)	(56,003)	(40,984)
Net Investment Income	1,998,627	2,002,943	312,398
Total Additions	3,968,009	3,972,325	2,473,118
Deductions			
Administration	54,972	54,972	44,531
Benefits and Refunds	2,334,510	2,450,711	2,480,487
Total Deductions	2,389,482	2,505,683	2,525,018
Change in Net Position	1,578,527	1,466,642	(51,900)
Net Position Held in Trust for Pension Benefits			
Beginning			29,008,901
Ending			28,957,001

CITY OF DEKALB, ILLINOIS

Firefighters' Pension - Pension Trust Fund

Schedule of Changes in Net Position - Budget and Actual For the Fiscal Year Ended June 30, 2015

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 2,056,983	2,056,983	2,024,522
Contributions - Plan Members	415,000	415,000	466,475
Total Contributions	2,471,983	2,471,983	2,490,997
Investment Income			
Interest Income	800,000	800,000	651,572
Net Change in Fair Value	1,800,000	1,800,000	(480,438)
	2,600,000	2,600,000	171,134
Less Investment Expenses	(45,000)	(45,000)	(44,473)
Net Investment Income	2,555,000	2,555,000	126,661
Total Additions	5,026,983	5,026,983	2,617,658
Deductions			
Administration	25,500	25,500	43,547
Benefits and Refunds	3,010,000	3,010,000	2,982,470
Total Deductions	3,035,500	3,035,500	3,026,017
Change in Net Position	1,991,483	1,991,483	(408,359)
Net Position Held in Trust for Pension Benefits			
Beginning			24,762,588
Ending			24,354,229

**CITY OF DEKALB, ILLINOIS
COMPONENT UNIT - DEKALB PUBLIC LIBRARY**

**Statement of Net Position and
Combining Balance Sheet - Governmental Funds
June 30, 2015**

See Following Page

CITY OF DEKALB, ILLINOIS
COMPONENT UNIT - DEKALB PUBLIC LIBRARY

Statement of Net Position and
Combining Balance Sheet - Governmental Funds
June 30, 2015

	<u>General</u>
ASSETS	
Cash and Investments	\$ 13,227,785
Receivables - Net of Allowances	
Taxes	1,131,078
Accrued Interest	49
Prepays	9,842
Capital Assets	
Nondepreciable	-
Depreciable	-
Accumulated Depreciation	-
Total Assets	<u>14,368,754</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Items - IMRF	-
Total Assets and Deferred Outflow of Resources	<u>14,368,754</u>
LIABILITIES	
Accounts Payable	2,372,856
Accrued Payroll	27,664
Retainage Payable	841,769
Compensated Absences Payable	-
Net Pension Liability	-
Net Other Post-Employment Benefit Payable	-
General Obligations Bonds Payable	-
Loans Payable	-
Debt Certificates Payable	-
Total Liabilities	<u>3,242,289</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	2,291,633
Total Liabilities and Deferred Inflows of Resources	<u>5,533,922</u>
FUND BALANCES/NET POSITION	
Fund Balances	
Net Investment in Capital Assets	-
Nonspendable	9,842
Restricted - Culture and Recreation	8,824,990
Restricted - Endowments	-
Assigned	-
Unrestricted	-
Total Fund Balances	<u>8,834,832</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>14,368,754</u>

Capital Projects	Permanent	Totals	Adjustments	Statement of Net Position
401	221,927	13,450,113	-	13,450,113
-	-	1,131,078	-	1,131,078
2	1,009	1,060	-	1,060
-	-	9,842	-	9,842
-	-	-	13,059,735	13,059,735
-	-	-	820,335	820,335
-	-	-	(493,845)	(493,845)
403	222,936	14,592,093	13,386,225	27,978,318
-	-	-	349,623	349,623
403	222,936	14,592,093	13,735,848	28,327,941
-	-	2,372,856	-	2,372,856
-	-	27,664	-	27,664
-	-	841,769	-	841,769
-	-	-	47,877	47,877
-	-	-	869,305	869,305
-	-	-	24,858	24,858
-	-	-	6,420,000	6,420,000
-	-	-	3,000,000	3,000,000
-	-	-	666,667	666,667
-	-	3,242,289	11,028,707	14,270,996
-	-	2,291,633	-	2,291,633
-	-	5,533,922	11,028,707	16,562,629
-	-	-	12,719,558	12,719,558
-	-	9,842	(9,842)	-
-	-	8,824,990	-	8,824,990
-	222,936	222,936	-	222,936
403	-	403	(403)	-
-	-	-	(10,002,172)	(10,002,172)
403	222,936	9,058,171	2,707,141	11,765,312
403	222,936	14,592,093	13,735,848	28,327,941

CITY OF DEKALB, ILLINOIS
COMPONENT UNIT - DEKALB PUBLIC LIBRARY

Statement of Activities and Combining Statement of
Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2015

	<u>General</u>
Revenues	
Taxes	
Property Taxes	\$ 2,257,413
TIF Surplus	72,541
Replacement Taxes	38,763
Intergovernmental	
State Grants	7,029,600
Federal Grants	15,000
Charges for Services	47,718
Interest	13,674
Miscellaneous	1,026,199
Total Revenues	<u>10,500,908</u>
Expenditures	
Current	
Culture and Recreation	12,116,061
Debt Service	
Principal Retirement	376,111
Interest and Fiscal Charges	349,962
Total Expenditures	<u>12,842,134</u>
Excess (Deficiency) of Revenues	
Over (Under) Expenditures	<u>(2,341,226)</u>
Other Financing Sources (Uses)	
Transfers In	25,000
Transfers Out	<u>(20,000)</u>
	<u>5,000</u>
Net Change in Fund Balances/Net Position	(2,336,226)
Fund Balances/Net Position - Beginning as Restated	<u>11,171,058</u>
Fund Balances/Net Position - Ending	<u>8,834,832</u>

Capital Projects	Permanent	Totals	Adjustments	Statement of Activities
-	-	2,257,413	-	2,257,413
-	-	72,541	-	72,541
-	-	38,763	-	38,763
-	-	7,029,600	-	7,029,600
-	-	15,000	-	15,000
-	-	47,718	-	47,718
(360)	(3,538)	9,776	-	9,776
-	-	1,026,199	-	1,026,199
(360)	(3,538)	10,497,010	-	10,497,010
-	-	12,116,061	(9,928,510)	2,187,551
-	-	376,111	(376,111)	-
-	-	349,962	-	349,962
-	-	12,842,134	(10,304,621)	2,537,513
(360)	(3,538)	(2,345,124)	10,304,621	7,959,497
20,000	-	45,000	-	45,000
(25,000)	-	(45,000)	-	(45,000)
(5,000)	-	-	-	-
(5,360)	(3,538)	(2,345,124)	10,304,621	7,959,497
5,763	226,474	11,403,295	(7,597,480)	3,805,815
403	222,936	9,058,171	2,707,141	11,765,312

SUPPLEMENTAL SCHEDULES

CITY OF DEKALB, ILLINOIS

Schedule of General Long-Term Debt

**Long-Term Debt Payable from Governmental Funds
June 30, 2015**

See Following Page

CITY OF DEKALB, ILLINOIS

Schedule of General Long-Term Debt

**Long-Term Debt Payable from Governmental Funds
June 30, 2015**

	Compensated Absences	Net Pension Liability	Net Other Post- Employment Benefits Obligation
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**AMOUNT AVAILABLE AND TO BE
PROVIDED FOR THE RETIREMENT
OF GENERAL LONG-TERM DEBT**

Amount to be Provided for Retirement
of General Long-Term Debt

\$ 5,393,470	70,639,684	7,017,836
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**GENERAL LONG-TERM
DEBT PAYABLE**

Compensated Absences Payable	5,393,470	-	-
Net Pension Liability	-	70,639,684	-
Net Other Post-Employment Benefits Obligation	-	-	7,017,836
Capital Lease Payable	-	-	-
General Obligation Bonds Payable	-	-	-
	5,393,470	70,639,684	7,017,836

Capital Lease	General Obligation Bonds of 2010A (TIF)	General Obligation Refunding Bonds of 2010B	General Obligation Refunding Bonds of 2010C	General Obligation Bonds of 2012A	General Obligation Bonds of 2013B	General Obligation Refunding Bonds of 2014	Totals
216,666	6,870,000	3,905,000	4,465,000	8,690,000	2,340,000	776,775	110,314,431
-	-	-	-	-	-	-	5,393,470
-	-	-	-	-	-	-	70,639,684
-	-	-	-	-	-	-	7,017,836
216,666	-	-	-	-	-	-	216,666
-	6,870,000	3,905,000	4,465,000	8,690,000	2,340,000	776,775	27,046,775
216,666	6,870,000	3,905,000	4,465,000	8,690,000	2,340,000	776,775	110,314,431

CITY OF DEKALB, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Bonds of 2010A June 30, 2015

Date of Issue	May 27, 2010
Date of Maturity	December 1, 2021
Authorized Issue	\$10,800,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 4.00%
Interest Dates	December 1 and June 1
Principal Maturity Date	December 1
Payable at	Northern Trust Company, Chicago IL
Purpose	TIF Downtown Improvements and Northland Plaza Roadwork

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Dec. 1	Amount	Jun. 1	Amount
2014	\$ 825,000	243,663	1,068,663	2015	126,988	2016	116,675
2015	845,000	220,675	1,065,675	2016	116,675	2017	104,000
2016	870,000	190,600	1,060,600	2017	104,000	2018	86,600
2017	1,020,000	152,800	1,172,800	2018	86,600	2019	66,200
2018	1,060,000	111,200	1,171,200	2019	66,200	2020	45,000
2019	1,105,000	67,900	1,172,900	2020	45,000	2021	22,900
2020	1,145,000	22,900	1,167,900	2021	22,900	2022	-
	<u>6,870,000</u>	<u>1,009,738</u>	<u>7,879,738</u>		<u>568,363</u>		<u>441,375</u>

CITY OF DEKALB, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Bonds of 2010B

June 30, 2015

Date of Issue	December 1, 2010
Date of Maturity	January 1, 2028
Authorized Issue	\$3,905,000
Denomination of Bonds	\$5,000
Interest Rates	4.25% to 4.75%
Interest Dates	July 1 and January 1
Principal Maturity Date	January 1
Payable at	Northern Trust Company, Chicago IL
Purpose	Refund the Series 1997A and 2002 Bonds

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2014	\$ -	175,968	175,968	2015	87,984	2016	87,984
2015	-	175,968	175,968	2016	87,984	2017	87,984
2016	-	175,968	175,968	2017	87,984	2018	87,984
2017	-	175,968	175,968	2018	87,984	2019	87,984
2018	-	175,968	175,968	2019	87,984	2020	87,984
2019	-	175,968	175,968	2020	87,984	2021	87,984
2020	-	175,968	175,968	2021	87,984	2022	87,984
2021	-	175,968	175,968	2022	87,984	2023	87,984
2022	150,000	169,592	319,592	2023	84,796	2024	84,796
2023	840,000	133,052	973,052	2024	66,526	2025	66,526
2024	875,000	94,115	969,115	2025	47,058	2026	47,057
2025	915,000	52,482	967,482	2026	26,241	2027	26,241
2026	955,000	8,070	963,070	2027	4,038	2028	4,032
2027	170,000	-	170,000	2028	-	2029	-
	<u>3,905,000</u>	<u>1,865,055</u>	<u>5,770,055</u>		<u>932,531</u>		<u>932,524</u>

CITY OF DEKALB, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Bonds of 2010C

June 30, 2015

Date of Issue	December 1, 2010
Date of Maturity	January 1, 2023
Authorized Issue	\$5,415,000
Denomination of Bonds	\$5,000
Interest Rates	1.90% to 5.90%
Interest Dates	July 1 and January 1
Principal Maturity Date	January 1
Payable at	Northern Trust Company, Chicago IL
Purpose	Refund a portion of the Series 2004 and 2009 Bond Anticipation Notes

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2014	\$ 195,000	226,520	421,520	2015	113,260	2016	113,260
2015	205,000	219,792	424,792	2016	109,896	2017	109,896
2016	620,000	211,900	831,900	2017	105,950	2018	105,950
2017	650,000	184,930	834,930	2018	92,465	2019	92,465
2018	680,000	154,380	834,380	2019	77,190	2020	77,190
2019	715,000	119,700	834,700	2020	59,850	2021	59,850
2020	755,000	81,090	836,090	2021	40,545	2022	40,545
2021	645,000	38,056	683,056	2022	19,028	2023	19,028
	<u>4,465,000</u>	<u>1,236,368</u>	<u>5,701,368</u>		<u>618,184</u>		<u>618,184</u>

CITY OF DEKALB, ILLINOIS

Long-Term Debt Requirements

**General Obligation Bonds of 2012A
June 30, 2015**

Date of Issue	October 25, 2012
Date of Maturity	January 1, 2030
Authorized Issue	\$9,905,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 2.50%
Interest Dates	July 1 and January 1
Principal Maturity Date	January 1
Payable at	Amalgamated Bank of Chicago, Chicago IL
Purpose	Police Station Construction

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2014	\$ 635,000	180,582	815,582	2015	90,291	2016	90,291
2015	650,000	167,882	817,882	2016	83,941	2017	83,941
2016	660,000	154,882	814,882	2017	77,441	2018	77,441
2017	550,000	141,682	691,682	2018	70,841	2019	70,841
2018	-	130,682	130,682	2019	65,341	2020	65,341
2019	-	130,682	130,682	2020	65,341	2021	65,341
2020	-	130,682	130,682	2021	65,341	2022	65,341
2021	765,000	130,682	895,682	2022	65,341	2023	65,341
2022	780,000	115,382	895,382	2023	57,691	2024	57,691
2023	795,000	99,782	894,782	2024	49,891	2025	49,891
2024	810,000	82,682	892,682	2025	41,341	2026	41,341
2025	830,000	67,682	897,682	2026	33,841	2027	33,841
2026	845,000	50,044	895,044	2027	25,022	2028	25,022
2027	865,000	32,088	897,088	2028	16,044	2029	16,044
2028	505,000	12,624	517,624	2029	6,312	2030	6,312
	<u>8,690,000</u>	<u>1,628,040</u>	<u>10,318,040</u>		<u>814,020</u>		<u>814,020</u>

CITY OF DEKALB, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2013B

June 30, 2015

Date of Issue	June 18, 2013
Date of Maturity	January 1, 2022
Authorized Issue	\$2,380,000
Denomination of Bonds	\$5,000
Interest Rates	0.80% to 3.00%
Interest Dates	July 1 and January 1
Principal Maturity Date	January 1
Payable at	Amalgamated Bank, Chicago IL
Purpose	Police Station Construction

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2014	\$ 10,000	69,615	79,615	2015	34,807	2016	34,808
2015	10,000	69,506	79,506	2016	34,753	2017	34,753
2016	15,000	69,376	84,376	2017	34,688	2018	34,688
2017	135,000	69,150	204,150	2018	34,575	2019	34,575
2018	700,000	65,100	765,100	2019	32,550	2020	32,550
2019	725,000	44,100	769,100	2020	22,050	2021	22,050
2020	745,000	22,350	767,350	2029	11,175	2030	11,175
	<u>2,340,000</u>	<u>409,197</u>	<u>2,749,197</u>		<u>204,598</u>		<u>204,599</u>

CITY OF DEKALB, ILLINOIS

Long-Term Debt Requirements

**General Obligation Refunding Bonds of 2014
June 30, 2015**

See Following Page

CITY OF DEKALB, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Bonds of 2014

June 30, 2015

Date of Issue	November 3, 2014
Date of Maturity	January 1, 2021
Authorized Issue	\$28,700,000
Denomination of Bonds	\$5,000
Interest Rates	1.54%
Interest Dates	July 1 and January 1
Principal Maturity Date	January 1
Payable at	JP Morgan Chase
Purpose	Storm Sewer, Street Reconstruction, Park Land Acquisition, Radium Remediation, and Airport Improvements

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2014	\$ 750,000	49,360	799,360	2015	27,203	2016	22,157
2015	750,000	32,734	782,734	2016	16,367	2017	16,367
2016	340,000	21,152	361,152	2017	10,576	2018	10,576
2017	345,000	15,904	360,904	2018	7,952	2019	7,952
2018	340,000	10,576	350,576	2019	5,288	2020	5,288
2019	345,000	5,328	350,328	2020	2,664	2021	2,664
	<u>2,870,000</u>	<u>135,054</u>	<u>3,005,054</u>		<u>70,050</u>		<u>65,004</u>
	776,775	19,434	796,209	General Debt Service Fund			
	1,676,575	92,696	1,769,271	Water Fund			
	416,650	22,924	439,574	Airport Fund			
	<u>2,870,000</u>	<u>135,054</u>	<u>3,005,054</u>				

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS - Continued

General Debt Service Fund

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2014	\$ 383,350	13,360	396,710	2015	7,363	2016	5,997
2015	393,425	6,074	399,499	2016	3,037	2017	3,037
	<u>776,775</u>	<u>19,434</u>	<u>796,209</u>		<u>10,400</u>		<u>9,034</u>

Water Fund

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2014	\$ 291,000	28,834	319,834	2015	15,891	2016	12,943
2015	286,325	21,394	307,719	2016	10,697	2017	10,697
2016	273,875	16,972	290,847	2017	8,486	2018	8,486
2017	275,500	12,744	288,244	2018	6,372	2019	6,372
2018	273,875	8,490	282,365	2019	4,245	2020	4,245
2019	276,000	4,262	280,262	2020	2,131	2021	2,131
	<u>1,676,575</u>	<u>92,696</u>	<u>1,769,271</u>		<u>47,822</u>		<u>44,874</u>

Airport Fund

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jul. 1	Amount	Jan. 1	Amount
2014	\$ 75,650	7,166	82,816	2015	3,949	2016	3,217
2015	70,250	5,266	75,516	2016	2,633	2017	2,633
2016	66,125	4,180	70,305	2017	2,090	2018	2,090
2017	69,500	3,160	72,660	2018	1,580	2019	1,580
2018	66,125	2,086	68,211	2019	1,043	2020	1,043
2019	69,000	1,066	70,066	2020	533	2021	533
	<u>416,650</u>	<u>22,924</u>	<u>439,574</u>		<u>11,828</u>		<u>11,096</u>

CITY OF DEKALB, ILLINOIS

Long-Term Debt Requirements

**IEPA Loan #L17133700 Contract Payable of 1999
June 30, 2015**

Date of Contract	October 22, 1999
Date of Maturity	January 8, 2021
Amount of Loan	\$4,072,711
Interest Rate	2.535%
Interest Dates	July 8 and January 8
Payable at	Illinois Environmental Protection Agency
Purpose	Radium Compliance

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2016	\$ 230,549	35,929	266,478
2017	236,431	30,047	266,478
2018	242,462	24,016	266,478
2019	248,648	17,830	266,478
2020	254,991	11,487	266,478
2021	261,496	4,982	266,478
	1,474,577	124,291	1,598,868

CITY OF DEKALB, ILLINOIS

Long-Term Debt Requirements

**IEPA Loan #L17133700 Contract Payable of 2000
June 30, 2015**

Date of Contract	April 24, 2000
Date of Maturity	May 30, 2021
Amount of Loan	\$3,344,932
Interest Rate	2.535%
Interest Dates	November 30 and May 30
Payable at	Illinois Environmental Protection Agency
Purpose	Radium Compliance

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2016	\$ 189,311	29,501	218,812
2017	194,139	24,673	218,812
2018	199,094	19,718	218,812
2019	204,170	14,642	218,812
2020	209,379	9,433	218,812
2021	214,720	4,092	218,812
	1,210,813	102,059	1,312,872

CITY OF DEKALB, ILLINOIS

Long-Term Debt Requirements

IEPA Loan #L174045 Contract Payable of 2012 June 30, 2015

Date of Contract	August 9, 2013
Date of Maturity	October 26, 2032
Amount of Loan	\$283,072
Interest Rate	2.295%
Interest Dates	October 26 and April 26
Payable at	Illinois Environmental Protection Agency
Purpose	Hollister Avenue Watermain Replacement

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Totals
2016	\$ 12,497	6,027	18,524
2017	12,785	5,739	18,524
2018	13,080	5,444	18,524
2019	13,382	5,142	18,524
2020	13,691	4,833	18,524
2021	14,007	4,517	18,524
2022	14,330	4,194	18,524
2023	14,661	3,863	18,524
2024	15,000	3,524	18,524
2025	15,347	3,177	18,524
2026	15,700	2,824	18,524
2027	16,062	2,462	18,524
2028	16,433	2,091	18,524
2029	16,812	1,712	18,524
2030	17,200	1,324	18,524
2031	17,598	926	18,524
2032	18,003	521	18,524
2033	9,160	110	9,270
	265,748	58,430	324,178

CITY OF DEKALB, ILLINOIS
COMPONENT UNIT - DEKALB PUBLIC LIBRARY

Long-Term Debt Requirements

General Obligation Bonds of 2013A
June 30, 2015

Date of Issue	June 18, 2013
Date of Maturity	January 1, 2033
Authorized Issue	\$6,685,000
Denomination of Bonds	\$5,000
Interest Rate	3.00% to 4.00%
Interest Date	July 1 and January 1
Principal Maturity Date	January 1
Payable at	Amalgamated Bank of Chicago, Chicago IL
Purpose	Library Expansion

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2016	\$ 270,000	218,126	488,126
2017	280,000	210,026	490,026
2018	285,000	201,626	486,626
2019	295,000	193,076	488,076
2020	305,000	184,226	489,226
2021	315,000	175,076	490,076
2022	325,000	165,626	490,626
2023	335,000	155,876	490,876
2024	345,000	145,826	490,826
2025	355,000	135,476	490,476
2026	365,000	124,826	489,826
2027	375,000	112,962	487,962
2028	390,000	99,838	489,838
2029	405,000	86,188	491,188
2030	420,000	71,000	491,000
2031	435,000	54,200	489,200
2032	450,000	36,800	486,800
2033	470,000	18,800	488,800
	<u>6,420,000</u>	<u>2,389,574</u>	<u>8,809,574</u>

CITY OF DEKALB, ILLINOIS
COMPONENT UNIT - DEKALB PUBLIC LIBRARY

Long-Term Debt Requirements

Loan Payable of 2015
June 30, 2015

Date of Loan	June 5, 2015
Date of Maturity	December 18, 2015
Amount of Loan	\$3,000,000
Interest Rate	3.25%
Interest Dates	December 18
Payable at	First National Bank of Omaha, NE
Purpose	Library Expansion

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		
	Principal	Interest	Totals
2016	\$ 3,000,000	97,500	3,097,500

CITY OF DEKALB, ILLINOIS
COMPONENT UNIT - DEKALB PUBLIC LIBRARY

Long-Term Debt Requirements

Debt Certificates of 2011
June 30, 2015

Date of Issue	December 16, 2011
Date of Maturity	July 1, 2020
Authorized Issue	\$1,000,000
Denomination of Bonds	\$5,000
Interest Rate	2.960%
Interest Date	July 1
Principal Maturity Date	July 1
Payable at	Castle Bank, DeKalb, IL
Purpose	Library Expansion

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements		Totals
	Principal	Interest	
2016	\$ 111,111	19,733	130,844
2017	111,111	16,444	127,555
2018	111,111	13,156	124,267
2019	111,111	9,867	120,978
2020	111,111	6,578	117,689
2021	111,112	3,289	114,401
	666,667	69,067	735,734

STATISTICAL SECTION

(Unaudited)

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

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

CITY OF DEKALB, ILLINOIS

Net Position by Component - Last Ten Fiscal Years*
June 30, 2015 (Unaudited)

See Following Page

CITY OF DEKALB, ILLINOIS

Net Position by Component - Last Ten Fiscal Years*
June 30, 2015 (Unaudited)

	2006	2007	2008	2009
Governmental Activities				
Net Investment in Capital Assets	\$ 107,038,191	109,228,834	113,947,561	116,350,547
Restricted	3,295,898	3,159,513	10,131,297	10,401,769
Unrestricted	(12,063,288)	(10,790,695)	(16,660,106)	(14,726,824)
Total Governmental Activities Net Position	98,270,801	101,597,652	107,418,752	112,025,492
Business-Type Activities				
Net Investment in Capital Assets	39,392,443	45,585,845	46,840,204	48,402,014
Unrestricted	(279,115)	(805,537)	(985,741)	(724,236)
Total Business-Type Activities Net Position	39,113,328	44,780,308	45,854,463	47,677,778
Primary Government				
Net Investment in Capital Assets	146,430,634	154,814,679	160,787,765	164,752,561
Restricted	3,295,898	3,159,513	10,131,297	10,401,769
Unrestricted	(12,342,403)	(11,596,232)	(17,645,847)	(15,451,060)
Total Primary Government Net Position	137,384,129	146,377,960	153,273,215	159,703,270

* Accrual Basis of Accounting

2010	2011	2012	2013	2014	2015
116,154,934	119,410,592	120,169,717	118,266,115	116,047,087	113,826,017
15,569,514	11,857,498	12,358,010	12,182,850	11,764,636	12,897,923
(20,131,463)	(17,715,142)	(15,138,497)	(13,241,757)	(11,899,046)	(69,597,568)
111,592,985	113,552,948	117,389,230	117,207,208	115,912,677	57,126,372
48,482,070	48,222,651	48,123,532	47,928,816	49,590,809	52,605,345
(463,724)	2,919,291	4,179,066	4,899,564	4,329,375	4,305,333
48,018,346	51,141,942	52,302,598	52,828,380	53,920,184	56,910,678
164,637,004	167,633,243	168,293,249	166,194,931	165,637,896	166,431,362
15,569,514	11,857,498	12,358,010	12,182,850	11,764,636	12,897,923
(20,595,187)	(14,795,851)	(10,959,431)	(8,342,193)	(7,569,671)	(65,292,235)
159,611,331	164,694,890	169,691,828	170,035,588	169,832,861	114,037,050

CITY OF DEKALB, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years*
June 30, 2015 (Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities										
General Government	\$ 6,505,926	8,553,164	9,084,220	10,441,675	9,268,403	10,647,791	8,859,145	11,865,375	9,744,441	12,795,131
Public Safety	14,009,805	16,371,735	17,889,697	19,020,552	19,606,432	19,660,618	20,989,072	19,017,122	20,797,002	22,259,920
Highways and Streets	7,706,447	6,133,081	7,844,631	6,074,929	9,415,300	4,465,186	2,207,978	1,449,053	5,016,398	4,158,954
Community Development	4,743,859	4,888,810	4,068,000	6,022,846	5,083,380	7,929,922	10,738,364	13,208,902	10,726,424	8,859,472
Interest on Long-Term Debt	1,154,903	960,500	1,010,059	902,204	723,651	857,764	1,016,815	1,080,709	1,209,191	987,476
Total Governmental Activities Expenses	34,120,940	36,907,290	39,896,607	42,462,206	44,097,166	43,561,281	43,811,374	46,621,161	47,493,456	49,060,953
Business-Type Activities										
Water and Sewer	4,131,341	4,206,023	4,146,713	4,347,248	4,222,070	4,438,481	4,159,836	4,081,382	4,080,350	4,288,137
Airport	839,450	1,039,450	994,597	1,111,227	914,295	1,154,982	1,318,730	1,641,540	1,322,518	1,410,722
Refuse	1,313,885	1,403,778	1,466,215	1,656,645	1,671,915	1,736,937	1,670,364	1,756,850	1,844,724	1,920,958
Developmental Services	294,791	249,295	365,050	378,497	380,574	-	-	-	-	-
Total Business-Type Activities Expenses	6,579,467	6,898,546	6,972,575	7,493,617	7,188,854	7,330,400	7,148,930	7,479,772	7,247,592	7,619,817
Total Primary Government Expenses	40,700,407	43,805,836	46,869,182	49,955,823	51,286,020	50,891,681	50,960,304	54,100,933	54,741,048	56,680,770
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	337,340	259,887	303,453	292,071	340,015	325,169	238,190	330,222	485,114	417,915
Public Safety	2,281,500	2,325,586	2,440,715	2,631,448	2,710,546	2,739,272	2,462,313	2,090,752	2,504,342	2,608,300
Highways and Streets	555,022	433,385	333,154	325,866	210,319	496,852	212,232	125,794	144,137	107,317
Community Development	-	-	75,291	403,355	402,209	395,147	237,838	422,991	460,458	588,613
Operating Grants/Contributions	2,867,194	2,148,087	2,481,892	3,656,334	2,488,211	3,257,775	1,143,618	1,131,494	1,166,973	1,114,773
Capital Grants/Contributions	3,036,831	1,609,289	2,083,090	2,013,494	2,471,003	4,144,333	6,075,050	4,843,630	4,072,079	4,375,595
Total Governmental Activities Program Revenues	9,077,887	6,776,234	7,717,595	9,322,568	8,622,303	11,358,548	10,369,241	8,944,883	8,833,103	9,212,513
Business-Type Activities										
Charges for Services										
Water and Sewer	4,446,444	4,185,161	4,387,320	4,788,391	5,136,193	5,454,296	5,367,480	5,503,049	5,179,180	5,377,744
Airport	280,532	235,999	262,783	261,655	247,364	405,332	846,375	1,094,127	772,805	658,557
Refuse	1,407,499	1,501,041	1,584,288	1,623,529	1,625,213	1,696,646	1,757,410	1,773,670	2,053,424	2,010,485
Developmental Services	249,957	230,060	96,580	88,319	38,835	-	-	-	-	-
Operating Grants and Contributions	-	-	611	-	-	-	-	-	-	-
Capital Grants and Contributions	257,211	2,865,831	359,444	2,673,502	760,930	392,373	562,770	130,658	959,182	2,566,070
Total Business-Type Activities Program Revenues	6,641,643	9,018,092	6,691,026	9,435,396	7,808,535	7,948,647	8,534,035	8,501,504	8,964,591	10,612,856
Total Primary Government Program Revenues	15,719,530	15,794,326	14,408,621	18,757,964	16,430,838	19,307,195	18,903,276	17,446,387	17,797,694	19,825,369

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense) Revenue										
Governmental Activities	(25,043,053)	(30,131,056)	(32,179,012)	(33,139,638)	(35,474,863)	(32,202,733)	(33,442,133)	(37,676,278)	(38,660,353)	(39,848,440)
Business-Type Activities	62,176	2,119,546	(281,549)	1,941,779	619,681	618,247	1,385,105	1,021,732	1,716,999	2,993,039
Total Primary Government										
Net (Expense) Revenue	(24,980,877)	(28,011,510)	(32,460,561)	(31,197,859)	(34,855,182)	(31,584,486)	(32,057,028)	(36,654,546)	(36,943,354)	(36,855,401)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	7,408,007	8,799,430	10,366,305	12,446,812	13,371,039	13,405,653	12,733,599	12,673,310	12,392,230	11,981,519
Sales	9,630,952	10,160,582	10,251,569	11,297,335	11,413,254	11,426,292	11,132,604	11,078,544	10,435,096	11,092,497
Utility	4,032,927	4,077,785	4,230,240	4,012,575	3,739,824	4,449,288	3,788,953	3,534,755	3,600,059	3,433,879
Income	3,362,748	3,689,547	4,274,684	3,954,000	3,472,035	3,561,130	3,745,298	4,130,363	4,197,440	4,515,729
Other	2,252,273	2,469,560	2,695,564	2,575,341	2,484,759	3,426,431	4,775,612	4,835,868	4,994,817	5,340,751
Interest	340,505	428,938	347,511	189,302	75,779	71,691	37,782	124,029	164,693	182,353
Miscellaneous	1,357,565	2,677,000	5,618,738	2,972,237	188,830	157,306	839,167	623,137	953,687	1,258,401
Transfers	172,713	168,837	232,052	229,413	296,836	(2,453,290)	225,400	494,250	627,800	(29,377)
Total Governmental Activities	28,557,690	32,471,679	38,016,663	37,677,015	35,042,356	34,044,501	37,278,415	37,494,256	37,365,822	37,775,752
Business-Type Activities										
Property Taxes	75,194	-	-	-	-	-	-	-	-	-
Interest	9,214	-	132	300	16	16	380	4,338	113	27
Miscellaneous	813,410	3,245,071	1,452,830	110,649	42,707	28,384	571	(6,038)	2,492	4,326
Transfers	(172,713)	(168,837)	(232,052)	(229,413)	(321,836)	2,453,290	(225,400)	(494,250)	(627,800)	29,377
Total Business-Type Activities	725,105	3,076,234	1,220,910	(118,464)	(279,113)	2,481,690	(224,449)	(495,950)	(625,195)	33,730
Total Primary Government	29,282,795	35,547,913	39,237,573	37,558,551	34,763,243	36,526,191	37,053,966	36,998,306	36,740,627	37,809,482
Changes in Net Position										
Governmental Activities	3,514,637	2,340,623	5,837,651	4,537,377	(432,507)	1,841,768	3,836,282	(182,022)	(1,294,531)	(2,072,688)
Business-Type Activities	787,281	5,195,780	939,361	1,823,315	340,568	3,099,937	1,160,656	525,782	1,091,804	3,026,769
Total Primary Government	4,301,918	7,536,403	6,777,012	6,360,692	(91,939)	4,941,705	4,996,938	343,760	(202,727)	954,081

* Accrual Basis of Accounting

CITY OF DEKALB, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years*
June 30, 2015 (Unaudited)

	2006	2007	2008
General Fund			
Reserved	\$ 70,296	147,508	738,577
Unreserved	3,755,347	3,155,669	2,161,911
Nonspendable	-	-	-
Restricted	-	-	-
Committed	-	-	-
Unassigned	-	-	-
Total General Fund	3,825,643	3,303,177	2,900,488
All Other Governmental Funds			
Reserved	4,643,715	3,166,191	1,808,174
Unreserved, Reported in,			
Special Revenue Funds	(18,120)	(8,808)	(445)
Debt Service Funds	-	-	-
Capital Projects Funds	(1,346,797)	(1,076,165)	9,104,021
Nonspendable	-	-	-
Restricted	-	-	-
Committed	-	-	-
Unassigned	-	-	-
Total All Other Governmental Funds	3,278,798	2,081,218	10,911,750

* Modified Accrual Basis of Accounting

The City implemented GASB Statement No. 54 for the fiscal year ended June 30, 2011.

2009	2010	2011	2012	2013	2014	2015
2,067,865	2,177,003	6,257	-	-	-	-
1,633,753	1,331,219	-	-	-	-	-
-	-	50,934	61,660	37,161	30,216	22,865
-	-	-	-	-	104,523	173,187
-	-	-	6,262	6,262	6,262	6,447
-	-	2,692,928	4,669,218	5,177,514	5,916,598	8,018,754
3,701,618	3,508,222	2,750,119	4,737,140	5,220,937	6,057,599	8,221,253
2,653,139	2,783,493	-	-	-	-	-
(362)	(383)	-	-	-	-	-
-	-	-	-	-	-	-
8,552,208	13,352,510	-	-	-	-	-
-	-	3,650	1,500	-	-	-
-	-	11,725,897	12,537,031	12,176,588	11,660,113	12,728,487
-	-	340,327	219,840	3,739,068	498,285	571,040
-	-	-	-	-	(205,934)	-
11,204,985	16,135,620	12,069,874	12,758,371	15,915,656	11,952,464	13,299,527

CITY OF DEKALB, ILLINOIS

Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years*
June 30, 2015 (Unaudited)

	2006	2007	2008
Revenues			
Taxes	\$ 26,710,135	29,097,231	31,898,673
Intergovernmental	4,558,814	3,724,715	4,347,447
Licenses, Permits and Fees	598,657	448,192	364,103
Charges for Services	1,796,958	1,685,991	1,721,234
Fines and Forfeitures	696,551	672,403	766,504
Interest	340,505	428,938	347,511
Miscellaneous	2,794,723	515,750	734,928
Total Revenues	37,496,343	36,573,220	40,180,400
Expenditures			
General Government	5,990,453	6,740,822	6,925,455
Public Safety	14,990,271	15,719,852	16,666,201
Highways and Streets	2,821,395	1,843,360	2,322,976
Community Development	3,780,017	4,425,779	4,529,707
Capital Outlay	8,835,397	6,647,200	6,843,723
Debt Service			
Principal Retirement	2,220,000	2,835,214	4,465,000
Interest and Fiscal Charges	1,085,767	906,585	882,467
Total Expenditures	39,723,300	39,118,812	42,635,529
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(2,226,957)	(2,545,592)	(2,455,129)
Other Financing Sources (Uses)			
Debt Issuance	4,101,958	1,079,114	10,607,240
Premium (Discount) on Debt Issuance	-	-	-
Payment to Escrow Agent	-	-	-
Disposal of Capital Assets	18,309	36,433	60,231
Transfers In	4,631,683	4,054,351	4,032,407
Transfers Out	(4,458,970)	(3,885,514)	(3,800,355)
	4,292,980	1,284,384	10,899,523
Net Change in Fund Balances	2,066,023	(1,261,208)	8,444,394
Debt Service as a Percentage			
of Noncapital Expenditures	8.48%	11.25%	10.38%

* Modified Accrual Basis of Accounting

2009	2010	2011	2012	2013	2014	2015
34,305,038	34,111,071	36,266,887	24,753,767	24,330,856	24,430,463	24,733,924
6,070,086	5,344,122	6,576,584	18,750,569	17,863,890	16,384,065	713,565
354,375	346,229	499,938	396,095	483,375	554,740	18,199,099
1,772,322	1,916,012	2,137,997	2,149,403	1,727,442	1,961,818	2,003,002
728,572	647,913	639,450	605,075	758,942	1,077,493	1,005,578
189,302	75,779	71,691	37,681	120,520	163,453	182,313
737,263	549,695	517,485	839,167	623,137	953,687	1,258,401
44,156,958	42,990,821	46,710,032	47,531,757	45,908,162	45,525,719	48,095,882
8,604,319	7,839,924	9,582,025	8,981,636	10,496,713	9,356,378	11,547,939
17,407,054	18,074,077	18,267,633	19,371,392	18,642,683	19,942,140	20,479,288
1,797,965	1,550,121	1,045,409	609,488	750,074	800,879	537,655
3,930,979	3,730,883	2,933,330	3,185,002	4,083,703	4,015,770	8,500,421
8,163,413	13,281,421	12,011,245	10,359,355	18,631,978	10,892,511	1,547,500
2,605,000	12,825,000	5,940,000	2,129,920	2,268,121	2,548,453	2,296,031
859,247	775,771	808,239	938,679	835,209	1,054,116	988,529
43,367,977	58,077,197	50,587,881	45,575,472	55,708,481	48,610,247	45,897,363
788,981	(15,086,376)	(3,877,849)	1,956,285	(9,800,319)	(3,084,528)	2,198,519
-	19,183,291	9,320,000	-	12,910,969	-	776,775
-	336,326	(41,304)	-	87,782	-	-
-	-	(7,158,799)	-	-	-	(776,775)
6,608	7,162	2,050	26,533	11,400	55,198	6,920
5,679,484	10,104,589	5,461,545	5,113,090	5,138,884	6,123,312	5,655,359
(5,450,071)	(9,807,753)	(8,529,492)	(4,420,390)	(4,707,634)	(6,220,512)	(6,034,736)
236,021	19,823,615	(946,000)	719,233	13,441,401	(42,002)	(372,457)
1,025,002	4,737,239	(4,823,849)	2,675,518	3,641,082	(3,126,530)	1,826,062
13.44%	8.70%	14.62%	7.38%	6.99%	8.00%	7.35%

CITY OF DEKALB, ILLINOIS

Taxable Sales by Category - Last Ten Calendar Years June 30, 2015 (Unaudited)

	2005	2006	2007	2008
General Merchandise	\$ 163,641,647	170,225,753	171,985,064	164,736,328
Food	43,927,833	47,170,335	53,207,066	60,740,900
Drinking and Eating Places	52,849,443	60,927,328	65,260,253	67,402,498
Apparel	8,247,873	10,754,613	9,626,133	7,332,715
Furniture & H.H. & Radio	28,350,657	29,988,920	33,834,022	28,883,333
Lumber, Building Hardware	26,795,706	27,977,040	26,936,010	24,505,165
Automobile and Filling Stations	85,140,723	91,978,172	93,408,943	94,746,090
Drugs and Miscellaneous Retail	70,477,891	81,006,583	83,283,571	84,314,769
Agriculture and All Others	48,845,881	48,715,922	41,446,148	39,136,195
Manufacturers	11,253,745	12,975,167	15,254,811	18,224,889
Total	539,531,399	581,719,833	594,242,021	590,022,882
City Direct Sales Tax Rate	1.00%	1.00%	1.00%	1.00%

Data Source: Illinois Department of Revenue

The data presents taxable sales subject to the Municipal Retailer's Occupation Tax.

2009	2010	2011	2012	2013	2014
154,138,547	161,257,806	129,818,177	149,564,784	145,091,378	145,331,012
55,760,959	56,012,687	67,456,918	65,852,747	65,400,022	65,602,683
64,478,308	66,461,264	66,649,641	68,587,766	67,411,032	72,375,099
6,235,098	5,912,150	30,582,619	7,128,112	8,019,269	9,156,209
24,677,414	25,081,450	22,181,422	20,684,998	20,194,461	20,299,326
22,566,265	21,682,737	21,563,108	22,120,923	23,492,009	26,215,248
76,117,806	81,678,462	84,369,200	90,624,448	81,838,781	83,933,383
81,599,087	79,606,161	76,036,417	74,197,724	78,920,501	81,900,819
28,154,513	28,623,247	29,011,979	29,448,085	30,174,323	30,610,577
13,889,966	15,507,914	7,289,300	1,546,592	3,116,244	3,392,915
527,617,963	541,823,878	534,958,781	529,756,179	523,658,020	538,817,271
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

CITY OF DEKALB, ILLINOIS

Taxable Sales by Category - Home Rule - Last Ten Calendar Years June 30, 2015 (Unaudited)

	2005	2006	2007	2008*
General Merchandise	\$ 107,910,203	111,235,234	110,641,629	105,718,900
Food	12,926,058	14,228,867	16,220,246	17,771,292
Drinking and Eating Places	51,883,076	59,524,764	63,696,181	65,892,248
Apparel	8,247,458	10,750,251	9,619,122	7,316,764
Furniture & H.H. & Radio	28,326,789	29,956,258	33,782,135	28,777,827
Lumber, Building Hardware	26,795,221	27,950,165	26,884,766	24,259,864
Automobile and Filling Stations	34,610,098	38,130,323	43,057,278	44,642,599
Drugs and Miscellaneous Retail	50,940,432	58,390,055	58,432,889	59,739,818
Agriculture and All Others	44,282,933	41,914,235	37,826,626	35,885,916
Manufacturers	11,013,882	12,663,868	14,914,125	17,841,691
Total	376,936,150	404,744,020	415,074,997	407,846,919
City Direct Sales Tax Rate	1.25%	1.25%	1.25%	1.75%

Data Source: Illinois Department of Revenue

The data presents taxable sales subject to the City's Home Rule Sales Tax.

* The City raised its Home Rule Sales tax to 1.75% on July 1, 2008.

2009	2010	2011	2012	2013	2014
99,635,725	106,361,293	87,558,389	99,024,929	96,069,313	95,614,092
16,039,202	18,341,512	30,104,054	29,741,123	28,856,277	28,086,495
63,016,745	64,921,928	65,295,493	67,176,678	66,489,229	70,711,436
6,230,748	5,911,746	19,317,301	7,046,287	7,946,743	9,091,595
24,555,874	24,340,125	21,984,344	20,503,154	20,039,027	20,419,645
22,394,973	21,589,323	21,526,692	22,070,597	23,431,577	26,161,570
36,573,132	42,992,984	46,695,364	47,519,288	48,575,366	46,268,699
58,394,357	57,668,525	56,027,770	56,447,398	58,367,979	59,423,173
26,970,847	27,405,131	28,250,729	28,487,957	28,584,214	29,168,574
13,412,811	15,166,169	6,981,465	1,250,597	2,801,034	3,018,957
367,224,414	384,698,736	383,741,601	379,268,008	381,160,759	387,964,237
1.75%	1.75%	1.75%	1.75%	1.75%	1.75%

CITY OF DEKALB, ILLINOIS

Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years June 30, 2015 (Unaudited)

Fiscal Year	City Home Rule Rate	Municipal Retailers Occupation Tax	County Rate	State Rate	Total Sales Tax Rate
2006	1.25%	1.00%	0.25%	5.00%	7.50%
2007	1.25%	1.00%	0.25%	5.00%	7.50%
2008*	1.75%	1.00%	0.25%	5.00%	8.00%
2009	1.75%	1.00%	0.25%	5.00%	8.00%
2010	1.75%	1.00%	0.25%	5.00%	8.00%
2011	1.75%	1.00%	0.25%	5.00%	8.00%
2012	1.75%	1.00%	0.25%	5.00%	8.00%
2013	1.75%	1.00%	0.25%	5.00%	8.00%
2014	1.75%	1.00%	0.25%	5.00%	8.00%
2015	1.75%	1.00%	0.25%	5.00%	8.00%

Data Source: City, County and State Records

* The City raised its Home Rule Sales Tax to 1.75% on July 1, 2008.

CITY OF DEKALB, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years
June 30, 2015 (Unaudited)**

See Following Page

CITY OF DEKALB, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years June 30, 2015 (Unaudited)

Tax Levy Year	Residential Property	Commercial Property
2005	\$ 325,079,355	\$ 145,545,712
2006	369,659,572	155,565,480
2007	407,662,378	163,615,149
2008	420,413,802	172,166,813
2009	413,507,993	176,052,268
2010	389,625,409	167,457,427
2011	365,267,969	167,604,810
2012	331,382,501	156,902,473
2013	300,043,381	143,720,391
2014	285,032,206	138,851,901

Data Source: Office of the County Clerk

Note: The City only reports the rate setting EAV.

* This includes the City of DeKalb and the DeKalb Public Library.

Industrial	Farm	Railroad	Total Taxable Assessed Value	Total Direct Tax Rate*
\$ 37,922,484	\$ 488,038	\$ 587,227	\$ 509,622,816	0.8040
43,514,766	494,098	572,356	569,806,272	0.8091
51,250,520	666,539	628,255	623,822,841	0.8437
51,905,133	686,727	682,620	645,855,095	0.8509
52,801,237	721,404	833,695	643,916,597	0.9293
49,380,638	825,082	1,044,391	608,332,947	0.9856
47,742,181	782,590	1,107,165	582,504,715	1.0293
43,536,967	731,665	1,252,297	533,805,903	1.1321
39,939,551	673,596	1,546,704	485,923,623	1.3511
38,459,111	1,010,413	1,612,750	464,966,381	1.4113

CITY OF DEKALB, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years June 30, 2015 (Unaudited)

	2005	2006	2007
City Direct Rates			
City of DeKalb	0.5930	0.5967	0.6000
Library	0.2110	0.2124	0.2437
Total Direct Rates	0.8040	0.8091	0.8437
Overlapping Rates			
DeKalb County	0.8547	0.8668	0.8449
DeKalb Township	0.1216	0.1151	0.1116
DeKalb Road & Bridge	0.2145	0.1933	0.1874
Forest Preserve District	0.0269	0.0548	0.0677
Sanitary District	0.1015	0.0952	0.0913
School Districts	4.9847	4.8927	0.5497
Park District	0.5295	0.5435	4.7288
	0.5826	0.5494	0.5247
Total Direct and Overlapping Rates	8.2199	8.1198	7.9498
Share of Total Tax Rate Levied by City of DeKalb and the DeKalb Library	9.78%	9.96%	10.61%

Data Source: Office of the County Clerk

Note: Rates are per \$100 of Assessed Value and are applied to the total rate setting EAV amounts listed in the schedule of EAV by property class.

2008	2009	2010	2011	2012	2013	2014
0.6000	0.6500	0.6899	0.7205	0.7952	0.9809	1.0245
0.2509	0.2793	0.2957	0.3088	0.3369	0.3701	0.3868
0.8509	0.9293	0.9856	1.0293	1.1321	1.3511	1.4113
0.8495	0.8539	0.9052	0.9694	1.0892	1.2013	1.2483
0.1130	0.1149	0.1260	0.1350	0.1508	0.1687	0.1797
0.1808	0.1839	0.1477	0.1548	0.1768	0.1977	0.2106
0.0678	0.0663	0.0700	0.0740	0.0797	0.0852	0.0876
0.0927	0.0944	0.1036	0.1110	0.1244	0.1393	0.1486
5.2079	5.2606	5.7414	6.2148	7.0275	7.8215	8.2714
0.5468	0.5638	0.5601	0.5758	0.6416	0.7294	0.7123
0.5131	0.5208	0.5606	0.5987	0.6745	0.7519	0.7969
8.4224	8.5879	9.2003	9.8628	11.0967	12.4459	13.0667
10.10%	10.82%	10.71%	10.44%	10.20%	10.86%	10.80%

CITY OF DEKALB, ILLINOIS

Principal Property Taxpayers - Current Fiscal Year and Nine Fiscal Years Ago June 30, 2015 (Unaudited)

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
3M	\$ 10,552,024	1	2.27%	\$ 5,500,367	4	1.08%
Target	9,590,200	2	2.06%			
Panduit	6,358,298	3	1.37%	5,846,909	3	1.15%
ARC - Goodyear	5,936,697	4	1.28%	8,249,263	1	1.62%
Nestle	5,741,240	5	1.23%	7,845,922	2	1.54%
Mason Properties	5,545,557	6	1.19%			
Ideal Industries Inc	5,158,616	7	1.11%			
Northland Plaza	4,841,863	8	1.04%	5,302,363	5	1.04%
DeKalb Area Retirement Center	4,713,411	9	1.01%	3,329,465	8	0.65%
American National Bank	4,591,968	10	0.99%			
University Village I & II				4,437,104	6	0.87%
Dream Fund LLC				4,102,135	7	0.80%
DeKalb County				3,193,884	9	0.63%
JLAR				3,128,017	10	0.61%
	<u>63,029,874</u>		<u>13.56%</u>	<u>50,935,429</u>		<u>9.99%</u>

Data Sources: County Assessors Office (not adjusted for unreported title transfers) and City of DeKalb records

CITY OF DEKALB, ILLINOIS

**Property Tax Levies and Collections - Last Ten Tax Levy Years
June 30, 2015 (Unaudited)**

See Following Page

CITY OF DEKALB, ILLINOIS

Property Tax Levies and Collections - Last Ten Tax Levy Years
June 30, 2015 (Unaudited)

Tax Levy Year	Rates per \$100	Total Tax Levy Requested	City of DeKalb				DeKalb			
			Collections within the Levy Year		Collections in Subsequent Years	Total Collections to Date		Rates per \$100	Total Tax Levy Requested	DeKalb Collections Levy Amount
			Amount	Percentage of Levy		Amount	Percentage of Levy			
2005	0.5930	\$ 3,022,052	\$ 3,022,052	100.00%	-	\$ 3,022,052	100.00%	0.2110	\$ 1,075,498	\$ 1,075,498
2006	0.5967	3,400,000	3,400,000	100.00%	-	3,400,000	100.00%	0.2124	1,210,003	1,210,003
2007	0.6000	3,742,937	3,679,970	98.32%	-	3,679,970	98.32%	0.2437	1,520,000	1,492,137
2008	0.6000	3,889,007	3,765,927	96.84%	-	3,765,927	96.84%	0.2509	1,620,420	1,574,213
2009	0.6500	4,185,332	4,160,967	99.42%	-	4,160,967	99.42%	0.2793	1,798,500	1,796,093
2010	0.6899	4,196,805	4,107,807	97.88%	-	4,107,807	97.88%	0.2957	1,798,523	1,760,288
2011	0.7205	4,196,890	4,127,590	98.35%	-	4,127,590	98.35%	0.3088	1,798,536	1,767,397
2012	0.7952	4,244,718	4,161,753	98.05%	-	4,161,753	98.05%	0.3369	1,798,552	1,762,669
2013	0.9809	4,270,457	4,203,106	98.42%	-	4,203,106	98.42%	0.3701	1,798,549	1,769,239
2014	1.0245	4,270,540	2,242,227 *	52.50%	-	2,242,227	52.50%	0.3868	1,798,583	910,473 *

Data Sources: Office of the County Clerk, Office of the County Treasurer

* Amount reflects collections through June 30, 2015.

Library within the Year	Collections in Subsequent Years	Totals									
		Total Collections to Date		Rates per \$100	Total Tax Levy Requested	Collections within the Levy Year		Collections in Subsequent Years	Total Collections to Date		
		Amount	Percentage of Levy			Amount	Percentage of Levy		Amount	Percentage of Levy	
100.00%	-	\$ 1,075,498	100.00%	0.8040	\$ 4,097,550	\$ 4,097,550	100.00%	-	\$ 4,097,550	100.00%	
100.00%	-	1,210,003	100.00%	0.8091	4,610,003	4,610,003	100.00%	-	4,610,003	100.00%	
98.17%	-	1,492,137	98.17%	0.8437	5,262,937	5,172,107	98.27%	-	5,172,107	98.27%	
97.15%	-	1,574,213	97.15%	0.8509	5,509,427	5,340,140	96.93%	-	5,340,140	96.93%	
99.87%	-	1,796,093	99.87%	0.9293	5,983,832	5,957,060	99.55%	-	5,957,060	99.55%	
97.87%	-	1,760,288	97.87%	0.9856	5,995,328	5,868,095	97.88%	-	5,868,095	97.88%	
98.27%	-	1,767,397	98.27%	1.0293	5,995,426	5,894,987	98.32%	-	5,894,987	98.32%	
98.00%	-	1,762,669	98.00%	1.13211	6,043,270	5,924,422	98.03%	-	5,924,422	98.03%	
98.37%	-	1,769,239	98.37%	1.35106	6,069,006	5,972,345	98.41%	-	5,972,345	98.41%	
50.62%	-	910,473	50.62%	1.41134	6,069,123	3,152,700	51.95%	-	3,152,700	51.95%	

CITY OF DEKALB, ILLINOIS

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years
June 30, 2015 (Unaudited)**

Fiscal Year	Governmental Activities					
	General Obligation Bonds	G.O. Bond Anticipation Notes	Due to Other Governments	Tax Increment Financing Revenue Bonds	Tax Increment Financing Note	Capital Leases
2006	\$ 17,211,725	\$ 2,000,000	\$ 1,998,998	\$ 3,790,000	\$ 1,450,000	\$ 1,259,669
2007	15,355,328	3,000,000	1,498,998	3,365,000	-	1,028,621
2008	13,433,931	10,500,000	998,998	2,795,000	-	1,888,540
2009	11,452,534	10,500,000	498,998	2,145,000	-	1,583,900
2010	20,952,108	4,000,000	1,337,055	1,430,000	-	1,245,095
2011	22,377,250	-	-	655,000	-	892,257
2012	20,828,534	-	-	345,000	-	578,302
2013	31,587,600	-	-	-	-	851,150
2014	29,313,530	-	-	-	-	527,697
2015	27,274,168	-	-	-	-	216,666

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
The City abates the entire property tax levied to pay general obligation bond debt each year.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

General Obligation Bonds	Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	G.O. Bond Anticipation Notes	IEPA Loan Payable	Capital Leases			
\$ 4,780,000	\$ -	\$ 6,023,982	\$ 297,825	\$ 38,812,199	5.30%	\$ 862.44
4,590,000	-	5,689,292	252,789	34,780,028	4.68%	760.24
4,395,000	-	5,346,065	245,519	39,603,053	5.31%	862.87
4,180,000	-	4,994,081	188,714	35,543,227	4.76%	774.16
3,950,000	-	4,633,118	128,674	37,676,050	4.84%	858.97
3,710,000	-	4,262,947	66,093	31,963,547	4.11%	728.65
3,537,172	-	3,883,332	25,516	29,198,280	3.59%	663.15
3,269,269	-	3,673,988	13,786	39,395,793	4.68%	894.75
2,996,366	-	3,370,464	7,038	36,215,095	4.23%	822.51
2,093,225	-	2,951,138	-	32,535,197	3.86%	738.53

CITY OF DEKALB, ILLINOIS

Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years June 30, 2015 (Unaudited)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Total Taxable Assessed Value of Property (1)	Per Capita (2)
2006	\$ 21,991,725	\$ 709,533	\$ 21,282,192	4.18%	\$ 472.91
2007	19,945,328	648,125	19,297,203	3.39%	421.81
2008	17,828,931	524,966	17,303,965	2.77%	377.02
2009	15,632,534	578,835	15,053,699	2.33%	327.88
2010	24,902,108	560,413	24,341,695	3.78%	554.96
2011	26,087,250	231,049	25,856,201	4.25%	589.42
2012	24,365,706	185,283	24,180,423	4.15%	549.18
2013	34,856,869	-	34,856,869	6.53%	791.66
2014	32,309,896	-	32,309,896	6.65%	733.82
2015	29,367,393	-	29,367,393	6.32%	666.62

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

(1) See the Schedule of Assessed Value and Actual Value of Taxable Property for property value data.

(2) See the Schedule of Demographics and Economic Statistics for population data.

CITY OF DEKALB, ILLINOIS

**Schedule of Direct and Overlapping Governmental Activities Debt
June 30, 2015 (Unaudited)**

Governmental Unit	Gross Debt	Percentage of Debt Applicable to City (1)	City's Share of Debt
City	\$ 27,490,834	100.000%	\$ 27,490,834
Overlapping Debt			
DeKalb County	16,240,000	27.430%	4,454,632
DeKalb Community Unit School District #428	98,321,356	75.300%	74,035,981
Kishwaukee College #523	53,196,578	24.630%	13,102,317
Sycamore School District #427	56,542,087	0.860%	486,262
DeKalb Park District	2,485,000	99.200%	2,465,120
Total Overlapping Debt	226,785,021		94,544,312
Total Direct and Overlapping Debt	254,275,855		122,035,146

Data Source: Office of the County Clerk

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

CITY OF DEKALB, ILLINOIS

Pledged-Revenue Coverage - Last Ten Fiscal Years June 30, 2015 (Unaudited)

Fiscal Year	Tax Increment Financing Bonds and Notes						
	Incremental	Incremental	Less:	Net	Debt Service		Coverage
	Property Taxes	Sales Taxes	Contractual Obligations	Available for Debt Service	Principal	Interest	
2006*	\$ 3,727,681	\$ 1,329,249	\$ 500,000	\$ 4,556,930	\$ 450,000	\$ 312,377	\$ 5.98
2007**	4,596,145	1,506,288	500,000	5,602,433	1,005,214	112,592	5.01
2008	5,360,771	1,576,559	500,000	6,437,330	570,000	87,629	9.79
2009	6,597,332	1,645,810	498,998	7,744,144	650,000	87,122	10.51
2010	6,883,479	1,477,587	1,337,055	7,024,011	715,000	76,212	8.88
2011	6,937,664	1,400,702	-	8,338,366	775,000	48,464	10.13
2012	6,691,097	1,368,512	-	8,059,609	310,000	9,831	25.20
2013***	6,679,893	1,330,744	-	8,010,637	345,000	9,212	22.62
2014	6,604,296	-	-	6,604,296	-	-	-
2015	6,439,568	-	-	6,439,568	-	-	-

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

* The City issued Tax Increment Financing Notes in the amount of \$1,450,000 which were paid off in FY07.

** The City issued Tax Increment Financing Notes in the amount of \$1,000,000 which were paid off in FY11.

***The City issued Tax Increment Financing Revenue Bonds in the amount of \$4,350,000 which were paid off in FY13.

CITY OF DEKALB, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years June 30, 2015 (Unaudited)

Fiscal Year	Population	Equalized Assessed Value	Personal Income	Per Capita Personal Income	Median Family Income	Unemployment Rate
2006	45,003	\$ 509,622,816	\$ 731,793,783	\$ 16,261	\$ 53,017	3.80%
2007	45,749	569,806,272	743,924,489	16,261	53,017	4.10%
2008	45,897	623,822,841	746,331,117	16,261	53,017	5.30%
2009	45,912	645,855,095	746,575,032	16,261	53,017	9.80%
2010	43,862	643,916,597	777,673,260	17,730	60,571	9.80%
2011	43,867	608,332,947	777,761,910	17,730	60,571	10.00%
2012	44,030	582,504,715	814,026,640	18,488	60,571	9.60%
2013	44,030	533,805,903	841,853,600	19,120	60,571	10.30%
2014	44,030	485,923,623	856,999,920	19,464	60,571	6.90%
2015	44,054	464,966,381	843,854,370	19,155	59,671	5.00%

Data Sources: City Records, U.S. Census Bureau, Illinois Department of Employment Security and Office of the County Clerk

CITY OF DEKALB, ILLINOIS

Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago June 30, 2015 (Unaudited)

Employer	2015			2006		
	Employees	Rank	Percentage of Total City Population	Employees	Rank	Percentage of Total City Population
Northern Illinois University	3,523	1	8.00%	3,600	1	8.00%
KishHealth System	1,200	2	2.72%	700	2	1.56%
DeKalb School District	885	3	2.01%			
3M	538	4	1.22%	290	6	0.64%
Sonoco - Alloyd Company	500	5	1.13%	320	5	0.71%
Target Distribution Center	435	6	0.99%	650	3	1.44%
Wal-Mart Super Center	400	7	0.91%	450	4	1.00%
Tegrant	325	8	0.74%			
Nestle Distribution	250	9	0.57%	250	8	0.56%
City of DeKalb	234	10	0.53%			
Jewel/Osco				260	7	0.58%
American Marketing				200	9	0.44%
Ideal Industries (DeKalb)				125	10	0.28%
	<u>8,290</u>		<u>18.82%</u>	<u>6,845</u>		<u>15.21%</u>

Data Sources: Illinois Manufacturers Directory, Illinois Services Directory, Harris Directory of Manufacturers
DeKalb County Economic Development Corporation, and City Records

CITY OF DEKALB, ILLINOIS

Full-Time Equivalent City Government Employees by Function - Last Ten Fiscal Years*
June 30, 2015 (Unaudited)

See Following Page

CITY OF DEKALB, ILLINOIS

Full-Time Equivalent City Government Employees by Function - Last Ten Fiscal Years* June 30, 2015 (Unaudited)

	2006	2007	2008
General Government			
Legislative**	9.00	9.00	9.00
Administrative Services	28.00	25.00	25.00
City Clerk	2.50	2.50	2.50
Legal	-	4.20	4.20
Public Safety			
Police			
Officers	60.00	61.00	63.00
Civilians	20.57	22.57	21.07
Fire			
Firefighters	59.00	60.00	60.00
Staff	2.00	2.00	2.00
Community Improvement			
Community Development	16.15	16.15	17.15
Engineering Services	3.50	3.50	3.50
Public Works			
Administration	1.50	1.50	1.50
Public Facilities	2.00	2.50	2.50
Engineering	-	-	-
Streets	24.80	25.80	25.80
Water and Sewer	17.00	16.50	16.50
Airport Division	2.50	3.00	3.00
Development Services	3.50	3.50	3.50
Mass Transit	1.85	1.85	1.85
Total	253.87	260.57	262.07

Data Source: City Budget Records

* This schedule lists positions budgeted but not necessarily filled.

** These positions are part-time.

2009	2010	2011	2012	2013	2014	2015
9.00	9.00	9.00	9.00	9.00	9.00	9.00
23.00	23.00	21.25	16.50	20.00	20.00	22.50
2.50	2.50	1.50	1.50	1.50	1.50	1.50
4.20	4.20	3.20	2.00	-	-	-
63.00	61.00	60.00	61.00	63.00	65.00	65.00
20.07	20.07	19.07	19.07	23.07	25.07	25.07
60.00	58.00	54.00	53.00	53.00	57.00	57.00
2.00	2.00	1.00	1.00	1.00	1.00	2.00
13.65	10.00	4.50	7.00	7.00	8.00	6.00
3.83	4.10	1.85	2.00	2.00	-	-
0.59	1.50	1.26	1.50	1.50	1.50	2.00
1.00	1.00	-	-	-	-	3.00
-	-	-	-	-	2.50	3.00
23.25	22.08	19.08	19.00	19.00	21.50	19.00
15.75	15.58	11.08	10.00	10.00	11.00	10.50
2.08	1.83	2.08	5.00	5.00	5.50	6.00
3.50	3.00	-	-	-	-	-
1.85	1.90	1.65	1.50	1.50	1.00	2.50
249.27	240.76	210.52	209.07	216.57	229.57	234.07

CITY OF DEKALB, ILLINOIS

Operating Indicators by Function/Program - Last Ten Fiscal Years June 30, 2015 (Unaudited)

	2006	2007	2008
General Government			
Community Development			
Building Permits Issued			
Residential Permits Issued:			
New Construction	205	76	43
Remodel	78	84	58
Industrial/Commercial Permits Issued:			
New Construction	24	27	33
Remodel	26	23	60
Other Permits	779	700	764
Total Number of Permits	1,112	910	958
Total Building Permit Valuation (\$)	62,775,315	22,371,977	28,965,290
Public Safety			
Police			
Physical Arrests	2,339	2,396	2,359
Traffic Violations	6,235	6,149	6,102
Parking Violations	17,418	17,405	13,386
Fire			
Fire Responses (Fire & Non-Fire)	2,397	2,333	2,908
Emergency Medical Services Responses	3,284	4,035	4,091
Public Works			
Vehicles Maintained by Dept.	124	126	130
Street Construction (Miles)	1.49	0.43	-
Street Reconstruction (Miles)	0.70	-	1.30
Street Resurfacing (Miles)	0.75	0.92	1.48
Water			
Average Daily Consumption 12/31			
Industrial/Commercial	564,799	567,998	531,537
Residential	2,363,354	2,372,037	2,284,357
Government/Church/School	705,612	690,318	677,174
Water Billing Accounts on 12/31			
Industrial/Commercial	728	747	774
Residential	9,384	9,838	9,993
Government/Church/School	206	210	230

Data Source: City Departments

2009	2010	2011	2012	2013	2014	2015
3	8	2	1	1	4	3
82	69	55	63	33	53	49
9	10	20	16	35	19	20
25	31	12	21	13	22	27
681	745	764	647	578	348	580
800	863	853	748	660	446	679
9,917,109	8,455,270	30,110,627	11,637,858	7,097,778	8,606,880	54,359,021
3,023	2,480	2,689	2,799	2,917	2,795	2,987
10,530	8,273	4,829	6,136	4,729	4,253	3,956
12,986	13,965	13,967	12,211	9,733	7,144	6,335
2,641	3,129	3,199	3,516	3,437	3,489	3,948
4,018	4,334	4,476	5,005	5,236	5,207	5,196
132	131	128	124	133	135	142
-	-	-	-	-	-	-
0.45	1.15	0.65	0.16	0.51	0.43	-
1.48	1.70	1.73	2.86	2.17	1.22	1.66
488,491	431,992	417,353	395,288	402,758	401,301	400,450
2,275,385	2,171,686	2,185,873	2,114,983	2,117,781	2,124,660	1,997,021
702,852	636,183	561,908	615,165	589,752	562,971	513,539
787	761	767	756	753	731	717
10,007	10,011	10,020	10,104	10,015	9,960	9,963
239	221	224	224	225	222	211

CITY OF DEKALB, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Fiscal Years June 30, 2015 (Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Police										
Stations/Municipal Center	1	1	1	1	1	1	1	1	1	1
Patrol Vehicles	29	26	26	28	27	27	26	28	28	29
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Ambulances	5	5	5	5	5	5	5	6	7	6
Fire Trucks	4	5	5	4	4	4	4	4	4	5
Public Works										
Residential Streets (Miles)	124	125	125	126	128	128	128	128	128	128
Traffic Signals	20	20	21	22	22	23	24	24	24	24
Water										
Water Towers	4	4	4	4	4	4	4	4	4	4
Storage Capacity (MG)	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
Water Wells	9	9	9	9	9	9	9	9	9	9
Water Mains (Miles)	167	170	172	175	175	177	177	177	177	177

Data Source: City Departments